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## AGRICULTURE IN GERMANY

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IN forty-five minutes I am to give you an outline of agricultural conditions in Germany and of the problems arising out of these conditions. In so short a time I can, of course, only state the most important facts and can only touch upon a few problems.

Germany comprises 470,000 square kilometres (181,000 sq. miles) with a population of 66.1 millions. That means the size of Germany is only 6 per cent. of that of the United States, but the population is over 50 per cent.

The density of population is 139.4 per square kilometre (370 per sq. mile). This is a very high figure. Already before the war Germany was one of the most densely populated countries, and now that the treaty of Versailles has deprived Germany of 15 per cent. of her territory but only of 9 per cent. of her population, the accumulation of a high population on a close area has been aggravated.

Few countries are more densely populated than Germany. These countries either command extremely favourable conditions of economic production—for instance Belgium—or they possess great colonies to amplify the home country, for example Great Britain and Holland. In the case of Germany the density of the population presents very weighty problems.

The percentage of the population employed in agriculture has continually decreased since the last century, and now reaches only 30 per cent. For comparison let me give the corresponding figures: for Poland 76 per cent., for France 38 per cent., for the United States 26.7 per cent.

This unfavourable distribution of the population, the concentration of one-third in the big cities, and the rapidly falling birth-rate in the towns offer serious economic problems.

I will now show you in brief outline what basis of existence Nature offers to this nation which numbers half the population of the United States, and which forms the most populous state in Europe with the exception of Russia.

The soil of Germany is extremely varying, but on the whole must be considered poor. The entire south and most of the south-west of the country is of hilly or mountainous character. Here we find

soils of greatly differing geological origin. On all soils, however, in certain altitudes arable utilization of the soil is always limited by climatic reasons. Therefore in the higher ranges of these hilly districts arable farming is very restricted and live-stock farming becomes prominent.

On entering the plains and valleys of south and south-western Germany we mostly find better soils which are operated in intensive arable farming, mainly in small holdings. To the north of the hilly country of south and south-western Germany we pass through the very diverse conditions of central Germany and then enter upon the lowlands of north Germany. These north German plains have in part good loamy soils, but in much greater proportion also sandy soils of very poor fertility. The various glacial periods which passed over Germany covered great expanses of the north with sand and gravel.

Roughly speaking, we can sum up as follows: In the flatter parts of west and central Germany good soils predominate. In certain parts, for instance in the north-west, moors are interspersed, and partly also sandy stretches such as the Heath of Lüneburg. Eastwards the soils become lighter. The province of Brandenburg (that is, the district around Berlin) and the Grenzmark show an extremely high percentage of sandy soils which are often of very scant fertility.

In the north-east sand and loam are greatly intermixed with abrupt and frequent changes of soil quality within a small area. A low range of hills, running from Schleswig-Holstein, through Mecklenburg and Pomerania into east Prussia for a long period was the barrier of the receding glaciers. These hills form a belt of typical glacial deposits with terminal and bottom moraines. The southern slopes of these hills are covered with very poor sands.

Fertile and easily cultivated arable soil of the 'loess' or 'black-earth' type is to be found in various parts; in the Rhine area near Mainz; in central Germany in the plain of Magdeburg and adjacently as far west as Hildesheim and Brunswick; in a corner of Pomerania; and in the vicinity of Breslau in Silesia. These districts are extremely fertile and allow of the most intensive soil utilization, and here we find most efficiently organized and handled farms. Unluckily such soils form a very small percentage of our total acreage.

The type of soil without reference to the climatic conditions gives us a very incomplete idea of the economic value of the land. So we must at least cursorily dwell upon the climate of Germany.

The mean annual temperature varies from 7° to 9° Centigrade (44° to 48° Fahrenheit). The fundamental difference between the east and the west lies in the length of the period of vegetation. The west is

herein far better off. This also applies to the north-western parts, which are favoured by an oceanic climate. The farther east we go, the more pronounced becomes the influence of the continental climate originating in the great Eurasian land masses. The most important consequence is a sharp curtailment of the period of vegetation, which places strict limits to the development of arable farming. For example, the expansion of root-crop cultivation beyond a certain low limit is only conditionally possible in the east because the late conditions of root-crop harvest clash with the seeding of rye and wheat, which must be done before the early setting-in of winter.

