

Debate over collectives or family farms rages in East Germany

by Rosa Tennenbaum

Editor's note: While Western headlines focused on the personalities and parties involved in the historic March 18 elections in the German Democratic Republic, debate has been raging in hundreds of local G.D.R. communities over economic policy, specifically over whether and how to shift from the collective system that was forced on East Germany after World War II, into a system of freehold, family farms.

On one level, deals are being offered to the collectives that would merely perpetuate current farm productivity problems. Representatives of Western-based food cartel companies (Cargill, Archer Daniels Midland/Toepfer, and others) are swarming over East German farm districts trying to woo collectives into sweetheart arrangements to produce food for the world market which the cartel expects to exclusively market for their own financial and political purposes.

In addition, these cartel companies are hoping to get in on any largesse that may come from West German credits extended for use in the East German economy. For example, the agriculture commissioner of Iowa and officials from the John Deere farm implements company recently toured East Germany hoping to sell equipment financed through new Western deutschemark loans.

On a deeper level, there is hope for a full-scale agricultural reform program in which the collectives could be dissolved, and independent, privately owned family farms could be restored—without the domination of the Western food cartel. Opinion among East German farmers ranges from the view that the collectives are completely bankrupt and should pay reparations to member farmers, to those who think that collectives could play an interim “advisory” role for newly established private farms, to those such as the directors of collectives, who, since the communist party has been forced to retreat, have become small feudal princes and are wary of any change.

On March 3, more than 220 farmers from East Germany crowded into a seminar on the “Perspectives for Agriculture in the G.D.R.,” held by the Schiller Institute, near Fulda in Hesse. There was a day-long rough-and-tumble session, in which agricultural reform was debated among East and West German farmers and Schiller Institute policy spokesmen. Earlier this year, the Schiller Institute released a program for agricultural reform based on reestablishing the family farm unit.

Helga Zepp-LaRouche, who founded the Schiller Insti-

tute in 1983, spoke on the importance of the individual in the economy. She invited people to recall the spirit of the Wars of Liberation of 1813. The central idea of the Prussian economic reformers led by Freiherr vom Stein, was that what’s called “common sense,” should be motivated in such a way that both the individual and state can develop at the same time. Stein advocated civic responsibility, which for the farmer presumed that he was a freeholder and not a tenant farmer.

At the March 3 event, Schiller Institute agriculture spokesman Rosa Tennenbaum presented a point-by-point plan by which the transformation from collectives to family farms could be made. As she explains below, much of the intensity of today’s debate over these alternatives can be explained by the history of the collectivization process in East Germany.

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After 1945, the economic system in the Soviet Occupied Zone (SOZ) of Germany was turned upside-down in accordance with the principles of Marxism-Leninism. For agriculture, that meant that Marxist agricultural theory became obligatory. The two leading elements of this theory are the postulate put forward by Karl Marx on the superiority, in principle, of large-scale operations and Lenin’s plan for co-operatives, both of which were ruthlessly implemented by the Communist Party of Germany (KPD) and the Socialist Unity Party (SED) in the G.D.R.

In September 1945, the state and provincial administrations of the SOZ published the “Decrees on Land Reform,” which had been ordered by the Soviet Military Administration in Germany (SMAD) and were translated from the Russian. The decree required that 1) all property of more than 250 acres with all buildings and livestock and other inventory, and 2) all agricultural assets, including farmsteads, on property of less than 250 acres whose owners or leaseholders were accused of being war criminals or Nazis, were to be expropriated without compensation. The acreage of the expropriated farms, together with the former state-owned properties and the land of public institutions, with the exception of churches, was to form a land reserve bank. The expropriated machinery and equipment was collected at Machine Issuance Stations (MAS), which in 1946 were under the Union of



"Never again socialism!" read the banners at this 300,000-strong electoral rally on March 16, addressed by West German Chancellor Helmut Kohl in Leipzig, two days before the East Germans voted the Marxists out of power. One of the first socialist measures that must be undone, is rural collectivization.

Mutual Farm Assistance (VdgB).

