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EUROPEAN AGRICULTURAL STUDIES

THE DEVELOPMENT OF AGRICULTURE IN GERMANY AND THE UK:

1. GERMAN AGRICULTURE 1870-1970

ROBERT CECIL

WYE COLLEGE
(University of London)
ASHFORD, KENT
1979

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1. GERMAN AGRICULTURE 1870-1970

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THE ROLE OF GERMAN AGRICULTURE : 1870 - 1970

TABLE OF CONTENTS

Contents and Foreword translated into French and German
(Table des Matières: Genèse de l'Etude)
(Inhaltsverzeichnis: Hintergründe und Kurzfassung)

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This monograph is one of a series of companion reports stemming from a study of the contribution made to the economies of West Germany and the United Kingdom by their respective agricultures.

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FOREWORD

Agriculture plays a fundamental role in the social, economic and political development of nation states, and is, therefore, seen by the Anglo-German Foundation as a field of research appropriate to its general terms of reference: to study the problems of western industrial society. This has additional relevance today because Western Society is concerned with the role of agriculture in not only the nation-state but also in the supranational organisation of the European Economic Community. Furthermore the contrasting traditional political attitudes towards the agricultural sector which are currently manifest in West Germany and the United Kingdom give added point to the story contained in these companion reports.

The reports are aimed at increasing our knowledge of the historical background behind the attitudes and positions taken by their respective citizens, farmers, politicians, businessmen and government officials in the development of the Common Agricultural Policy of the EEC. By that deeper knowledge it is hoped to foster a more tolerant understanding.

Agriculture is a supplier of resources as well as a competitor for them, and as such is a fundamental element in the increasing urbanisation and industrialisation of Western Society. In studying agriculture as a competitor for resources, one is led directly into the problems of marginal productivities, net added value and the mobility of resources between economic sectors. Questions of relative efficiency arise.

Efficiency, however, may be defined in relation to technical, economic or social goals. It can be defined as a measure of the relationship between inputs and outputs in an economic or technical sense. It can also be defined as the degree to which stated aims have been achieved. The aims can be stated by the individual entrepreneur. They may also be set down in the statements of policy agreed to by the legislature and government of a country. It is this latter definition of efficiency which led to the decision that it was necessary to study the development of agricultural policy and hence of government

intervention before one could pronounce upon the current comparative efficiency of the two agricultural sectors.

The task of describing the development of agriculture and its adherent policies was entrusted to two authors. The German story is told by Robert Cecil, the British by John Kirk. The difference in their professional experience has inevitably led to differences in approach, content and presentation. Robert Cecil served in the Foreign Office from 1936 until 1967 including a period at the British Embassy in Bonn. In 1968 he was appointed Reader in Contemporary German History and finally became Chairman of the Graduate School of Contemporary European Studies, University of Reading. Here is a picture of Germany as seen by an "outsider", trained to analyse the political, social and economic significance of events and ideas.

John Kirk joined the Ministry of Agriculture and Fisheries (as it was then named) in 1932, just when there was a fundamental change in attitude with a consequent outburst of government intervention in British agriculture. He remained with that Ministry for some thirty years, becoming head of the Economics and Statistics Division, and was then appointed the first Professor of Marketing at Wye College. Thus his story is that of an "insider" who was closely associated with the discussions and decisions throughout the period when government intervention became a dominant feature in the development of British agriculture. His contribution is therefore a unique record and of immense interest to economic and political historians.

In any historical review, a starting date is required. With regard to the development of agriculture and agricultural policy in West Germany and the United Kingdom, circa 1870 is a convenient point. Both countries were faced with a common external phenomenon - the advent of cheap grain from North America and livestock products from the Southern Hemisphere. In the event, each nation took a different decision as to how it should deal with this common externality.

The United Kingdom chose the path of Free Trade and a cheap food policy, which would strengthen its competitiveness in manufactures as well as its ties with its overseas Empire which was a major supplier of

primary products and foodstuffs. The legacy of this mode of thought can be seen in the system of Imperial Preference of the 1930s and even in the special arrangements made for New Zealand dairy products and Commonwealth sugar in the negotiations for UK accession to the European Economic Community.

Germany pursued a policy of Protectionism in both agricultural and its manufactured goods. As Cecil points out "the Tariff Acts of 1879-80 brought both heavy industry and the great estates into line behind Bismarck. The effect was to affirm the political power of the Junkers, as well as to preserve a substantial agricultural sector within the economy".

One hundred years later, the fundamental attitudes of those divergent policies remain. They are strongly represented in the postures and statements made in the Council of Agricultural Ministers of the European Communities. Josef Ertl and John Silkin, the Ministers of Agriculture in the Federal Republic of Germany and of the United Kingdom respectively, are both prisoners of their countries' histories as well as being spokesmen of current political power.

If Free Trade is taken to represent a policy where the forces of a market economy are allowed to dominate, then, in the words of John Kirk, "the most important general cases in which the market may be over-ridden, and often has been, seem to be these:-

a) to achieve greater self-sufficiency, primarily as an insurance against war-time blockade;

b) to bolster up a weak economy by substituting home food production for imports;

c) as a matter of equity or social justice, to achieve higher incomes for farmers or farm workers;

d) to remedy the inadequacies and inefficiencies of various social or economic institutions, inadequacies that have developed within a market economy and persisted as a result of either inertia or privilege;

e) to correct the tendency of market decisions to be unduly short-term."

The common thread of these two very different presentations of developments in German and British agriculture is, in fact, the story of why and by what means the market forces have been over-ridden and how these forces have shown themselves in the structure of agriculture and its adherent institutions.

In the period 1870 to 1933 successive German governments intervened in ways which directly affected the development of agriculture. Subsequently Germany set about developing an economic autarky in preparation for war. Its whole economy became managed by the State to a degree unknown in peacetime by any other Western nation. German agriculture and its institutions came in for detailed regulation and regimentation, such as to suggest, from Robert Cecil's description, German rather than French or Dutch parentage for the shape and form of the managed market regimes of the Common Agricultural Policy.

Kirk makes the point that over the same period, the UK's agricultural policies did not accept self-sufficiency as a virtue in itself or that the home farmer is entitled to absolute priority in the home market. Such attitudes are thought to be derived from the longstanding relative political power of agricultural interests in continental Europe. It could be suggested, however, that closer relationships with continental Europeans may, however, have begun to influence British attitudes towards the priority of British agriculture in its home market. One has only to cite potatoes and milk.

Where the endowment of natural resources is relatively similar between two countries, differences in the social, economic or political objectives set for the agricultural sectors of the two countries are bound to give rise to differences in their structures and in their use of resources. If, for example, one of them is striving to achieve a higher degree of self-sufficiency in temperate food stuffs than the other, this will almost inevitably lead to higher relative prices being offered to its farmers to bring forth these increased supplies and to compensate for the higher marginal costs which such action will incur. Such is now the situation in the case of West Germany and the United Kingdom.

In 1870 the land areas, populations, and resource endowments were significantly different as between the German Empire and the United Kingdom. But for the past thirty years, there has been a remarkable similarity in these basic factors, including the level of technology available to agriculture and other parts of the two economies. Total population is 61M in West Germany, 56M in the UK, and total land area devoted to agriculture and forestry differs by only some 6000 hectares. Bearing in mind these basic similarities, comparisons of resource use and resource productivities in agriculture in the two countries are all the more interesting and instructive.

The third companion report brings together 38 "pairs" of statistical time series relating to the development of the agricultural sectors of West Germany and the United Kingdom during the period 1870-1975. Forty such series for Germany had already been constructed by Professor Adolf Weber of Kiel University[1]. It was therefore decided to attempt the compilation of comparable series for the United Kingdom and to extend both series to 1975. The reader may enhance his understanding of the first two reports by reference to the relevant time series. The study sets down the ways in which comparability has been achieved (or not as the case may be).

The problems associated with the statistical analysis of multiple time series, particularly when these are aggregates, are formidable, and fall outside the scope of this study. However, the narrative attempts to explain, with the use of certain additional data, the relevance of this information to a comparison of agricultural development in Germany and the United Kingdom. In addition, it is hoped that this data will be a valuable source for further research.

The starting point of our commentary was the entry of a common economic factor - cheap grain from North America. It ends with the introduction of a common political factor - the Treaty of Rome and the establishment of the European Economic Community with its Common Agricultural Policy. The overall problem for the future is how the divergent agricultural policies of West Germany and the United Kingdom can be fitted into the CAP. The UK reliance upon imported food coupled with a deterioration in industrial competitiveness, despite its cheap

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1 Weber, A., Productivity Growth in German Agriculture: 1850-1970. University of Minnesota, Department of Agriculture and Applied Economics, 1973.

food policy, have led to a constantly recurring balance of payments deficit, relieved only temporarily by North Sea oil.

West Germany, on the other hand, has brought with it, as have the majority of other Member States, the unresolved agricultural problems of structure, high cost production and income disparity. However, to quote Cecil, "in general high cost agriculture and high cost food are not regarded in West Germany as intolerable, so long as industrial production flourishes, high wages can be maintained and an expanding labour market offers absorptive capacity for those wishing to leave the land. Any major setback to the economy, however, could soon precipitate a reappraisal of agricultural policy".

The persistence of the general economic recession in western industrial society could well be the harbinger of such a reappraisal of the CAP and of the national agricultural policies of individual Member States.

INTRODUCTION

GERMANY : CLIMATE AND SOIL

The highest mountains in Germany, the Alps, lie in the southern part of the country; the mountains of the central uplands seldom rise above 3,000 ft. The country is well watered by rivers flowing from the high ground, some of which, like the Rhine and Danube, are important inland waterways.. In Bavaria the Iller, Inn, Isar and Lech flow north into the Danube. Further north the major rivers, such as the Elbe, Ems, Oder and Weser, follow roughly the same northerly and north-westerly direction as the Rhine, crossing the great lowland area and emptying into the North Sea or Baltic. This northern plain has much sand and peat and parts of it have always been heavily afforested, though there is rich agricultural land at its eastern and western extremities. There are also forests in the south and west of the country, notably the Alpine forests of Bavaria, the Black Forest and the Odenwald. Autumn sets in with some uniformity in mid-October, but lasts longer in the Rhineland, one of the main wine producing areas. Frost varies markedly in intensity and duration from Cologne (average 44 days) to Berlin (90 days). Rainfall, which is heaviest in the Alpine area, diminishes as it moves east from Cologne (average 27 ins.) to Berlin (23 ins).[1]

Germany is poorly provided with raw materials, other than coal and potash, though there is some oil in the Ems and Weser valleys of the north-west. There is hard coal in the industrial Ruhr-Saar basin; also in Saxony (now part of the German Democratic Republic) and Upper Silesia (now part of Poland). Brown coal is found in the Cologne and Leipzig areas(GDR). Potash, which proved important for agricultural development, was found in Alsace-Lorraine (1871-1919) and between the rivers Neisse and Saale, which are now in the GDR. Under the influence of industry and international commerce the area under cultivation decreased between 1883 and 1913 from 35.6 million hectare to 34.8; the afforested area increased over the same period from 13.9 m.ha. to 14.2. The Treaty of Versailles brought a diminution of territory and there followed a further fall in the area under cultivation; by 1938 it amounted to 28.5 m.ha. (forests 12.9).[2]

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1. Advanced Geography of N. & W. Europe; Ch. IX: P. Hall, p.162 (London 1967).
2. Das Wachstum der deutschen Wirtschaft seit der Mitte des 19ten Jahrhunderts: W. G. Hoffmann (Heidelberg 1965).

GERMANY : DENSITY AND DISTRIBUTION OF POPULATION

The Reich of 1871 had an area of 540,858 sq.km. and a population of 41 million, of which 64% lived in rural communities, that is, those with a population of under 2,000. The density of population in 1882 was 92 per sq.km. With industrialisation, rising prosperity and improved hygiene and medical science the population soon increased and by 1907 had reached 62 million with a density of 143 per sq.km.[1] At the same time the proportion of the working population employed in agriculture and forestry was falling; in 1907 it amounted to 34% and by 1933 to just under 29%.[2] The process of feeding an increasing population through the efforts of a declining number of agricultural workers was well under way. At the same time the import of foodstuffs more than doubled between 1890 and 1913.[3]

One element in the population growth was the decline of overseas emigration, which between 1841 and 1871 had amounted to nearly 2.5 million.[4] Late in the 19th century Germany began to acquire African colonies, but these never attracted settlers on a substantial scale. Within the Reich, however, imporved transport and the attraction of high wages in industrialised areas meant a flow of population from east to west. This was especially noticeable in Prussia, as landless peasants from the eastern provinces moved to the urbanised western provinces; in two decades (1880-1900) over 1.3 million went west.[5] The efforts to deal with this problem will be discussed in Part I, Section 7. Not much was achieved and by 1939, when the density of population in the Reich was 140 per sq.km., the corresponding figure east of the Elbe was 62.5. The vital need for 'living space' (Lebensraum) was one of the least substantial parts of the Hitlerian myth.

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1. G. Schreiner: Ziele und Mittel der Agrarstrukturpolitik seit 1871 (Dr.agr.diss., Bonn 1974), pp. 264-5.
2. G. Stolper: The German Economy (1870-1940):(London 1940). pp.63-4.
3. Ibid.
4. H. Haushofer:Die deutsche Landwirtschaft im technischen Zeitalter. (Stuttgart 1963), p.119.
5. F. B. Tipton: Regional Variations in the Economic Development of Germany in the 19th Century. (Connecticut 1976), p.89.

PART I

DEVELOPMENTS FROM 1870 TO 1914

1. The Foundation of the Reich and German Agriculture

The Reich of 1871 was a perpetual alliance of Kings and Princes under the hegemony of the King of Prussia, who became Emperor. Prussia, with the territory acquired in the wars of 1864, 1866 and 1870, was about three-fifths of the whole and was impregnably entrenched in the Bundesrat, in which all the constituent states were represented. The states, which were linked primarily for defence and external relations, retained responsibility for their internal affairs, including domestic agriculture; but they were bound together indissolubly in a customs union. The Reich, however, had acquired the right to determine weights and measures and to supervise banking and credit. It adopted the metric system in 1872. Reich statistics begin in 1878; but there are reliable Prussian statistics from an earlier date.

Enthusiasm for German unity had been most marked among the new industrialists and the commercial class; neither the Catholic landowners of South Germany, nor the Protestant Junkers, who held sway east of the Elbe, had shared the same eagerness. The customs union (Zollverein) of 1834 had been moving in the direction of international free trade; but this trend was reversed by the Tariff Acts of 1879-80, which brought both heavy indistry and the great estates into line behind Bismarck. The effect was to affirm the political power of the Junkers, as well as to preserve a substantial agricultural sector within the economy. Bismarck was seeking political support and also reacting to a crisis in European agriculture. He needed the tariff, too, in order to make good deficiencies of revenue, resulting from the provision in the Constitution that the Reich should rely on indirect taxation. Although by the end of the 19th century Germany had followed the lead of Britain in becoming a predominantly industrial country, she did not, like Britain, become a 'cheap food' country. Protection of German agriculture was often justified in military terms, emphasising the need for sturdy peasants for the infantry and food self-sufficiency in time of war. Self-sufficiency could not be achieved; but high cost agriculture became an enduring legacy.

2. Land Tenure and Size of Holdings

As might be expected in a country so recently united, there was a market lack of homogeneity in the pattern of land tenure and in the average size of holdings in the different regions. Prussia itself, stretching from Königsberg to Köln and incorporating recently acquired provinces, such as Hannover and Schleswig-Holstein, offered a striking number of variations, defying facile generalisation. East of the Elbe were the great estates of the Junkers. Although the revolutionary era of 1848 had largely eliminated feudalism, there survived until 1919 over 12,000 properties, which in themselves constituted units of administration (Gutsbezirke). On these estates peasants and landless labourers, though nominally freed from compulsory work for the landlord (Frondienst) lacked any real independence. Indeed the freeing of the peasants in N. Germany at the beginning of the 19th century had proved for many of them a mixed blessing, since landlords had to be compensated for the loss of their former rights. Except in regions, such as Hannover, where a limit was placed on the amount of compensation, many peasants became burdened with debt and some lost their land, which had only been viable in conjunction with communal pasture and woodland, which was diminishing. Between 1800 and 1900 the area of communal land fell from 5.5 million ha. to 2.7, as landlords went in for enclosure on a massive scale. The power of the Junkers, who were influential in the Army and Civil Service, actually increased during the 19th century, at a time when in Britain the political and economic role of the landed gentry was declining. Junker estates with a rental value of over 7,500 Marks were entailed; this preserved them intact, but tended to load them with debt, because of customary law requiring compensation to be paid to dispossessed brothers and sisters. In 1905 there were 1,165 entailed estates, of which nearly 30% exceeded 10,415 ha. in size.[1]

Although, as we shall shortly relate, the existence of these great estates raised serious problems, it must also be said that they had contributed to the modernisation of German agriculture. Elimination of

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1. S. R. Tirrell: German Agrarian Politics after Bismarck's Fall (N.York 1951), p.18.

communal control and traditional practice made it easier to experiment with crop rotation and introduce machinery; in south-west Germany, where there were relatively few large estates, the open field system proved more tenacious. Animal husbandry could be pursued more intensively by landowners who enclosed their pasture. During the 19th century the area under the plough increased from 18 million ha. to 25 m. ha.; the number of cattle doubled; milk production increased four-fold and meat production six-fold.[2] These increases were in great measure the response to growing population and prosperity; but the role of innovating landlords should not be ignored.

In most of the south and west of the Reich the consolidation of open strips (Flurbereinigung) proceeded more slowly than in the north and east; even in the 1920s the process had been completed in less than 30% of affected areas in Bavaria, Baden, the Rhineland and Württemberg.[3] In these regions customary laws of inheritance required division of land (Bodenteilung), tending to create a multiplicity of smallholdings. In western regions the number of holdings of 2-5 ha. continued to increase throughout the period 1882-1933. In the Upper Rhineland, where the soil was rich and the proximity of urban centres made it profitable to specialise in fruit and vegetables, no major problem arose; small farmers could become market gardeners or supplement their earnings in the towns; but in hilly areas with poor soil and relatively sparse population impoverishment was inevitable. The disparities in the size of holdings and their regional character emerge from the following statistics: 4.5 million landowners held between them 13.6 m.ha., giving an average holding of just under 3 ha. At the opposite pole 26 landowners held between them 362,000 ha., averaging 14,000 ha. each. Of those owning 100 ha. or more, 40% lived in E. Prussia, Pomerania and Silesia; 30% in Anhalt, Brandenberg, Mecklenberg, Saxony and Thuringia; only 6% lived in the southern and western states of Baden, Bavaria, Hesse and Württemberg.[4]

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2. Haushofer, pp. 51-3.
3. Haushofer, pp. 247-8.
4. W. Abel: Agrarpolitik (Göttingen 1967), p.203.

The need for land reform was scarcely recognised in an age in which great disparities of wealth were taken for granted; in any case the federal nature of the Constitution would have inhibited uniformity of action. The only significant measures undertaken were those directed towards settling German peasants on farms carved from bankrupt estates east of the Elbe (see Section 7); but even these efforts were prompted by the need to stem the tide of Polish settlement, rather than by any enthusiasm for land reform.

3. Cereals and Animal Husbandry

In the period we are considering the rise in population and in the standard of living led to an ever increasing demand for food. The three decades from 1885 to 1905 produced successive increased in population of 9.9%; 11.3% and 16% before the rate began to slow down.[1] Over the same period the number of those employed in agriculture was declining, both absolutely and in relation to employment in industry; 1895 marked the turning point with 18.5 million still in agriculture and 20.2 million in industry.[2] Nevertheless capital investment, improved technology and use of fertilisers (see Section 6) enabled agricultural production to rise steadily; between 1850 and the end of the century it rose at the annual average rate of 1.39%.[3] It failed, however, to meet demand; by the outbreak of the first World War the Reich was importing about one-third of its foodstuffs.