But rainfall is of more decisive importance for agricultural development than temperature conditions. The average rainfall in Germany amounts to 600-25 mm. (24-5 in.), and varies from 2,000 mm. (80 in.) in the higher ranges of the Black Forest and the Alps down to barely 400 mm. (16 in.) in certain arid parts of central and eastern Germany. For comparison I will mention the following data:

Poland: 510-790 mm. (20-32 in.).

England: 580-920 mm. (23-37 in.).

North Dakota: 475 mm. (19 in.).

The seasonal distribution of rainfall in Germany is fairly satisfactory. Frequently, however, a dry period intervenes in May and June and leads to drought on lighter soils with subsequent damage to harvest yields. Such has been the case this year. In the higher regions of central and southern Germany crops scarcely ever suffer from lack of rain. On the contrary, plenteous rainfall here often endangers the ripening and gathering-in of the crops. In consequence the farms extend the acreage of permanent grass and show a greater development of the live-stock enterprise. The same is the case in the north-west coastal belt. Here rainfall varies from 700 to 800 mm. (28-32 in.). Furthermore, the high humidity of the atmosphere and the stiff and weedy nature of the soil tend to foster the development of permanent pasture land. Thus this coast belt has become a typical dairy and cattle-raising district.

In eastern Germany rainfall usually is about 500 to 600 mm. (20-4 in.). On lighter soils lacking water-supply from the subsoil, this amount of rain is so low as to cause difficulties in cultivation. Plants with higher requirements become unreliable in their yields. Humbler crops such as rye, oats, and potatoes predominate. On these sandy soils entirely dependent on rainfall, the growth of any forage crops is a particularly difficult problem. An effective utilization of these light sandy soils is usually only possible where they can be operated in conjunction with grassland, primarily meadow land

situated on damper soil. In this case the fodder crops of the grass-land may form the basis of a live-stock enterprise, which in turn supplies the light sandy soil with organic matter in the form of manure, and thus ensures a certain stability in the yields of the arable land. Where there is no possibility for live-stock farming, these lightest soils drop out of agriculture and are stocked with timber, mainly pines. This is the reason for the great extent of forests, chiefly pine forests, in eastern Germany.

The natural conditions of the country are reflected in the soil utilization. Twenty-seven per cent. of the surface of Germany is covered with forests, whereas the percentage of forest land in Denmark, Holland, and Great Britain lies between 5 and 10 per cent. The greater part of the agriculturally utilized area is arable land, which occupies 70 per cent. of the agriculturally utilized land.

It must be borne in mind with reference to these figures that the density of population in Germany compels an intensive form of soil utilization.

Therefore all land that is in the least degree suitable is exploited in forestry or agriculture. Only the utterly barren tracts remain waste land, and are not taken into cultivation.

On the whole the natural conditions of production in Germany are unfavourable and certainly poorer than in western and southern Europe, where the climate is better, and at least in point of soil quality worse than in great parts of eastern Europe.

Only the high population and the ensuing need to make fullest use of the limited space at our disposal has resulted in such intensive soil utilization as is to be found in Germany. The intensity of soil utilization can be gauged by the high proportion of arable land and the great extent of root-crops, which occupy 21 per cent. of the arable land in spite of the heavy outlay in labour and fertilizers which they require.

As is the case in arable farming in all countries, grain is the most important crop, and covers on the average of the whole country roughly 60 per cent. of the arable land, just as in the United States or in France. Of course the grain acreage varies from farm to farm, but very seldom drops below 50 per cent. This figure would represent a strict alternation of grain crops with root or forage crops, as is practised in the four-course shift. On the other hand, the grain acreage rarely exceeds 66 per cent. This proportion corresponds to the three-field system, in which two-thirds of the arable land is seeded with grain. The diversity in the system of arable farming in Germany is therefore not the result of greatly varying grain acreage.

It is the different utilization of the land occupied by crops other than grain which distinguishes the various cropping systems. This land is chiefly used either for forage crops or for root-crops. The main root-crop is potatoes, then follow mangolds and sugar-beet.

In all regions with high rainfall, and also in all districts with very remote markets, the grain crops are mainly supplemented by forage crops, whereas under favourable marketing conditions and on good soils root-crops predominate. The relationship between grain crops, on the one hand, and root or forage crops, on the other hand, determines the labour and capital requirements of the farms.