Resistance, which arose particularly in the Christian Democratic Union (CDU) and the Liberal Democratic Party (LDPD), was eliminated by removing foot-draggers from office. Collectivization was carried out by fraud, as expounded by Lenin. The KPD/SED stubbornly denied that they were acting on the basis of a socialist conception of agriculture, even gave formal guarantees for the continued existence of farmers' operations, and established penalties for any remarks about their real motives as propaganda sympathetic to the enemy.

Land reform, as intended by the Communist Party of the Soviet Union (CPSU), was to be applied to all of Germany. The Potsdam Agreement required that Germany be treated as a unit during the time of occupation, and common guidelines for land, forest, and fishing industries were to be worked out. The principal emphasis on economic development was

to be placed on agriculture and the consumer-goods industry, and immediate measures were to be taken for the most rapid increase in farm production.

The land of active fascists was expropriated right along with that of even active anti-fascist, large land-holders, and land reform must therefore be considered the prelude to confiscation and socialization of all land as well as industry. A unified development of the four occupied zones would then only occur if the SMAD measures in the SOZ were carried out in the other occupied zones. That was the CPSU's plan, which they had to abandon after the Americans drew back from the Morgenthau Plan, which called for the dismantling of all German industry.

Approximately 8.25 million acres of expropriated land went to the land reserve bank. Of that, 2.75 million acres were used to establish nationalized farms and 5.5 million acres distributed to private individuals. Thus, 210,276 new farm jobs were established for refugees, exiles, and former farm workers, and existing small farms were enlarged. Land reform was class war, carried out administratively. As a counterpole to the large land-holders, the KPD/SED created the Land Commissions, whose task was to seize and distribute large land holdings. Half of each committee was composed of industrial workers, agricultural laborers, small farmers, and expellees.

Land reform was based on the principle of fraud. Resistance from the powerful "large farmers" was eliminated by expropriation. The public was told property was created for the new farmers, but this was bogus, since the KPD had control over these areas. Small farmers received a right-of-use that was tied to the person who received it. If he wanted to bequeath the land, he needed permission from the state land bank. By law, there was no heir, but rather a new use assignment by the land bank. The acreage could be neither sold, subdivided, nor mortgaged, and if the farm were abandoned, the land would automatically revert to the land bank. Thus, by the fall of 1945, the party and the state governed almost one-third of farm land and, indirectly, the total land market.

In 1947, the SMAD arranged for a support program for the small and new farmers. With state subsidies of 1.35 billion marks, 95,000 residences, 104,000 small stables, and 39,000 barns were built through 1953, a considerable investment for, in most cases, unviable small farms. In 1949, "class war in the countryside" began. Farmers with more than 45 acres were socially discredited. The result was that, through 1953, approximately 128,000 farms, constituting more than 3.58 million acres of land, were abandoned, deserted because of flight to the Federal Republic of Germany, or confiscated since their owners had not surrendered their property to the party.

Six times as many small farms were abandoned with more total acreage than those belonging to large farmers. Also, the best trained and most proficient farmers were lost. Land re-

form was thus directed against farmers in general, and was aimed at making room for the first collective farms. Collectivization began in earnest—as in the Soviet Union—with expulsion of part of the farmers. Acreage was first distributed to peoples' farms (VEBs) or were worked by communes.

The first steps

In July 1952, the Second Party Congress of the SED decided on "voluntary preparation of socialism in the countryside." To ease farmers into agricultural production communes (LPGs), three types were created: Type I, in which only the arable land was included, with pasture, machines, and livestock remaining in private use; Type II, where arable land, machines, and work animals were brought in while acreage and domestic cattle remained in private use; and Type III, where all acreage, machines, and domestic animals were included. Members only had the right to work one-half acre of land and to keep only a small stock of domestic animals for "personal housekeeping."

Pressure on independent farmers was upped so that farmers would use this system. Delivery of production materials to private farms (machines, replacement parts, fertilizer, fuel) was continually reduced in favor of the LPGs, and delivery costs were increased. In 1952, Machine-Tractor Stations (MTS) were created out of the MAS. These set their operational charges according to the size of farms; for farms over 20 hectares, the rates were four times what the LPGs had to pay. Despite these tactics, only a few farmers over 20 hectares were pushed into joining the LPGs. By the end of 1957, the LPG membership consisted of 42.5% agricultural workers, 11.3% industrial workers, 5.1% party functionaries, 28.5% former new farmers, and the rest former small farmers.

