Farmers, Capital, and the State in Germany, c. 1860–1914

Brett Fairbairn

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Centre for the Study of Co-operatives

University of Saskatchewan
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Abstract

Farmers’ movements grew in size and strength in both western Europe and in North America in the last decades of the nineteenth century. The German historian Hans-Jürgen Puhle has analyzed this parallel development as one of the responses of agricultural communities to their changing role and declining importance in mature industrial economies.

This paper examines the political and social character of the German agrarian movement in a stormy period of battles over tariffs, subsidies, and representation. It has been argued that German farmers were dominated by large and conservative interests in this era, yet this has been overstated. It is argued here that farmers resisted seeing their self-interest in individual or in class terms, and instead framed their objectives as sectional interests. German farmers, like others, conceived of their demands as a common protest against big finance, capitalism, and urban elites. Within this common field of ideas, peasants had their own independent organs that were not dominated by big farmers, and generally agreed for valid reasons with the policies of protectionism and subsidization advocated for the agricultural sector as a whole.

If any country can be said to have had an agricultural policy favouring a privileged elite of large, influential, and conservative farmers, then, according to the standard historiography, this was Germany. The revision of this interpretation in the German case would imply limitations on the applicability of such class-oriented approaches to late nineteenth and early twentieth century agriculture. In any case the contrast with the German case underscores the comparative unity, homogeneity, and liberalism of the early prairie farm movement.
I. Introduction — Agriculture, Modernization, and Politics
The question of determining strategies for agricultural improvement in Germany in the 1890s and early 1900s was closely bound up with explosive political issues of the time — the opposition between agricultural and industrial interests, the competition of political parties and interest groups, the speed and direction of German social and economic modernization. The tension and controversy of the debates on German agriculture accentuate some characteristics that are clearly different from the Western Canadian experience, and some that may be similar. This paper explores the comparisons and contrasts in the hope of providing an outside yardstick for evaluating Western Canadian developments. It will attempt this task in four broad stages, beginning with some global comparison of agrarian movements and a summary of the standard interpretation of German agricultural development. This will be followed by some qualifications to this standard interpretation, by suggested revision of some of its key conclusions and by examination of other aspects of German agricultural history that have generally been overlooked. It will not explicitly examine the Western Canadian case, but will attempt to frame questions in a way that invites comparison.

A. The Comparative History of Agrarian Movements
The period roughly around the 1890s was a crucial one for the development of agrarian politics and of agricultural policy in more than one country. In the United States, the Grange, the Farmers’ Alliance, and other agricultural organizations of the preceding decades were supplemented in 1891-92 by the new Populist Party. Along with the bimetallist movement the Populists came to exert a powerful influence on American politics in the 1890s. In Canada, the Patrons of Industry made progress in the agrarian communities of Ontario, Quebec, and Manitoba in the first half of the 1890s. The founding of the Territorial Grain Growers’ Association in 1901 was the next in a long series of steps in the political and co-operative organization of prairie farmers.

This was not simply a continental North American phenomenon. In Germany as well the 1890s saw a growth in the membership and radicalism of farmers’ organizations and a politicization of agriculture that left a deep imprint on public affairs. The key event in this regard was the founding in 1892 of the Agrarian League (Bund der Landwirte). Unlike all previous agricultural interest groups, the League entered directly into electoral politics with a dogmatic (some said demagogic) program and ideology. For ten years, until the passage of the German tariff law of 1902, agriculture was the number one issue in German politics.
Is this parallelism accidental? There are two reasons to suppose that it is not. First, all of these countries were engaged in industrialization, a process that was leading to powerful organization of business interests. This was the era in which corporations, cartels, interest groups, and the state came to be seen as dominating economic decisions. Agriculture, during this transition, faced the prospect of a steadily declining influence over the economy. Left to itself it would be helpless against the increasingly well-organized interest of big businesses. The mobilization of farmers to exert their collective political influence over state policy was one answer to this problem; and the other, sometimes complementary, answer was the organization of their collective economic power through co-operatives.

The second reason for seeing a connection between the European and North American farmers’ movements of the 1890s is that their markets were interconnected. Industrialization also meant railroads and steamships, refrigeration and canning, and hence the increasing exposure of markets to international pressures. The fall in grain prices that provoked the radicalism of the Agrarian League in Germany was in part the consequence of the opening up of new production in the Americas. To this extent, the problem of farmers on both sides of the Atlantic was the same: how to adapt to the conditions of large-scale markets and avoid the unwholesome side-effects adaptation might bring.

A little over ten years ago a German historian by the name of Hans-Jürgen Puhle published a comparative history of agricultural organization and policy in Germany, the United States, and France.\(^1\) Puhle began with the irreversible decline in the importance and social influence of agriculture through the late nineteenth and into the twentieth century in these three countries. He estimated that the proportion of the economically active population that was employed in agriculture in the early 1880s was some 49 percent in the USA (1880), 48 percent in France (1881), and 43 percent in Germany (1882). In the following three decades this proportion fell steadily, to 31 percent in the American case (1910), 40 percent in the French (1911), and 35 percent in the German (1907).\(^2\) With this went an equally large decline in the contribution of agriculture to the gross domestic product, from a range of 35–42 percent among the three countries in the


\(^2\) Ibid., Appendix 6, Table 1, p. 248.
1870s, to 23-35 percent after the turn of the century, and to a mere 11-16 percent by the late 1920s. These global statistics outline a decline in both numbers and in economic power for the whole agricultural sector.

Puhle’s hypothesis was that these similar patterns of declining influence meant similar patterns of farmers’ movements and of agricultural policies. These patterns resulted from the powerlessness of farmers on the one hand to resist the changes wrought by industry, and their desire on the other to modify the effects of those changes to the benefit of agriculture. Farmers, in this formulation, were “development-victimized structural desperados.” As a consequence of their position of weakness, farmers became the first major group of property-owners to call explicitly for continuous state support of their sectoral interests. The state, for its part, was somewhat inclined to respond to farmers’ demands because of their numbers, their traditional status and respectability, and because they were seen as a necessary component of a stable social order. Agriculture thereby became the first big sector of state intervention in the economy, and this furthered the process of bureaucratization and interest-group formation that Puhle attributes to “organized capitalism.”

In broad outline, Puhle identifies a number of features of agricultural policy that were common to the three countries he examined, as a result of the similarities in conditions and problems. First, he argued that all three countries showed, over the course of the twentieth century, an “increasingly conservative orientation of agrarian political movements.” Second, as already mentioned, agriculture was characterized by “the expansion of state intervention” as part of the “tendency toward integration of the economic and political sectors” of society. Agricultural policy, third, “was as a rule set by the organized big producers at the cost of the smaller producers, who were numerically in the majority but sold less on the market.” As a result, instead of rationalizing and specializing as small countries like Denmark and the Netherlands had to, the USA, France, and Germany subsidized agricultural incomes to preserve the status quo; and this resulted in a double burden on consumers in the form both of high prices and taxes. Finally, government involvement had the effect that “losses were socialized” while profits remained private.

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3 Ibid., Appendix 6, Table 2, p. 250. The latter figure refers only to Germany in 1925/29 and the USA in 1930, as Puhle gives no information for France in the same decade.
4 Ibid., p. 11.
5 Ibid., pp. 12–15.
6 Ibid., pp. 244–45.
The purpose of reviewing Puhle’s argument here is to set the context for a closer examination of the German case, suggesting what possible similarities and differences there may be in comparison with agrarian movements and policies in the Canadian prairies. Not everything Puhle says is equally defensible, and the discussion below will highlight certain difficulties in his analysis. Nevertheless, the idea of farmers’ politics as a compensation for economic decline provides a useful initial framework for comparison.

**B. Structuralist Analysis of Agrarianism and Modernization in German History**

When Puhle argued that agrarian movements were increasingly conservative and that policy “was as a rule set by the organized big producers at the cost of the smaller,” he was drawing on an established analysis of German agriculture that goes back nearly one hundred years to the contemporary critics of the policy. These two points, the degrees of conservatism and of elite domination in the agrarian movement, constitute the largest apparent dissimilarity between the German situation and the American. The participatory, progressive, populist politics of the American agrarian movement are contrasted by Puhle with Germany, where, he argues, “the domination of the…grain-growing and…privileged east Elbian great landowners over west and south German [farmers] remained…unchallenged.”