In combined grain- and forage-crop farming the grain crops determine the demands on labour and other means of production. The forage crops serve to balance the seasonal labour peaks caused by the grain crops. This type of agriculture is extensive and works with low outlay.

In the root-crop type of farming, the root-crops are the deciding factor for requirements in labour and inventory. The grain crops, although maintaining the same acreage as in the previous type, exercise a minor influence upon the organization of the farm; they compensate the irregularities of seasonal labour demands by the root-crop, which here fix the maximum requirements. Here we meet with an intensive form of arable farming with heaviest demands upon capital and labour outlay, but also with plentiful yields.

The outstanding grain crop is rye, then come oats, wheat, and barley in that sequence. The great acreage of rye and oats is significant of our poor soil and climate. Rye and oats are predominant mainly in eastern districts, whereas wheat and barley occupy greater acreage in western and central Germany. Only in particular rainy parts, for instance along the coast and partly in the mountains, oats and rye are of special value—oats as a consumer of water and rye because of its qualities in suppressing weeds.

Amongst the root-crops the potato reigns supreme in the east. Rye, oats, and potatoes are the mainstay of arable farming in eastern Germany. Sugar-beets are a minor feature in the east. Only in Silesia are they grown in central Germany, and in certain parts of the west and south-west. On the already mentioned 'black-earth' belt we find highly developed root-crop farming with a great acreage of sugar-beet.

In connexion with the root-crops I may mention vegetable and truck crops, which are mostly grown on peasant holdings. These crops are of special importance in certain parts, for instance along the Rhine near Bonn; then between Brunswick, Hildesheim, and Hanover; again near Calbe in the Magdeburg district; in the vicinity of

Hamburg and Berlin; in the lower Oder valley and in the Spree forest; in the south around Würzburg, Bamberg, and Stuttgart; in the Badish Rhine valley near Rastatt and Mainz.

Farms with a high percentage of forage crops are to be found along the coast and in the mountains, in the remote eastern districts with unfavourable climate; that is to say, in Mecklenburg, Pomerania, and particularly in east Prussia. So we find a strip of forage farming running along the north and south borders of the country and in the hills, whilst all the rest of Germany is occupied by farms of the combined grain and root-crop type.

Our highly developed live-stock farming is based upon permanent grass, upon forage crops, and upon the by-products of other crops. The dominating class of live stock is cattle, which are to be found without exception on practically all German farms. The greatest cattle holders are the peasant farms, especially those of smaller size. The result is a greater density of cattle population in the south and west as districts with a preponderance of small holdings. The main purpose of the cattle enterprise is milk production. In the north-western coastal belt and in the mountains fattening also plays an important part, and in certain coastal districts fattening is the sole purpose. In peasant holdings, mostly in the south, cattle are also used for draught. Indeed, in these small holdings, cattle—chiefly cows and to a lesser extent oxen—are the only draught animals of the farmer.

An important point in German live-stock farming is the production of manure, which is a vital necessity to the farm. The comparatively high yields in German arable farming on poor soil and under an unfavourable climate can only be maintained by very intensive application of manure, which is in some cases supplemented by ploughing-in green crops. On very many farms the manure requirements form *the* decisive factor in determining the extent of the live-stock enterprise. This fact has become clearly apparent during the recent depression of prices for live stock and live-stock produce. The reduction in live stock would have been much greater in many cases if the necessity for manure had not fixed a limit upon the cutting-down of stock.

As a source of farm income pig-farming ranks second to cattle. Pig-farming is based on a great vegetable production of carbohydrates in arable farming. In the east pigs are mainly fed on potatoes, whilst farther west potatoes are replaced to a greater extent by grain. In the smallest holdings the household leavings play an important role.

In general the pig enterprise depends upon foodstuffs grown on the



home farm. The highly developed pig-fattening enterprise which has grown up in peasant farms of the north-west forms an exception, for these farms rely on commercial foodstuffs, chiefly grain.

Compared with cattle and pigs, sheep-farming is of minor importance. Yet only in the last century sheep formed the main branch of live-stock farming in Germany. The expansion of wool production in the overseas countries, and particularly the development of cotton, caused a rapid decline of sheep-farming in Germany. Sheep are still to be found in fairly large numbers, however, in the root-crop farms of central Germany and in the grain farms of the east.

Poultry has only in exceptional cases grown to be a prominent feature of German farms. Poultry-keeping generally depends upon the leavings of the household and the farm in general.