Rising standards changed the pattern of consumption. At the beginning of the 19th century the poor could not afford meat and bread and potatoes were their staple diet. In 1800 the annual consumption of meat per head of population was only 14 kg.; by 1914 it was 43 kg. The urban population with their increased purchasing power also insisted on a great increase in dairy products; milk production doubled between 1880 and 1913.[4] Improved breeding led to increased yield per cow; the introduction of refrigeration, pasteurisation and the cream separator also contributed to higher consumption. The change of emphasis is illustrated by the fact that before 1880 the principal products of German agriculture were rye, root crops and milk in that order; from 1880 to 1913 the order was cattle, milk and pigs.[5]

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1. Stolper, p.37.
2. Haushofer, p.180.
3. E.Zurek: Zur Lage der Landwirtschaft in der volkswirtschaftlichen Entwicklung, (Dr.agr.Diss., Bonn 1962), p.29.
4. Ibid, p.26.
5. Ibid, p.46.

Grain production, however, was holding its own; indeed in Prussia the proportion of total agricultural land allocated to crops of all kinds increased by comparison with pasture (including fallow, on which fodder was grown) and by 1913 reached nearly 75%.[6] Only after the first World War did the ratio begin to change. The main reason for this state of affairs was the protection of cereal producers, which will be discussed in the next Section. A contributory factor was the reduction in the sheep population, which was especially marked in the period 1900-1913.[7] This was chiefly attributable to the declining demand for wool, since mutton was not regarded as a delicacy, except in parts of Hannover. Export of wool to Britain had virtually ceased after the 1870s and in Germany, too, clothing fashions were changing. On the other hand the pig population increased, as breeds were improved and more root crops became available as fodder. The development of animal husbandry led to massive imports of fodder, which increased nearly ten-fold from 1896 to 1914.

It should not be supposed that the changes in schedules of production described above occurred uniformly throughout the country; there were marked regional variations, due to soil and other factors, such as the proximity of urban centres. The wide variations in density of population have already been discussed. As regards the productivity of the soil, if we take 100 as the average for Prussia as a whole, disparities range all the way from E. Prussia (57%) to the Rhineland (175%).[8] The most suitable crops for the provinces east of the Elbe were rye, oats and potatoes, though wheat and beets could also be grown. If in the 1880s, when grain from these provinces practically ceased to be exported to Britain, the Reich had observed prevailing economic theory and allowed consumers to buy in the cheapest market, grain production would have declined and, where conditions permitted, there would have followed an adjustment to more intensive forms of agriculture. This process would have undermined the economic strength of the Junkers and, in the long run, would have had political and social consequences, which the regime was not prepared to accept.

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6. Zurek, p.16.
7. Ibid, p.23.
8. Haushofer, p.43.

Whilst in other parts of Europe, where the standard of living was rising, rye bread was falling out of favour, production in Germany actually increased; rye production, proportionate to other crops, was higher in 1913 (27.7%) than it had been in 1882 (25.7%). Over the same period there was relative increase in production of oats and decline in barley. Wheat moved up very slightly (1882: 6.1% - 1913: 6.3%); since winter wheat could not be grown in the northern plains east of the Elbe, no significant increase could have been expected.[9] The Junkers showed little capacity to adapt; even among those who practised animal husbandry it was more usual to export live animals than to develop meat processing. The main innovation was in the production and processing of sugar beet; in the late 19th century both Prussia and Saxony took fiscal measures to promote sugar extraction from domestic beets in preference to the import of sugar. Magdeburg became the chief refining centre and a Sugar Exchange was inaugurated there in 1885. At first progress was slow, as natural manures failed to maintain a high sugar content; but artificial fertilisers gave better results. Between 1880 and 1910 the tonnage of sugar produced rose nearly four-fold; in a period of 25 years the volume of beet needed to yield the same quantity of raw sugar fell by over 40% and the quantity of sugar obtainable from the same acreage rose steeply.[10]

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9. Zurek, p.17.

10. Tipton, p.136.

4. Prices and Tariffs

Until the end of the 1860s N. German grain producers had an assured export market in Britain and they became accustomed to steadily rising prices. The situation changed with disturbing rapidity, as increased North American production and much improved transatlantic transport excluded German producers from the British market. Millers found that N. American wheat yielded 5% more bread than the German country wheat (Landweizen).[1] Moreover the Junkers had neglected east-west communications, relying on their rivers, which flowed northward. In the 1880s it was cheaper to carry wheat to Cologne from Odessa than from Königsberg.[2] In the last three decades of the 19th century freight rates from New York to London, which was the chief international wheat market, fell by nearly 80%. Grain prices dropped in the Reich and many landowners soon became heavily indebted; they clamoured for a protective tariff as the speediest remedy.

The rapidity with which their agitation was translated into legislation can be explained both in historical and political terms. Free trade in Germany had a short history; indeed it was only in 1865 that the Zollverein had lifted tariffs on grain.[4] Before the establishment of the customs union most German states had tried to keep a stable price level by levying duties either on imports or exports, as supply required. Reversion to a policy of protection was resented only by the urban masses. Their only mouthpiece was the SPD, which was the object of repressive measures until the fall of Bismarck in 1890. In Prussia till 1918 a system of weighted voting prevented the SPD from exerting its true strength. The demand for tariffs came at a time when Bismarck realised that he had underestimated the financial needs of the Reich and to call for higher contributions from the states (Matrikularbeitrage) would have been unpopular. Tariffs also suited the big industrialists and the alliance of 'rye and iron' was readily formed. The sufferers were the urban consumers and the small farmers, who needed imported fodder, as they could not grow enough on their land.

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1. A. Gerschenkron: Bread and Democracy in Germany (N.York 1966), p.110.
2. Ibid, p.64.
3. Tirrell, p.19.
4. W. Haupt: Tendenzen der Getreidepolitik seit 1879 (Dip.agr.Diss., Bonn 1972), p.7.

The tariffs of 1879-80 imposed a duty of RM1 on every 100 kilos of imported rye, wheat and oats, and half that sum on the same quantity of imported barley and maize. As prices continued to fall, however, the duty on rye and wheat was trebled in 1885 and two years later further increased to RM5 with RM4 on oats and RM2.25 on barley.[5] Around the time of the replacement of Bismarck as Chancellor by Caprivi the price of rye and wheat steadied, though there were bread riots in Berlin in February 1892. Caprivi was faced with the need to renegotiate expiring trade agreements with Germany's main trading partners, who were aggrieved by the abandonment of free trade by the Reich. The Chancellor decided to maintain industrial tariffs, whilst making some concessions on agricultural duties. His intention caused an immediate outcry on the part of the great landowners, who felt themselves threatened. The reductions conceded in the first three treaties, signed in 1892, were not crippling to grain producers; expressed as percentages of Bismarck's tariffs, the new duties were: oats 66%; rye and wheat 70% and barley 80%; but the landowners were determined to resist and in the following year organised themselves in the Farmers' League (Bund der Landwirte - BdL). This was the first agricultural pressure group dedicated to changing government policy; earlier collective organisations, such as the Agricultural Clubs (Landwirtschaftliche Vereine), had been headed by Princes, Ministers or other prestigious figures. As Caprivi's international negotiations continued, the BdL grew rapidly; it soon boasted 160,000 members and two newspapers.[6] It demanded a state monopoly for grain imports, designed to maintain prices at the average level of the years 1850-90. Although the demand was resisted, the hostility of the BdL had a good deal to do with the fall of Caprivi from power in October 1894, coinciding with the lowest German grain prices of the decade 1890-1900.[7]

One striking success of the BdL was in inducing the small farmers and peasants to make common cause with them under the slogan:'German agriculture stands or falls with grain; with German agriculture stands or falls the Reich'.[8] The North German Peasants' league, which had been established in 1885, aligned itself with the BdL, though most of the Bauernvereine of the Catholic South kept their independence. In a period in which consumption

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5. Tirrell, pp.73-4.
6. Tirrell, p.167.
7. Ibid, p.329.
8. Gerschenkron, p.54.

of animal products was increasing it was, in fact, by no means clear that agriculture as a whole benefited by high grain tariffs; for example the tariff on imported barley, which came mainly from Russia, raised the costs of the pig breeders. Nor was it only grain producers who were affected by falling prices; the price of wool, potatoes and other vegetables was also declining and at the end of the 19th century only cattle, pigs and eggs were maintaining their value.[9] The discrimination in favour of grain producers was particularly marked in relation to the practice of issuing transferable import certificates (Einfuhrscheine), which was first introduced in 1894 and greatly expanded in subsequent years. After the original imposition of grain tariffs it should have been possible for the Eastern grain producers to meet the needs of W. German consumers; but because of high rail freight charges it was more profitable for the producers to continue to export to northern destinations, using cheap river transport. At first they were given subsidies to cover transport costs; but this led to complaints by W. German producers and a new system was introduced, available only to grain exporters, by which they could obtain on a consignment for export a certificate equivalent to the duty it would have paid if imported. This certificate could then be sold to an importer.[10] Since the cost was passed on to the consumer, it is clear that the heavily populated western regions were subsidising the eastern grain producers. Under this system there were substantial exports of rye, rising from over 125,000 tonnes in 1899 to over 934,000 tonnes in 1913. In the latter year some two million tonnes of wheat had to be imported.[11]

It was the aim of Bülow, who became Chancellor in 1900, to cement the link between heavy industry and the great estates, thus securing for himself the solid backing of the Conservative and National-Liberal parties. In 1902, when Caprivi's Treaties expired, Bülow restored grain tariffs to the high level of the 1880s. It is true that this maximum level was

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9. Tirrell, p.197.
10. Haupt, pp.14-17.
11. Gerschenkron, p.80.

ostensibly bracketed with a minimum level of duty; but this provision was inserted in the legislation primarily in order to tie the Chancellor's hands in a difficult trade negotiation. In any case, even the minimum rates were substantially above the Caprivi level. Bülow took the opportunity to extend the area of agricultural protection by including livestock, meat and butter, thus giving more plausibility to the argument that all farmers could take shelter under the benevolent wing of the grain producers.

Taking the short view, it must have seemed to most German farmers in the last decade before the first World War that theirs was a Golden Age. In 1901 the average yearly income per ha. of agricultural land had been RM113; by 1913 it had risen to RM188.[12] Although incomes in industry were rising even faster, the rural population had good reason for satisfaction. Both the area under rye and the yield per ha. increased; the price per tonne, which in 1903 had been RM132, had risen by 1912 to RM186. With rising demand the price of animals and their products also rose between 1900 and 1913: cattle at an average yearly rate of over 3% and pigs at nearly 2.5%. Even the value of sheep and horses was enhanced over this period.[13] In this sense the crisis of 1875-95 had been overcome. On the other hand the basis had been laid for high cost agriculture which, as it became more and more entrenched, grew impervious to anything short of a minor social revolution. The average price of German wheat over the period 1891-1910 was RM17.60 per 100 kilos; the equivalent free market price in London was RM12.90.[14] High food prices held in check the prosperity of the urban working class and created an antagonism between city and country, which was to bear bitter fruit in the coming war. Protectionism encouraged a 'Fortress Alemania' attitude at a time when the political isolation of Germany was increasing. In no class was this attitude more pronounced than among the Junkers, who were the main beneficiaries of this fiscal policy.

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12. Zurek, p.65.
13. Ibid, p.34.
14. Abel, p.425.

5. Taxation, Debt and Credit

When the Reich was founded, the states retained their powers of direct taxation. Taxes were not levied uniformly throughout Germany, but in most areas were related to the size of the property. In the first half of the 19th century liabilities were assessed in terms of quantities of produce and there were exemptions for the clergy and nobility. In the second half of the century, as standardisation of coinage and measurement made statistics more sophisticated, it became possible to relate taxation more closely to productivity and compute liability in terms of money.[1]

On poor soils east of the Elbe many farmers were faced with the alternative of either seeing their yields diminish or investing in fertilisers and equipment, which might take some years to show a return. In the meantime they would need to borrow, in order to maintain production and pay their taxes. The burden of interest and repayment need not be unduly heavy whilst agricultural prices were rising; but with the price fall that set in around the 1870s the situation of many farmers became serious. East of the Elbe between 1885 and 1895 some 24,000 properties were auctioned on account of debt.[2] It has been estimated that in this period indebtedness on Prussian estates was increasing at the rate of 0.5% per annum.[3] The predicament of the small man was even worse; in the 1890s about 75% of farm buildings in E. Prussia were roofed with wood or straw and in W. Prussia the proportion was 60%.[4] Debt tended to be heaviest where peasants had not long completed the onerous process of compensating landlords and were weighed down by payments to dispossessed brothers and sisters. In W. Germany, where consolidation of holdings lagged behind, public finance at this date made only a modest contribution and local communities often incurred substantial costs in providing access to enclosed property, bridging ditches and staking out boundaries.

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1. Haushofer, pp.60-1.
2. Tipton, p.117.
3. Haushofer, p.211.
4. Tipton, p.110.

Agricultural loan and mortgage institutions (Landschaften) had come into existence in N. Germany in the late 18th century and spread gradually across the country. State backing enabled Mortgage Banks (Hypothekenbanken) to operate with limited liability and deal with individual borrowers; but until the 1890s credit was readily available only for expanding the larger holdings. Loans for compensating co-heirs and acquiring new property accounted for some two-thirds of total agricultural credit.[5] Rural financing remained much less attractive than loans to industry and during the 1880s Credit Cooperatives, which provided backing for the small man, began to be formed and by 1890 over 3,000 were in existence. In the next decade the figure reached 13,600 and by 1910 some 23,750.[6] The Prussian Central Cooperative Bank was established in 1895 and a special Bank was set up to supply credit to those acquiring new farms in the eastern provinces in accordance with Prussian settlement policy (see Section 7). In the 1860s the rate of interest on agricultural mortgages had risen from 4% to 5%; it continued to rise slowly and by 1914 had reached 7%.[7]

In the 19th century the states intervened to encourage farm insurance, though the farming community was not covered by the state measures to promote insurance against illness and accident, which Bismarck initiated in 1881. On the grounds that an insured farmer was a creditworthy one, some insurance companies also made loans. Insurance of livestock was promoted by legislation of 1880 and 1909, aimed primarily at elimination of cattle disease.[8] In spite of various forms of state intervention and the protection of agriculture by tariffs, rural indebtedness continued to rise, as farmers found themselves obliged to pay higher wages and install machinery. In 1904 Prussia took steps to bring about the conversion of farm debt in W. Prussia and Posen, and in 1912 these measures were extended to parts of E. Prussia, Pomerania, Silesia and Schleswig-Holstein.[9]

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5. Abel, p.313.
6. Haushofer, p.219.
7. Abel, p.323.
8. Haushofer, p.73.
9. Ibid, p.186.

6. Labour, Machinery and Fertilisers

The productivity of land rose throughout the period under review. In 1878-9 the average yield in tonnes per ha. was: wheat 1.35; rye 1.06; potatoes 7.11. An average taken for the decade 1901-10 gives the corresponding figures: 1.96; 1.63 and 13.51.[1] Animals and their products, calculated at a yearly average per 100 ha. for the period 1900-13 also show steady increases for every category except sheep and wool.[2] These results were produced by a labour force which displayed only a small increase over the preceding 25 years and in which female labour was increasing disproportionately.[3] The increased output per worker was chiefly attributable to mechanisation and use of fertilisers, though higher wages may also have played a part. Wage rises, of course, were in themselves a stimulant to agricultural technology, though this factor applied more to the large estates in the north and east than to the small family farms in the south and west.

Life on the big estates was hard for the landless labourer; there was no limit to hours of work and till 1918 strikes were illegal. In 1909 a union of agricultural workers was formed; but by 1914 it had only 23,000 members, half of them from the eastern provinces of Prussia, where conditions were worst.[4] In one quinquennium (1895-1900) it has been estimated that Prussia's rural districts lost over one million persons.[5] The westward movement of agricultural workers was not only a loss to Prussian landowners, it was a loss to German agriculture; a survey of 1905 relating to emigration from E. Prussia indicated that nearly 90% of the migrating workers were looking for non-agricultural employment.[6] The flight from the land hit the employers at an awkward moment, when they were turning to sugar beets, which were labour intensive. In the 1880s they began importing seasonal labour from Polish parts of Austria and Russia. Seasonal labour was doubly welcome, because with the increasing use of threshing machines the need to employ labour to thresh during the winter was diminishing. Many of the early cooperatives shared in the use of threshing machines. The Polish influx tended to depress wages in the eastern provinces of Prussia, thus adding to rural discontent.

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1. Stolper, p.37.
2. Zurek, p.28.
3. Tipton, p.157.
4. Abel, p.124.
5. Tipton, p.95.
6. Ibid, p.91.

Mechanisation, whilst reducing the requirement for labour, was raising wage levels, since semi-skilled men were needed to operate the simple machines. The expanding herds of cattle and the thriving dairy industry had a similar effect. The first machines were the steam ploughs, which made their appearance around the middle of the 19th century. Machines for sowing were also becoming available; but as these were made of iron their weight imposed a strain upon draught animals.[7] At this period mass production of drain-pipes was helping farmers to bring marshy land under the plough. Around the turn of the century the reaper and binder made its appearance; but in general the advance of mechanisation was slower than might have been expected. This was also true of that section of German industry producing agricultural machinery, which was concentrated in the Berlin and Leipzig areas. Most early innovations in this field came from the Anglo-Saxon countries and the high German industrial tariff raised the price to German farmers. Tractors were relatively slow to come into use. This was partly due to the prevalence of small family farms, on which their use might seem a luxury, and partly to the abundance and excellence of the horse population. Because of military needs, maintenance of large numbers of horses on farms was encouraged.[8] Nevertheless farm investment in machinery doubled from 1895 to 1907.[9] As a result of development of electricity, dairies were being fitted with cream separators and compression machines for refrigeration. Man hours were being saved by electrical machines for pumping water and slicing turnips.[10]

Apart from mechanisation, the other major contribution to higher yields was made by fertilisers. Germany was fortunate in having good supplies of domestic potash and these were augmented by the acquisition of Alsace-Lorraine in 1870, though the existence of a producers' cartel kept the price higher than might otherwise have been the case. Use of potash helped the sugar beet industry to develop by increasing the sugar content. Here even the tax man played his part, as in N. Germany between 1887 and 1891 the tax on the weight of beet processed was changed to a tax on the weight of raw sugar produced.[11] In addition to potash, imported nitrogen and phosphates were coming into general use. Taking all these artificial fertilisers together, no more than 2-3 kgs. per ha. were being used on average in the period 1886 to 1890; this figure rose to 35 kgs. in the period 1909 to 1913.[12] The loss of these imports was to have a serious impact upon agriculture in the first World War.

7. Haushofer, pp.103-107.
8. Haushofer, p.95.
9. Tipton, p.153.
10. Haushofer, p.132.
11. Tipton, p.137.
12. Haushofer, p.197.

7. Eastern Settlement

We have seen that in the 1880s the exodus of peasants and labourers from the eastern provinces of Prussia was arousing concern. Some contemporary observers related it to the size of the great estates; but the social aspects of the problem were largely ignored. It was the national aspect that attracted attention, since the influx of Polish seasonal workers, to which reference was made in the previous Section, accentuated the fact that there was already a sizeable resident Polish element, especially in W. Prussia and P-sen. Moreover some of the seasonal workers tended to stay on. The Junkers were in a cleft stick: they wished to uphold German Volkstum, but without the migrants they could not farm their land. A Prussian Royal Commission was set up in 1886 and recommended that steps be taken both negatively to discourage Poles from acquiring land and positively to promote 'inner colonisation' by German settlers. Restrictions were placed on the alienation of German farm property in favour of Polish purchasers in W. Prussia and Posen. Bismarck also passed a decree excluding Polish seasonal workers, but it was allowed to lapse after his dismissal in 1890; the inflow was resumed and in 1914 reached 437,000.[1]

In order to stimulate more positive measures, there was set up in 1894 the Association for the Germanisation of the Eastern Borders (Verein zur Förderung des Deutschtums in den Ostmarken), and a Settlement Bank was established to make loans to settlers of approved German background. As the programme continued to lag, the Society for the Promotion of Inner Colonisation (in German, GFK) was set up in 1912 with the task of generating public interest and political pressure.[2] The most important initiative, however, was the creation of the Rentengut. The state provided capital to enable a German settler to buy out a Polish landowner. The purchaser would acquire the land after 56½ years; but the state retained the right to repurchase. In 1896 it became unlawful to alienate any part of a Rentengut, even for the purpose of compensating co-heirs; thus in effect the property was entailed upon the state.[3] We have here the germ of the Erbhof, or inalienable farm, which will be discussed in Part II, Section 2.