Puhle argued that these differences were consequences of differing political contexts. While agriculture’s problems and tendencies were broadly similar, those problems and solutions arose in dissimilar social and political environments, giving a distinctive colouring to each case. American farmers turned eventually to Roosevelt’s New Deal, and German ones to Hitler’s National Socialism.

The distinctiveness of the German case has been thought by many historians to lie in the role played by the Junkers, the reactionary aristocracy of eastern Prussia who exercised privileged influence on the crown, the bureaucracy and army, and on German agricultural interest groups. In 1915, Thorstein Veblen’s book, *Imperial Germany and the Industrial Revolution*, argued that the influence of the conservative Junkers was part of a social and political backwardness that conflicted with Germany’s modern economic development. The structuralist analysis has since become quite popular among German historians, and the tension between economic advancement and political backwardness has been used as an explanation of social conflict in Imperial Germany and of its

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7 Ibid., p. 241.
8 Ibid., p. 242.
authoritarian, protectionist, and imperialist policies. In 1943 Alexander Gerschenkron, in *Bread and Democracy in Germany*, expanded on the theme of the Junkers’ malign role in German politics, noting the contribution of the “traditional general philosophy of the German agrarians” to the “Fascist Weltanschauung.” Barrington Moore, Jr. has attempted to tighten the link between Junkers and fascism with his model of modernization carried out by a “reactionary coalition” between the aristocracy and the middle classes. Moore finds dangers to democracy in “authoritarian and reactionary trends among a landed upper class that finds its economic basis sinking and therefore turns to political levers to preserve its rule.” From this general analysis of German society, then, comes a potent demonology of Junkerdom and its resistance to modernization.

The relevance to agriculture is that these economically declining Junkers are seen as using their political privileges to prop up the agrarian cause, both by their leadership in agrarian organizations and by their participation in the Prussian government. The Agrarian League is seen as a manipulative device of the eastern Prussian aristocracy to dominate the agrarian movement and, through it, the electoral process, as an added means of bringing pressure to bear on the state and the parties to accede to their protectionist demands. Puhle, who is also the recognized German historian of the Agrarian league, documents its tight interconnection with the German Conservative Party, the monarchist advocate of protection and repression, and the development within the ranks of League activists of a rabidly anti-Semitic, anti-modern ideology which he dubs “a potentially totalitarian mixture.” According to his analysis the League played an important role in the “economization” of German politics, in frustrating democratic and parliamentary development, and hence in preserving the social status and political influence of the Junkers and of the Prussian regime.

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10 The most systematic application of this idea is likely Hans-Ulrich Wehler’s *Das Deutsche Kaiserreich 1871–1918* (Deutsche Geschichte 9), Vandenhoeck and Ruprecht: Göttingen, 5th edition, 1983 (available in English as *The German Empire*).
13 Hans-Jürgen Puhle, *Agrarische Interessenpolitik und preußischer Konservatismus im wilhelminischen Reich (1893–1914)* (Schriftenreihe des Forschungsinstituts der Friedrich-Ebert-Stiftung), Hanover, 1966, p. l09. See also Part Two, chap. II.1 on the organizational and personnel connections between the League and the Conservatives.
The “reactionary coalition” that preserved the political power of the Junkers and mitigated their economic decline was intimately tied to the cause of tariff protectionism. In 1879, when Bismarck for the first time persuaded German Conservatives and agrarians to support his new regime, he did so in part by offering them higher tariffs. Given that they had a large domestic market and feared competition from Russia and from America, German agrarians favoured protective tariffs to shut out foreign grain. By granting protective tariffs at the same time to heavy industry, Bismarck helped cement an “alliance of rye and iron.” In the 1890s, however, the glue came unstuck, and agriculture and industry were again at odds. This time tariff protection was one of the chief demands of the new Agrarian League. The League met with some success: the new tariff law of 1902 provided for increased tariffs on grains in future commercial treaties. This tariff measure is also taken to symbolize the renewed compromise reached between the Junkers and big industry, because in return agrarians accepted protective tariffs for heavy industry, and the construction of a high seas fleet to defend Germany’s commercial and imperial interests.\(^\text{15}\) If we accept this interpretation, then the agrarian movement was not only a conservative one, but a statist one, a system-stabilizing factor that neutralized the forces for change in German society.

It seems, according to this broad structuralist interpretation, that if any country had an agrarian movement led by conservatives, that country was Germany; and if any country had its agricultural policy dictated by big producers in their own interests, once again that country was Germany. Privileged Junkers, pillars of an antiquated social and political order, bargained with big industry and propped up their declining economic base with protective tariffs. The role of reactionary aristocrats and ultimately of fascism seem to make the German case the most extreme possible case of domination of agriculture by big farmers and right-wing thought. Yet, this position has been overstated.

Even in Germany, in spite of the Prussian aristocracy and in spite of later fascists, it is not true that conservatives and big farmers controlled agricultural policy in their own predominant interest. A closer examination of the movements, issues, and policies of the 1890s reveals that the German agrarian movement was more similar to the standard interpretation of the North American movement than traditional historical analysis has allowed — broad, sectional, perhaps even populist. The traditional, structuralist, class-oriented interpretation of German agriculture has been based on highly selective

\(^{15}\) The “fleet for tariffs” bargain is interpreted by Wehler and others as an important formulation of Sammlungspolitik, the “rallying-together” of business and agricultural interests to defend the social and constitutional status quo. See Wehler, Kaiserreich, pp. 100–105.

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interpretation and systematic disregard of contrary evidence. The re-examination of German agriculture will be conducted below in three stages: first, a closer look at the Agrarian League, its activities, and the tariff law itself, raising some questions about the ways in which these have been interpreted; second, a revised analysis of the overall German agrarian movement and its policies; and finally, an assessment of other aspects of German agricultural policy than those considered in the structuralist interpretation.

II. The Agrarian League and the Crisis of the 1890s

A. The “New Course” and the Trade Treaties of 1892–1894

Farmers’ grievances in Germany in the 1890s seemed, in political terms, to revolve around declining grain prices. As already noted, the fall in prices had something to do with increasing foreign competition, and hence was part of a change in the scope and structure of the market. In Germany, however, the fall in prices that drew increasing attention in the early 1890s coincided with the end of Bismarck’s regime, and the formulation of a so-called New Course was the conclusion of a series of trade treaties that substantially reduced the degree of protection accorded to German agriculture. The most significant of these treaties were the treaty with France in 1892 and with Russia in 1894. Since Russia was a major grain producer and a potential competitor, and since the Russian treaty was the last in the series, the Russian treaty aroused the greatest opposition from the German farm community.16

Caprivi’s treaties made a convenient focal point for agrarian protest and a ready scapegoat for the problems caused by falling prices. As in the 1870s, tariff protection became the distinctive cause of the German agrarian movement, overshadowing other ideas like bi-metallism or state marketing agencies. Yet, in part, this concentration on the tariff was accidental, because of the coincidence between Caprivi’s treaties and an international fall in grain prices. It is true that in German politics in the 1890s and early 1900s, the agriculture issue meant primarily the tariff issue; yet the political content of the tariff question can only be judged in the context of German political culture and history. The tariff has often been evaluated only in the context of farmers’ individual financial calculations of their own self-interest, but it was also a potent political symbol. An important consideration is that the Agrarian League’s tariff policy grew out of a potent and systematic anti-capitalist philosophy.

16 On agricultural politics in the Caprivi era, see Sarah Rebecca Tirrell, German Agrarian Politics After Bismarck’s Fall, doctoral dissertation, Columbia University, 1951.
B. Anti-Capitalism and the Agitation of the Agrarian League to 1903

The formation of the Agrarian League in 1892 must be judged against the existing organizational background of German farmers’ organizations, for it was by no means the first large agricultural interest group in Germany. There already existed the Union of Tax and Economic Reformers (Vereinigung der Steuerund Wirtschaftsreformer) and the German Council of Agriculture (Deutsche Landwirtschaftsrat), both of which were powerful interest groups. However, the Agrarian League was a much different kind of organization. The earlier bodies were overwhelmingly dominated by large, titled landholders, a great many of whom held simultaneous state appointments, and by other government agricultural officials. The German, and especially the Prussian, agricultural establishment was inseparably intertwined with the state and the aristocracy, which meant on the one hand that these bodies had a privileged position of influence, but that on the other hand they were limited to being elite, semi-public lobby and interest groups. Agitation, campaigning, party politics, mass membership, or even public relations functions were largely outside their mandate and ability, and were contrary to the dignity, reputation, and social standing of their members. The same could hardly be said of the Agrarian League.

