

## **Starting Anew in Germany**

### **Formation of the Land and Liberty Union**

**By Rudolph Schmidt**

After the capitulation in 1945, Germany presented all the possibilities of rebuilding the economic and political life of the country on a just and sound basis. One of the most important questions was the equitable distribution of the land within the territory left to the Germans after the war—where now many millions more have to live than before. The Germans driven out of East Prussia, Poland and Czechoslovakia were in search of new homes. Industry was prostrate. According to the original plans of the Allies, based as they were on the Morgenthau proposals, there was to be no industrial reconstruction. At that time Germany's only hope lay in its agricultural land, and Germans had every reason to seek a solution which would ensure internal peace amongst themselves. But the military occupation prevented them from acting on their own initiative. That was understandable, since the Allied Powers were bound in the first instance to safeguard their own political government of the country. What came about was the complete disintegration of the German people to consist of individuals incapable of forming any associations or combining in any way.

The first Occupation Power to sanction certain organisations was the Russian. In Berlin and the Eastern Zone the Russians very quickly gave orders for the formation of three, and later, of four Parties, and also of one great Trade Union embracing all workers and officials. At the same time, however, the Russians reserved for themselves all power of further initiative. Ostensibly, as far as the voters were concerned, the Parties and the Union were "free." But they had to take their cue from the Russian Military Government, which was the first among the Occupation Authorities to recognise the fundamental social question, the land question. And the land question dominated all else.

### *Agrarian Revolution Instead of Land Reform.*

The slogan which the Parties received from the Russians was "Land Reform," a term known and of good repute in Germany since the beginning of this century, when Adolf Damaschke founded the Bund Deutscher Bodenreformer (Union of German Land Reformers). In Germany "Land Reform" had always been understood to mean land-law reform in the Henry George sense. The Russians were aware of that, but they desired no legal constitutional reform. On the contrary, they were preparing a Bolshevik revolution for which they had no suitable catchword. So they used the good name to serve a bad purpose, relying on the complete lack of political or economic instinct among the Germans. The Russian "Land Reform" was first and foremost to "break up the great estates and crush Prussian Junkerdom," a policy understandable to many Germans and a slogan that could captivate millions of homeless people. The rural population was incited to storm the estates and eject their proprietors. The land was divided indiscriminately amongst the population, preference being given to Communists while the homeless refugees, for whose sake the whole action was said to have been undertaken, were disregarded. After the first outbreak of mob violence, which was understandable in the chaos that followed upon the war (though it was not excusable), the Russians took control of the situation. The entire land of the Eastern Zone—apart from what the Russians appropriated to their own use—was shared out in more or less equal parts amongst the population. No thought was given to the possibility of the new settlers and peasants being able to make a living on their plots. Whether the land was of good or inferior quality was wholly ignored. To-day, four years after this agrarian revolution, we can see the results. The whole rural population of Eastern Germany has been made a proletariat like the peasants of Volhynia. The crop yields, which formerly contributed to feeding Germany as a whole, are now only enough to give the local population a hunger-diet. Economically and culturally this territory has been thrown back a hundred years.

### *Resistance in West Germany.*

While this was happening in the Eastern Zone, the Western Powers in their sectors were trying to create democratic institutions from below. In small areas they gradually relaxed the rule against Germans forming associations but that was far from sanctioning any political parties or trade unions. Later when these were permitted, as in the Eastern Zone, they were allowed to develop freely and Germans in

the Western Zones have been given rights of self-expression which up to the present are denied in the Eastern Zone. The only way, however, in which the party leaders—mostly the same men who had failed before 1933—have exercised that right, has been to criticise the policy of the Occupying Western Powers. This criticism has not always been without justification and it has no doubt done much to make for improvement, but it has shown again how lacking the German politicians are in any constructive ideas of their own. They could not expect any definite lead from the Military government because the Western Powers, unlike the Eastern, were concerned not to force any specific doctrines on the people but rather to give the people the opportunity for self-governing democratic development.

In the West Zone therefore the Germans had time to re-establish the old conditions of private ownership which had been so subverted during the final stages of the Nazi regime and the turmoil of the last months of the war. Unfortunately they did this without any consideration for the altered economic and social conditions, and under that pretext the Russians accused the Western Powers of favouring German "reaction." There could be no conversion of Germany into a democracy, the Russians said, without first liquidating the great estates in the manner effected in the Eastern Zone. Strangely enough the Western Powers admitted the force of this argument, although in the Germany west of the Elbe large estates never existed to the extent that was typical of East Prussian Junkerdom. The Western Military governors commanded that also in their zones there should be a "Land Reform" for the satisfaction of their Eastern allies. They left the details to the Governments and Parliaments of the German States, only setting a time limit within which the Land Reform laws had to be promulgated.