The MAS/MTS system led to harvest losses and, despite overpriced operational charges, had to be subsidized with over 2 billion marks per year by their conclusion in 1961. Machines were employed according to social-political goals; the second priority was maximum use of machines, which led to neglect of biological inputs. Discrimination against large farms boomeranged. Because of the MAS/MTS's chronic lack of financing, the large farms, which had to pay high rates, were served first; the collective farms, which were assigned their work, had to wait. In 1958, the MTS were stepwise integrated into the LPGs.

Full collectivization

Whereas the years from 1952 through 1957 were defined as "collectivization with farmers," the years from 1958 through 1960 were "collectivization including the farmers." East German dictator Walter Ulbricht prohibited use of newly developed harvest machines for grain and root crops on private farms to promote the "learning process"; farmers were forbidden to buy such machines. After 1947, it was practically impossible for private farmers to acquire new machines

and equipment for their farms.

Ulbricht accelerated the "industrialization" of agriculture, the SED's real goal. In the fall of 1957, he called for collective farms to set a principal production goal. In 1959, the "fully collectivized village," which extended many localities and contained elements of regional organization, was pushed. In that context, farm buildings were to be integrated, fields and road networks rearranged, the location of processing facilities set, and the supply for villages for social and cultural services identified. All farmers were required to participate in village planning meetings. Ulbricht thus wanted to force opponents to publicly oppose the SED. Farmers were supposed to publicly oppose these plans, and thus declare themselves "enemies of socialism," or suffer the elimination of their farms in silence.

In 1959, the SED declared war on the 450,000 independent operators of private farms who still had not given in. Within only three months, a period characterized as "the socialist leap," 2.5 million hectares were brought into the LPGs. The SED deployed thousands of their cadres, members of its coalition parties, the Free Democratic Youth (FDJ), the Democratic Women's Union, and their total administrative apparatus, to occupy villages and visit farms until farmers finally "voluntarily" joined the LPG.

Fraud likewise dominated socialization of the land. The LPG laws of 1959 and 1982 stated that the land that farmers brought in remained the property of the member. Yet the G.D.R. constitution defined the concept of property otherwise. Whereas farmers in 1949 were still "guaranteed their private property on their land," this was stricken in the new editions of 1968 and 1974. Instead, it was postulated that the G.D.R.'s nationalized economy rested totally on "socialist ownership of the means of production." Since land was considered to be "natural wealth," it was considered "national property."

The financial distribution of operational profit was also fraudulent. As "interest," it was supposed to symbolize the continued existence of private property. But first, the interest was tied to membership, and had nothing to do with the number of acres that a member brought into the collective farm. Then, it was tied to a minimum efficiency of the member for the collective. To create a unified "collective farmer class," each member was next credited with an average number of land shares, and thus interest finally lost all relation to land ownership. Finally, the ground shares of the former "large farmers" were devalued so that they had just as many land shares as the industrial workers, who had brought no land into the collective.

With these tactics, the SED pursued the single goal of forcing the industrialization of agriculture, which, in defiance of all economic realities, represented the ideal in the socialist value system. Many of these measures were outside the law. After collectivization was concluded, and fundamentally feudal relations restored, agricultural production

would be industrially organized, as was demanded by pure Marxism-Leninism.

Industrialization of production

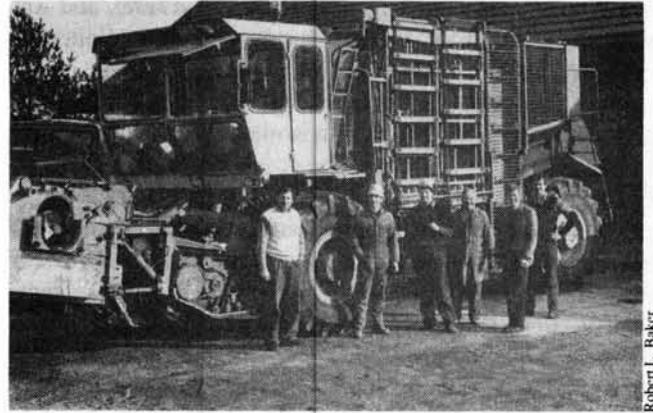
After 1960, the SED was intent on transforming LPG Type I, in which the members only brought in their arable land, but in which pasture and livestock would still be used privately and which more resembled a collection of individual farms than a single large concern, into fully collectivized units of LPG Type III. Industrially organized agriculture demanded rigorously organized large concerns. Thus, on the basis of the land reform of 1945-48 and the collectivization of 1952-61, the third agricultural reform was introduced at the Eighth German Farmers Congress in 1964. The methodical transition to industrial production practices in agriculture began.