The Agrarian League, in spite of the assertions that it was a tool of the Junker aristocracy, is noteworthy precisely because it was less dominated by aristocrats than were any of the older agricultural interest groups. One social historian has noted that the League was founded by “a middle-class farm agent (Ruprecht-Ransern) and a middle-class estate owner (Dr. Gustav Roesicke) — [a] sign of the shift from landed aristocracy to a landowner class.”¹⁷ Its corps of propagandists and political candidates was led by men like Diederich Hahn and Dr. George Oertel, middle-class professional agrarian agitators. The League constituted an attempt to redefine the agricultural interest in a way that allowed for the participation of non-aristocrats, and that emphasized the common economic interests of all farmers, whatever their status. Under its aristocratic chairmen was a substantially non-aristocratic agrarian movement. Of course, it is possible, adhering to the structuralist interpretation, to see this simply as a manipulative device to spread the influence of the Junkers over a broader, non-aristocratic membership. However, the reality may have been more complex than the conspiracy theory suggests.

One of the League’s founders made a speech in early 1893 in which he expressed the new agrarian vision. Estate agent Ruprecht called for “a single great agrarian party,” uniting liberals, Catholics, and Conservatives, to gain greater influence for agriculture over legislation and government.

I propose nothing more and nothing less [he continued in a remarkably radical vein] than that we go among the Social Democrats and seriously make a common front against the government ... we must scream, so that the whole land hears; we must scream, so that it is heard in the halls of parliament and the ministries; we must scream, so that it is heard even on the steps of the throne!\(^\text{18}\)

Here, as later and in other places, was articulated a vision of a sectional agrarian movement that was above, or indeed perhaps that replaced, established political parties. Agrarianism was a rebellion against existing political institutions that was in its roots ambivalent about whether to pressure those institutions, and if so whether from within or from without, or whether to create a new alternative to them. The reason for this ambivalence was simply that agrarians considered their cause to be of overriding importance, transcending all the regular issues with which pragmatic politicians routinely dealt. And the reputable, privileged Junkers who stood at the head of the established Conservative party did not like this radicalism one bit.\(^\text{19}\)

The League’s organization and activities were also different from those of the earlier organizations, in a way that corresponded to its broader social base and wide political aims. It has a hierarchical, mass-membership structure that allowed for members to participate regularly in local and regional chapter meetings and events, producing “an extraordinary degree of organization comparable only to the Socialist Party.”\(^\text{20}\) This “participation” was, of course, in many cases not precisely a democratic phenomenon, in the sense of giving each individual an equal say in making decisions. However, it contrasted visibly and sharply with the contemporary alternative in rural Germany, which was tiny cliques of notables discussing politics behind closed doors. Even the formal involvement of ordinary farmers in public discussion of politics was perceived as a

\(^{18}\) Quoted in A.W. Kasemann, *Der Bund der Landwirte. Seine Forderungen und seine Erfolge*, Danzig: Bund der Landwirte, 1898, p. 3 (and p. 2 for the following).


concession to democracy and to mass politics, and viewed with distaste by conservatives for that reason. The League’s incessant propaganda, taken out to the farming population through newsletters and handbooks, pamphlets and lectures by traveling speakers, emphasized the unity of the agricultural interest, the importance of agriculture to the German state, and the need to fight to make the government and the political parties acknowledge that importance. The League entered enthusiastically into electoral politics, drawing up a detailed program and offering electoral assistance to candidates endorsing it. On numerous occasions the League fielded its own independent candidates. The result was “a powerfully effective prototype of a new sort of political organization on the boundary between a party and a pressure group.”

Within two years of its founding the League, under the impact of the Caprivi treaties, reached a membership of over 200,000; ten years after its founding, it achieved a quarter of a million members, had spread well outside its initial eastern Prussian territory, and had succeeded in making agriculture the number one issue in German electoral and party politics. In 1902 the passage of the new tariff law provided for the upward revision of protective tariffs in future trade treaties; this was not as much as the League had demanded, but it represents in part the impact of the League on German politics in general. By all appearances the League was a potent political force. In the process it had come into bitter conflict with the German government and the German crown, upsetting a centuries-old community of interest between the aristocracy, as the representative of agriculture, and the state. Far from being a system-stabilizing force, the agrarian movement was a fractious and destabilizing force that handcuffed the government and divided its allies.

The division between the government on the one hand and the radical agrarian movement, represented by the Agrarian League, on the other was summed up in two sets of issues that distinguished agrarians acceptable to the government from those who were not. First, there were the so-called “great measures” demanded stridently by the League, measures that it saw as important structural changes for the agricultural system, and which the government rejected as impossible. The chief such demands over the League’s first decade of existence were for bi-metallism, commodity exchange reform, corporate organization of agriculture, reforms in property and inheritance law, and for a state grain-

21 Puhle, “Parlament, Parteien und Interessenverbände,” p. 361. Hunt makes the same point, that the League assumed the features of a political party with mass organization and agitation (in “The ‘Egalitarianism’ of the Right,” p. 513).
trading monopoly (the Kanitz proposal). These demands were linked together by a general attack on private grain traders, on financial and commercial interests, on liberal economists and law-makers, as exploiters of agriculture. Radical agrarians assumed that the long-term solution to the problems of agriculture involved the defeat of “international big capital,” and the establishment of a harmonious national economy viewed as a “popular-economic organism” (volkswirtschaftlicher Organismus) founded on agriculture. Given the German environment this was bound up with anti-urban rhetoric — the cities were seedbeds of socialism, immorality, ill-health and decadence — and it merged with anti-Semitism and with radical nationalism, which argued that the traditional rural community was the source of the true German character. This was, then, an explicit and fairly comprehensive anti-capitalist agrarian philosophy, perhaps even an ideology.

The great measures were defeated in the Reichstag, but on a second issue, that of the Mittelland Canal, it was the League’s turn to inflict defeats on the moderates and governmentalists. Agrarians rejected the government’s proposed canal to link the Rhine and Elbe rivers, on the grounds that it would promote easier movement of grain and hence facilitate imports and competition. This was a spurious argument, since in fact large German grain-growers in the east needed cheap east-west transportation to reach the urban consumers in the west. The real issue was symbolic: agrarians opposed any measure that seemed to promote trade, industry, and further capitalist development of Germany. Under the influence of the League, conservative and agrarian deputies twice between 1899 and 1905 blocked the passage of canal bills strongly desired by the government. Government officials who were League members publicly denounced and opposed the government’s own bills, and were fired for their trouble. The government, worried and on the defensive, was faced with a near revolt among its officials and its closest political and social allies.

Despite such tactical successes, the tariff, inadequate as the radicals found it, remained the height of the League’s achievement. Beginning in 1903 the League radicals

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22 Puhle, Agrarische Interessenpolitik, pp. 74–75. The actual League program was unclear and inconsistent; while it tended to support these general ideas, it issued separate programs for individual election campaigns, representing minimum acceptable positions, and did not have a fixed long-term program.
23 Ibid., pp. 78–79.
24 Ibid., pp. 78–101.
were tamed or isolated on the fringe of German politics. Their aggressive propaganda and election campaigns aroused at least as much opposition as support, so that in the 1903 Reichstag elections the left liberal and socialist parties were able to make opposition to “one sided agrarian interests’ a focal point for their campaigns among their constituents in the cities and in the liberal small peasantry, contributing to two massive social democratic election successes. The 1903 elections showed that the government and its allies were now able to exclude the radical agrarians, and those elections saw stunning defeats for many of the League’s most prominent national leaders. So, too, the Mittelland canal bill was finally forced through the Prussian diet in 1905. The great turning point in the League’s influence had been the tariff law of 1902, for it provided enough satisfaction to agriculture that the government was able to split the agrarian movement and isolate the radicals. Of all the national issues promoted by the League, the tariff law was the one apparent success and must serve as the yardstick for the League’s accomplishments in agricultural policy in that era.