So much for soil utilization and live-stock enterprise.

In what units does the agricultural production of Germany take place? Several million farms of the most different type take part in the exploitation of our soil. The main contingent is formed by the peasant holdings. We classify as peasant holding a farm in which the operator and his family furnish the main labour supply. In the large peasant farms hired labour is supplied by labourers living in the household of the peasant. In smaller holdings the labour requirements are often not sufficient to provide full employment for all members of the operator's family.

A characteristic of the German peasant, as of the peasant of any country, is his peculiar psychological attitude towards his farm. He does not primarily regard the farm as a means of earning money; his work is to him not a purely economic process; his labour on the land arises from an inner calling. He feels himself closely knitted to his soil. These ties of feeling alone afford a sufficient explanation of the tenacious hold of the peasant upon his land and explain his clinging to his farm in spite of all difficulties and privations, and also explain the peasants' fight for the farm even when life outside agriculture would offer him an easier and more comfortable existence. This mental attitude is the cause of a whole series of phenomena which would remain inexplicable when viewed from a merely rational or economic standpoint. Herein also lies the fundamental difference between the peasant and the farmer type of agriculturalist who looks upon agriculture simply as an economic enterprise.

Of the roughly 5 million farms in Germany 99.6 per cent. are peasant holdings. Of these approximately 3 million are very small holdings not big enough to provide labour for the whole family, so that part of the family is dependent on subsidiary sources of income in

the industries, in forestry or other trades. About 18,600 are big farms of over 100 ha. in size (250 acres). Even at this comparatively small size intensively worked farms have all features of the typical big farm.

The typical difference between the peasant farm and the big farm lies in the labour organization.

The main distinguishing feature of the peasant holding in contrast to the big farm is *family* labour and also a notably higher supply of labour available. This last feature at least applies to small and middle-sized peasant holdings, which are by far the most numerous. They are much more highly populated than big farms. Just a few figures: the number of people employed per 100 hectares (250 acres):

on holdings of	2-5	hectares:	94.4
	5-10	„	56.6
	200-500	„	20.2
	over 1,000	„	17.8

These figures show a tremendous drop in the number of people employed per unit of land with increasing size of farm. This is the main external difference between the size groups of holdings, out of which all other distinguishing features can be deduced.

Another such difference between peasant farm and big farm is the live-stock capacity. Under equal conditions peasant farms are always more heavily stocked, and this to an increasing degree, the smaller the holding. The reason lies in the combination of a small acreage with a high supply of labour, which leads to the expansion of the live-stock enterprise as an outlet for the abundant labour supply seeking employment. That is why live-stock density increases rapidly in correlation to the diminishing size of the holding. It is mainly in live-stock farming, apart from vegetable and garden crops, that the peasant holding is superior to the large farm.