The "Land Reform" so ordained met with the opposition of all classes of the German people. Peasants and land-owners saw their existence at stake while the refugees, for whose benefit the reform was intended, were full of scepticism, being convinced that if anything happened at all, it would be handled in favour of the resident population but refugees would have no consideration. The inhabitants of the cities instinctively resisted such a forceful intrusion by the Occupying Powers into long-established German institutions. This general resistance expressed itself in the attitude of the Parliaments which delayed legislation until the orders of the Military Governments had to be still more precise. To-day the legislation is on paper, but it is so indefinite as to make little alteration, fundamentally, in the pre-existing state of affairs.

### *Results of Economic Ignorance.*

The failure of the efforts of the Western Occupation forces to redistribute the land in Western Germany was due mainly to two causes, (1) The Military Governments, misled by the false argumentation of the Russians, had only a political aim; they did not look at the economic or social aspects of the problem. They did not want to see them for the Morgenthau Plan still dominated Allied policy. (2) In Germany it is not yet appreciated that every politician must have a minimum knowledge of economics. The Parties see to it that the only representatives in Parliament are those who accept unconditionally the doctrines of the Party and do not hold diverging ideas of their own. The members of Parliament have to be particularly careful not to estrange any group of potential voters. If ideals conflict with Party policies, then ideals must give way. No social or economic reform can be expected from the leaders who utter slogans—those so-called professional politicians in all the German Parties—and never learned either before 1933 or after 1945 to widen their horizon beyond their narrow Party doctrines.

During the conferences on the Land Reform laws which were held as ordered by the Military Government, not a single German member of Parliament pointed out that the only property which withstood the bombing was property in land. Landowners were the only proprietors who retained possessions intact out of the wreck of war. Houses, factories, shares and bank-accounts—none were safe from loss and destruction. The land remained. Paradoxical as it may sound, the land became even more valuable as a result of the war that was lost, for in the space that was formerly inhabited by 50 million people, 70 millions are now crowded together. They have all to live and labour on a smaller area. The result of their economic activity will influence the value of the land, the owners of which—to put it baldly—can be denoted as the only German war-profiteers. They not only retained their land-values, but in due course they will derive appreciable gain from the lost war.

Not a single German politician has shown awareness of that. Probably not one has bothered about it because in Germany economic problems have always been considered of secondary importance. During the last fifty years only one German politician has based his work on an understanding of political economy. He was Damaschke, the one-time humble schoolteacher, who in the 1890's began to study the slum problem and saw the importance of the land question. Independently of Henry George he arrived at conclusions similar to George's. He tried to awaken an understanding among all classes of the German people, and with a friendly

response which was frequently surprising. The Union of German Land Reformers founded by him had at one time about 100,000 members. At the end of the first World War, Damaschke was so popular that he might have been candidate of the Reich Presidency.

Perhaps it was Damaschke's popularity which isolated him more and more from the traditional and doctrinaire Parties. Some of his suggestions influenced the legislation of the Empire and the Weimar Republic. But on the main principle he failed to gain recognition. The blame for the fact that a real Land Reform was never undertaken in Germany lies chiefly at the doors of the Social Democratic Party, which during the Weimar Republic could have carried the requisite legislation. The Social Democrats failed to do so because the Land Reform as conceived by Damaschke would have endangered their power and influence. The fact is that when a factory worker is transferred from a city tenement to a landholding of his own, he ceases to be a proletarian addict to the slogans of class-warfare. But class-warfare has always been the indispensable watch-word of the Social Democrats. Their strength is in the voter who follows willingly without thinking, who allows himself to be led and to be taught intolerance.

#### *How German Initiative is Hampered.*

Not much of Damaschke's work has survived. For reasons similar to those of the Social Democrats, Hitler also did not take to Damaschke's ideas. At first he ignored them, then he fought them, for he saw a dangerous opponent in the Union of German Land Reformers, which was the only large organisation that knew how to safeguard itself from National-Socialist influences. No reason could be found for suppressing the Union, or at least Hitler found none; but the Journal "*Bodenreform*" (Land Reform) which had been edited by Dr. Kurt Schmidt since the death of Damaschke in 1935 was suspended for the period of the war. By that action, the German Land Reformers were prevented from keeping in touch with one another and from any advocacy of their ideas.

Immediately after the capitulation a few Land Reformers in Berlin, led by Dr. Kurt Schmidt and his son Rudolf Schmidt, tried to re-establish contact with Damaschke's old friends who in the meantime were scattered all over Germany. In May, 1946, after much effort, Rudolf Schmidt was given permission from the British Military Government in Berlin to reconstitute Damaschke's Society within the British Sector of Berlin under the new name, *Bund für Land und Freiheit* (Union for Land and Liberty). In spite of being confined by the order of the Military Government to a small

part of Berlin, Rudolf Schmidt tried to bring together the former members in all parts of Western Germany. He succeeded, at least in the States of Hessen, Nordrhein-Westfalen and Niedersachsen, to establish district associations of the Union for Land and Liberty, which officially are autonomous but are closely connected with one another.

In November, 1947, the Berlin group of the Union had to stop their activities. It had happened that the Inter-Allied Command had agreed to a new system of licensing of societies, according to which any organisation working in Berlin had to have the consent of each of the four Occupying Powers. As the Russian consent was not to be expected, the Berlin group refrained from applying for a licence. Any open activity was therefore rendered impossible. The only recourse was to correspondence with the friends in Western Germany; and there certain activities continued. In June, 1948, the 77-year-old Dr. Max Liertz, who with Dr. Kurt Schmidt was one of the oldest of Damaschke's co-workers, organised a conference of the Union in Düsseldorf. A number of land and housing problems were discussed, and the general direction that future work should take was agreed upon. It was a promising beginning, but soon thereafter the work that had been rendered impossible in Berlin had to cease also in Western Germany. It was virtually killed by the loss of all financial resources as a result of the currency reform in the summer of 1948.

In spite of all these difficulties, the post-war work of the Union has had some minor yet important successes. The first was so-to-speak negative. It succeeded in preventing the passing of a Bill for a so-called Grundrentenabgabe (Land-rent-levy) on the lines that had been drafted by a former co-worker of Damaschke and had already been put before the Government of Hessen for approval. It was a conglomerate of misunderstood Damaschke propositions mixed up with National-Socialist and planned-economy ideas. Just as the misuse of the word "Land Reform" in the Russian Zone had done great harm, so also this proposal in Western Germany, trading on the same slogan, would have deprived Damaschke's work of its last title to credit. The Berlin group of the Union therefore countered this Bill with a proposal of their own for Land Value Taxation and transmitted it to the Government of Hessen. Although this was not accepted, it prevented the passing of the other Bill. From this resulted the second positive success. The Land Value Taxation proposals drafted by Dr. Kurt Schmidt were further perfected in co-operation with Dr. Liertz and at the Düsseldorf conference were accepted as the basis of our future work. They contain the programme of the Union in condensed form.

### *What Next to Undertake ?*

Experience has shown what twelve years of Nazi domination did to undermine Damaschke's work or make its resumption difficult. Even the laws as to land-use, housing and small holdings, which were passed as a result of Damaschke's persistent pressure, have been forgotten and are seldom applied, the people having so little understanding on the subject. In addition, the future work of our friends, if it is to be successful, must not be confined to (the politics of) land reform as was previously the case in Germany. Not only the leading German politicians but also the great majority of the German people lack even the most elementary knowledge of economics. Thus it will be necessary to start again in Germany right from the beginning. It is difficult to say whether this will be possible through the establishment of Henry George schools. It is necessary in the meanwhile, for any such undertaking to obtain permission from the appropriate Military Government which generally speaking has not the needed judgment in such matters. Apart from that, we have at present not the slightest of the financial means that would be required for such a purpose.

Another possibility for positive work which would be envisaged is the production of a journal for advancing the ideas of Henry George and Adolf Damaschke. In Berlin negotiations are at present under way with an old-established German publishing firm (Walter de Gruyter & Co.) which might be prepared to bring out under a new title and in a new form at the "*Jahrbuch der Bodenreform*" (Land Reform Yearbook) founded by Damaschke. But the realisation of this project also depends on financial possibilities. The present general economic situation in Germany leaves most people living at the bare subsistence level. Men who have to worry about their daily bread are not easily aroused to give their minds to the cause of their distress.