C. The Tariff Law of 1902

The tariff on imported grain has been called “the fundamental theme of the historiography of Imperial German agriculture,” and “one of the most researched areas of modern German history.” Grain tariffs have implicitly been taken as the determinants of agricultural development. They are seen as having preserved the large farms in eastern Germany that provided the economic power base of the aristocracy, as having kept food prices high, as having retarded the shift of manpower to other sectors of the economy, and as having impeded commercial treaties and foreign trade. Yet, as one agricultural historian has commented, “[t]he emphasis that has been placed upon the role of the grain-tariff in agricultural development is somewhat surprising in view of the fact that most studies of its actual effects deny that it exercised a significant influence.”

In fact, studies of agricultural prices show remarkably little effect from German tariff laws. The original tariffs of the 1870s were apparently largely absorbed by exporters to

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28 Puhle, quoted at ibid.

29 Ibid., p. 74.
Germany, resulting in no rise in the domestic price of grain.\textsuperscript{30} Exports of grain from Russia to Germany did not decline at that time.\textsuperscript{31} And if the tariffs of the 1870s had little effect, then the issue of their removal in the 1890s and replacement in the 1900s becomes, in economic terms, much less compelling. Studies of the structure of German agriculture indicate that the changes that were taking place were taking place in other fields entirely: in intensification of farming, in greater reliance on dairy and cattle, and in new crop rotations. Extensive grain farming continued to decline, and the large farms of the aristocracy dwindled in numbers as the small and middling operations of peasant producers multiplied.

Why then so much concentration on tariffs? The short answer is that historians have concentrated on tariffs because contemporaries did. In spite of its practical ineffectiveness, the tariff was Germany’s pre-eminent political issue in the 1890s and early 1900s because activists in the agrarian movement thought it would help, and convinced farmers that it would help. The issue, then, is not to be understood in economic terms, since contemporaries’ economic knowledge and foresight was evidently flawed, but in political and symbolic terms. The tariff was the issue for German agrarians because it symbolized the unity of the agricultural interest against free-trading, liberal and commercial interests. The tariff question summed up the agriculture-industry, rural-urban split that dominated German politics. Whether state tariff policy favoured agriculture or not was taken as an indication of whether Germany was to be an “agriculture-state” or an “industry-state,” with all of the corresponding social structures and values. The tariff provided the rallying cause for agriculture: re-assertion of its interests against those of capitalist development. One Agrarian League activist later wrote the following:

\begin{quote}
I do not believe that we gain much through the new trade treaties. But in another point we have won the battle, we, the Agrarian League. That is [in] the point of honour…from today onward the German Empire will no longer be called [an] ‘industry-state,’ but instead it will once again be known as [an] ‘agriculture- and industry-state.’\textsuperscript{32}
\end{quote}

The tariff battle was a battle to accord agriculture its rightful status in the nation. Yet if we accept the symbolic nature of the tariff issue, we are forced to re-examine the idea that the tariff was a manipulative economic strategy of reactionary Junkers to shape


\textsuperscript{32} Elard von Oldenburg-Januschau, \textit{Erinnerungen}, Leipzig, 1936, p. 70.
agricultural development in their own interest. Either it was not such a strategy, or, if it was — and this is perhaps the more interesting conclusion — the would-be manipulators of agricultural development failed due to their own imperfect knowledge.

III. How Manipulative Were the Junkers?

A. Who Gained and Who Lost from Protectionism?
The key argument in the historiographical debate about German grain tariffs has always been that such tariffs benefited the Junkers at the expense of ordinary German farmers. The argument goes that the Junkers were Germany’s main grain growers and exporters, and had the greatest interest in high grain prices. Other farmers, it is argued, grew no grain or grew it for their own use, or in fact had an interest in low grain prices because of their need for feed for their cattle. The Agrarian League’s demand for tariffs thus appears to be a demand that would benefit only the big aristocrats, and would in fact hurt other producers.

This argument is misleading, both because it exaggerates the divergence of interests within the agricultural community and because it distorts the way in which farmers actually saw these issues at the time. First of all, it is not true that only Junkers sold grain on the market. Few detailed studies of German peasant farming have been done, but those that have been done indicate that many peasants grew some grain and sold it as an important source of cash. This mixed farming system was a rational microeconomic response to farmers’ need to minimize their individual risk and maximize their individual returns. Peasants, then, did have a significant and rational interest in higher grain prices.33

Secondly, the argument that the tariff was only for the Junkers distorts history by failing to allow for how contemporaries saw the issue. The propaganda of the period shows clearly that agrarian activists were successful in promoting the view that agriculture was a unified sectional interest, with a common need for high and stable prices. Two important political groupings attached this view, arguing, in a fashion similar to that employed by the structuralist critics of German agricultural policy, that the Junkers were a separate class who exploited smaller farmers. These two political groupings were the Social Democratic Party, which in the course of the 1890s had its meagre footholds in the German countryside erased, and the left liberal party, which saw

its once powerful agricultural base dissolve in the midst of the tariff controversy. Harassment by the police and by conservative landowners has something to do with the organizational difficulties of these parties in the German countryside, but it cannot be a coincidence that the two parties that argued for a simplistic class understanding of German agriculture were devastated at the polls in rural Germany.\(^34\)

German farmers, Junkers or not, did see agriculture as a unified interest. There is no need to postulate manipulation by devious Junkers to explain the political stands of the German agrarian movement. Farmers, in general, did have some interest in high grain prices, and saw the issue as a symbolic political test of the rights and strength of agriculture to resist industry.

There is a further angle to this debate. Undoubtedly German cattle producers would have suffered from high grain prices, if in fact tariffs had been effective in raising prices. Yet what some historians of the tariff have overlooked is that German cattle producers were protected by nontariff barriers that were incomparably more effective that the tariff itself. Quarantine and health regulations tightened in the 1880s and 1890s provided German farmers with what amounted to a tight quota system for the import of live animals. Between the early 1880s and World War One, five-year averages for import of livestock and meat products fell by 50 percent. At the same time producer prices for beef soared by 49 percent, far outstripping wheat price increases over the same period of a mere three percent.\(^35\) If we were to judge German agricultural policies by their ultimate effect, as we see it with hindsight, then it would appear German agricultural development was biased in favour of cattle rather than grain, and was “manipulated” by middling peasant proprietors who duped the big grain-growing aristocrats. Of course, such an allegation is ridiculous, and merely serves to underscore the fact that agricultural policy was developed in a haze of imperfect knowledge and complex political calculation, so that no single group could manipulate the whole — not even the privileged aristocracy of Prussia.

**B. Who Controlled the Agrarian Movement?**

If we revise our estimation of what groups benefited from German agricultural policy, we may also have to revise our estimation of which groups controlled the German farm

\(^{34}\) See Fairbairn, “German Elections,” chaps. 6 and 8.

\(^{35}\) See Hunt, “Peasants, Grain Tariffs, and Meat Quotas,” pp. 314–18. Increases for other meat products were similar to that for beef, and other grains were similar to wheat (although oats increased somewhat more).
movement. In particular, when we remove the blinkers of class analysis that for a century have limited discussion to the Junkers and the tariff, it becomes apparent that Germany had a large grass-roots farmers’ movement outside the Agrarian League, which formulated its own interest in its own ways. A chief characteristic of the German farmers’ movement was that it was highly regionalized, so that generalizations at the national level based on leading aristocrats and public figures will almost necessarily miss the mark.

The Agrarian League was the first agitational farmers’ organization in the hinterland of eastern Prussia, but it was not the first such organization in Germany. From the 1880s onward, peasants in almost every region of western and southern Germany were organizing themselves in peasant leagues that put forward political demands to governments, agitated through newspapers, meetings, and elections, and put forward a politicized view of the representation of agricultural interests. The oldest of these were the Catholic peasants’ associations, some of which dated back to the 1860s but most of which were founded in the period 1880–1900. These associations organized farmers in a highly regionalized fashion — a national Catholic peasants’ federation was not even founded until 1900 — and were associated with the broader network of Catholic occupational and interest groups that supported the Catholic political movement — the Party — in Germany.