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1. Haushofer, p.182.
2. Schreiner, p.51.
3. Haushofer, p.186.

Between 1886 and 1910 some 32,000 small farmers were settled in the east, most of them on farms of 13-15 ha.[4] The size of these holdings, which were scarcely large enough, given the poor quality of the soil, gave rise to controversy, which sharply divided the Bauernvereine from the BdL, in which large landowners were dominant. The former maintained that impoverished land should first be improved and then distributed in parcels of adequate size. The Junkers, however, did not relish the prospect of competitors equipped, largely at state expense, with holdings of substance; what they really wanted were agricultural labourers.[5] They might, perhaps, have cooperated more wholeheartedly if they could have foreseen that within a few years a Polish state would come into being and that referenda would be held to determine sovereignty over disputed areas.

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4. Tipton, p.116.
5. Schreiner, p.52.

PART II

DEVELOPMENTS FROM 1919 TO 1945

PRELUDE: The Impact of the First World War

One of the arguments for the protection of German agriculture was the one for which in the Third Reich the word 'autarky' came to be used: that if war came the country ought, so far as possible, to be independent of external sources of supply. It had been expressed as follows in 1891 by Caprivi: 'In a future war feeding the army and the country will play a decisive role.'[1] He was right; yet the outbreak of war in August 1914 found Germany without adequate food stocks. Import duties on agricultural products were at once ended and a maximum price for grain was imposed by law. In 1915 it became necessary to introduce bread rationing; all supplies of grain were impounded and distributed by the Reich Grain Office (Reichgetreidestelle).[2] In the following year the War Food Office (Kriegsernährungsamt) was set up to regulate rationing, which was extended to meat; but as the war dragged on complaints of unfair distribution became more insistent. Farmers were accused of witholding their produce from the cities, where the rich continued to eat well. The winter of 1916-17 was known as the 'turnip winter' and by the end of it the calorie intake of some of the under-privileged had fallen to 1,000 a day.[3] The war was becoming as much a war against hunger as against the Entente, as the blockade made ever deeper inroads into civilian morale.

In 1914 the Reich had been a substantial importer of foodstuffs and especially of fodder; Russian barley and maize had accounted for one-third of all fodder supplies and their elimination convinced the government that there must be a drastic reduction of livestock.[4] Pigs were the chief victims and during the war years numbers fell by 40%. Herds of cattle were down by 20%, as peasants struggled to keep their cattle alive by feeding grain to them in defiance of government regulations.[5] Their horses were called up, as if they had been conscripts. Manpower was also a problem. The Polish seasonal workers were no longer available and over 60% of males employed in agriculture were pressed into military service.[6]

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1. Tirrell, p.119
2. Haupt, pp.23-4.
3. Haushofer, p.230.
4. Ibid, p.203.
5. Ibid, p.227.
6. Ibid, p.226.

If lack of fodder was the chief cause of the decimation of livestock, the main reason for declining crop yields was the lack of fertilisers. In 1913-14 farmers used 630,000 tonnes of phosphates and 210,000 tonnes of nitrogen; by 1918-19 these amounts had fallen to 231,000 and 115,000 tonnes. Consumption of potash, which was home produced, had increased, but could not compensate for the other deficiencies.[7] The fall in the production of wheat, potatoes and beets was particularly serious. In 1918 agricultural production as a whole was less than half the volume of 1913.[8] Awareness of Germany's weakness in fighting a prolonged war extended far beyond military circles. After the collapse of Russian resistance in 1917, longing eyes were turned towards the 'bread basket' of the Ukraine, which was to become a major objective of the aggressive policies of the Nazis.

1. Agriculture and the Constitutional Framework of the Republic

Although the Republic established after the revolution of November 1918 was a federal state, the powers of central government grew at the expense of the constituent states, now called Länder. Under the Weimar Constitution the Bund acquired the power to legislate in general terms (Rahmengesetze) in matters relating to land tenure and inheritance and to settlement on the land (Art. 10). It shared with the Länder legislative powers concerning the marketing of agricultural products and protection of plant and animal life against disease (Art. 7). The Constitution explicitly stated that it was the duty of the state to ensure that land was used to good advantage in the common interest and that in certain circumstances land could be expropriated; entails were to be abolished (Art. 155). The Bund would in future claim its share of direct taxation. Even before the Constitution was adopted, the revolution had finally freed agricultural workers from restrictions on the right of association and the right to strike, which in the case of Prussia went back to 1854.[1]

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7. Haushofer, p.227.
8. Gerschenkron, p.96.
1. Haushofer, p.232.

The war had taught the hard lesson that food was a sensitive area of policy, affecting the whole community, and the War Food Office became the nucleus of a new Reich Ministry of Agriculture. Wartime measures banning agricultural exports and permitting duty free imports were extended until 1922, whilst food consumption gradually returned to normal. The Treaty of Versailles imposed territorial changes, which substantially reduced the size of Prussia; before the war its area had been 348,780 sq.km.; it was now 292,690 sq.km. The cultivated area of the Reich had been reduced by over 14%; the lost land included arable on which had been grown 17.7% of the country's rye and 16.4% of the summer barley.[2] The post-war settlement also imposed on Germany heavy reparations, which could only be met by concentrating on industrial exports. This led the political leaders to favour industry, if need be at the expense of agriculture, in trade negotiations. Encouragement to export in exchange for foreign currency was also provided by the progressive inflation of the Reichsmark, which by the late summer of 1923 had become virtually worthless. By contrast the value of land was, of course, enhanced. The restoration of confidence in the currency was finally achieved by setting up a so-called Rentenbank, with assets nominally comprising all land in agricultural and industrial use; its fiduciary issues were pegged to gold. Germany began to regain its prosperity.

2. Land Tenure and Size of Holdings

It is interesting to note that the 1918 Revolution took place without any move being made against the great estates east of the Elbe. Although the Settlement Law of 1919 (to which further reference will be made in Section 7) gave the government power to create farms for landless men, especially ex-Servicemen, little came of this initiative and there were no comprehensive plans of land reform. There were several reasons for this: first, the war-time distribution of food had been in the hands of the state and complaints against the system did not have the big landowners as their primary target. Secondly, the blockade continued until Germany accepted the Treaty of Versailles in June 1919 and, whilst acute shortage

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2. Haushofer, p.234.

of food prevailed, public discussion of plans to break up big estates might well have affected food production. Thirdly, the SPD, which at first emerged from the Revolution as the strongest party, saw little advantage in depriving one group of property owners of their land in order to install another, if larger, group; it was not until 1928 that the SPD belatedly adopted an agricultural policy calculated to make some appeal to peasant farmers and small-holders.

New laws were passed in Prussia (1920) and Bavaria (1922) aimed at consolidation of holdings and elimination of strip fields. In Prussia, where minorities had been delaying the process, it was laid down that the necessary steps should be taken unless 75% of the local community was in opposition.[1] In 1936, after Hitler came to power, even this element of choice was abolished. In the 1920s it was calculated regionally that consolidation had been completed to the following extent: Saxony 50%; Prussia 40% (but much less in the Rhineland); Württemberg 30%; Baden 22%; Bavaria 8%.[2] Progress slowed down, however, in the years between the end of the war and the Nazis' assumption of power; before the war consolidation had been proceeding at the rate of 70,000 ha. per annum; the rate from 1918-1933 was only 50,000 ha., but it doubled over the next six years.[3]

Although in the Weimar period the proportion of holdings in the 10-50 ha. category increased, the proportion in the 2-5 ha. category increased even faster, so that the mean for all holdings fell.[4] This, too, changed in the Nazi era, as a result of state intervention, of which the most important aspect was restriction on sub-division of property by inheritance. The number of small, uneconomic properties fell sharply after 1933 with the result that the mean size for the country as a whole rose to 9.68 ha., a figure slightly higher than that prevailing towards the end of the 19th century.[5] The most positive and radical measure introduced by the Nazis was the Erbhof, or inalienable farm, designed both to maintain

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1. Abel, p.293.
2. Haushofer, p.247.
3. Schreiner, p.278n.
4. Abel, p.246.
5. Schreiner, p.269n.

the size of holdings and to halt the drift from the land. It was more successful in the former aim than in the latter; as the economy gathered momentum, under the impact of Hitler's rearmament programme, men continued to be drawn by higher wages into the industrial areas.

Some of those who remained on the land were reconciled to their lot by Nazi peasant ideology. Today the theory of 'blood and soil' is repellent on racial grounds; its disastrous implications were less apparent in 1929, when Walther Darre, who four years later was to become Minister of Agriculture, published his book entitled 'Peasantry as Source of the Nordic Race' (Bauerntum als Lebensquell der nordischen Rasse).[6] We have become accustomed to the idea that it is desirable to reduce progressively the number of those earning their living on the land; it was by no means a self-evident policy in the 1930s, when the unemployment rate was so high in all major industrialised countries. The Nazis were reactionary in seeking to resurrect a remoter past; but their agricultural policy did at least have the merit of recognising that there is a type of man whom neither city life nor its higher rewards can uproot from the soil. It was to this element of the population that the Erbhof was designed to appeal.

The Erbhof law of September 1933 applied in principle to farms ranging between 7.5 ha. and 125 ha.; but the special Courts, which were set up to handle its application, permitted a certain amount of flexibility. Thus in Bavaria a Court rejected applicants farming less than 10 ha. At the other end of the scale a few farms in excess of 125 ha. were included and by 1938 this category accounted for about 4% of inalienable farms. By that date the authorities had registered about 685,000 farms, having an area of 15.5 million ha. or roughly one half of all agricultural land (forests excluded). There were wide local variations; thus even within Prussia 50% of agricultural land in Westphalia was so registered, but only 15.6% in the Rhineland, where very small farms were prevalent.[7]

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6. R. Cecil: The Myth of the Master Race (London 1972) p.165.
7. J. E. Farquharson: The Plough and the Swastika (London 1976) pp.113-115.

Only those who could trace Germanic descent back to 1800 were eligible to register and to call themselves 'Bauern'. They had to prove that their farms were not burdened with debts that could not be discharged from current earnings; this provision was interpreted in 1936 to mean farms with debts not exceeding 70% of total value.[8] Such a stipulation was necessary, because the Erbhof could not be sold up for debt, nor could it be collateral for a mortgage. The Bauer could be removed for mismanagement by a Court order, but a relative would in that case be designated to replace him. His testamentary right was restricted by a table of precedence, in which male relatives were given preference. To keep debt within bounds, a severe limitation was placed on the payments that could be made to relatives excluded from inheritance. This gave rise to some resentment in areas where such payments had been customary and took up much of the time of the special Courts.[9] The registered Bauer, like the Rentengut settler, had become in effect the tenant of the state, tied to his land, but secure in its possession as long as he farmed it adequately.

Peasant ideology had little use for tenant farmers. Before the first World War they had not been very numerous and in the country as a whole there had been no uniform protection of their rights. In 1920 measures were introduced to give them better security against premature termination of leases; tenancies began to increase and, when Hitler came to power, 16.6% of all cultivated land was in the hands of tenant farmers. A modest further expansion took place up to 1939, although the Nazis did not allow them to dignify themselves by the designation 'Bauer'.[10]

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8. Farquharson, pp.110-112.
9. Ibid, pp.128-130.
10. Schreiner, p.146.

3. Production, Protection and Prices

We have seen that during the second half of the 19th century the population rose steeply, leading to increased demand for food. In the present century, however, the rate of increase slowed down; from 1850 to 1913 the average annual increase of population was 1.31%; from 1913 to 1934 it was 0.08%.[1] Agricultural production, stimulated by injection of capital and improved methods of intensive cultivation, rose to meet demand; but the improvements tended to benefit consumers more than the enriched farmers. In the period 1913 to 1925, apart from steady increases in the price of feed barley, it was on animals and their products that the farmers made their profits.[2] By the outbreak of the second World War the German population had reached 68 million, of whom 70% lived in urban concentrations.[3] This majority of consumers determined not only what farmers produced, but whether they prospered. Until 1924 agricultural prices were reasonably stable; but from 1924 to 1934 there was a fall, applying with special severity to animal products. This was all the more serious, because over the same decade milk and other cattle products accounted for nearly two-thirds of total production with pig products next in importance.[4] Since farmers were virtually confined to the domestic market and were dependent on a restricted range of products for their profits, they risked loss through over-production; above all, they risked destruction of their market as a result of an industrial crisis, which robbed the urban consumer of his purchasing power. This was the essential feature of the slump that began in the autumn of 1929; within twelve months unemployment had risen to three million; by November 1932 the figure was six million.

It must be said, however, that German agriculture was heading for trouble even before the Wall Street collapse. Meat consumption was rising more slowly than at the end of the 19th century. Moreover in 1927 nearly twice as much meat was imported as had been in 1912-13.[5] In 1928 Denmark exported to Germany 40,000 tons of butter, as well as great quantities of cheese and eggs.[6] Producers in Denmark and the Netherlands were more

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1. Zurek, p.56
2. Zurek, p.34.
3. Abel, p.46.
4. Zurek, p.46.
5. Gerschenkron, p.120.
6. H. Niehaus: Leitbilder der Wirtschafts u. Agrarpolitik (Stuttgart 1957), p.382.

efficient and took advantage of improved refrigeration and packaging. There had also been a much increased consumption of margarine, which had hurt dairy farmers: margarine consumption in 1913 had been only 180,000 tonnes, but by 1929 it had risen to 446,000 tonnes and was to go higher.[7] Consumption of fats was closely related to income. It was estimated in 1927-8 that those with annual incomes of RM 1,500 and above consumed 26.9 kg. per head; those with incomes around RM 800 only 23.1 kg.[8]

The SPD, which dominated the government coalition of 1928-30, was reluctant to increase the moderate duties imposed by the tariff of 1925, partly on account of treaty obligations and partly to keep down food prices. Discontent among the farming population was growing, however, and was especially acute in Schleswig-Holstein, where meat and milk were the main products and the farmers were being undersold by their Danish neighbours, who - to rub salt in the wound - had profited after the war by a frontier rectification at German expense. In 1926 and 1928 there were more forced auctions of farms in Schleswig-Holstein than in any other part of Prussia and in the latter year a mass meeting of protest demanded a ban on all non-essential imports, lower interest rates and state assumption of responsibility for mortgage arrears.[9] The agitation spread to other Prussian provinces and also to Saxony and Thuringia. In 1929 a 'Green Front' was formed, linking the BdL and Catholic peasant organisations in common opposition to the government, which was forced to act. In December 1929 flexible tariffs, related to the domestic price level, were introduced.[10]

Heinrich Brüning, the economic expert of the Catholic Centre party, who became Chancellor in March 1930, was faced with a critical situation in cereals also. In 1928 the domestic price of bread grains was not far above the world price; but by 1930 German wheat and rye with higher tariff protection had risen some two-and-one-half times above free market prices.[11]

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7. Gerschenkron, p.221.
8. Abel, p.400.
9. T. A. Tilton: Nazism, Neo-Nazism and the Peasantry (Bloomington 1975), pp.41-52.
10. Haupt, p.29.
11. Gerschenkron, p.134.

This was more serious in the case of rye, because of massive overproduction. Decades of encouragement to rye producers, whilst the taste for rye bread was declining, were now exacting their penalty. A Grain Marketing Society (Getreide Handelsgesellschaft) was set up to deal with the surplus and flour mills were compelled to use a high proportion of domestic bread grains.[12] Surplus rye was denatured for use as fodder and in 1930-1 three times as much was used for this purpose as had been the case in 1924-5.[13] To keep out imported fodder a state maize monoply was created and a heavy duty was placed on barley, which was above the upper limit previously applied under the flexible tariff. In 1931 butter, pigs and pork were similarly protected.[14]

The years immediately preceding Hitler's assumption of power in 1933 were marked by piecemeal measures, representing a last, ineffectual compromise between the market economy and total state planning. The Nazis opted for the latter and, in effect, cut off German agriculture from the outside world, except in those areas - mainly the 'fats gap' - in which domestic production was wholly inadequate. Agriculture was thus fitted into the autarchic system, which corresponded best to the Führer's politico-military aims. A complete restructuring of agriculture was undertaken by Darre and will be considered in Section 5. Hitler had said before he came to power: 'The Third Reich will be a peasant Reich or it will pass like those of the Hohenzollern and the Hohenstaufen.'[15] This assurance went the way of most of his promises; but in the first half of 1933 the agrarian price index rose by 5% - the first time for three years that it had not fallen.[16] The regime had won the confidence of the peasants.

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12. Haupt, pp.31-2.
13. Farquharson, p.29.
14. Ibid, p.30.
15. Farquharson, p.19.
16. Ibid, p.51.

4. Taxes, Debts and Subsidies

Extension in Weimar of the Republic's power of direct taxation promoted the adoption throughout the country of a uniform system of valuation and tax assessment of farm land and buildings, though the process was only completed in 1934.[1] The great inflation of 1923 temporarily enhanced the value of land, but this did not survive the currency reform and by 1932 it was estimated that the value of agricultural land had fallen by 60% as compared with 1925.[2] The burden of taxation was a constant theme of complaint by the farming community, until a massive reduction of liability was conceded by Darre in the autumn of 1933. New tax laws (1934-6) empowered local communities (Gemeinde) to take part in assessing farm property, thus permitting local factors, such as fertility of soil and accessibility of markets, to be taken into account.[3]

The primary cause of farm debt in Weimar, however, was not taxation, but falling prices, coinciding with high rates of interest. The 1923 inflation had wiped out farm indebtedness; but by the summer of 1931 it had risen again to over RM 12.4 billion, on which over RM 1 billion of interest was payable annually.[4] At that date the rate of interest was 14% and in January 1932 bank rate reached 15% A few months later the new Chancellor, Franz v. Papen, cut the rate by 2%; but the torrent of mortgage foreclosures continued and in 1932 amounted to over 7,000.[5] Since credit had virtually broken down, state intervention was necessary to enable many farmers to sow crops and buy fertilisers, and foreclosures were suspended for a time to allow the harvest to be reaped. Antagonism was growing between urban and rural areas and the BdL advised its members not to deliver food to the cities at the prevailing prices.

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1. Haushofer, p.237.
2. Ibid, p.251.
3. Abel, pp.333-340.
4. Haushofer, p.253.
5. Farquharson, p.25n.

The burden of debt was not equally spread: in the north and east it represented 61% of total farm property value, but 38% in the west.[6] Because of this disparity and the political leverage exerted by the Junkers, the government introduced in 1931 a programme of help to the latter known as Eastern Aid (Osthilfe). The aim was to reduce debt to the level at which instalments could be met from yearly income. If possible, this was to be done by negotiation with creditors; but the state appropriated RM 500 million to deal with intractable cases.[7] Large estates, which could not be salvaged in this way, were to be carved up for small holdings. The Junkers resented this latter stipulation, which they denounced to President Hindenburg, himself the owner of a Prussian estate, as 'agrarian Bolshevism.'. The agitation thus generated contributed to the fall of two Chancellors in 1932, the last year of the Weimar Republic. Eastern Aid drove a wedge between the Junkers, who were the main beneficiaries, and the peasants, especially the small dairy-farmers, organised in the Bauernschaft. The latter had already been alienated by measures to protect the rye growers by driving up the price of cheaper imported fodder. These grievances pushed many peasants into the arms of the NSDAP.