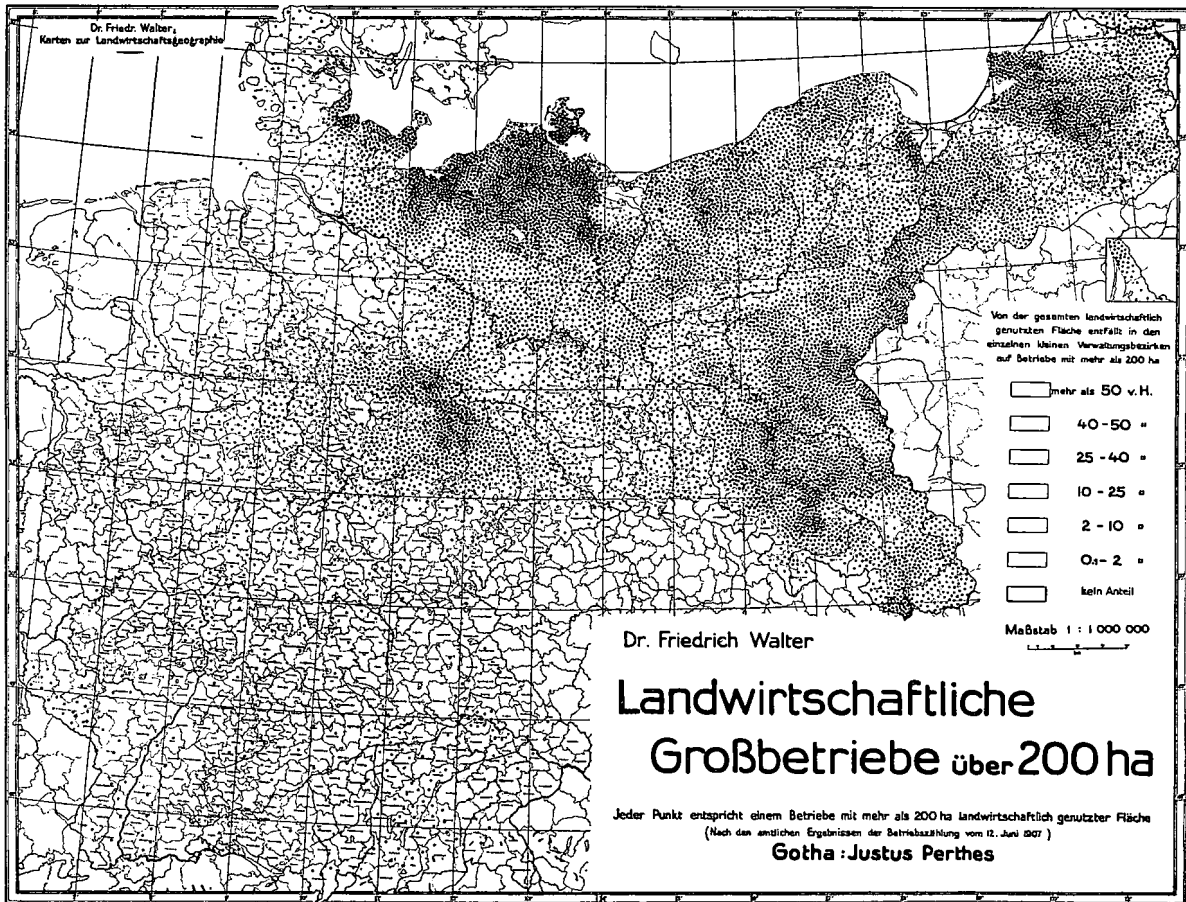
In the operation of great expanses of arable land and in the cultivation of crops which can be handled and tended with a certain application of machinery, for instance grain, the technical advantages of the bigger unit, the large farm, become apparent.

These fundamental distinctions between peasant holdings and big farms have also affected the regional distribution of the various-sized farms over the country.

The regional distribution of the big farms is of peculiar interest owing to the causes which have led to this distribution. The map<sup>1</sup> shows you this distribution. Each dot represents a farm with over 200 hectares (500 acres) agriculturally utilized land. The approximately 18,600 big farms which operate roughly 20 per cent. of our

<sup>1</sup> Map on p. 17.

Dr. Friedr. Walter,  
Karten zur Wirtschaftsgeographie



Dr. Friedrich Walter

# Landwirtschaftliche Großbetriebe über 200 ha

Jeder Punkt entspricht einem Betriebe mit mehr als 200 ha landwirtschaftlich genutzter Fläche

(Nach den amtlichen Ergebnissen der Betriebszählung vom 12. Juni 1907.)

Gotha : Justus Perthes

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farm land are located mainly in eastern districts. The farther we penetrate into central, west, and south-west Germany, the greater grows the preponderance of the typical peasant holding. Only in the fertile arable land in the loess belt of central Germany do we meet with a greater accumulation of large farms.

The development of big farm units out of great land properties is not solely the result of mere economic causes. It is far more the outcome of political causes within the states. No doubt the fact that big farms are so very scarce in southern and western parts is to a certain extent a consequence of the natural conditions of these parts. In mountainous districts there is no scope for the big farm, except in the form of the cattle ranch, which is a type unknown in Germany. Hilly country is typical peasant country in Germany because it lends itself to the development of live-stock farming in a form adapted to the nature of the peasant holding. But also in those parts of the south and the west which are well suited for arable farming, big farms have either never developed or they have always been almost completely reabsorbed by the peasant farmer.

The highly developed economic situation in these districts with remarkably good markets for live stock and live-stock produce near at hand has always favoured peasant farming, and has enabled the peasant to keep the big farmer out of the field of competition.