Although they had much in common with the League, Catholic peasant associations often resisted its domination successfully, caricaturing it as an “outside” group of East Prussian, Protestant aristocrats. The alleged domination of the League by the Junkers was used with full propaganda effect by competing farmers’ associations, and contributed to the exaggerated demonology of Junkerdom. There were, to be sure areas of Germany where sections of the local Catholic peasant leagues fell under Agrarian League influence or expressed sympathy for the Agrarian League, but organizational discipline was maintained. The Catholic movement accepted the need for higher tariffs for agriculture, but rejected the “great measures” of the Agrarian League and, like the government and most of the other political parties, denounced “one-sided agrarian interests.” This national stance by Catholic political leaders satisfied the Catholic farmers’ movement and contained defections at an electorally insignificant level.

A second major peasant movement occurred in Bavaria, where the Bavarian Peasants’ League blended together agrarian interests and the anti-liberalism of the general farmers’ movement with severe anti-clericalism and criticism of social, economic, and political elites. The result is best described as anti-liberal populism. The Peasant League’s
particular blend of activism and of hostility to taxes and officials is expressed in the following verses published in 1903:

Rise up peasants, stir yourselves  
There’s no more use in babbling around  
Now the paying comes to a stop  
We won’t put up with anything more.  
    “Courage! Go to it!  
    Long Live the Peasants’ League!”

We’re going to get the ministers  
All together they must flee  
Simple peasants must get in  
They must be the excellencies.\textsuperscript{36}

Indeed, the idea that “simple peasants must get in” might well be one of the common denominators of German agrarian movements. Farmers demanded that they be represented in parliament and in government by people who were farmers themselves. This was the demand that was put by the Catholic agrarians to the party and that was pushed by Agrarian League activists during the candidate selection by the Protestant parties. It was widely assumed that only farmers could represent farmers, and all established parties were challenged to adapt to this new rural sectionalism, or lose their electoral bases.

There were also peasant movements in Protestant central Germany, which generally had either to compete or to co-operate with the Agrarian League. A great many had a greater or lesser degree of contact with the League. Typically this has been seen as an extension of the manipulative influence of the Junkers outside their eastern Prussian bastions, to dominate smaller German farmers through the geographic spread of the Agrarian League’s activities. Yet it is also true that outside eastern Prussia the Agrarian League only took root where it fitted itself in to the pre-existing regional traditions of agrarian organization, as well as where it fitted itself in to the pre-existing regional traditions of agrarian organization, and where it offered something meaningful to local farmers. Peasants in western and southern Germany could not be controlled by patterns of deference and dependency, so instead the League had to put on a more middle-class face and offer small farmers a coherent agrarian ideology, advocacy of their long-term economic interests, and direct material incentives, such as: cheap seed, fodder, fertilizer,

\textsuperscript{36} Printed in \textit{Deutsche Tageszeitung}, 29 May 1903.
and machinery; free legal and financial services; and bargain insurance policies.\textsuperscript{37} This suggests that the League was not necessarily the monolithic puppet organization that liberal and socialist critics made it out to be.

Ian Farr, analyzing the penetration of the Agrarian League into Bavaria, concludes that the League was actually at a disadvantage where it encountered an existing local or regional farmers’ movement and succeeded only by adapting to the existing movement’s traditions and character.

The apparent paradox of small peasants and farmers giving their support to the Junker-controlled [Agrarian League] has led to an undue concentration on the manipulative potential and capabilities of this organization [writes Farr]…In Bavaria we can see that peasant support for conservative and [Agrarian League] candidates in the elections of the 1890s merely represented their continued affiliation to the Protestant agrarian tradition established during the previous decade.\textsuperscript{38}

Farr, and other historians who have conducted regional studies, remind us that the German agrarian movement was a grass-roots phenomenon, that it was socially ambiguous between the claims of Junkers and of peasants, and that it was politically ambiguous in embracing radical and democratic tendencies alongside corporatist and anti-Semitic ones.

The German agrarian movement was a complex and fragmented phenomenon. Catholic peasants’ leagues, liberal peasant leagues, anti-Semitic peasant leagues, and independent peasant leagues all existed alongside the Agrarian League in a diverse and pervasive pattern of rural protest. All of these movements peaked in political influence in the period between the Caprivi trade treaties and the Reichstag elections of 1903. By the latter date, their potential for membership growth or for mergers among themselves was clearly exhausted. Their vote totals and levels of parliamentary representation were declining. And with the passage of the tariff law, agriculture was less of a pressing issue and the parties and the government were less divided about it.\textsuperscript{39} In about a single decade German agrarian protest had run its course and had been substantially re-assimilated by


\textsuperscript{39} It has already been noted above that 1898 and especially 1903 were decisive defeats for the Agrarian League. 1898 also saw the peak of the Bavarian Peasants’ League, which by 1903 was losing ground back to the Catholic Party. The 1893 elections had already seen the peak of electoral anti-Semitism, and by 1898 the anti-Semites were demoralized and reduced to a subordinate role in broader coalitions (see Richard S. Levy, The Downfall of the Anti-Semitic Political Parties in Imperial Germany, New Haven and London, 1975, p. 195). More generally, the government and its allied parties had lost their inhibitions about attacking radical agrarians. See Fairbairn, “German Elections,” esp. chaps. 4 and 5.
established political parties and institutions. It is clear from this perspective that there was a spontaneous potential for agrarian radicalism that was tapped by many different regional and national movements, and certainly not solely by the Agrarian League.

There are reasons, then, to doubt both the assumed bias of German agricultural policy in favour of conservative big farmers, and to doubt the domination of the German agrarian movement by those same conservative big farmers. Just as the tariff has been emphasized out of all proportion to its actual importance to agriculture, so too, as one historian has commented, “we should try to overcome the Prusso-centric approach which tends to exaggerate the relative importance both of the Junkers and of the Agrarian League.” David Blackbourn suggests that what was really going on was not a manipulative Junker strategy to prop up grain tariffs, but a complex rural rebellion against the intrusion of industrial change. The basic root of peasant movements that “spontaneously came alive” in Germany in this period was the increasing perception of the role of “outsiders” in the agricultural economy: competition from overseas farmers, competition from margarine manufacturers for dairy producers, higher government taxes and insurance costs, price-fixing by fertilizer companies, rural depopulation and rising farm labour costs as young people fled the land for urban salaries, and alleged Jewish speculators. Railroads, canals, roads, schools, taxes, traveling salesmen all penetrated rural society and weakened its self-sufficiency and self-confidence.

Farmers suffered a painful transformation in their views of themselves and of agriculture’s place in society as they perceived their dependence on such external factors. As another historian has commented, “[t]here can be no talk of the ‘distress’ or even ‘impoverishment’ of agriculture.” The real problem, according to Jens Flemming, was a perceptual one, “a kind of crisis of the rural economic consciousness, of the horizon of expectations...resentment-laden acknowledgement of the growth of industry, trade, and banks.” The agrarian movement as a whole was a response to farmers’ apparent powerlessness to affect social and economic trends, and within this movement the Junkers at the head of the Agrarian League were only one group of actors. Perhaps, instead of seeing them as holding the reins of a docile agrarian movement, it would be no

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41 Ibid., pp. 51–53.
worse an exaggeration to cast them as precarious balancers “riding the tiger,” as David Blackbourn recently put it, in their attempts to adapt to the populist trend.\textsuperscript{43} 

There is a second aspect to this broad and complex rural response to industrial change. If farmers collectively could try to wield political power to alter the direction of national policy in their favour, they had also, individually and collectively, to try to adapt to the changing economic conditions of their times. This gives the lie to assertions that their endeavours were purely reactionary or anti-modern. The other side of agrarian movement is composed of the institutions and techniques fashioned by farmers for their own economic self-help and modernization, a second rational response to the problems of economic change. Here, as much as in the political realm, was agriculture’s struggle to adapt.