Apart from the special problems of the big estates in the eastern provinces of Prussia, there was undoubtedly a connection between accumulation of debt and the size of holdings. A study undertaken in 1936-8 in Württemberg reached the conclusion that costs of production were so high, in relation to market prices, that only large farms (=100) could break even; even medium-sized farms (=125) were operating at a loss.[8] This tendency to run into debt was particularly repugnant to the NSDAP, which in its 1920 programme had committed itself to 'the suppression of interest on land and the prohibition of all speculation in land.' Although interest could not be completely suppressed, the burden was halved. Industry had long opposed the grant to agriculture of a moratorium on all debt repayment; but the state compromised by giving aid at low interest rates to farmers in difficulties. Since industry had always been able to borrow more cheaply, the balance thus struck was a fair one.

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6. Haushofer, p.256.
7. Abel, p.324.
8. Haushofer, p.261.

5. Agricultural Reconstruction; the Foodstuffs Corporation

The NSDAP programme had demanded 'an agrarian reform appropriate to our national needs.' It had also embodied ideas derived from the corporate state, in accordance with which each major section of the community would be represented by an autonomous body embracing all its activities. Only in the agricultural sector was any serious attempt made to create such a body; this was the Foodstuffs Corporation (Reichsnährstand - RNS), which was responsible for production and distribution of all foodstuffs. Everyone, from the great grain producer to the corner-shop retailer, had to belong to it. Its hierarchy extended from the local peasant leader (Ortsbauernführer) to the Reich Peasant Leader, who was Darre. However, after Darre became Minister of Agriculture in the summer of 1933, the RNS lost its autonomous character and became an arm of the state; it could vary local rates of taxation and exercise penal powers against those who contravened its regulations. It soon absorbed all subsidiary agricultural organisations, including the BdL, the Land Workers' Union and the Cooperatives.[1] It fixed both the prices paid to producers and those paid by consumers. Producers' prices varied both regionally and seasonally; as early as 1933 there were set up for cereals 11 wheat and 9 rye districts for this purpose. In the following year price levels at the flour mill and at the bakery were also fixed.[2] It will be seen that the RNS had not only eliminated from agriculture the speculative element, but had actually removed this field of activity from the operation of the market. To handle such commodities as had to be imported, Reich Offices (Reichstellen) were set up, one for each major group of commodities; these Offices had power either to ban imports or admit them on payment of duties, which were determined ad hoc.[3]

If there was one area in which major reorganisation had long been overdue, it was that of marketing. This need had been recognised as far back as 1928, when the very inadequate sum of RM 60 million had been appropriated to rationalise marketing.[4] In 1933 Germany had 10,000 dairies, some of them inefficient; by 1939 the number had been reduced to 6,000.[5] One-third of all bulk deliveries of milk had had to be transported more than 100 km.; under central direction this was rationalised.[6]

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1. Farquharson, pp.47-8.
2. Haupt, p.34.
3. Abel, p.450.
4. Haushofer, p.250.
5. Farquharson, p.78.
6. Abel, p.349.

In 1931 it had been calculated that the cattle owner received a smaller share of the value of the meat in the shop than did the middlemen, who undertook slaughtering, packing, transport and the like.[7] The RNS changed all this by setting up for each major commodity a Market Association (Marktverband), which did not engage directly in trade, but regulated the conditions under which foodstuffs were produced and brought to market.[8] Hitler, who was controlling wages in industry, did not allow the price of food to rise as high as the farming community would have wished; but he assured stable returns, related to local costs of production.

No sooner had this elaborate bureaucracy been established before it was thrown into action in what was called 'the battle of production' (Erzeugungsschlacht). The immediate aim was to produce the same quantity of bread grains on a reduced acreage, thus freeing arable for growing fodder and vegetable fibres, which would otherwise have had to be imported. This would enable the regime to use its scarce reserves of foreign exchange to make purchases more directly linked to the rearmament campaign. To prevent overproduction of grain the RNS fixed both the amount to be delivered and the price to be paid. Later the RNS insisted on taking all grain produced and this practice, at first loosely applied, became standard during the war. Too many production deficits remained, however, and in 1933 RM 3.6 billion of foreign currency had to be diverted to food imports - mainly fats.[9] Hitler was dissatisfied and, after a poor harvest in 1934-5, the agricultural sector was incorporated in Goering's Four Year Plan (1936), which was designed to make the Reich ready for war.

By 1938 impressive results were being registered; the area allocated to growing fodder and vegetable fibres had increased and, apart from a slight fall in the numbers of cattle and pigs, production in all sectors had risen. Imports had been cut and the country was self-sufficient in bread grains, sugar and potatoes with only a 3% deficiency in meat; in foodstuffs as a whole self-sufficiency, even allowing for fodder imports, was nearly 80%.[10] But for an increase in consumption per capita, due to an improvement in living standards, agriculture's contribution to autarchy would have been even more striking. As it was, Germany entered the war with a healthy agricultural sector and a grain reserve of some 6-7 million tonnes.[11] Evidently the price paid by farmers, in terms of subordination to a powerful bureaucracy, was a high one; but they could feel that they had regained a place of respect in the community and would not again be left at the mercy of harsh economic forces

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7. Ibid, p.400.
8. Farquharson, pp. 75-6.
9. Farquharson, p.162.
10. Schreiner, p.160.
11. Haushofer, p.179.

6. Labour, Mechanisation and Fertilisers

At the outset of the Weimar era there was a sharp rise in Trade Union activity and membership of the Land Workers' Union reached 770,000; but by 1923 it had fallen back to 102,000.[1] It ceased to exist, like other Unions, when Hitler came to power. The number of those living by agriculture continued to fall: 9.7 million in 1925: 9.3 in 1933 and 8.9 in 1939.[2] But the flight from the land did not slow production; in 1938 one worker on 2 ha. was producing the same volume of foodstuff as in 1880 had been achieved by three workers on 5 ha.[3] As nearly half the labour employed was family labour, there was evidently a limit below which, short of war, numbers could not fall; but when in 1939 Hitler went to war the strain was soon felt. Indeed on the great estates east of the Elbe, which had always relied upon hired hands, shortages had been experienced as early as 1932, when the seasonal inflow of Polish workers had been stopped. Although war-time regulations listed agriculture as a reserved occupation, farmers' claims were not always respected and by 1943 over 1.6 million men had been lost to agriculture.[4] After the invasion of USSR in 1941 forced labour, including prisoners of war, was employed on the land on a great scale.

In Weimar the impetus towards mechanisation had come not from shortage of labour but from the rising trend of agricultural wages, which rose faster than farm incomes. Except on some of the large estates, Germany had been slow to mechanise; but as the design of tractors improved, their use on small farms became more widespread. In 1925 only 7,000 farms had motor traction, but this figure more than doubled within the next four years.[5] One adverse factor was the high tariff on imported agricultural machinery; it was not until 1931-2 that Germany began to manufacture the combine harvester and it did not come into general use until after the second World War.[6] After 1934 the RNS gave some subsidies for mechanisation, especially to new settlers; but the high price of fuel continued to be a deterrent.

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1. Abel, p.124.
2. Zurek, p.64.
3. Abel, p.301.
4. Haushofer, p.269.
5. Ibid, p.245.
6. Ibid, p.246.

Before 1939 the Reich had only one tractor per 388 ha., compared to one per 130 ha. in Britain.[7] The decline in the number of horses was correspondingly slow; in 1927 there had been 3.9 million on farms - more than in 1914; by 1939 the number had only fallen to 3.4 million.[8] This proved advantageous, however, when the pressure of war restricted availability of petrol for civilian use. The war also had an unfavourable impact on mechanisation because of the prior demand on metals and skilled workers imposed by the armaments industry.

As soon as the first World War ended and restrictions on farmers were removed, the demand for fertilisers became acute and heavy imports were necessary to make good deficiencies. By 1920-1 nitrogen had reached the 1913-14 level, though phosphates were scarcer and in 1924 had still reached only half the pre-war level of consumption.[9] Potash was more freely available, although the source in Alsace-Lorraine had been lost as a result of the war. The RNS imposed a cut in the price of artificial fertilisers, which had long been a source of farmers' complaints. By 1938-9 use of fertilisers per ha. had reached the following levels: nitrogen 19 kg.; phosphates 23 kg.; potash 41 kg.[10] These levels were over 56% above those of 1932-3.

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7. Farquharson, p.175.
8. Haushofer, p.246.
9. Haushofer, p.235.
10. Ibid, p.197.

7. Eastern Settlement

Although after the first World War no move was made to break up the great estates east of the Elbe, the new Republic, as earnest of its intention to promote peasant settlement there, enacted the Settlement Law of 1919. Territory lost to Poland, comprising much of Silesia and W. Prussia, had deprived Germany of two-thirds of the Rentengüter established under earlier legislation.[1] The new law empowered the state to expropriate land for settlement and to pay compensation to owners. The Courts ruled, however, that compensation must be fixed in accordance with the current market value of the land.[2] As the Reichsmark had become inflated during the war and this process rapidly gathered momentum after 1919, this legal stipulation proved prohibitively expensive and the state was only able to acquire land which came on the market in favourable circumstances. Up to 1931 631,560 ha. had been acquired, of which 511,280 ha. came from the big Prussian estates; but 35% of the holdings created on this acreage were no larger than 5 ha.[3] As much of the land in the area was poor, such holdings can hardly be regarded as viable and it is hard to escape the conclusion that the policy was influenced by the great landlords, who hoped that some of the settlers would be obliged, sooner or later, to eke out a living by selling their labour.

Soon after Hitler came to power a Law for the Reconstitution of the German Peasantry was enacted and state and party took over responsibility for all settlement projects, absorbing in 1934 organisations, such as the GFK, which had been active in this field. Attempts were made to convert some of the earlier settlements from grain to animal husbandry; but the cost, estimated at RM 1,000 per ha., proved excessive.[4] As it was intended that this 'inner colonisation' should be a permanent barrier against Slav infiltration, great care was taken in the selection of settlers. They were required not only to be competent farmers, but also to be racially and politically acceptable to the regime. As a result of this policy, the number of new settlements, which in 1933 had been 4,914, fell sharply and only 846 were established in 1939. It must be

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1. Haushofer, p.234.
2. Abel, p.210.
3. Gerschenkron, p. 130.
4. Ibid, p.188.

added, however, that the average size of the new holdings was 22.65 ha., as compared with the earlier holdings, which had averaged only 12.97 ha.[5] After the conquest of Poland responsibility for settlement in the new province of Warthgau was given to Heinrich Himmler, who was designated Reich Commissar for Strengthening Germandom (Reich Kommissar für Festigung des deutschen Volkstums - RKfDV). His ambitious plans, which were much extended after the invasion of USSR in 1941, included a string of fortified agricultural settlements, stretching from the Baltic to the Carpathians, which were to be run by privileged soldier-peasants (Wehrbauer).[6] Despite such plans, little was, in practice, accomplished by the Third Reich to repopulate the sparse lands east of the Elbe.

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5. Schreiner, pp.137-9.
6. Cecil, pp. 190-1.

PART III

DEVELOPMENTS FROM 1949 TO 1970

PRELUDE: The Allied Occupation in the Western Zones

The surrender of Germany in May 1945 marked the last occasion on which the historian has been entitled to use the expression 'Germany', except in a geographical sense. What remained after Hitler's defeat were four zones of occupation, ostensibly combined and controlled by an Allied Control Council in Berlin, but each operating, in practice, along independent lines. The result was to increase immeasurably both the chaos that must in any case have accompanied the collapse of the Third Reich and the sufferings of the German people, most of whom were reduced to a desperate search for the most rudimentary forms of food and shelter. This tragic situation has been attributed by some German historians, perhaps understandably, to a deliberate intention on the part of the Occupying Powers to employ starvation as a means of punishment. This was not, in fact, the case - at least as far as the Western Powers were concerned. The Anglo-American forces estimated in May 1945 that there were food stocks in Germany for about 60 days; they at once brought in 600,000 tons of grain and, although they levied occupation costs, they did not 'live off the land' in the traditional sense.[1]

Until the final weeks before the collapse, rations had been maintained at about 2,000 calories per head per day; but these soon fell to 1,400 or even to 1,300 calories.[2] There were, of course, wide variations: in densely populated areas even this low level was not achieved, whilst in most country districts it was considerably higher, without approaching the daily ration of an American infantryman, amounting to 4,200 calories. Instead of improving, however, the level deteriorated, due to two main factors:-

(1) all civilian means of transport and distribution of goods had broken down at a time when refugees from the Soviet Zone and expellees from further East were pouring into the Western Zones, travelling mainly on foot;

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1. M. Balfour: Four Power Control in Germany (London 1956) p. 73.
2. W. Magura: Chronik der Agrarpolitik und Agrarwirtschaft (Hamburg 1970) p. 148.

(2) the zonal system, although intended in accordance with the Potsdam Agreement to permit the country to be treated as an economic whole, soon acquired a rigidity, which must in any complex modern economy have proved fatal.

It would be impossible to exaggerate the dislocation caused by zonal barriers. Such exchanges of goods between zones as did take place were on a basis of barter. The Ruhr with its dense population had traditionally imported grain from the East; this source of supply was closed, even though its continuation was provided for in the reparations agreement, to which the USSR had subscribed. Seed potatoes had come from the sandy soil of Eastern Germany, seed for the sugar-beet crop was traditionally obtained from an area around Magdeburg; if this latter area had not been briefly in British hands in the early summer of 1945, the predicament of farmers in the Western Zones would have been even more serious. The 1945 harvest was 15% below expectation. In the British Zone 260,000 ha. of grassland were ploughed up, but seeds, fertilisers and farm equipment were all insufficient.[3] Fertilisers alone registered a 90% deficit. By mid-April 1946 one million tons of food had been imported into the British Zone and about half that volume into the less populous American Zone. There was a world-wide shortage of food and such surpluses as were available in the New World had to be paid for in dollars or the equivalent in hard currency. Because of shortage of foreign exchange, the UK, which had avoided bread rationing throughout the war, was obliged to impose it in July 1946.

Another of the erroneous assumptions of the Occupying Powers at Potsdam had been that the German economy would recover quickly enough to enable essential imports to be financed by exports; but it took the Powers until March 1946 to decide what level of industrial activity would be appropriate. Meantime industrial plant was being dismantled and raw materials were not being imported. This problem did not begin to be solved until in 1947 the British and American Zones set up in Minden a

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3. Balfour, p.14.

Joint Export-Import Agency, which was dollar financed. The Agency was one important result of the signature in September 1946 of an Anglo-American agreement to merge the two Zones in a Bizone, as a partial remedy for the failure of the Allied Control Council to agree upon the unified treatment of the German economy. The Soviet Zone and, at first, the French Zone decided not to participate. The merger was thus limited in scope; nonetheless it was the seed from which the Federal Republic of Germany was to grow.

It was laid down that in the Bizone the minimum ration should be 1,550 calories, rising soon, it was hoped, to 1,800 calories. This undertaking could not be honoured; during the winter of 1946-7, which was exceptionally severe, rations in the US Zone fell to 1,040 calories and in the UK Zone even lower. The only privileged consumers were coalminers, who were allowed 2,495 calories.[4] Agricultural production in the Western Zones was well below the 1938 level (= 100), as the following table shows:-

Bread grains 78%	Sugar-beet 76%
Potatoes 72%	Fodder ..... 73% [5]

Even these inadequate quantities often failed to reach the consumers who most needed them. This sorry state of affairs was partly due to the poor harvest of 1946 and 1947, and partly to the rapid depreciation of the currency. The 1946 harvest averaged only two-thirds of a normal harvest and in 1947, when there was a drought, yields were even lower.[6] Equally serious was the reluctance of farmers to part with their produce in exchange for paper currency of diminishing value. Although ½ kg. of butter on the 'black' market might fetch as much as 300 Marks, many farmers remembered the disastrous inflation that had hit Germany after the first World War; they preferred to barter their produce, or use it in other profitable ways. Instructions to slaughter animals were evaded by feeding bread grains to them; in the UK Zone in the month of October 1946 there were over 400 cases of use of potatoes and beets in illegal distilleries.[7]

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4. Balfour, p.140.
5. Ibid, p.154.
6. W. Magura, p.148.
7. Balfour, p.149.

There were two essential prerequisites to solving these linked economic problems: one was to give the German people greater control over their own affairs; the other was to provide development capital in a currency in which they had confidence. The first step was taken in the Bizone by setting up administrative offices, empowered under general Anglo-American supervision to take day to day economic and financial decisions. One of these was the Office for Food, Agriculture and Forestry (Verwaltungsamt für Ernährung, Landwirtschaft und Forstwirtschaft - VELF); its Director was Dr. Schlange-Schöningen and at first it had its headquarters in Stuttgart. In August 1947 a more democratic superstructure was added in the form of an Economic Council, composed of delegates from the elected Landtage,which had power to impose its decisions on the Länder. Such powers were sometimes necessary, as a sense of common purpose was slow to develop after the paralysis of the occupation. Thus in April 1947 Bavaria delivered to northern Länder only 330 tons of meat, instead of the prescribed quantity of 2,387 tons.[8] These administrative and constitutional developments enabled the bizonal authorities in January 1948 to abolish the Reichsnährstand (RNS), which had been kept in existence to avoid dislocation in the already precarious process of food distribution. In February 1948 France withdrew her objection to treatment of the three Western Zones as a single political and economic unit, thus completing the area for which the FRG was soon to assume responsibility.

The second vital step towards recovery was the announcement in June 1947 of the European Recovery Programme (ERP), otherwise known as Marshall Aid, which came into full effect in the following year. Its success was ensured by the introduction in June 1948 of the new Deutschmark (DM), which gave both the industrial and the agrarian community the confidence to increase production and exchange their products. Under ERP farm machinery could at last be imported from the USA and the DM proceeds (counterpart funds) were available for investment in fertilisers, renovation of farm buildings and the like. Imports of fodder permitted livestock herds to be built up, so that shortages of meat and fats could be made good. Finance

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8. Ibid, p.139.

was made available to Settlement Societies, which aimed to provide work and homes on the land for the refugees and expellees from the East, and farmers, who had been starved of credit even more than industrialists, began to expand. In 1948 the German Raiffeisen Association was re-established - just over one hundred years since the first collective self-help organisation for farmers had been founded by F. W. Raiffeisen, a rural Burgermeister. It embraced all the cooperatives working in this tradition. Although active in all areas of agricultural production, it has always fulfilled a particularly important function in providing medium and short-term credits.

It remains to deal with land reform in occupied Germany. The only major reform took place where it was most needed, namely in the Soviet Zone. Soviet Military Government, without even waiting for the Allied Control Council to be constituted, at once expropriated without compensation all agricultural property in excess of 100 ha., regardless of the short-term disadvantages from the point of view of food production. Of the expropriated area 67.5% was redistributed to private owners, the rest falling to public authorities.[9] The new owners were led to believe that their tenure would be permanent, though they were encouraged to form cooperatives for the use of such machinery as was available. This state of affairs did not last and by 1960 all agricultural land in the German Democratic Republic had been collectivised.

The Western Powers pursued a more hesitant course, influenced partly by the over-riding need to maintain food production and partly by the fact that in W. Germany there was in any case much less disparity in the size of landholdings than applied in the Soviet Zone. The attitude of W. German political parties differed. The newly constituted CDU and FDP demanded, first and foremost, higher agricultural production and a healthy peasantry. The SPD insisted from the outset on a division of the great estates (Grossgutbesitz) for the benefit of those wishing to settle on the land. In the party's programme of May 1946 this demand was made more specific: the great estates were to be subdivided either into small-holdings for settlers or into cooperatives to be owned in common by the peasants

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9. Balfour, p.72.