At first, farms were directed by the SED to consolidate their vegetable production in Cooperative Vegetable (KAP) and Animal Production Sections (KAT). But the large machines which they received could not be efficiently used. They were not to be employed individually, but rather in "complexes," in which 5 to 10 machines worked on one "field" (adjacent arable areas of same use). Tasks such as fertilization, plant protection, and artificial drying were taken away from farm operations and assigned to special units that later were built up into "agrochemical centers" (ACZs).

Larger work units were quickly formed. In 1960, the LPG and VEG had an average size of 500 hectares; by the end of the 1960s, they were already between 1,500 and 2,000 hectares, and by 1981, between 4,000 and 6,000 hectares. Already existing collectives forced into existence by the SED were continually broken up and subordinated to larger units. These sizes were prescribed to the LPG-VEG, and they were forced to incorporate new, often devastated areas into their farms. Any form of operational planning was thus made impossible for the collective farms; any organic operational development was prevented. The industrialization of agriculture operated without plan, and, for three decades, continual changes in operational structure was the only constant in the SED's agricultural policy.

Beginning in 1972, plant and animal production were strictly separated. What previously had, to a certain extent, worked on the basis of internal operational cycles (food, straw, fertilizer), was now organized and controlled through delivery and production contracts and accounting procedures. Also, 1) crop types were decreased and concentrated; 2) acreage for the decreased crop types was increased; 3) crop rotation was decreased; 4) work brigades were formed; and 5) shift work was introduced.

In 1984, 92% of the agricultural acreage in the G.D.R., 6.24 million hectares, was farmed by 1,437 production units. Before the war, there had been 580,000 farms in the same area. Vegetable farms had an average size of 4,700 hectares with 260 employees, and on the average included around



Modern sugar-beet machinery on this Bavarian family-owned farm, photographed in 1989 by an American "Food for Peace" visitor, shows the kind of productive agriculture which high investment has made possible in the Federal Republic of Germany.

seven independent communes. There were 3,368 companies in animal raising that contained 91% of the total livestock inventory, and averaged 1,680 cattle and horses and 120 employees. Nine hundred farms were industrially producing facilities with high inventory, and were completely mechanized and specialized. The majority of collective farms, however, still consist today of often obsolete barns spread over many localities and in which manual labor predominates. Additionally, there are 31 nationalized collectives for industrial animal fattening that have especially high numbers of animals (up to 30,000 cattle or 150,000 pigs).

To be able to employ the machinery, extensive improvements were necessary. Hedges, fences, and roads were razed, and fields were created that were often larger than 100 hectares. Internal transportation routes became longer and longer, and often reached 30 kilometers or more. These long routes and the industrialization quickly doubled energy use. By 1980, it was 60% higher per grain unit than the energy use in West Germany.

Specialized use of employees went hand in hand with these developments. Brigades were formed for field work that resembled those employed on large farms before the war. They included approximately 100 employees, each of whom was used for specific tasks, and they were in charge of the entire area of the LPG. Travel time to and from work became longer, and the number of buses needed for transportation was a considerable cost and energy-use factor. The same specialization predominated in stable work. A given worker was responsible for only cattle or pigs, for example. Additionally, there were extensive administrative or supervisory jobs that the collective took care of and which tied up approximately 20% of the employees. Ten percent were responsible for repair and maintenance work, and, of the remaining 70%, almost one-half were responsible for transportation and shipping.