V. Self-Help and the State

Although the structuralist interpretation of German agriculture has emphasized the role of the agrarian elite and of defensive, protectionist state policy, there is an older interpretation of German agricultural development that emphasized technological improvements and co-operative organization of farmers.\textsuperscript{44} This older interpretation was rightly discarded because of its naive praise of progress and its ignorance of political and social conflicts; yet when it was discarded, so too was the entire subject of small-scale technical improvement and of co-operatives. These elements must be restored to the picture, because between 1850 and 1900 German agriculture was revolutionized in the direction of intensified small-scale farming, and developed the world’s first rural co-operative movement, in many ways the equivalent for agriculture of the Rochdale movement in Britain.

The real improvements in German arable farming in the latter decades of the nineteenth century came not from tariffs, but from sugar beets and potatoes. Intensification of farming was the rational response to the long-term decline in grain prices, since it was too expensive in Germany to buy land and expand.\textsuperscript{45} Root crops permitted a greater volume of production per hectare and more elaborate and efficient crop rotations, thereby increasing productivity and income. They also facilitated the

\begin{footnotesize}
\textsuperscript{44} See, for example, Heinz Haushofer, \textit{Die deutsche Landwirtschaft im technischen Zeitalter}, Stuttgart, 1963, and the criticism of it by Blackbourn in “Peasants and Politics,” pp. 48–49.
\textsuperscript{45} Perkins, “Agricultural Revolution,” p. 77.
\end{footnotesize}
transformation of field systems to closed, separate holdings, and thus the end of the commons and open fields. The transformation required greater inputs of capital and labour, and more use of artificial fertilizers; so that one net effect was a more commercialized type of farming, and an increased need in the countryside for credit and farm supplies.46

Dairy and cattle producers had positive incentives to modernize, as prices for their products were, viewed over the long term, high and still increasing; while the urbanization of Germany was providing them with larger and larger markets close at hand. To take full advantage of these changes they needed improved breeds and effective marketing and distribution of meat and dairy products to urban consumers.

These needs — for rural credit, for farm inputs, for new breeds of cattle and for more effective dairy marketing — were met to a substantial degree by the rapidly growing German co-operative movement. From the foundation of the first rural co-operative in 1864 to the turn of the century, the German agricultural co-operative movement grew to become the chief model for central and eastern Europe, and alongside Denmark, one of the world’s most important rural co-operative examples.

A. The Rural Co-operative Movement in Germany

The founder of agricultural co-operation, F.W. Raiffeisen47 was ironically only a reluctant advocate of self-help. As a Prussian petty official motivated by religious idealism, he attempted in the 1840s and 1850s to organize the well-to-do citizens of his area to help struggling farmers. After nearly two decades of only partial successes, he finally conceded in 1864 that charity was an inadequate solution to the problems of agriculture. Raiffeisen acknowledged in that year that his rival, the founder of the German urban co-operative movement, H. Schulze-Delitzsch, had been right, and that only self-help could sustain a lasting economic movement in the countryside.

Raiffeisen’s formula was ultimately dictated by experience as much as by his initial ideals, and it proved successful. Like Schulze-Delitzsch, Raiffeisen concentrated on credit co-operation as the key to the economic improvement of lesser property owners.

46 Ibid., pp. 79-87.
An association of borrowers was to attract credit from outside at rates and in quantities unavailable to individual farmers, by virtue of the security provided by their unlimited liability. But where Schulze’s urban co-operatives specialized by function, Raiffeisen’s credit associations specialized by location. Each was to be limited to a single parish, and take on as many other activities aside from provision of credit as were needed by the local farmers. They were multi-functional institutions closely integrated into local rural society, giving loans, selling fuel and fertilizer, transporting and marketing local products. This local character was an economic strength, for Raiffeisen argued that loans were to be made to members without security, based solely on their character as known and understood by friends and neighbors. In this, Raiffeisen’s associations broke the information barrier that had separated urban lenders from their potential rural borrowers. Credit for farmers was made comparatively painless and cheap.  

This formula spread widely throughout rural communities in Germany. Raiffeisen’s own sphere of activity was a forested upland region known as the Westerwald in the Rhine province of Prussia, a region of economically marginal, middle-sized peasant farms. From there, however, the Raiffeisen movement spread throughout most of the peasant-proprietorship areas of Germany, and even into some of the large-estate regions of the east. By and large the Raiffeisen movement was led by priests, small-town mayors, teachers, and, where large landowners existed, by big landowners. The co-operatives received financial and social credibility from such sponsors and leaders, while the leaders themselves presumably reinforced their standing and reputation in their communities. In other areas where the agricultural population was more uniformly composed of middling peasants, it was peasants themselves who led the co-operatives. Co-operatives were clearly expressions of a sectional, rather than class, community identity.

This geographically extensive and numerically large co-operative movement in the German countryside saw itself as anti-capitalist, and was interpreted as such by

48 Raiffeisen, *Darlehnskassen-Vereine*, chaps. 2 and 4.
49 See *Fünfzig Jahre Raiffeisen 1877–1927*, Neuwied, 1927, pp. 60ff, on the leadership of the regional Raiffeisen federations. Big landowners were numerous on the supervisory committee of the Rhineland federation (pp. 60–61). In Brandenburg (p. 109), Silesia (p. 116), and Pomerania (pp. 126–29) big landowners and aristocratic provincial officials played prominent roles in the regional organizations. In East Prussia (pp. 118–21), the federation was founded in 1891 by ten men, of whom four were nobles, one a nonnoble big landowner, and two administrators of large estates. On the other hand, where agriculture was smaller the composition of leadership bodies reflected this: in the Palatinate, Hesse, and Baden (pp. 67–68), the leaders included many teachers and mayors. In all cases, priests composed a substantial part of the leadership in Raiffeisen organizations.
50 There was a variation on this theme in the Prussian-ruled territories of Polish population. Here Poles from every stratum, from cottagers to aristocrats, joined credit co-operatives as a means to unite their ethnic community and preserve its economic base and land tenure.
observers. Raiffeisen’s own formulation was that the moral solidarity embodied in a co-operative was the answer to the materialism, envy, greed, profit-seeking and moral degradation brought on by the development of industry.\(^{51}\) Others saw the role of co-operatives less as a moral response to industrialization, and more as a direct economic one. The influential German economist Gustav Schmoller, writing in 1920, argued that rural co-operatives arose from the fact that:

> All agriculture, especially the small [farmer], saw itself threatened by the new forms of economic life. It was on the point of falling unconditionally under the domination of the cattle profiteer, the real estate profiteer, the massing commodity traders; eastern estate owners, too, came into precarious dependence on their exploiters [Leibjuden], without whom they could not buy or sell anything.\(^ {52}\)

Schmoller concluded from observing the credit co-operative movement that co-operatives were the means for the lower middle class “to improve itself technologically and commercially” and so to meet this threat from big finance and industry. According to Schmoller, co-operatives were the agencies “through which one attempted to defend oneself against the swarming dangers; against the capitalist-commercial business world of the urban entrepreneur….” Co-operatives provided “a wall of defence behind which one could rally, defend one’s sectional interest [Standesinteressen], behind which one could assure oneself…of all the new benefits of a more advanced economic existence….”\(^ {53}\) Even to Schmoller, however, this was not just a defensive function, but a transformative one. Co-operatives “make the small and middling peasantry, in part also the big agrarians, into something completely different than before.”\(^ {54}\) It was this transformation that Schmoller credited with having “saved the peasants from the profiteer, from urban capital.”\(^ {55}\)

Agricultural organizations like the Raiffeisen credit associations promoted technological improvement in all areas, and encouraged members to invest and to adopt new methods. “Better Farming - Better Living” was one of the Raiffeisen movement’s slogans, and Raiffeisen expressed the goal as “to improve the material and moral circumstances of their members.”\(^ {56}\) In popularizing such attitudes they made themselves

\(^{51}\) Ibid., p. 17.
\(^{53}\) Ibid., pp. 529–30.
\(^{54}\) Ibid., p. 537.
\(^{55}\) Ibid., vol. II, p. 617.
\(^{56}\) Ibid., p. 25.
agents for a more capital-intensive, commercialized kind of farming, and one more viable under conditions of exposure to falling prices and international competition.