(bäuerlicher Gemeinbesitz).[10] The SPD had thus moved to the left since 1928, though it was not destined to hold to the new course for very long.

Thinking in the UK Zone was at first influenced to some extent by the SPD; it was proposed to expropriate and place under trusteeship all agricultural property in excess of 150 ha. American influence in the Bizone, however, had a moderating effect on British plans, which were also opposed by the reconstituted Deutscher Bauernverband (DBV) uniting the small farmers' organisations in the regions. In September 1947, when new Länder had been constituted out of the former Prussian provinces, guidelines (Rahmengesetz) were adopted in the UK Zone, which eliminated the objectionable trusteeship provision and allowed considerable discretion to the new Land governments, which used it to defer any drastic action. Planning in the American and French Zones was never very radical. In the US Zone a sliding scale was envisaged for the transfer to new ownership of land in excess of 100 ha; but the excess land was to remain in existing ownership whilst arrangements with prospective settlers were being made.[11] Registration of affected properties was left to Land governments, thus providing much scope for delaying action until a W. German government had been formed. In retrospect one can but pay tribute to the sagacity of the Land governments. Within a few years steps were being taken to reduce the agricultural population; a new generation of small-holders, probably encumbered with recent debt, would have been an embarrassment.

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10. T. Stammen (ed): Einigkeit, Recht v. Freiheit (Munchen, 1965) p.122.
11. Niehaus: pp. 68-72.

1. The Federal Republic of Germany: Constitutional Framework

The new state, which came into existence in 1949, had an area of 248,000 sq. km., as compared with the Reich of 1939, which covered 472,000 sq. km. The agricultural area, including forests, was 21.8 million ha. The density of population was 184.3 per sq. km., as compared with a figure of 166.5 in the former Reich. The increased density was due partly to the loss of the more thinly populated areas in the East and partly to the absorption of some ten million refugees and expellees of German race from E. Germany and Eastern Europe; among these were some 300,000 peasant families and 150,000 other families, which in their homelands had earned their living in rural communities.[1] Of the working population as a whole, 22% were in agriculture.

Although the FRG had acquired a great measure of control over its domestic affairs, it was not yet a sovereign state. The three Occupying Powers, acting collectively through their High Commissioners, not only controlled external relations, but also retained the right to intervene if internal measures were adopted, which threatened to increase the economic and financial dependence of the FRG, which was still heavily subsidised by ERP. Within two years, however, most limitations on the freedom of action of the FRG were withdrawn and normal trading relations with other countries were established. As a member of the Organisation of European Economic Cooperation (OEEC), the FRG was exposed to the pressure collectively exerted within the organisation to liberalise trade; but agriculture was excluded from this requirement and treated as a sector needing special protection.

The Basic Law (or Constitution), whilst retaining the federal structure, furthered the process of centralisation begun 30 years earlier in the Weimar Constitution. It provided for Bund and Länder to share in legislating on all matters concerning the promotion of agricultural production, transfer of land, tenure and tenancy. (Art 74). The Bund claimed the right to enact general laws (Rahmengesetze)relating to the inheritance of land

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1. Schreiner, p. 265.

and to town and country planning (Raumordnung - Art. 75). In 1969 it was thought necessary to increase these powers and Art 91a was added to the Basic Law, providing that the Bund should take part with the Länder in improving living conditions and the structure of agriculture in the regions. The Basic Law also insisted that land be used for the benefit of the community and permitted expropriation, if necessary, against appropriate compensation. (Art. 15).

2. Prices and Import Policies (1949-62)

In the summer of 1948- when it was clear that the establishment of the FRG was only a matter of time, the Economic Council had set up a Politico-Agrarian Commission of experts to advise on the problems of dual pricing and black-market activity, resulting from the widespread evasion of regulations for compulsory delivery of agricultural products. The Commission, which in 1949 was converted into a Committee for Agrarian Marketing Organisation, split on the crucial issue whether these problems could be solved by the free play of market forces, or whether central planning and control in some form would have to continue.[1] A majority took the latter view and this advice was accepted by the new Minister for Food, Agriculture and Forestry, who took up his duties in September 1949. He accordingly prolonged for certain essential foodstuffs both rationing and price-control. Within a year it was possible to bring rationing to an end; but state supervision of the market, together with certain price controls, continued. Cereal prices, which had been kept below world prices, were allowed to rise slowly.[2]

The government had to balance the expectation of consumers that low food prices would continue against the need to maintain a healthy agricultural sector and increase its output. The former objective was important, if the FRG was to keep industrial wages at a moderate level and so ensure that the price of W. German exports was competitive. The need to maintain a substantial and productive agricultural sector was imperative for two reasons. First, the FRG still had 1.7 million unemployed

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1. Magura, p.25.
2. Haupt, p.42.

(though the number soon began to diminish) and had to absorb great numbers of expellees, so that alternative work in industry was not immediately available for those leaving the land. Second, the need to balance external payments pointed to increased food production. In 1948 two-thirds of all W. German imports, in which foodstuffs figured prominently, had been financed by foreign aid in various forms.[3] It could not be expected that help on this scale would continue after independence and steps had to be taken to prevent agricultural imports from becoming too much of a burden. If we equate the cost of food imports in 1936 to 100, similar costs in 1949 amounted to 292 and by 1950 had risen to 339.[4] As prosperity returned, consumption of food rose and, as usual, the pattern of consumption was rapidly changing. In 1948-9 consumption per head of population of grain products (124 kg.), potatoes (229 kg.), meat products (13.5 kg.) and milk (67 kg.) reflected low incomes. By 1949-50 the corresponding figures were: 110.5; 199; 25.1; 95 kg.[5] W. German farmers could not meet these demands and by 1952 imported foodstuffs accounted for over 37% of the total value of W. German imports. The fact was that the FRG was less self-sufficient than the Third Reich had been. The Reich's self-sufficiency, averaged over 1935-8, had been 85% or 79%, if one takes into account production made possible by import of fodder. The corresponding figures in 1950-1 were 76% and 72%.[6] Although the former figure remained constant over the next decade, dependence upon imported fodder greatly increased. By 1954 DM 7.4 billion more was being spent on food than had been the case in 1950; of this amount increased population accounted for DM 1.1 billion; higher prices for 2.7 billion and higher per capita consumption for 3.6 billion.[7] By this date, however, industrial production had risen so fast and so large a proportion of it was being exported that this 'economic miracle' had removed all threat to the balance of payments.

When in the summer of 1950 the Korean War broke out, world prices, including those of primary products, began to rise sharply. The Government therefore decided to put the existing controls over prices and imports on

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3. Stolper II: p.238.
4. Niehaus, p.356.
5. Ibid, p.362.
6. Schreiner, p.160.
7. Niehaus, p.321.

a more permanent footing. A law of November 1950 imposed on millers the obligation to take a specific proportion of domestic food grains, whilst an Office for Import and Storage fixed quotas for imported grain, which was released to the market at fixed prices.[8] Early in 1951 similar bodies were set up to control imports of sugar, fats, milk and milk products and to keep prices stable. In April 1951 the structure was completed by a further law regulating the market in meat, live animals and meat products.[9] The state, in effect, made up the difference between the world price and the domestic price.

In October 1951 a new tariff system was adopted, based for most items on their value and not, as previously, on weight. As most raw materials were free of duty, its application was mainly to the finished and partly finished products of industry.[10] As domestic agriculture had been largely cut off from world markets by the quota and pricing system already described, tariffs operated, in so far as they affected agriculture at all, primarily as a means of raising revenue and of bargaining in trade negotiations. In such negotiations up to 1958, when the Treaty of Rome came into force, various reductions in particular duties had been conceded on a bilateral basis. Of all agricultural items in the new tariff about one quarter were admissible free of duty and about one half paid duty up to 20%. Seasonally variable duties were applied to some imported fruits and vegetables and in trade agreements including these products it was frequently laid down that import was to be restricted when the domestic price fell below a stipulated level.[11] Consumption of fruit and vegetables was rising in the FRG, whilst the degree of self-sufficiency was tending to decline.

The decision virtually to exclude domestic agriculture from the operation of market forces was the more striking in that it was taken during the Adenauer era, when political and economic life was dominated by the CDU/CSU with its successful slogan championing the 'social market economy' (soziale Marktwirtschaft), which was contrasted with the planned economy (Planwirtschaft) advocated by the SPD. Yet from 1949 to 1966,

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8. Haupt, pp 42-5.
9. Magura, pp 55, 61.
10. Ibid, pp 143-4.
11. Ibid, pp 106-7.

when the SPD joined the CDU in the Great Coalition, there was never a period when agriculture was not subject to the planning and direction of Bund and Länder. It must be remembered, however, that the social element in the market economy was explicitly designed to protect the weaker social groups from the full rigours of harsh economic laws. In accordance with this safeguard, farmers were being treated as a deserving, but disadvantaged, group within the community as a whole.

A second factor must also be kept in view: within little more than a quarter of a century Germany had twice suffered severe food shortages at the conclusion of two World Wars. The period that we are now examining coincided with the maximum tension of the Cold War, in which both parts of Germany were coveted prizes. Famine conditions, as an aspect of war, had deeply impressed themselves upon the minds of public and policy-makers alike. The latter were anxious in many different ways to learn the bitter lessons of experience; nor was there any pressure on them from opposition or public opinion to do otherwise.

To describe the W. German farmers as a socially disadvantaged group is not to belittle their achievements in the post-war period; on the contrary, their output was rising and they were siezing the opportunities provided by a protected market. More wheat, rye and barley was produced in 1956 than had been produced on average in the same area of the Third Reich in the period 1935-8; only oats, because of the declining use of horses, lagged behind. Production of sugar-beet and potatoes was also substantially above the 1938 figures. Yields per ha. for all cereals, including oats, were higher in 1956.[12] Consumption of agricultural products continued to increase during the 1950s, the increase between 1951-2 and 1958-9 amounting to 30%; but only 12% of this increase went to vegetable products and of this the bulk was attributable to higher consumption of domestic sugar.[13] Thus the rewards of farming were not being evenly spread, the main beneficiaries being the producers of pigmeat and poultry, consumption of which had doubled over the seven year period mentioned. After 1955-6 producers of grain, milk and milk products were subsidised; but these were

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12. N. J. Pound: Economic Pattern of Modern Germany (London 1963) p.58.
13. Sonderheft Nr 14: Agrarwirtschaft 1962: R. Plate and E. Woermann.

precisely the commodities for which there was little elasticity of demand.

There were other reasons why subsidies, together with an average rise of 12% in prices paid to producers over the seven year period, failed to keep farmers abreast of the generally increased prosperity. By 1958-9 competition with industry for labour had more than doubled agricultural wages and for certain specialists increases were even higher. There had also been a 20% rise in the cost of machinery and maintenance of buildings and it was only through government subsidies that the cost of diesel fuel, fertilisers and pesticides had been kept stable.[14] Land values were markedly higher, but this had little effect upon farmers' incomes, since there was scarcely any movement in the property market. As the industrial sector continued to expand, the contribution of agriculture to national output was falling, so that by the end of the 1950s average incomes in agriculture were far below those in other professions. The reasons for this will be further examined in the next Section.

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14. Sonderheft

3. Small Farms and Small Incomes

We have seen how the spectacular resurgence of the FRG as an industrial power in the post-war years solved the balance of payments problem and thus largely removed the concern caused by the need to import foodstuffs on a substantial scale. This prosperity, however, brought with it a new problem, in that it was not being shared by the rural community. This was disconcerting not only for the farmers, but also for the politicians, social historians and others, who were well aware of the part played by agricultural distress in contributing to the rise of Hitler. The Adenauer regime was determined to avoid a recrudescence of Right Radicalism in backward rural areas; it was also determined to retain the political allegiance of the farmers, who in the early 1950s heavily backed the CDU/CSU and their ally in Lower Saxony the German Party (DP). The peasant's innate conservatism, coupled with his suspicion of projects of land reform, had largely alienated him from the SPD, which in Weimar had been regarded as the party of the urban worker. The DBV was set upon extracting from the government an adequate price for its political support.

By 1952-3 the DBV was able to cite impressive figures to show how incomes in the agricultural sector were falling behind. It was estimated that, if the average monthly wage of the lower paid industrial worker was DM 204, that of the agricultural worker was no more than DM 180. If the average monthly income of the independent farmer was DM 240, that of the lower civil servant or other office worker was DM 289. Only 12% of agricultural workers and 29% of farmers reached the middle-income bracket DM 250-350 per month.[1] These facts were the more disturbing because agricultural output per capita was rising; indeed it was increasing faster than in industry. About half the increase in productivity, however, was due to the decline in the number of those employed, which fell from 5 million in 1950 to under 4 million in 1958.[2] This trend was unobjectionable in economic terms, because the expansion of industry and absorption of expellees now provided opportunities for reemployment and funds for retraining; but in social and political terms the lag in rural incomes was unacceptable and from 1953 onwards the government began seeking urgently for a remedy.

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1. Niehaus, pp 147-9.
2. Sonderheft

There were basically two schools of thought, which were not mutually exclusive, but represented degrees of emphasis. The 'parity' approach, strongly represented in the parties forming the 1953 coalition in Bonn, stressed that the rewards of agriculture should be artificially linked to those of industry at the expense of the community as a whole. In effect this meant deficiency payments, which would maintain high farm incomes irrespective of the movement of farm prices. The price support system, which was in operation, had this broad objective, but was not applied across the board; for example, it favoured growers of grain and beets, but not fodder growers.[3] The alternative approach was primarily structural. Its advocates, many of whom were academics, some of them members of the Committee for Agrarian Marketing Organisation, held that the fundamental aim must be to create viable holdings of adequate size by means of consolidation (Flurbereinigung) and prevention of sub-division resulting from inheritance (Realteilung). This process would inevitably be a gradual one, as discussion and negotiation would be necessary in order to lay fields together, improve access to them, compensate those deprived of land, or of their expectations, and in general to overcome the innate conservatism of the rural population in matters concerning their property and rights of inheritance.

The DBV's view was that the second process, which was essentially long-term, would not bring about the desired result without an adequate admixture of the first course of action; but there was opposition. The German Conference of Industry and Commerce (Deutsche Industrie und Handelstag), for example, maintained that the basic need was to make agriculture competitive, not to give it a position of permanent privilege; according to this view, there were other sections of the community, such as the self-employed, which also had special problems.[4] These views influenced the framers of the plan, which was adopted in 1953 and named after the new Minister of Agriculture, Heinrich Lübke. The Lübke Plan aimed to consolidate holdings, improve transport and communications, and provide credit facilities, which could be used to modernise farm buildings and the lay-out of villages, some of which had retained much the same form

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3. Niehaus, p.279.
4. Schreiner, p.164.

since the Middle Ages. Subsidies were also available for diesel fuel and artificial manures; but as these equally benefited prosperous farmers, they did nothing to bridge the disparity between the upper and lower reaches of the farm income scale.

It was hoped that these measures would promote more viable holdings for those wishing to remain in agriculture. In 1949 there were 598,000 farms of no more than 0.5-2 ha. Most of the owners were subsistence farmers, market gardeners, or part-timers, who had an independent source of income. An additional 554,000 farms were in the 2-5 ha. range and 403,000 in the 5-10 ha. bracket. Thus nearly 78% of all farms were no larger than 10 ha.[5] It is not surprising that only 10% of all farmers were estimated to have monthly incomes from agriculture in excess of DM 1,000.[6] As a further complication, the problem varied greatly from one part of the country to another and, as small farmers often kept no accounts, it was difficult to obtain reliable data. In 1952, the Research Society for Agrarian Politics and Sociology was set up to study, among other things, these regional variations. These were connected not only with soil and climate, but also with the traditional pattern of inheritance. Thus in Schleswig-Holstein, where a single heir was customary, the average size of farms in 1968 was 28.7 ha.; but in Baden-Württemberg, where divided inheritance was practised, it was 6.7 ha.[7] Opportunities for part-time farming also varied greatly. In 1953 in North-Rhine-Westphalia only 9.2% of the population was living in communities of under 2,000 and many of these were within easy distance of urban centres, offering good markets and supplementary employment. In Rheinland-Pfalz, however, 45.8% lived in these small communities in an area where sub-division of property was traditional. The Land government had set up an Agricultural Estate Bank with capital of DM 3 million for the compensation of heirs and similar purposes; but interest on loans was fixed at 6.5%.[8] In 1952 the merger of two Banks, charged at federal level with similar functions, was rechristened Landwirtschaftliche Rentenbank. Credit facilities were all the more necessary in that land values were rising.

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5. Ibid, pp.172-3.
6. Niehaus, pp.234-5.
7. Schreiner, p.172.
8. Niehaus, p.158.

Militating against these concerted efforts by Bund and Land was the urgent need to settle on the land large numbers of peasant families expelled from their homes in Eastern Europe. These families lacked not only capital to purchase farm property but even farm animals and implements. Whilst banks, such as the German Resettlement Bank (Deutsche Siedlungebank), existed to help them, resources were limited and inevitably the tendency was to finance numerous small farms, rather than fewer, but larger, ones. As a partial remedy for this situation, there was increased promotion of tenant farming, which had always existed on a considerable scale in the Rhineland, but had not met with much encouragement elsewhere. Conditions governing tenancies had varied from one part of the country to another; in some areas tenants' improvements lacked legal protection. Accordingly a Tenancy Law was enacted in 1952, establishing standard practices in all areas. In 1949 only 12% of all farmland was in the hands of tenant farmers; by 1960 the proportion had reached 14.7%. The number was three times as great in Rheinland-Pfalz as in Bavaria, illustrating once more the wide degree of regional variation.[9] Between 1959 and 1964 the federal government offered special financial help to tenant farmers wishing to purchase, but the response was surprisingly small. On the other hand, one of the most successful means of increasing the size of holdings proved to be that of renting additional land, where purchase has been impracticable or prohibitively expensive.

The favourable economic climate, combined with advanced social legislation, made small farmers more willing to vacate their land than their fathers had been and mechanisation (see Section 4) was emphasising the advantages of larger holdings. In the period 1949 to 1969 the number of holdings was decreasing annually by about 33,000 on average. Legislation stimulated the process and in 1961 a comprehensive law was passed giving the authorities powers both positively to promote transmission of property intact to a single heir and negatively to prevent undesirable subdivision; previously such powers had only been available in Lander forming part of the one-time British Zone of Occupation.[10] In 1959 the tax authorities were required to modify their demands, if these would have the effect of inhibiting the transmission of an agricultural estate intact to an heir. By 1960 the number of farms of 10 ha. or less had fallen to 74.5% of the total; by 1968 this figure had dropped another 10%. Over the whole period 1949 to 1968 the number of farms in the desirable 20-50 ha. range had risen from 112,000 to 158,000.[11]

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9. Schreiner, p.194. 10. Magura, p.66. 11. Schreiner, p.173.