The wide field for peasant live-stock farming is therefore the one reason for the superiority of the small holding in these districts. Another is the scope these parts, favoured alike by the vicinity of big markets and by a mild climate, offer to the cultivation of vegetable, fruit, and garden products. Such conditions have caused the growth of the smallest holdings in south-west Germany, in the Rhineland, in the industrial areas, and around the large cities. The minimum size-limit of the holding is further strongly influenced by the facilities of earning subsidiary income outside the farm. Thus we note a marked decline in the size of the holdings in all highly industrialized areas, where a part of the rural population can supplement agricultural income by wages earned in factories or in other trades. Wherever the prevailing form of inheritance has been the division of the farm amongst the heirs, these tendencies have led to a widespread growth of the very smallest holdings. Here it is partly the case that the peasant finds additional income in other trades, but often he has become an industrial worker with a diminutive agricultural holding providing him with household necessities. These smallest holdings, called parcel holdings, are extremely numerous in the south and south-west. Particularly in Württemberg agriculture

is extremely closely linked up with the industries. In consequence the country is to a high degree economically sound and crisis-proof with a healthy and efficient population.

Also in north-west Germany with its favourable conditions for grassland as a basis for live-stock farming the peasant holding has completely held its own against the encroachments of the big farm. But because of the limitations of arable farming quite a different type of peasant holding has evolved here. In these farms live stock is the prominent feature, and greater size is necessary to ensure economic independency. So these provinces are peasant districts with a strong preponderance of the larger peasant holdings.

Now a few words concerning the political and economic factors which led to the evolution of big farms out of big land properties in the east of Germany. The land which is now operated in big units was in past centuries mainly tilled in small holdings. Partly it was then already in the hand of big landowners, but in this case it was cultivated in family farms of vassals and peasants who owed service obligations to the landlord, by reason of which they also operated the manor farm of minor size. Gradually the peasant holdings were absorbed and big farms evolved. This process was greatly facilitated originally by the unequal division of political power, by the prerogatives of the landlord, and later it was stimulated by the introduction of agricultural machinery. This gradual passing-over of the land out of the hand of the peasant to that of the big farmer-landowner was especially pronounced wherever natural conditions favoured grain cultivation in arable farming or wherever sheep-farming gained importance.

The combination of grain-growing and sheep-farming in connexion with the availability of cheap labour owing to the exercise of political prerogatives formed the basis for the growth of the big farms in the east. Later, after the division of political rights between the peasant and the landowner had been readjusted, mechanization and the introduction of cheap seasonal labour, mainly of foreign origin, helped the big farms to retain their dominant position. The availability of seasonal labour was also a decisive factor in the expansion of sugar-beet and potato cultivation on big farms.

As a result of the expansive tendencies of the big farm during the last centuries, many peasant holdings were annexed by the big landowners and the peasants evicted. The peasant class would have been still further decimated than actually was the case had not the state, notably the kings of Prussia, checked by legislation the process of turning the peasants off their farms. With a clear perception of the value of a sound and efficient peasant population, the Prussian kings

attempted to prevent the destruction of peasant holdings on the part of the big landowners—often only with partial success. However, the value and also the effect of these measures can be gauged by comparing western Pomerania with other parts of eastern Germany. In western Pomerania a great accumulation of big farms is to be found around the towns of Stralsund, Greifswald, and on the Isle of Rügen. Here these farms occupy over 60 per cent. of the land. This excessive proportion of big farms is partly due to the fact that the legislative measures of the Prussian kings could not be brought into force in this province, as it was at that time under Swedish rule. In free and unfettered economic competition such a high percentage of big farms would certainly never have evolved in eastern Germany. The proportion of peasant holdings to big farms would more closely approach conditions in southern and western Germany.

A rectification of the ratio of big farms and peasant holdings is an urgent necessity for a great number of economic reasons.

For comparison of German agriculture with that of eastern or overseas countries a few figures on capital investment and receipts may be of interest.

Climatic conditions, the high degree of intensity, the standard of life of the population, and above all the small size of the holdings—all alike combine to tend towards a high outlay of building and machinery capital per hectare. This outlay is particularly heavy in the small holdings of south and south-west Germany. Building investments of 2,000 to 3,000 marks per hectare in small holdings, of 1,000 marks in middle-sized holdings, and of 600 marks in big farms are by no means exceptional. This incurs an onerous additional burden as against overseas countries, and handicaps us in competition. The outlay of capital in machinery is also very great, in spite of the fact that mechanization is not remarkably developed in German farming. This is, again, mainly a consequence of the low average size of the holding, which entails a very imperfect utilization of the machinery plant. The possibilities of mechanization are much more strictly limited than in overseas countries. Our farming in small holdings demands an intensive utilization of the soil, which is only possible by a system embracing a great variety of crops. Such a complex type of mixed farming, practised under our soil and climatic conditions, renders such extreme mechanization as is attained in the North American and Canadian wheat belt quite impossible. In view of the dense population in Germany and the urgent employment problem, a development of mechanization on the same lines as in those countries is not to be expected in the near future. The employment

of machinery for supplanting animal draught power, that is to say, the use of tractors, is also restricted, because in small holdings haulage demands a certain minimum of draught animals, and if these are fully made use of, there remains but little scope for the tractor.