What does this general overview of the co-operative movement indicate about German agriculture: German rural co-operatives were distinguished by their highly localized character, and genuinely represented a decentralized agricultural movement. While they existed in regions of large landownership, they also existed in virtually every region of peasant proprietorship, led by peasants. There is no real question of their having been dominated, individually, by Junkers; in fact, the general impression is that they represented a large and accurate cross-section of the rural population in their locality. Only detailed study could show whether the larger farmers within each parish dominated the local co-operatives, but even if they did the picture is one of a much broader and more participatory farmers’ movement, also one more improvement-oriented, than the structuralist interpretation allows.

The Raiffeisen movement was not the only rural co-operative movement, for in 1883 Haas organized a separate association of agricultural co-operatives in the state of Hesse in central Germany. The basis of the split is not necessarily obvious, but National Liberal (right-wing liberal) historians later suggested that Haas objected to the moralistic Christian rhetoric and paternalistic leadership of Raiffeisen’s federation.\textsuperscript{57} Since Haas himself sat as a National Liberal deputy in the Reichstag, and since the party was noted for it anti-clericalism, this was very likely part of the reason. The split between the Haas and Raiffeisen organizations was also regional, for Haas’ new organization tried to give greater power to regional federations of credit co-operatives, rather than concentrating power in a single national authority as Raiffeisen had attempted. In any case, the leadership of the Haas co-operative movement was similar to that of the Raiffeisen movement in social profile, with the exception that the clergy were absent. Instead the movement was dominated by state officials, from mayors to high ministerial office-holders, and by moderately right-wing politicians. Of 39 directors of the national federation in 1908, only ten, mainly lawyers and doctors, lacked higher state offices or titles.\textsuperscript{58} The political interests of the National Liberal and governmental establishment, and the regionalism of agrarian politics, were both reflected in Haas’ breakaway organization.


\textsuperscript{58} \textit{Festschrift zum fünfundzwanzigjährigen Bestehen des Reichsverbandes der deutschen landwirtschaftlichen Genossenschaften 1883-1908}, Darmstadt, c. 1908, pp. ix–x.

Centre for the Study of Co-operatives
The split in the rural co-operative movement created by Haas is informative, in part because it shows once again the complex, regionalized pattern of agrarian politics, and the ambiguous social and political character of agrarianism. The split also became highly significant for agricultural policy in the 1890s, when the government showed an interest in promoting rural co-operatives as instruments of agricultural modernization. The key even in the battle for the direction of the agrarian co-operative movement and of state involvement in the movement came with the Prussian Central Co-operative Bank of 1895.

**B. The Prussian Central Co-operative Bank of 1895**
The Prussian Central Co-operative Bank was established by special legislation in 1895, and was quickly imitated by every other major state in Germany. Its purpose was to use capital contributed by the state as a basis for providing credit and banking services at below market cost to regional co-operative banking centrals. By 1909 the capital provided by the state had reached 75 million marks, which was used almost exclusively for the benefit of rural credit co-operatives: some 93 percent of the individual banks served by the Prussian institute were agricultural co-operative banks. This amounted to 14,300 individual co-operatives with 1.5 million members who had access to credit at up to 3 percent less than the Imperial Bank rate.

The older German co-operative movement condemned the Prussian bank out of hand as a dangerous example of state intervention, which would sap the vitality, independence, and economic effectiveness of the credit co-operative movement. Schulze-Delitzsch’ heirs in the General Federation of Co-operatives saw the bank as an agency of stultifying and distorting centralization in the German co-operative movement. In their view it accentuated a trend towards state intervention that had become apparent in the 1889 co-operative law, which for the first time had made it possible for co-operatives to be granted limited liability by the state. And this trend was identified with Haas’ breakaway movement, “which [strove] for a unified co-operative movement under leadership of a state institution.” Haas’ Reich Federation was thus not only led in substantial part by

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59 Kulemann, *Genossenschaftsbewegung*, vol. I, pp. 106 and 110. The data on the nature of the client organizations are from 1918/1919.
60 For example, Dr. Georg W. Schmidt, *Die Entwicklung der Preußischen Zentralgenossenschaftskasse*, Leipzig, 1929, pp. 22-23.
61 See for example the report by the lawyer of the federation, Dr. Hans Crüger, in *Mitteilungen über den 50. Allgemeinen Genossenschaftstag des Allgemeinen Verbandes der auf Selbsthilfe beruhender Deutschen Erwerbs- und Wirtschaftsgenossenschaften e. V. zu Freiburg i.B. vom 9. bis 12. August*
governmental officials and governmentalist politicians, but it also was seen as the leader in promoting and taking advantage of state intervention in the agricultural co-operative movement. The Raiffeisen movement, though it did eventually take advantage of the proferred state aid, hung back and was more reserved in its co-operation with the new entity.\textsuperscript{62} Not surprisingly, then, it was Haas’ Reich Federation that was the chief beneficiary of the co-operative development that flowed from the Prussian government’s policies.

\begin{table}[!ht]
\centering
\caption{Growth of Rural Credit Co-operatives, 1885-1910}
\begin{tabular}{lcc}
\hline
 & General [Raiffeisen] Federation\textsuperscript{63} & Reich [Haas] Federation\textsuperscript{64} \\
\hline
\textbf{year} & \textbf{co-ops} & \textbf{members} & \textbf{year} & \textbf{co-ops} & \textbf{members} \\
1885 & 245 & 24,466 & 1888 & 163 & ? \\
1894 & 980 & ? & 1894 & 600 & ? \\
1897 & 2,014 & 168,675 & 1897 & 2,275 & ? \\
1900 & 2,983 & 265,742 & 1900 & 4,440 & ? \\
1903 & 3,601 & 339,426 & 1903 & 6,464 & 593,759 \\
1907 & 4,102 & 405,819 & 1907 & 11,669 & 1,059,348 \\
1910 & 4,165 & 444,260 & 1910 & 12,797 & 1,208,907 \\
\hline
\end{tabular}
\end{table}

The years following the creation of the Prussian Co-operative Bank were noteworthy for accelerated growth in the number, membership, and activity of rural co-operatives in Germany (see Table 1). The Raiffeisen movement had been growing in any case at an accelerating rate since 1880, but after 1895 the movement mushroomed, so that by 1900


\textsuperscript{63} Source: \textit{Fünfzig Jahre Raiffeisen}, p. 196 (based on co-operatives reporting). The number of member co-operatives had reached 4,223 in 1908; otherwise the trends implied here were steady between the dates selected.

\textsuperscript{64} The organization founded by Haas went through numerous name changes. Its original name is used here for simplicity. Sources: to 1903: \textit{Festschrift zum fünfundzwanzigjährigen Bestehen des Reichsverbandes}, pp. 21, 28, 38, 45, 52; from 1903: Kulemann, \textit{Genossenschaftsbewegung}, vol., I, p. 61. Kulemann's figures are based on co-operatives reporting rather than co-operatives known to exist, and hence are a firmer representation of the number of active co-operatives. For 1903, for example, the \textit{Festschrift} reports almost 100 co-operatives more than noted here; the earlier figures are thus inflated, but probably by only a few percent.
there were 2,983 Raiffeisen credit societies in the federation, an increase of 94 percent in six years. After the turn of the century the growth continued at a decreasing rate until 1909, by which time 432,143 people were members of Raiffeisen credit societies. Most of the benefit of these increases went to the members of Haas’ federation, however. In the period of increased state intervention in agriculture, Haas’ organization experienced massive growth and far surpassed the older Raiffeisen movement to become the largest co-operative federation in Germany, with 1.2 million members in 1910.