These measures to increase the size of holdings had varying effects on farm incomes in different parts of the country. A farm of no more than 5 ha. could be viable in areas where special crops, such as tobacco, grapes or other fruits, could be grown. Elsewhere even a farm of 10 ha. would only yield an adequate return if it was a 'one man' farm; but if such a farmer lived in an area best suited for growing fodder, for example on the north-west coast or in the foothills of the Alps, he could only operate profitably if he had access to mechanised equipment, which he probably could not afford to own. Even farms in the desirable 20-50 ha. range, engaged in animal husbandry, which was labour intensive, could find themselves in difficulty in areas of acute labour shortage. One of the main advantages of the farm of over 50 ha. was that it offered the most scope for adaptation to the market and to local conditions.[12]

In 1950 the European Coal and Steel Community came into being. Its success in promoting and regulating these industries led Dutch, French and Italian experts to draft plans for an agricultural Common Market and versions of these were discussed at the Messina Conference in 1955. Whilst the FRG could expect to derive great benefit from an industrial customs union, it was equally clear that substantial concessions would have to be made to countries seeking to promote free exchange of agricultural products. If W. German agriculture were to be exposed to competition, drastic steps would have to be taken to raise its potential. This prospect stimulated the national debate which in 1955 produced the agricultural law on which the 'Green Plan' and 'Green Reports' were based. The immediate objective was to establish a sound statistical basis for future action. The government was required to submit each year a report ('Green Report') assessing the financial returns of some 6,000-8,000 farms and relating these to earnings in comparable trades and professions, in order to establish to what extent agriculture was lagging behind and to propound appropriate remedies. In the light of these findings, the government was to bring forward each year, beginning in 1956, its 'Green Plan', recommending how available funds should be invested. The sums involved increased massively from year to year, making this legislation the most important single agricultural enactment of the post-war period. If we equate the first year's expenditure to 100, we find that by 1968, when the appellation 'Green Plan' was dropped, public spending had expanded 454%. Distribution fell into the following broad categories:-

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12. Sonderheft.

(1) 46.1% was devoted to improving farm structure and equipment, for which credits were made available.

(2) 36.7% constituted aid in the form of tax remission, fuel subsidies and subsidies to producers of particular commodities, such as milk.

(3) 12.2% was allocated to social policy, of which more will be said shortly.

(4) 5% went to improve marketing and standardising quality of such products as wine, vegetables and fruit; these measures were especially relevant to the impending establishment of a Common Agricultural Policy.[13]

The first point to note about social policy is that in the FRG self-employed farmers had stood outside the social security system. In so far as they made provision at all, it was by belonging to a Cooperative Society (Landwirtschaftliche Berufsgenossenschaft), which insured them against accident; in 1963 the government intervened with subsidies, which halved the amount of the farmers' contributions. The major state intervention, however, was that introduced by subsidising by about 80% the payments made by insured farmers to their old age pension funds. This proved an important inducement to farmers to leave the land and also served to reduce the proportion of the farming population who were above the age of 60.[14] In 1969 special pensions became payable to those giving up prematurely land required for structural improvement (Landabgaberente). From 1960 to 1968 the annual budget of the Ministry of Agriculture increased from DM 2.8 billion to DM 5.4; within the budget, expenditure on social policy took a growing share.

Finally, the 'Green Reports' had begun by the 1960s to identify agricultural areas which were backward and required special assistance. The Basic Law (Art 107) required the federal government to transfer resources from Länder with an average per capita income above the national average to those less fortunate; but this broad requirement extended also to the

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13. Magura, pp.79-81.
14. Ibid, pp.90-1.

weaker local government units (Gemeinde). It transpired that substantial agricultural areas of Bavaria, Rheinland Pfalz and Saarland came into the category of need and between 1961 and 1967 investment amounting to over DM 681 million was directed to irrigation, drainage, access roads, electrification and the like.[15] In addition, areas of stagnant economic activity close to the border with the German Democratic Republic had long been recognised as requiring help. Measures of regional planning are further considered in Section 5.

A major effect of these programmes of assistance has been to keep on the land many part-time farmers who would otherwise have been forced to make their homes in the cities. A contributory factor here has been the siting in rural areas of light industries, which enable part-time farmers to supplement their incomes. Indeed part-time farming in the FRG has reached such proportions that special terminology is used in statistical tables to distinguish between part-time farms, which bring in less than 50% of the combined income of the farmer and his wife (Nebenerwerbsbetriebe), and 'side-line' farms, which bring in from 50-90% of combined income (Zuerwerbsbetriebe). In 1971 there were actually more part-time farms (Nebenerwerbsbetriebe, 518,800) than full-time farms (451,700), even if the side-line farms (Zuerwerbsbetriebe: 190,500) were left out of the calculation. But the larger, full-time farms, reckoned as a percentage of total farm land, amounted to 73% of the whole.[16]

Despite the massive subsidies paid to the rural community in one form or another, its electoral support for the CDU/CSU could no longer be taken for granted. For the first time in its history the SPD, which shared power with the Union parties from 1966 to 1969, had a policy which made an effective appeal to those living on the land. Before the 1969 election the SPD's programme even received support from Edmund Rehwinkel, the articulate and influential President of the DBV and of the Lower Saxony Landvolk. When the SPD-FDP coalition was formed after the election, Josef Ertl, who had been Director of an Agricultural College before starting his political career, became Minister of Agriculture.

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15. Ibid, p.83.
16. Schreiner, p.218.

In the following year he announced the programme for agriculture, which has been called after him 'the Ertl Plan'. The essential feature of the new plan was to single out those farms regarded as viable and capable of further development; these farms, assessed as able to yield within 4-6 years an adequate annual income, assessed separately for the worker and for the independent farmer, would in future receive the lion's share of available resources.[17] Farmers outside this category would receive only interim help to tide them over; but for those deciding to leave the land new social measures were introduced. The most important of these were the improved opportunities for further education and subsidies to enable those taking up new employment to be retroactively incorporated in the social security system. In addition the level of the Landabgaberente was raised. The whole programme was summed up by the two slogans: 'More money for fewer farmers' and 'Fewer farmers; more food'.

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17. Ibid, p.213.

4. Labour; Mechanisation; Fertilisers

The number of those employed in agriculture declined steadily between 1950 and 1970; in the first five-year period the average rate of decline was 3.1% per annum, accelerating in the last quinquennium to 4.4%. In 1950 the proportion of those so employed to the total work force was 22%; in 1960 it was 14%; in 1970 it was 8.5%.[1] Farming in Germany, except in the east, had always been predominantly family farming; but even family labour fell (1949-1960) by 1.53 million. Of this total no less than 1.47 million had been on farms of under 10 ha., thus illustrating the recession of traditional peasant farming. However, wage labour, in proportion to the numbers employed, fell even more steeply and by 1960 family labour represented 75% of all agricultural labour.[2] Despite the diminished labour force, farmers in 1960 were paying out more in wages than they had been doing ten years earlier, when the wage rate had been 50% lower. Towards the end of our period there were further increases in wages of 6% in 1968-9 and 8% (from January 1970).

Notwithstanding the fall in labour output steadily increased and in 1964 a work force of 3.1 million was producing about 75% of the food for a population of 58 million.[3] Even allowing for greatly increased mechanisation, such a result could not have been achieved without long hours of work. It was calculated in 1970 that male farm workers averaged 57 hours per week, whilst independent farmers worked nearly 63 hours. It is interesting to note that the proportion of female labour diminished as the size of the farm grew: on farms under 5 ha. female labour on average amounted to 47%; on farms of 10-20 ha. to 34% and on farms over 50 ha. to only 16%.[4] The phenomenon of higher output with a dwindling work force is the more striking if one takes into account the trend towards animal husbandry, which, unless pursued on a semi-industrialised scale, is labour intensive. The trend is shown by the following breakdown of agricultural gross revenue:-[5]

1949/50	Animals	68.8%	Crops	31.1%
1960/61	"	72.2%	"	27.8%

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1. Stolper II, p.267.
2. Sonderheft.
3. Stolper II, p.265.
4. Bundesregierung (1971).
5. Pound, p.110.

Much of the massive state subsidisation of agriculture, discussed in the previous Section, went into mechanisation. This was a field in which Germany, before the Second World War, had lagged behind some other highly developed economies, due mainly to undercapitalisation and the prevalence of small family farms. Even before the 'Green Plan' got going, mechanisation was being funded through the ERP and farmers were receiving low interest loans to buy machinery. There was debate about the optimum size of holding able to benefit by full mechanisation; in 1954 a meeting of experts, convened at Stuttgart under the auspices of the OEEC, set the lower limit at 12 ha. and concluded that a fully mechanised farm in the 20-50 ha. range would still need to employ two workers.[6] A few years later, as wages continued to rise, it was calculated that a 'one man' farm of 10-20 ha. could operate profitably with only part-time labour, but in order to get in his harvest he would need access to machinery which would be beyond his means.[7] Cooperative use of machinery was, in fact, becoming increasingly common and in 1961 machine cooperatives were granted financial help of the kind already available to individual farmers. Over the next four years the number of these cooperatives increased by some 50%, though they continued to suffer from certain tax disadvantages.[8]

The growth of mechanisation between 1951-2 and 1960-1 was particularly striking. If maintenance, depreciation and fuel costs are included, expenditure increased at an average annual rate of 6.7%, slowing subsequently to 2.8%, as mechanisation began to reach an optimum level. The number of tractors in use grew from 162,000 in 1951 to 1.3 million in 1970.[9] Before the Second World War 1.3 million horses and other draught animals had been employed; by 1969 the number had fallen to 250,000. By the 1960s milking machines were in use in one-third of all dairy farms and one-third of all arable was harvested with combines.[10] Only in forestry (see Section 5) was there substantial scope for increased mechanisation. It must be added that these advances brought liabilities with them; between 1963 and 1970 farm debt rose from DM 15.7 billion to DM 29.3 billion; but the burden of interest payments by farmers was halved by means of government subsidies.[11]

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6. Niehaus, p.174.
7. Sonderheft.
8. Magura, p.89.
9. Bundesregierung (1971).
10. Stolper II, p.266.
11. Bundesregierung (1971).

Increased mechanisation was matched by greater use of fertilisers. The high cost of artificial fertilisers was an old complaint; in 1955 the government took steps to control prices and two years later, when the main producers were allowed to form a cartel, it was stipulated that no price increase should result. Around the same time the state began subsidising farmers' purchases and by 1963, when this form of assistance ended, the programme had cost DM 1.8 billion.[12] If expenditure on fertilisers and crop protection is added together, it will be found to have increased in the 1950s at an annual rate of over 4%. In the subsequent decade the rate of increase was lower, due partly to unsuitable land falling out of cultivation and partly to a drop in the price of nitrogenous fertilisers.[13]

12. Magura, pp.89-90.
13. Bundestag (1971).

5. Conservation of the Countryside; Forestry

In 1935-8 there were 282 people living on every 100 ha. of agricultural land in the area which now forms the FRG; in 1969-70 the corresponding number was 448.[1] It is therefore undesirable that land should go out of cultivation, unless it is manifestly unsuitable. It may be necessary for some hill farmers, who can only extract a bare subsistence, to leave the soil; but the DBV has drawn attention to the problems that can arise in other areas. After 1965 there was a marked increase in derelict land (Sozialbrache) in Baden-Württemberg and Rheinland-Pfalz, which are not usually regarded as regions unsuited to agriculture.[2] In all, between 1949 and 1968 some 620,000 ha. went out of cultivation, during a period when a largly urban population was becoming increasingly interested in the uses to which such land might be put. W. German prosperity had reached a point at which the profit motive could no longer be accepted as sold justification for economic activity in areas where the environment might suffer. Movements such as the 'Green Circle' were beginning to make themselves felt.

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1. Bundesregierung (1971)
2. Schreiner, p.258.

In 1969 the Federal Constitution was amended in a way that enabled the Bund to play a more active part in the protection of the countryside, and the new government, which took power in that year, stressed the role of farmers in preserving the amenities of rural areas. Comprehensive legislation was introduced, knitting together key features of earlier enactments; thus there had been a law in 1960 (Bundesbaugesetz) to promote constructive use of land and five years later the government was required by law (Raumordnungsgesetz) to submit every second year a report on town and country planning.[3] In some areas expansion of industry and urbanisation threatened to deprive farmers of good land. In other areas abandonment of small uneconomic farms might legitimately open the way to alternative land use; indeed intrusion of industry might well be desirable to enable part-time farmers to supplement their incomes, or ex-farmers to seek new employment locally. Public awareness of the importance of the countryside for health and recreation was welcome; but it required to be reconciled with the fundamental needs of the farming community. Up to 1970 Bund and Länder had set aside 43 nature parks; a high proportion of these were in North-Rhine-Westphalia where, because of density of population, the need was greatest.

In terms of both the preservation of the environment and the recreation of the public, the splendid forests of W. Germany have an important part to play. The FRG emerged from the Second World War with nearly 7 million ha. of afforested land - nearly half as much as the total area given over to arable and pasture. This was a proportion more favourable to forestry than had existed in the former Reich. Conifers accounted for 69% of all woodland. In a country in which so much housing had been destroyed by war the demand for timber was naturally heavy. At first there was also the burden of reparations; from the French Zone alone 9.5 million cubic metres were taken in the period 1946-8.[4] By 1950 production in the FRG had reached 29.5 million cu.m.; but felling on this scale could not be maintained, as it was necessary to make good the depredations of the war and immediate post-war period. With demand continuing to grow, it was necessary to import timber on a substantial scale. In 1969-70 domestic production was 27.4 million cu.m., with pine and spruce in greatest demand, and imported wood of all kinds amounted to 18.7 million cu.m.[5]

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3. Magura, pp.69-70.
4. A. Grosser: Germany in Our Time (London 1971), p.59.
5. Bundesregierung (1971).

At the end of our period some 900,000 men were employed in forestry. It is one of the few agricultural areas in which there is still scope for further mechanisation. In 1970 the cost ratio of manpower to material was 70:30; it is estimated that if the ratio were nearer to 50:50, both productivity and profitability would improve.[6] Private owners, who still own nearly 48% of afforested land, complain that the incidence of land tax (Grundsteuer) is unfavourable to them. Expansion of the industry, especially if mechanisation increases, may also be linked to the growth of cooperatives, formation of which was facilitated by a law passed in 1969.[7] Since there is a deficiency of timber in the European Community, it is to be expected that the FRG will lay increasing emphasis on forestry, especially in areas where poor agricultural land is going out of cultivation.

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6. Bundestag (1971).
7. Bundesregierung (1971).

6. Adjustment to the Common Agricultural Policy (1962-70)

There was never any doubt that the FRG would cooperate fully in setting up the EEC, whatever the cost to West German agriculture. Indeed of the six founder members the FRG was probably the most deeply committed to the ultimate objective of European Union or Federation and this aim was consistently kept before the eyes of the electorate by the dominant CDU/CSU parties, which continued in power until 1969. The option of transferring sovereign powers to international institutions was specifically included in the FRG's Basic Law (Art 24). Moreover, even if the cost to West German agriculture were to prove heavy, the industrial strength of the economy had by 1952-3 fully equipped the country to meet it. A majority of West Germans would undoubtedly have preferred to have entered the EEC in company with the UK, in which the industrial sector was also dominant, and with Denmark, with which there were long-standing trading relations. But in 1957, when the Treaty of Rome was signed, the UK was not interested and in 1961, when the UK finally applied, Adenauer was too closely bound to de Gaulle to risk his displeasure by backing Britain. The expansion of the EEC to include the UK, Eire and Denmark eventually took place in 1973, after the end of the period covered by this survey.

As we have seen in the previous section, the FRG had begun in the early 1950s to tackle the serious structural problems of W. German agriculture, which militated against its ability to compete within a common agricultural market. A substantial period of transition and a massive investment of capital were both needed. In 1961-2 the wheat price in France was 36% lower than in the FRG and for fodder barley 44% lower.[1] Only in Italy were there staple products (wheat and beef cattle) priced higher than in W. Germany. Time was required whilst tariffs were lowered; by 1965 the FRG had reduced the duties on 60% of her agricultural imports from other EEC countries.[2] Even more painful was the process of

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1. Haupt, p.48.
2. Stolper II, p.272.

dismantling the various quotas and import restrictions, which were incompatible with the CAP, but which, in one form or another, had existed since the economic crisis of 1930-2. In 1962 the EEC agreed in principle on a common policy for cereals, pigmeat, eggs, poultry, fruit, vegetables and wine; in the following year beef, veal, dairy produce, vegetable oils and fats were added. These decisions enabled the member states to set up interim marketing organisations for the commodities concerned. The FRG was also required to phase out the provision that flour mills must use a specific proportion of domestic food grains and margarine manufacturers a stipulated proportion of home grown rape seed.

In 1964 the EEC agreed on the common price level which, with effect from 1967-8, would apply to grains. These prices were substantially lower than those payable to W. German producers in 1964-5 and 1965-6; for wheat DM 425 per tonne against DM 473; for rye DM 375 against DM 432.50; for barley DM 365 against DM 412.[3] Equalisation payments to W. German farmers were therefore authorised for a 3-year period. The common market was protected against agricultural imports from the outside by a variable levy payable by the importer. It was clear that EEC produce would tend to replace that of some traditional sources of supply, such as Denmark. It was equally clear that, if high-cost W. German agriculture was to survive in a free market after the end of the transition period, some price support would have to continue and at the same time an even higher standard of efficiency would have to be demanded of W. German farmers. This posed for the Bonn government a delicate problem of adjustment, since too generous price support would militate against rigorous operation of the force of competition in weeding out the less efficient farmers.

The problem was aggravated by the structural deficiencies of W. German farming, to which reference was made in the preceding section. It was estimated that in the early 1960s only one-third of W. German farms were capable of competing in world markets. The process of

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3. Magura, p.99.

consolidating fragmented holdings remained to be completed over an area equal to about 75% of all land in agricultural use.[4] In 1956 the Minister of Agriculture had appointed a Committee to advise him on structural improvements. It had recommended maintenance of a high proportion of family farms and this aim conveniently coincided with the verdict of a meeting convened at Stresa in 1958 by the European Commission, which unanimously agreed to regard the peasant family as its model. Article 39a of the Treaty of Rome had laid down not only the need to promote productivity and rationalise production, but also the obligation to ensure 'a fair standard of living for the agricultural population'. These aims all pointed towards a modernisation of the structure of European agriculture and in 1962 the EEC appointed a committee to consider ways and means, taking into account the wide range of regional variations.

Funds would evidently be required, both for restructuring and for price maintenance, and there was therefore created the European Fund for Guidance and Guarantee, usually known in accordance with the alliteration in French as FEOGA (in German EAGFL). To this fund the contribution of the FRG amounted in 1969-70 to 31% of the whole.[5] Restructuring came under the general heading Guidance and price maintenance under the heading Guarantee; for reasons to be examined shortly expenditure under the latter head soon began to swallow up so much of the FEOGA resources that expenditure under the former head had to be curtailed. It had been provisionally laid down in 1964 that member countries should be entitled to recover 25% of their necessary expenditure on restructuring; but in 1968 the FRG was only able to recover about 12%.[6] What applied to the distribution of CAP resources applied also to the distribution of national resources; by 1969 total W. German expenditure on agriculture in all its aspects (i.e. costs related to membership of CAP, as well as all forms of assistance to W. German farmers, including early retirement pensions, tax rebates etc.), was about 33% higher than in 1963; but expenditure on structural measures (e.g. measures to increase the size, and to consolidate, holdings; rationalisation of marketing etc.) had diminished, both relatively and absolutely.

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4. Stolper II, p.266.
5. Magura, p.123.
6. Schreiner, p.168.

The main reason for the absorption by the guaranteed price system of the bulk of the financial resources available was implicit in the price fixing mechanism itself. Each year the Ministers of Agriculture of the member countries met to establish three price levels; first was the price, which they hoped would apply in the market for the product in question - usually called the Target Price. For grain this was specified for the inland port of Duisburg in the Ruhr, regarded as the centre where market prices would be expected to be highest, since the region produced little grain in relation to the consumption of a densely populated area. If this price encouraged farmers to produce more than the market could absorb, the excess quantities were bought at intervention prices, which were specified for a number of centres throughout the Community and set a little below the Target Price. These quantities were then stored until they could be released without pushing market prices below intervention levels. Exporters who relieved the market of the stored product received a subsidy roughly equal to the difference between the intervention price and the world price (Export Restitutions).
In addition there was a minimum import price, usually referred to as the Threshold Price. Variable import taxes (levies) were charged on imports to bridge the gap between world prices and the minimum import price.
In the case of grain, the Threshold Price at the sea-port, plus transport costs to Duisburg, equalled the Target Price.[7] As the FRG was not, over all, an exporter of agricultural products (though there were exports of some items), she derived little benefit at this time from export subsidies in comparison with France and the Netherlands; but the FRG shared in the financing, which became progressively more onerous as overproduction gathered strength. If neither domestic consumption nor export could dispose of surpluses, certain of these lent themselves to denaturising; thus milk could be skimmed and wine converted into distilled alcohol. Efforts were made, of course, to check overproduction; thus in 1969 a premium for the slaughter of dairy cattle was introduced and in the FRG alone led to a reduction by 330,000 head.[8] Attempts were also made to limit production of beet sugar, which is produced and marketed

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7. EEC: Economics and Agriculture (Open University 1974) Sec. 3 by C. Ritson.
8. Bundestag (1971).

through channels that can be controlled; but the domestic sugar lobby proved too strong. In any case throttling down production in one sector can readily lead to overproduction in another.

The root cause of the problem lay in the fact that prices were fixed in advance, with little attempt to take account of the impact of these prices on quantities supplied. Ministers of Agriculture, in fixing prices, were exposed to the pressure of farmers' organisations, of which the W. German DBV was highly effective. The collective European body, the Confederation of Professional Agricultural Organisations (COPA), kept a close watch on the activities of the Commission. In all member countries Ministers, even Finance Ministers, were aware of the discrepancy between rural and urban incomes. Nonetheless it should have been clear that a comparatively high guaranteed price would not only lead farmers to produce more, but would work against the aim of reducing the size of the farming community, whilst doing nothing to fill the income gap between the large farmers, whose operations would have been profitable at much lower prices, and small farmers, who were actually being kept in business through the agency of the CAP. Progress towards self-sufficiency in foodstuffs was certainly made within the EEC as a whole, as well as within the FRG. Taking an average of the years 1967-9, the FRG was close to meeting her own needs in wheat, potatoes, meat, eggs, milk and butter and her self-sufficiency in sugar and grains other than wheat was above 75%.[9] The price of this expansion, however, has been high, both to the EEC and to the FRG. The closing of the market, in large measure, to outside producers and the maintenance of a relatively high internal price level, denied consumers the chance to buy from efficient food exporting countries and led inevitably to 'butter mountains' and 'wine lakes'. It is estimated that 80% of the entire cost of the CAP is attributable to over-production.[10] But there has also been a concealed cost in the diversion into the Guarantee channel of funds which might otherwise have been used for Guidance, i.e. for the restructuring of European agriculture.

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9. Bundesregierung (1971).
10. Bundestag (1971).

By 1968 the Commission was having second thoughts about the merits of organising European agriculture on the basis of the family farm without paying greater attention to optimal size. These views were forcibly expressed in the Mansholt Plan, which envisaged a steep decline in the number of small farms with a corresponding increase in the efficiency of the larger ones. The Plan recognised that the high price level was keeping the less efficient farmers in business at the expense of the Community as a whole. It recommended that special grants should be paid to farmers who wished to find other employment and that those small farmers who remained should be encouraged to amalgamate together to form more viable farm units. It was postulated that in the long run farms of 80 to 120 ha. might become standard within the EEC. This must be regarded as a high figure, taking into account the fact that in 1970 the average size of holdings (above 2 ha.) in the FRG was under 14 ha. It will be seen that the aim was nothing short of the transformation of European agriculture and it was recommended that, in order to achieve it, there should be a massive investment amounting over 10 years to DM 5.5 billion.[11]

W. German thinking had been moving in a similar general direction, but very much less fast and less far. The 1968 agrarian programme of the government conceded that there was a contradiction between keeping the agrarian population at a relatively high level, whilst trying to raise its social and economic status. The Ministry of Agriculture agreed with the basic assumptions of the Mansholt Plan that larger farm units were desirable and that there should be more cooperation among farmers in production and marketing; but the Ministry doubted whether it was possible to lay down a standard size of holding regardless of region or personal preference for an agricultural life. In the Ministry's view, to try to impose a preconceived structure within a specific period would expose the farming community to undue pressure and aggratate in the short run the income discrepancy between those living by agriculture and those in industry. This more pragmatic approach was motivated, at least in part, by awareness of rural discontent, which would have fastened upon any attempt to restructure W. German agriculture by methods of a less gradual and evolutionary character than those adopted since 1949.

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11. Schreiner, p.211.

The root cause of the discontent was the fall in agricultural prices at a time when farm costs, over which farmers had no control, were rising. Even before the CAP had formally come into being, whilst preparatory steps were being taken, much of the blame was beginning to be placed on the bureaucrats in Brussels. The fact that, for most commodities, CAP prices were above world prices, impressed bodies like the DBV less than the fact that CAP prices were below W. German prices. Even in the CAP had not existed, however, it is probable that some decline in W. German prices would have occurred. The demand for most food products was rising only slowly, whereas production was increasing rapidly. Between 1951-2 and 1968-9 consumption of food grains fell, whilst production rose. Consumption of potatoes also fell, though in this instance a decline in production limited the fall in price. Consumption of meat rose, but production rose with it. After 1966 there was a slight decline in all sections of the community in the consumption of foods other than butter and cheese; nor was there any prospect that an increase in population would correct this tendency.[12] These changes in patterns of consumption and expenditure were due to a wide variety of different causes, but W. German farmers felt that they were losing ground and some of them were quick to criticise the new factor that had entered their lives, namely the CAP.

This criticism coincided with the appearance on the political stage of a new right-radical party, the NPD, whose nationalist programme embodied condemnation of international cooperation in all its forms. In provincial (Landtag) elections in 1967-8 the NPD made considerable gains and had 10, or more, representatives in the Landtage of Baden-Württemberg, Bavaria and Lower Saxony. The two major parties, CDU and SPD, then forming the Great Coalition, were particularly anxious not to alienate farmers and other 'floating' voters before the 1969 federal elections, in which it was hoped that the NPD would fail to win 5% of the vote and thus fail to achieve representation in the Federal House (Bundestag). These hopes were realised; but in the meantime the government were reluctant to agree to any major reconstruction of European farming. In the

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12. Bundestag (1971).

event, there proved to be no need for the FRG to fight a lone rearguard action within the EEC; there was quite enough opposition on the part of other members to make sure that the Mansholt Plan was completely emasculated. Of the immense sum recommended for restructuring European agriculture only 18% was eventually made available from FEOGA under the Guidance head; structural problems continued to be primarily the responsibility of national governments.[13] This may have been a relatively satisfactory outcome for member states with lower costs and surplus production, which could benefit from export restitution; it was evidently a less than satisfactory result for W. German taxpayers.

In 1968-9 the CAP entered a more serious crisis, attributable to its having been introduced before monetary union of the Six had been achieved. Agricultural prices had been fixed in units of account (Rechnungseinheiten) equivalent to the gold content of the 1960 US dollar. It was, however, optimistic to assume that economic development in all member states could be sufficiently harmonised to prevent disparities from expressing themselves in changing currency values. As the W. German economy was the strongest, pressure on the FRG to revalue the DM developed and this became an issue in the 1969 federal election with the CDU/CSU opposing these pressures and the SPD maintaining that failure to revalue would further expand the balance of payments surplus, attract more foreign capital and in the long run prove inflationary. After the election the victorious SPD/FDP coalition duly revalued the DM. A strict interpretation of the CAP would have meant that support prices for farm products in W. Germany would fall by the full extent of the revaluation. But the logic of the need to cut DM prices in order to sustain a common market in farm products did not impress the FRG and it was eventually agreed that the FRG (like other member states) should be allowed, for a limited period, to continue to convert at the old exchange rate prices expressed in units of account; these were the 'green' rates. This meant that, when compared at the now prevailing market rates, farm products in W. Germany were at higher prices than in other member states and a system of border taxes and subsidies (known as Monetary Compensation Amounts - MCAs) were required to bridge the price gaps.[14] The 'green' rates stabilised the

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13. Schreiner, p.211.
14. Ritson, pp.120-1.

situation, but represented a further estrangement of the CAP from the normal price mechanism within a competitive world market.

By 1973, when some currencies began to 'float', a very high price was being paid in order to keep the CAP in being and by 1973, when the energy crisis with its inflationary tendencies coincided with admission to the EEC of three new members with relatively weak economies, the situation had become serious. The FRG was more successful than other member states in holding the average annual rise in consumer prices to 6% (1970-75); but even in W. Germany the increased cost of fuel soon seeped through into building and transport costs. This was particularly damaging to large farmers who were concentrating on industrialisation of animal products, which was capital intensive, since interest rates were raised in the effort to curb inflation. As one authority wrote in 1971, 'Animal products in old buildings will not yield the farmer a profit, because he needs so much labour and his wage bill is too high. Animal products in new, rationalised buildings also does not pay, because in most cases the investment costs are too high.'[15] It was maintained that this would still be the case, even if farmers were to benefit by the Ertl Plan, due to come into force in 1971 as a stimulant to agricultural investment. The threat was no longer only to the small farmer; farms of 'optimal' size were also threatened. Indeed the small man could be better off, if his part-time work in industry enabled him to keep abreast of inflation. Nonetheless W. German producers of beef, veal, pigmeat and eggs also benefited from the MCA system. If the government had worked for a fall in the CAP prices of these commodities, this would have led to increased requests for aid from W. German farmers. Dairy farmers and growers of sugar beet and wine also benefited by MCAs; whilst high cereal prices have traditionally been a German objective. Thus there has been little enthusiasm for reform of the CAP and overproduction has continued.

In general, high cost agriculture and high consumer prices are not regarded in W. Germany as intolerable, so long as industrial production flourishes, high wages can be maintained and an expanding labour market

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15. Bundestag (1971).

offers absorptive capacity for those wishing to leave the land. Any major setback to the economy, however, would soon precipitate a reappraisal of agricultural policy. In the wake of the energy crisis, for example, unemployment reached 1.3 million, though it subsequently declined somewhat. Had it not declined, the policy of encouraging more men to leave the land would have begun to look questionable. There is also the consideration that a healthy agrarian sector plays an important part in preserving the countryside. The interests of the farming community are by no means identical with those of groups who regard land mainly in terms of leisure and recreation. Nevertheless, conservationists would not wish to see large areas of arable becoming derelict.

One must conclude that, up to 1970, the CAP had not contributed very much to the solution of the three most pressing problems facing W. German agriculture, namely defective structure, high cost production and income disparity. It may be argued that these are, in essence, problems to be solved within a national framework. On the other hand, unless the cost of the CAP can be brought under control, national resources will be placed under increasingly severe strain. The DBV and other farming interests continue to regard the lever of agricultural prices as the main instrument for improving both the standard of farming and the farmer's standard of living. If, however, target prices and 'green' exchange rates continue to be fixed mainly in accordance with the farmers' need, these will continue in large measure to escape the control of national Ministers of Finance, who might well prefer a direct transfer of the nation's resources to the farming community. This argument naturally applies with special force in a country with a strong economy, like the FRG, which is also a heavy contributor to the Community Budget. Any further enlargement of the Europe of the Nine would add greatly to the strength of this contention.

The role of 'rich man of Europe' has never been a popular one, as Britain found in the 19th century; for the FRG it requires exceptional political skill and tact, because of the burden of recent history. There can be no doubt that in governmental circles and in all political parties in Bonn the determination to make a success of the European Community remains high. It can also be said of the younger generation in W. Germany that, whilst their first flush of enthusiasm for the European ideal may have diminished, their level of commitment is probably higher

than that in any other member country today. It would be unwise to assume, however, that this attitude is proof against any and every future failure to reform the CAP and share its burdens. The new generation seems to look both at Europe and at farming with a more detached gaze than did its parents. There is little left of the mystique of the Bauernhof, which in the Third Reich allowed the peasant to be tied willingly to the soil. In 1971 a leader of the DBV wrote:'The younger generation of small farmers has a different attitude to farming from that of their parents and grandparents. For them the farm house is not a value in itself, but a base for professional activity. His expectations regarding future income primarily determine whether he will take up a farming career'.[16] No doubt this is a healthy outlook, so long as the W. German economy remains strong and industry can absorb those who leave their farms. Whilst this precondition happily prevails, it is important that the FRG should not relax its efforts to create an agricultural sector which, for cost effectiveness, can stand comparison with the achievements of W. German industry.

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16. Ibid.

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LE ROLE DE L'AGRICULTURE ALLEMANDE DE 1870 A 1970

TABLE DES MATIERES

PREFACE

L'agriculture joue un rôle fondamental dans le développement social, économique et politique des nations. Elle est, par suite, considérée par la "Anglo-German Foundation" comme un terrain de recherche lié à son centre d'intérêt: l'étude des problèmes des sociétés industrielles occidentales.

Ceci est d'autant plus important aujourd'hui que les sociétés occidentales sont concernées par les problèmes agricoles non plus seulement dans un cadre national, mais dans celui, supra-national, de la Communauté Economique Européenne.

De plus, les traditionnelles différences d'approches des problèmes politiques des secteurs agricoles en République Fédérale Allemande et en Grande-Bretagne constituent une justification supplémentaire pour la rédaction de ces deux rapports parallèles.

Ceux-ci visent, avant tout, à développer notre connaissance des déterminants historiques des positions prises par les différentes fractions des sociétés britannique et allemande, agriculteurs, hommes politiques, hommes d'affaire, et représentants des gouvernements, dans l'élaboration de la Politique Agricole Commune menée par la C.E.E. Par là même, les auteurs espérent encourager une plus grande compréhension des politiques réciproques.

L'agriculture fournit des ressources autant qu'elle en absorbe et constitue en tant que telle un élément fondamental de l'urbanisation et de l'industrialisation croissantes des sociétés occidentales. L'étude de l'agriculture comme l'un des secteurs économiques concurrents pour ce qui est de l'attribution de ressources, nous mène à celle de la productivité marginale, de la valeur ajoutée nette, et de la mobilité des ressources entre les différentes branches de l'économie. Au cours de cette étude surgit le problème de l'efficience relative.

L'efficience, ou l'efficacité, peut cependant être définies en relation avec des objectifs tant techniques, qu'économiques ou sociaux. Elle peut être definie comme une mesure de la relation inputs/outputs dans un sens économique ou technique. Elle peut être également définie

comme le degré d'achèvement d'objectifs pré-définis. De tels objectifs peuvent être établis par un "entrepreneur" individuel. Ils peuvent également se trouver dans des programmes politiques approuvés par la législature et le gouvernement d'un pays. C'est cette dernière définition de l'efficience qui a amené les auteurs à penser qu'il était nécessaire d'étudier l'evolution de la politique agricole et des formes d'intervention du gouvernement avant de pouvoir se prononcer sur l'efficience comparée des deux agricultures.

La tâche qui consiste à décrire le développement de l'agriculture et des politiques agricoles a été confiée à deux auteurs. L'agriculture allemande est décrite par Robert Cecil, la britannique par John Kirk; leurs différentes expériences professionelles a inévitablement débouché sur des différences dans l'approche, le contenu, et la présentation. Robert Cecil a servi dans le corps diplomatique de 1936 a 1967, notamment à l'ambassade britannique à Bonn. En 1968 il fut nommé Maître de Conférences en histoire allemande contemporaine et devint finalement Président de l'Ecole des Etudes Européennes Contemporaines de l'Universite de Reading. Le tableau qu'il dresse de l'Allemagne est celui d'une personne extérieure à l réalité qu'elle étudie, mais habitué à analyser la signification politique, sociale, et économique des événements et des idées.

John Kirk rejoignit le Ministère de l'Agriculture et des Pêcheries (c'est ainsi qu'il s'appelait alors) en 1932, au moment d'un changement fondamental d'attitude du gouvernement vis à vis de l'agriculture qui se traduisit par un développement considérable de son intervention dans celle-ci. Il resta dans ce Ministère pendant quelque trente ans, et devint chef de la Division des Etudes Economiques et Statistiques et fut alors nommé Professeur de Marketing à Wye College. Par suite, son histoire est celle d'un acteur de la scène agricole, étroitement associé aux discussions et à la prise des décisions au cours d'une période où l'intervention de l'Etat est devenu l'un des traits dominants de l'évolution de l'agriculture britannique.

Dans toutes les recherches historiques, il faut avoir une date de départ. En ce qui concerne l'étude des agricultures et des politiques agricoles britanniques et ouest-allemandes 1870 semble s'imposer. Les pays sont alors confrontés à un même phénomène extérieur, à savoir l'arrivée

de céréales à bon marché du Nord de l'Amérique et de produits du bétail de l'hémisphère Sud. Chaque nation adopta en fait une attitude différente face à ce nouveau facteur.

Le Royaume-Uni choisit alors la voie du Libre Echange et de l'alimentation à bon marché, qui développerait sa compétitivité dans le domaine industriel et ses liens avec son Empire d'outre-mer qui était un très important fournisseur de matières premières et de produits alimentaires. La traduction de ce mode de pensée peut être constatée dans le système des Préférences Impériales des années trente et même dans les arrangements particuliers avec la Nouvelle Zélande dans le secteur laitier, et avec le Commonwealth pour le sucre, lors des négociations en vue de l'accession du Royaume-Uni à la Communauté Economique Européen.

L'Allemagne a poursuivi une politique de Protectionnisme à la fois dans le secteur agricole et dans l'industrie. Comme Cecil le souligne "la Loi sur les Tarifs Douaniers de 1879-1880 a amené l'industrie lourde et les grands domaines à se ranger derrière Bismarck. Leur effet était d'affirmer la pouvoir politique des Junkers et de sauvegarder un secteur agricole substantiel au sein de l'économie."

Cent ans plus tard, les modes d'expression fondamentaux de ces politiques opposées existent toujours. Il n'est que de voir les prises de position et les déclarations des Ministres de l'Agriculture de la Communauté. Josef Ertl et John Silkin, les Ministres de l'Agriculture ouest-allemande et britannique, sont tout autant prisonniers de leur histoire nationale que portes-parole de leur gouvernement.

Si le Libre Echange est un des traits dominants d'une politique où les forces de l'économie de marché sont laissées libres de dominer, alors, pour reprendre les mots de John Kirk, "les cas dans lesquels on ne tient pas compte du marché semblent être en général les suivants:

a) pour réaliser une plus grande auto-suffisance, en premier lieu comme une assurance contre le blocus au cours d'une guerre;

b) pour soutenir une économie faible en substituant les produits alimentaires nationaux aux produits alimentaires importés.

c) sur un plan d'égalité ou de justice sociale, en vue d'assurer aux agriculteurs ou aux ouvriers agricoles, de plus hauts revenus;

d) pour remédier aux défauts de différentes institutions économiques et sociales, défauts qui se sont développés au sein d'une économie de marché, et se sont maintenues comme le résultat de l'inertie ou des privilèges;

e) pour corriger les tendances des décisions du marché trop orientées vers le court terme."

Le trait commun de ces deux présentations des agricultures britanniques et allemandes, est en fait l'histoire qui explique pourquoi et par quels moyens on n'a pas tenu compte des forces du marché et comment ces mêmes forces se sont manifestées au sein des structures et des institutions agricoles.

Dans la période qui va de 1870 à 1933, les différents gouvernements qui se sont succédés en Allemagne sont intervenus sous des formes qui ont directement affecté le développement de l'agriculture. Par suite de celles-ci, l'Allemagne a entrepris de développer une autarcie économique en vue de se préparer pour une guerre. Son entière économie passa sous la direction de l'Etat, à un degré jusqu'alors inconnu en temps de paix en occident. L'agriculture allemande et ses institutions représentatives firent l'objet d'une réglementation détaillée voire d'une enregimentation, qui font apparaître, de par la description de Robert Cecil, une parenté plutôt allemande que française ou néerlandaise, pour ce qui est de la forme et des caractères des marchés dirigés de la Politique Agricole Commune.