Being densely populated and heavily burdened with capital investments, our farms necessarily require a high cash turnover. In spite of the depression which has been most severely felt in German farming in the past few years, the gross cash receipts of the big farms still range from 150 to 800 marks per hectare, and in peasant farms from the lower figure up to 1,000 marks and even higher. The main income factor is live stock and live-stock produce, which often supplies 80, 90, or even 100 per cent. of the total receipts on peasant holdings. In root-crop farms and in bigger farms in general, the receipts from produce of the arable land become of greater importance and furnish 40 to 60 per cent. of the total receipts. They reached 70 per cent. and more in recent years as a result of the great drop in prices of live stock and live-stock produce.

As to expenditure, wages are the weightiest item in all big farms and also on large peasant holdings. Here wages form 30-50 per cent. of the total expenditure. The next important items are fertilizers and concentrated feeds, finally upkeep of equipment and buildings, taxes, and various other items.

What is the service of German agriculture, and what part does it play in the entire economic system of the country? In the last century Germany was still an agrarian country and exported agricultural products. The enormous expansion of industrialization, which made it possible to retain the rapidly increasing population within the country, turned Germany into an industrial country, and agriculture was soon unable to satisfy the continually increasing food requirements of the population. Before the war this led to steadily growing imports of agricultural products, mainly foodstuffs for our live stock. This development was abruptly cut off by the outbreak of the war. After the war, German agriculture entered into a tenacious struggle to regain independence of food supplies for the German nation. Increasing production and decreasing consumption after the years of deceptive would-be boom both worked towards the same end. Last year, partly as the result of a sequence of good harvests, food requirements were satisfied by home production in many important items. Our great output of carbohydrates fully satisfied the demand for bread, potatoes, and sugar; our highly developed live-stock farming supplied sufficient quantities of meat and milk. It is still, however, difficult to provide the necessary protein for our live stock and to

meet the demands for fat substances. The prolific protein-producing and oleiferous plants are scarcely adaptable to the climate of moderate zones. The protein and oleiferous plants of our climate have been so neglected by breeding science and in the development of the technique of cultivation that they can hardly compete with our grain and root-crops. This situation presents at the moment and in the future grave problems for Germany. If complete self-support in food is to be attempted with the prospect of success, our production must be shifted from such objects as are produced in sufficient or surplus quantities (carbohydrates in plant production, meat in animal production) to those items which are deficient: protein and fat. This object is aimed at in the Programme of the Imperial Government, and a solution is being attempted.

Not only a readjustment of our production is necessary, but also a general increase in output with the aim of complete self-sufficiency in food. This is directly necessitated by our international financial position.

This programme incurs the necessity of state influence upon marketing, and may also in some cases require state direction in production. The situation has led Germany, just as many other countries, to a separation from the world markets.

For this reason also opponents of state handling of economics must admit that state influence upon economy is a plain necessity. It is no longer a debatable question whether or no the state should manipulate economics. The only question is, how far should the influence of the state extend, and what are the most effective and efficient means of exercising this influence?

However, at the heart of all agricultural measures in Germany stands the systematic promotion and expansion of the peasant population, for we are convinced that the peasant class must form the bed-rock of sound and prosperous racial and national development. This conviction implies a systematic furtherance of the peasant holding, regardless of all shortcomings of the small farm in the utilization of human and animal labour and capital investment, if viewed merely from the standpoint of rational economics.

The aim of a truly beneficial agrarian policy cannot be solely the greatest economic efficiency in a technocratic sense, but far more the welfare of a healthy rural population, and that is impossible without a prosperous peasantry. Only when this prime object is achieved can the highest technical efficiency in peasant farming be the next aim. And only the attainment of both aims will ensure a prosperous and satisfactory national existence. >