The prophecies of doom made by liberal critics of the bank, which argued that co-operatives created with state help would fail to become viable, were not entirely born out. There were many false starts and failures, yet the size of the movement showed a large net increase in number of co-operatives, in membership, and in business. This growth appeared to level off by 1910 and remain fairly stable.\(^65\) The fears about state influence over the movement as a whole were to some extent borne out, as from 1905 the Prussian bank entered into a power struggle with the co-operatives’ own central banks regarding who was to have the leading role in providing central services to co-operative banks. The Reich Federation’s Reich Agricultural Co-operative Bank of 1902 was compelled by the Prussian state bank to limit its sphere of activity to areas outside of Prussia, and operating under this restriction failed in 1912 and was taken over by its state rival. The Raiffeisen federation, by contrast, was able to preserve its longer-established central bank against attempts by the Prussian state to “poach” its members and its business. The dependence of the Reich Federation on the Prussian bank, then proved to be a mixed blessing.\(^66\)

How does this active intervention by the state fit into the overall interpretation of German agricultural policy? The state’s role in all this, whether ultimately good or ill for the co-operative movement, suggests a willingness to sponsor some modernization and consider innovative approaches to rural problems — not just a backward-looking defensiveness. It also shows a possibility that the state could strive for more power over agriculture than some agrarian leaders wished to concede and implies a further ambiguity about the partnership between the agrarian movement and the Prussian state.

The interrelationships between the co-operative farmers’ movements and political farmers’ movements in Germany are also nicely illuminated by the Co-operative Bank episode. The established Schulze-Delitzsch federation, Germany’s first, remained true to the left liberal principles of its founder and rejected the Prussian bank. The Haas association, with its National Liberal and conservative ties (therefore a pro-governmental

\(^{65}\) See the statistics in Kulemann, *Genossenschaftsbewegung*, pp. 48 and 62.

\(^{66}\) Ibid., pp. 43–44, 55–57 and 109.
federation), approved. The Catholic peasant leagues and Raiffeisen’s Christian league were more true to regionalist and anti-Prussian traditions, and resisted the bank’s power without rejecting state aid out of hand. All these co-operative movements professed “political neutrality”, yet just coincidentally there was a co-operative movement corresponding to every major political idea in the German countryside. The Agrarian League, and political agrarianism in general, provided the visible national-level phenomenon that summed up to many contemporary observers all the ferment of organization and ideas in rural Germany. However, at the root, the co-operative idea preceded the political idea in German agriculture, and the two blossomed together in the 1890s in the massive social mobilization of that decade.

What was the objective effect? The agricultural mobilization of the nineties, the policies proposed and pursued by the state, were accompanied by the improvement and intensification of medium-scale production. The number and total area of large farms declined more than any other category from 1882 to 1907, while the area covered by middling farm operations increased by the greatest amount. Uneconomic small farms disappeared. German agricultural development was favouring the commercially viable, improvement- and intensification-oriented middling farmer.

Agriculture’s proportion of the German economy did, of course, continue to decline, but agriculture’s response to that relative decline was by no means purely defensive, nor purely directed towards preserving the interests of its largest producers, nor was it only an appeal on the political level for state intervention. Effective change in agriculture came from below, in individual farmers’ responses to the market through changing their own production and through joining co-operatives. The tariff, the focus of state policy, had little effect in spite of all the rhetoric expended on it by both sides.

The agrarian movement that seemed to left liberal critics and structuralist historians to be a manipulative device of Germany’s biggest and most conservative farmers is better understood as part of an economic transformation in agriculture, and of a social revolution in participation. Through simultaneous and parallel political and co-operative movements, farmers objected to their economic position and adapted to it with the same motion. In the process they centered into organization, politics, and debate on the scale

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67 Sigrid Dillwitz, “Die Struktur der Bauernschaft von 1871 bis 1914. Dargelegt auf Grund der Reichsstatistik,” *Jahrbuch für Geschichte*, vol. 9 (1973), pp. 47–128 (here: Table 1, p. 98, and Table 3, page 100). Dillwitz also shows that the number of the very smallest farms (less than 2 hectares) also increased, although the total area occupied by them fell. Since (p. 62) 75–90 percent of the owners of such “farms” were also wage labourers, it is apparent that the owners of such small properties were relying less and less on farming for a livelihood. Among serious agricultural operations it was middling sizes (2–20 hectares) that did best.
and to a degree which only decades before had been limited to a privileged elite of the powerful. That elite was still part of the agrarian movement, but it was no longer the only part.

V. Conclusion — Winners and Losers in Agricultural Policy
What does this conclusion suggest about farm politics and agricultural policy at the turn of the century? It suggests that in the German case, where it is easy to point to a manipulative conservative elite apparently dominating interest groups and state policy, the degree of manipulation has been greatly over-emphasized. It suggests that agricultural policy was dominated by symbolic and political factors, and that sometimes farmers’ assessments of their own economic interests, or of what to do about those interests, were wrong. And it suggests that there is a danger in applying socio-economic distinctions to differentiate the farm population, and thereby to explain its institutions and its policies, when the members of that population did not see themselves in such terms. If farmers saw themselves as a sectional group or as a single “class” with unified interests, then that perception was itself a political reality — as German liberals and Social Democrats discovered when they tried to woo the farm population by appealing to what they saw as its internal divisions.

This paper began with an explanation of Hans-Jürgen Puhle’s theory of agrarian movements in the twentieth century. That theory was, in effect, an attempt to take the standard German interpretation of a manipulative, elite-dominated, reactionary agricultural sector, and apply it to the American case. Puhle argued that farmers in the USA, too, were increasingly conservative, relied on state aid to resist industrialism, and were essentially a backward and declining force. This present paper tries to reverse Puhle’s revisionism, and show that the interpretation sometimes attached to North American farmers’ movements — sectional, regional, reformist, populist — also applies in part to the German case.

Turn-of-the-century farmers’ movements do seem to have features in common, both similar kinds of problems and similar kinds of solutions. There was, as Puhle noted the problem of the representation of agrarian interests in state policy and in interest group conflict, a problem that had to be addressed by the political organization of exclusive farmers’ movements. These movements were pushed both to articulate what they stood for — some kind of agrarian reform program — and what they were against, which could be summed up as exploitive financial, commercial, and industrial interests. Agrarian movements tended toward anti-capitalism, and though the examples imply that anti-
capitalism could be right-wing or left-wing, it was invariably radical. There was, secondly, the problem of modernization and of coping with new market realities. This economic problem was addressed through demands for central state intervention, and (corresponding to the general failure of demands for state assistance) through the organization of rural co-operative movements that paralleled farmers’ political movements.

Populism, with all of its pitfalls, is not a bad word for the common features of the agrarian phenomenon. Farmers organized themselves to represent their own interests and to combine their economic power; their organizations were regional in character, broadly based in the agricultural community, and emphasized participatory and activist tendencies. While there were diverging interests within the agricultural community, these remained generally submerged under the perceived common sectional interest involved in assuring agriculture’s role and influence in society and government. And, there was a reform program addressing the inadequacies of the non-agrarian parties and governments. This program was not, in the German case, systematic or coherent, but it demanded representation of farmers by farmers, curtailment of commercial and industrial influence, and policies in tariffs, trade, currency, credit, and distribution that better favoured the perceived regional and national interests of agriculture.

There were, of course, differences, and the contrasts reinforce some of the stereotypes about the respective agricultural movements. The western Canadian example cannot fail to appear liberal, progressive, unified, and homogeneous alongside the anti-liberal and organizationally fragmented German agrarian movement. Stark differences between the two look curious alongside similar positions on other aspects of agricultural policy. Yet, when all is said and done, there remains a value in recognizing agricultural problems and attempted solutions as international phenomena, not as regional or national peculiarities. Just as sources of agrarian problems lay in global changes in trade,

68 Barkin, in “Populism,” goes a bit far in arguing for “remarkable similarities” (p. 375) between Germany and the United States and a “remarkably similar world view” (p. 385) between German and American agrarians. He is somewhat naive in accepting an interpretation of American Populism as a “nostalgic,” ”conservative,” anti-modern phenomenon (p. 395) and seems in this respect, like Puhle, to apply a dubious German stereotype to the American case. Otherwise his essay is an intriguing and stimulating comparison.

69 However, see David Laycock, Populism and Democratic Thought in the Canadian Prairies, 1910–1945, Toronto: University of Toronto Press, 1990, which shows the divergent ideas within the prairie farmers’ movements. (See also by the same author, Prairie Populists and the Idea of Co-operation, Centre for the Study of Co-operatives Occasional Paper 85–03, Saskatoon, 1985). Perhaps the point is, more precisely, that in Germany diverging points of view explicitly competed and fragmented the movement in an unbridgeable way from an early date.
technology, and development, so, too, there were common denominators in agrarian reactions and agrarian solutions.