Kirk note pour sa part qu'au cours de la même période, les politiques agricoles britanniques n'ont jamais considéré l'auto-suffisance comme une vertu en soi ou encore que l'agriculteur national devait avoir une priorité absolue sur le marché national. De telles attitudes peuvent être considérées comme la conséquence de la permanence de la relative influence des intérêts agricoles sur le continent européen. On pourrait cependant suggérer que le développement des relations avec le continent européen a pu exercer une influence sur les attitudes des Britanniques vis à vis de la priorité à accorder à l'agriculture britannique sur le marché national. Il n'est que de citer l'exemple des pommes de terre et du lait.

Alors que l'équilibre des ressources naturelles est relativement similaire dans les deux pays les différences existant au niveau des objectifs sociaux, économiques ou politiques des agricultures des deux pays tendront à développer des différences dans la structure de celles-ci et leur utilisation des ressources existantes.

Si par exemple l'un d'entre eux s'efforce de réaliser un plus haut degré d'auto-suffisance que l'autre, dans les produits agro-alimentaires "tempérés", cela aboutira presqu'inévitablement à une hausse relative des prix offerts aux agriculteurs pour produire ces quantités supplémentaires et compenser l'importance des coûts marginaux qui découlera d'une telle politique. Tel est le cas actuellement en Allemagne Fédérale et en Grande Bretagne.

En 1870, l'Empire Allemand et le Royaume Uni avaient un territoire, une population et des ressources naturelles très différentes. Mais pour ce qui est des trente dernières années, il y a eu une remarquable similarité au niveau de ces facteurs de base, y compris à celui de la technologie agricole et non agricole. La population totale ouest-allemande est de 61 Millions, la britannique 56 Millions, et la S.A.U. totale des deux pays ne diffère que de 6000 hectares. Si l'on garde en tête cette relative similitude, les comparaisons dans le domaine de l'utilisation des ressources, et de leur productivité dans l'agriculture sont des plus intéressantes et instructives.

Le troisième rapport regroupe 38 "paires" de séries statistiques chronologiques relatives au développement des secteurs agricoles en Allemagne de l'ouest et au Royaume-Uni pour la période 1870-1975. Quarante séries similaires avaient déjà été construites pour l'Allemagne par le Professeur Adolf Weber de l'Université de Kiel. Il fut alors décidé d'élaborer des séries comparables pour le Royaume-Uni et d'étendre les deux catégories de séries jusqu'en 1975. Le lecteur pourra améliorer sa compréhension des deux premiers rapports en se référant aux séries statistiques correspondantes. Cette étude établit les zones pour lesquelles on a réussi à faire la comparaison (ou bien celles où l'on a échoué, suivant les cas).

Les problèmes liés à l'analyse statistique de multiples séries chronologiques, en particulier dans le cas des aggrégats, sont énormes, et dépassent le cadre de cette étude. Cependant, la description historique tente d'expliquer à l'aide de certaines données supplémentaires, la pertinence des informations relatives à la comparaison du développement des agricultures allemandes et britanniques. Nous nous permettons, d'autre part, d'espérer que ces informations constitueront une base solide pour des recherches futures.

Nous avons commencé ce commentaire par une référence à l'apparition d'un facteur économique commun aux deux pays - les céréales à bas prix de l'Amérique du Nord. Il se terminera par la référence à un facteur politique commun - le Traité de Rome et la création de la Communauté Economique Européenne et de la Politique Agricole Commune. Le problème général quant au futur est de savoir comment les politiques agricoles si différentes de l'Allemagne de l'ouest et du Royaume-Uni peuvent être en quelque sorte introduites dans la P.A.C. Le recours aux importations de produits alimentaires en Grande-Bretagne lié à une détérioration de la compétitivité industrielle, en dépit des bas prix alimentaires abouti a une balance des paiements déficitaire temporairement améliorée par le pétrole de la Mer du Nord.

La République Fédérale Allemande, pour sa part, a, comme la majorité des autres Etats membres de la Communauté, continué à trainer le boulet des problèmes de structure, des hauts coûts de production, et des disparités de revenus. Cependant, comme le remarque Cecil "en général, l'agriculture chère et l'alimentation chère ne seront pas considérées en Allemagne de l'ouest comme des fardeaux intolérables tant que la production industrielle sera florissante, que les hauts salaires pourrant être maintenus, et que le marché du travail aura une capacité d'absorption suffisante pour intégrer ceux qui désirent quitter la terre. Cependant des difficultés majeures de l'économie pourraient précipiter une réappréciation de la politique agricole."

La persistance de la récession générale des économies occidentales pourrait bien être un signe avant-coureur d'une réappréciation de la P.A.C. et des politiques agricoles nationales des différents Etats membres.

DIE ROLLE DER DEUTSCHEN LANDWIRTSCHAFT: 1870-1970

INHALTSVERZEICHNIS

VORWORT

Die Landwirtschaft spielt in der gesellschaftlichen, wirtschaftlichen und politischen Entwicklung von Nationalstaaten eine zentrale Rolle und wird von der Deutsch-Englischen Stiftung deshalb als Forschungsbereich behandelt, der in den Rahmen ihrer allgemeinen Aufgabenstellung gehört. Diese Aufgaben sind dem Studium der Probleme in der westlichen Industriegesellschaft gewidmet. Ganz besonders ist dies heute von Bedeutung, denn die westliche Gesellschaft hat an der Rolle der Landwirtschaft nicht nur in ihrer Eigenschaft als Nationalstaaten Anteil, sondern nimmt auch innerhalb der überstaatlichen Organisation der Europäischen Wirtschaftsgemeinschaft Einfluß. Darüberhinaus verleiht die traditionell gegensätzliche politische Einstellung zum Agrarsektor, die sich gegenwärtig in der Bundesrepublik und in Großbritannien manifestiert, dem Inhalt der vorliegenden Berichte zusätzliches Gewicht.

Die Berichte haben zum Ziel, unser Wissen um die historischen Hintergründe der Einstellung von Bürgern, Bauern, Politikern, Geschäftsleuten und Staatsbeamten im Laufe der Entstehung einer Gemeinsamen Landwirtschaftspolitik der EG zu vermehren. Mit dieser tieferen Kenntnis hoffen wir, Toleranz und gegenseitiges Verständnis zu fördern.

Ressourcenmäßig ist die Landwirtschaft gleichzeitig Lieferant und Mitbewerber und somit ein Grundelement in der zunehmenden Verstädterung und Industrialisierung der abendländischen Gesellschaft. Das Studium der Landwirtschaft in ihrer Rolle als Mitbewerber bei Ressourcen führt direkt zum Kern der Problemkreise Grenzproduktivität, Nettomehrwert und Mobilität der Ressourcen zwischen verschiedenen Wirtschaftssektoren. Außerdem erheben sich Fragen des relativen Nutzeffekts.

Den Nutzeffekt kann man allerdings im Lichte technischer, wirtschaftlicher oder gesellschaftlicher Ziele umschreiben. Er läßt sich definieren als Maß für die Beziehung zwischen

Input und Output im wirtschaftlichen oder technischen Sinn, oder auch als der Grad, in dem die gesteckten Ziele verwirklicht worden sind. Die Ziele lassen sich entweder vom einzelnen Unternehmer abstecken, oder sie können auch Bestandteil einer Politik sein, auf die sich Legislative und Exekutive eines Landes einigen. Diese letztere Definition des Nutzeffekts führte zur Einsicht, daß ein Studium der Entwicklung der Landwirtschaftspolitik und damit der staatlichen Intervention nötig war, bevor man sich zu einem Vergleich des heutigen Nutzeffekts in den beiden Landwirtschaftssektoren aussprechen konnte.

Die Aufgabe, die Entstehung der Landwirtschaft und der sie begleitenden politischen Methoden zu beschreiben, wurde zwei Autoren anvertraut. Die deutsche Geschichte schildert Robert Cecil, die britische wird von John Kirk dargestellt. Die unterschiedlichen beruflichen Erfahrungen der beiden Autoren führten notgedrungen zu Unterschieden in der individuellen Aufgabenlösung, den Inhalten sowie der Darstellungsform. Robert Cecil gehörte von 1936 bis 1967 dem britischen Außenministerium an und wurde während dieser Zeit vorübergehend an die Britische Botschaft in Bonn beordert. 1968 nahm er eine Lehrtätigkeit als Dozent für deutsche Gegenwartsgeschichte auf, und schließlich wurde er zum Präsidenten der Graduiertenschule für Europäische Gegenwartsstudien an der Universität Reading ernannt. Er vermittelt uns ein Deutschlandbild aus der Sicht eines Außenseiters, der die politische, gesellschaftliche und wirtschaftliche Bedeutung von Ereignissen und Ideen von Berufs wegen studiert.

John Kirk führte seine Karriere 1932 ins britische Landwirtschafts- und Fischereiministerium (so hieß es damals) - zu einer Zeit, als sich ein grundsätzlicher politischer Haltungswandel vollzog, dem eine Welle staatlicher Intervention in die britische Landwirtschaft folgte. John Kirk gehörte dem Ministerium etwa dreißig Jahre lang an und wurde während dieser Zeit zum Leiter der Wirtschafts- und Statistikabteilung befördert und schließlich zum ersten Professor für Marketing am College Wye ernannt. Seine Darstellung ist daher die eines

"Eingeweihten", der während der gesamten Zeit, in der die Staatsintervention eine vorherrschende Rolle in der Entwicklung der britischen Landwirtschaft spielte, mit allen Diskussionen und Entscheidungen engsten Kontakt hatte. Sein Beitrag kann daher als einmaliges historisches Dokument angesehen werden, das für Wirtschafts- und Politikhistoriker unermeßlichen Wert darstellt.

Ein historischer Überblick beginnt stets an einem bestimmten Ausgangspunkt. In der Entwicklung der Landwirtschaft und Landwirtschaftspolitik in Deutschland und England bildet 1870 etwa einen geeigneten Einschnitt. Damals wurden beide Länder erstmals mit einem gemeinsamen externen Phänomen konfrontiert - billigem Getreide aus Nordamerika und Schlachtvieh aus der südlichen Hemisphäre. Schließlich traf jede Nation ihre eigene Entscheidung darüber, wie mit diesem gemeinsamen Einfluß von außen zu verfahren war.

England wählte den Weg des Freihandels und einer billigen Nahrungsmittelpolitik, die seine Wettbewerbsfähigkeit in der Produktion sowie die Bande zu seinem überseeischen Empire, einem wesentlichen Lieferanten von Grundstoffen und Grundnahrungsmitteln, stärken sollte. Das Vermächtnis dieses Denkkonzepts zeigt sich im Präferenzzollsystem der 30er Jahre zwischen England und seinen Dominions und auch heute noch in den Sonderabkommen über neuseeländische Molkereiprodukte und Zuckerimporte aus dem Commonwealth, die während der Beitrittsverhandlungen zwischen Großbritannien und dem Gemeinsamen Markt getroffen wurden.

Deutschland verfolgte eine Politik des Protektionismus sowohl bei landwirtschaftlichen Erzeugnissen wie bei Fertigprodukten. Wie Cecil ausführt,"gelang es Bismarck mit seinen Zollgesetzen zwischen 1879 und 1880, die Schwerindustrie und die Großgrundbesitzer auf seine Seite zu bringen. Das Ziel bestand darin, die politische Macht der Junker zu festigen und den wichtigen landwirtschaftlichen Sektor der Volkswirtschaft am Leben zu erhalten."

Hundert Jahre später sind die so unterschiedlichen politischen Ansätze der beiden Länder im wesentlichen erhalten geblieben. Sie kommen in den Stellungnahmen und Erklärungen vor dem Rat der Landwirtschaftsminister der Europäischen Gemeinschaften deutlich zum Ausdruck. Josef Ertl und John Silkin, die Agrarminister der Bundesrepublik und Großbritanniens, sind nicht nur Gefangene der Geschichte ihrer Länder, sondern auch Wortführer politischer Mächte der Gegenwart.

Wenn der Freihandel als Stellvertreter einer Politik gedeutet werden soll, in der die Kräfte einer Marktwirtschaft dominieren dürfen, dann scheinen, mit den Worten John Kirks, "die wichtigsten Fälle, bei denen der Markt außer acht gelassen werden darf - und so oft wurde -, sich wie folgt zu präsentieren:

a) Erzielung größerer Autarkie, in erster Linie als Absicherung gegen Kriegsblockaden;

b) Unterstützung einer schwachen Wirtschaft durch heimische Nahrungsmittelproduktion an Stelle von Importen;

c) Verfechtung einer Billigkeits- oder sozialen Gerechtigkeitspolitik zur Erzielung eines höheren Einkommensniveaus für Bauern und landwirtschaftliche Arbeitskräfte;

d) Abhilfe gegen die Mängel und Unfähigkeit verschiedener sozialer oder wirtschaftlicher Institutionen, die sich innerhalb einer Marktwirtschaft entwickelt und sich aus Trägheits- oder Privileggründen erhalten haben;

e) Korrektur der Tendenz von Marktentscheidungen, unangemessen kurzfristig zu sein."

Der gemeinsame Faden in diesen beiden sehr unterschiedlichen Darstellungen der deutschen und britischen landwirtschaftlichen Entwicklung ist genau genommen ein Bericht dessen, weshalb und mit welchen Mitteln die Marktkräfte ignoriert wurden und wie diese Kräfte in der Struktur der Landwirtschaft und ihrer Institutionen zum Ausdruck kamen.

In der Zeit zwischen 1870 und 1933 intervenierten sukzessive deutsche Regierungen in einer Weise, die von direkter Auswirkung auf die Entwicklung der Agrarstruktur war. In der Folge schickte sich Deutschland an, als Vorbereitung für den Krieg eine wirtschaftliche Autarkie aufzubauen. Seine gesamte Wirtschaft wurde vom Staat in einem Maße gelenkt, das in Friedenszeiten keine andere westliche Nation je gekannt hatte. Die deutsche Landwirtschaft und ihre Institutionen wurden peinlich genauen Regeln und Vorschriften unterworfen, die unter anderem nach der Beschreibung von Robert Cecil für die Gestaltung der gesteuerten Marktregimes der Gemeinsamen Agrarpolitik statt einer französischen oder holländischen eine deutsche Vaterschaft vorsahen.

Kirk weist darauf hin, daß im gleichen Zeitraum die britische Agrarpolitik Autarkie nicht als Tugend an sich akzeptierte und auch nicht zugab, daß der einheimische Bauer auf dem Binnenmarkt ein Anrecht auf absolute Priorität hat. Eine derartige Einstellung bildet sich nach allgemeiner Ansicht aus der relativ starken politischen Macht der Agrarinteressen, die so lange im kontinentalen Europa vorherrschte. Es läßt sich allerdings vermuten, daß die engeren Beziehungen zum europäischen Festland die britische Haltung zur Priorität der britischen Landwirtschaft auf dem Binnenmarkt allmählich beeinflussen werden. Man denke nur an die Beispiele Kartoffeln und Milch.

Dort, wo die Ausstattung mit natürlichen Kraftreserven in den beiden Ländern ähnlich gelagert ist, führen Unterschiede in den gesellschaftlichen, wirtschaftlichen und politischen Zielen für den Agrarsektor der beiden Länder naturgemäß zu unterschiedlichen Strukturen und unterschiedlicher Nutzung der Ressourcen. Wenn zum Beispiel ein Land nach größerer Selbstversorgung mit Lebensmitteln strebt als das andere, ergeben sich hieraus so gut wie unvermeidlich höhere Preisangebote an seine Bauern, damit die zusätzlichen Vorräte beschafft und die höheren Grenzkosten aufgefangen werden können, die durch solche Maßnahmen entstehen. Dies ist heute in der Bundesrepublik und in Großbritannien der Fall.

1870 unterschieden sich die Landgebiete, Bevölkerungszahlen und Ressourcen im Deutschen Kaiserreich und im Vereinigten Königreich bedeutend. In den letzten dreißig Jahren allerdings vollzog sich hier ein Wandel zu einer bemerkenswerten Parallelität, die sich auch auf das technische Niveau der beiden Volkswirtschaften auf dem Agrar- und anderen Sektoren erstreckt. In der Bundesrepublik lebt eine Gesamtbevölkerung von 61 Millionen, in Großbritannien leben 56 Millionen, und die auf die Land- und Forstwirtschaft entfallende Fläche weist eine Abweichung von nicht mehr als etwa 6000 Hektar auf. In Anbetracht dieser grundsätzlichen Ähnlichkeiten gestalten sich Vergleiche zwischen der Ressourcennutzung und der Ressourcenproduktivität in der Landwirtschaft der beiden Länder umso interessanter und lehrreicher.

Der dritte Bericht enthält 38 "Paare" statistischer Zeitreihen zur Entwicklung der Agrarsektoren in der Bundesrepublik und dem Vereinigten Königreich zwischen 1870 und 1975. Vierzig solcher Reihen waren für Deutschland bereits von Professor Adolf Weber von der Universität Kiel zusammengestellt worden.[1] Man beschloß daher, vergleichbare Reihen für England zu erstellen und den gesamten Zeitraum bis 1975 zu verlängern. Eine Bezugnahme auf die entsprechenden Zeitreihen mag dem Leser das Verständnis der ersten beiden Berichte erleichtern. Die Untersuchung beschreibt die Methoden, mit denen eine (bzw. keine) Vergleichbarkeit erzielt wurde.

Die Probleme im Zusammenhang mit der statistischen Auswertung mehrfacher Zeitreihen, insbesondere wenn diese in summarischer Form erscheinen, sind beträchtlich und sprengen den Rahmen dieser Untersuchung. Jedoch versucht die historische Darstellung, mit Hilfe einiger zusätzlicher Daten Licht auf die Bedeutung dieser Information für einen Vergleich der Agrarentwicklung in Deutschland und England zu werfen. Daneben hoffen wir, daß diese Daten sich für weitergehende Forschungsarbeiten als wertvolle Quelle erweisen werden.

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1 Weber, A., Produktivitätssteigerung in der Deutschen Landwirtschaft: 1850-1970. Universität Minnesota, Abteilung für Landwirtschaft und Angewandte Volkswirtschaft, 1973.

Den Ausgangspunkt unseres Berichts bildete das Erscheinen eines gemeinsamen wirtschaftlichen Faktors - billiges Getreide aus Nordamerika. Er schließt mit dem Auftreten eines gemeinsamen politischen Faktors - dem Vertrag von Rom und der Gründung der Europäischen Wirtschaftsgemeinschaft mit ihrer Gemeinsamen Agrarpolitik. Das Hauptproblem in der Zukunft wird sein, die verschiedenen agrarpolitischen Interessen der Bundesrepublik und Großbritanniens unter den Hut einer Gemeinsamen Agrarpolitik zu bringen. Die Abhängigkeit Großbritanniens von Nahrungsmittelimporten in Verbindung mit einer Einbuße der industriellen Wettbewerbsfähigkeit - trotz seiner billig orientierten Nahrungsmittelpolitik - haben zu einem laufenden Zahlungsbilanzdefizit geführt, das von den Erdölvorräten in der Nordsee nur vorübergehend gemildert wird.

Die Bundesrepublik andererseits brachte wie die meisten anderen Mitgliedsstaaten die ungelösten Probleme ihrer Agrarstruktur, kostenintensiven Produktion und Einkommensdisparität mit sich. Nach Cecil allerdings "gelten eine kostenintensive Landwirtschaft und Lebensmittelpolitik in der Bundesrepublik nicht als untragbar, so lange die industrielle Produktion blüht, hohe Löhne beibehalten werden und ein expansiver Arbeitsmarkt den Auswanderwilligen genügend Aufnahmefähigkeit bietet. Ein größerer wirtschaftlicher Rückschlag könnte allerdings bald einer Neueinschätzung der Agrarpolitik Vorschub leisten."

Die allgemein anhaltende wirtschaftliche Rezession in der westlichen Industriegesellschaft könnte sich sehr wohl als Vorbote einer solchen Neueinschätzung sowohl der Gemeinsamen Agrarpolitik wie der innerstaatlichen Agrarpolitik einzelner Mitgliedsstaaten ankündigen.

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