The number of workers per 100 hectares of farm acreage was 60% higher than in the Federal Republic—despite, or because of, large-scale production methods. “If we compare only the larger farms with more than 50 hectares of arable land in West German agriculture, which manage with 3.2 workers, then the number attained in the G.D.R. (12.3) is not even understandable if we consider the social conditions in G.D.R. agriculture (regulated work and vacation times),” according to a 1987 report published by the Federal Ministry for Domestic German Relations in Bonn. Additionally, tens of thousands of “voluntary helpers” from industrial enterprises, schools, and the National Peoples’ Army had to be provided during cultivation and harvest campaigns. In total, the number of workers in industrialized agriculture in the G.D.R. was four times as high as on the family farms in the Federal Republic.

Additionally, there were very high investments. The use of insecticides (active ingredients) is 40% higher than in the Federal Republic, and the use of fertilizers “was in no proportion to the results gained,” according to the same report. In animal production, backlogs could only be compensated for by dramatically increasing the introduction of feed grain and protein feed. High animal and harvest losses were another feature of this system. The oversized machines could not be used on some cultivated parcels and required large spaces in which to turn, resulting in unused and neglected land.

The use of capital goods and subsidies increased steadily. In 1980, one thousand marks from the state budget had to be contributed for each hectare of arable land. Productivity in the G.D.R. was one-third lower than in the Federal Republic, which is even more shocking considering that productivity before 1939 was significantly higher than in the present federal region and that there is almost twice as much agricultural land in the G.D.R. per capita.

In 1978, it was obvious even to the SED that the socialist system of farm production, which was consuming more and more energy, had completely failed. In May 1980, the SED changed agricultural policy. In the price reform of Jan. 1, 1984, subsidies for investments were drastically reduced, and producer prices sharply increased in order to pressure collectives to be more economical.

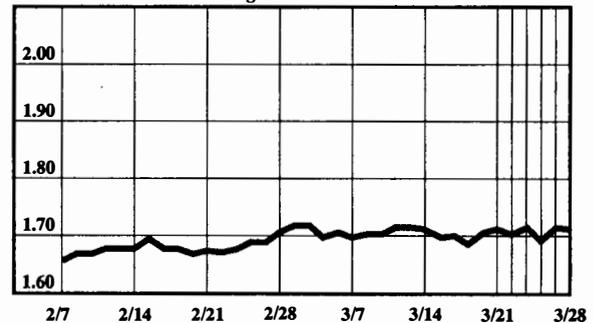
The separation between vegetable and animal production was recognized as the worst mistake; but it was not abandoned. Cooperative councils, which mediated between the two branches, were merely supposed to meet more often and cooperation more closely arranged. The work brigades were supposed to be employed for many jobs as close as possible to their residences. Private farms and small gardens were now tolerated.

With these measures, the worst could be avoided. Yet the attempt to transfer industrialized production methods to agriculture must be considered as a complete failure because the simplest agricultural principles were ignored.

Currency Rates

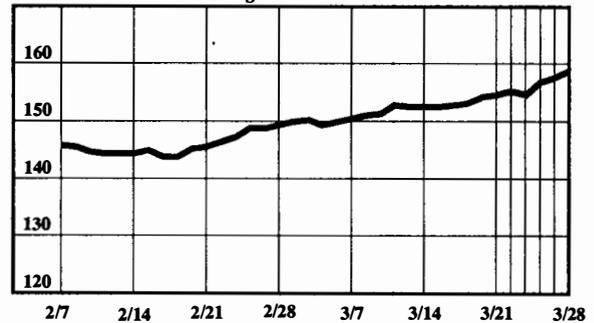
The dollar in deutschemarks

New York late afternoon fixing



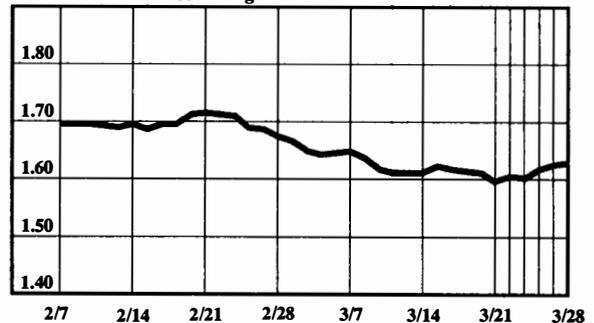
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing

