

# CRISIS IN EUROPEAN AGRICULTURE

BY JONATHAN F. SCOTT

**D**o you remember La Bruyère's classic description of the French peasant in the Seventeenth Century?

"One sees," he says, "certain ferocious animals, male and female, scattered over the country, black, livid, and burned by the sun, attached to the land which they dig and work upon with incomprehensible obstinacy. They have an articulate voice, and when they rise on their feet they exhibit a human face; and in fact they are men. At night they retire to their dens, where they live upon black bread, water, and roots. They spare other men the trouble of sowing, cultivating and gathering articles of food."

"From 1500 to 1850," says the German economist Schmoller, "the great social question of the day in Europe was the peasant question." Pick up any comprehensive book on the old régime in France and you will find pages devoted to the abuses from which the peasant suffered. His misery may not have been as extreme as La Bruyère thought it was, but his lot was miserable enough, and he was often subjected to gross injustice. In Central and Eastern Europe, conditions were worse than in France. Serfdom was the rule; and the serfs were habitually overworked and oppressed by their masters. A Hungarian peasant complained that he had to spend so much time working for his overlord that he could only cultivate his own fields by moonlight. His case was typical.

By the middle of the Nineteenth Cen-

tury, however, the European peasant question is supposed to have been pretty well solved except in backward countries like Russia. As a result of the French Revolution and the reforms that followed in its wake, the peasant was freed from his feudal shackles. He still had to struggle hard for a living, but he was no longer subject to grave abuses. In many regions he reaped the benefits of greatly improved methods of farming and sometimes achieved a modest prosperity. He fitted into the social and economic order and was counted a conservative influence. Gradually the problem of the industrial worker, the urban proletarian, replaced the peasant problem as the great social question of the day. So, as late as 1920, an able English student of contemporary European affairs observed in an article, "Rural Europe Comes to Power": "It is the urban civilization of Europe that is threatened. The peasantry will survive and multiply."

Yet there is a peasant question in Europe today that cries to high heaven for solution. All over Europe peasants and farmers have been finding it more and more difficult to keep their heads above water, and many are on the verge of despair. Apart from the situation in Russia, however, where the peasant problem is intimately bound up with the success or failure of the Communistic scheme, the question has attracted little attention in the United States. It seems to be more or less taken for granted that in the rest

of Europe the peasant will go right on being conservative, and that in any case inertia will prevent him from being a strong, positive force. No one, however, can study conditions in rural Europe even superficially without realizing that this assumption is unwarranted and that the problem of the peasant may become a factor as disturbing to the existing order in Europe as was the peasant question of the Eighteenth Century to the old régime.

## II

The present agricultural crisis in the Old World did not develop immediately after the World War. On the contrary, outside of Russia, which has had a post-war economic history all her own, the peasants of Europe seemed at that time to be emerging into a new prosperity. During and after the conflict the prices of agricultural products went up rapidly. In countries where the currency was inflated they rose to fabulous heights, and jubilant farmers raked in huge profits. But mortgages and mortgage interest stayed at their old currency levels. Taxes and rents rose little or not at all. School fees, doctors' and dentists' bills remained much as they were before, while the prices of clothes and other manufactured articles went up far less rapidly than the prices of farm products. City-folk suffered; but the peasant had paid tribute to the city too long to concern himself very much about their suffering. He was glad enough to have the tribute reversed.

So he set to work to pay off his debts and hold his land free from encumbrance. Then, with the money that kept rolling in, he began to make improvements on his farm or to buy machines to make his work easier and increase his profits. His standard of living improved. "Once I used

to eat my potatoes," said a Hungarian peasant, "and send my ducks to market; now I eat the ducks and sell the potatoes." In 1925, when the French franc was going down rapidly, the writer saw in a French village a house in which six peasant families had formerly lived; it was then occupied by but one family. Travelers in Germany during the *Inflationszeit* noticed here and there that the wives and daughters of peasants were bedecked with jewelry. In one German village a traveler saw six new pianos, of which one family possessed two. It was not always the thirst for luxury that led to such purchases. With the currency depreciating rapidly, many a peasant hastened to put his money into durable goods.

In many countries, what is known as "land reform" accentuated this transient prosperity. When the masses of peasants who had served as soldiers in the World War came home, they demanded land as their reward. In Russia, even before the war was over, the revolution of March, 1917, was the signal for the peasants to seize the great estates and divide them up. It is well known that the Bolsheviki won the support of the peasants by urging them on and promising them that all the land of Church, Crown and nobles would be confiscated for their benefit. After the November revolution the promise was kept, though title to the land was vested in the nation.

Forewarned by what had happened in Russia, other governments in Central and Eastern Europe thought to avert revolution by acceding to the demands of the peasants, turning over to them land expropriated from the great estates. In Hungary the President of the Provisional Government, Count Karolyi, tried to set an example by voluntarily offering his own estates to the peasantry. His fellow nobles

howled with anger, and land reform was blocked. But it came later, just the same. In Hungary, Austria, Czechoslovakia, Finland, Esthonia, Latvia, Lithuania, Bulgaria, Greece, Rumania and Yugoslavia laws were passed compelling expropriation. The method usually adopted was to limit the size of a maximum holding and to order the surrender to the state of all land in an estate over and above that size. The government then parceled out the land to the peasants. The amount which the original owner might retain varied from country to country. In Rumania it was as high as 500 hectares, or 1200 acres; in Poland, something over 400 acres; in Latvia, 192 acres. In other words, estates of considerable size were still allowed to exist in these countries, especially in Rumania. In Bulgaria, however, the peasant country *par excellence*, the maximum was limited to 30 hectares, or 72 acres. Usually the expropriated owners were paid for the land thus taken from them, though the rate of compensation was sometimes low: in Poland, for example, it was half the market price.

It is estimated by the authors of "World Agriculture" that as a result of this amazing wave of land reform, "70,000,000 acres have been transferred, equal to 18.47% of the agricultural land [of the countries concerned]. Over 2,000,000 new farms have been created, and 1,500,000 tenants have been converted into owners." It is probable that in more than one country revolution was actually averted. In fact, in Spain, where land reform was not undertaken in the early post-war period, it did take the revolution of 1931 to bring about the seizure of estates belonging to the King and the *grandees*, with subsequent partition of these among the impoverished Spanish peasants.

In England there was no radical land

reform of the Eastern European type at the end of the war; but there were quiet changes in land ownership of no little import. In the course of centuries, by fair means and foul, most of the agricultural land in England had come to be concentrated in very few hands. It is estimated that in 1873 about a sixth of all the land in England and Wales was owned by about 400 individuals, two-fifths by less than 1700 persons. Much of this land was withdrawn from agriculture, some of it for parks, more for sheep-farms. Withdrawal was increased in the latter part of the Nineteenth Century by the influx of cheap food supplies from abroad with which English agriculture found it difficult to compete. Between 1871 and 1914 the arable land in England dropped from something over 18,000,000 to a little over 14,000,000 acres. In other words, there was a decrease of about 22% in arable acreage in less than forty-five years.

Naturally there was serious concern in England over the situation. Before the war, measures were taken to bring land from the great estates into the hands of small holders, but unfortunately these measures proved to be but mildly effective. Under the stimulus of the war, agricultural production was considerably increased by various means, but despite this increase prices rose rapidly. Grain prices, for example, went up 120%. Tenant farmers and agricultural laborers thrived. The great landowners, however, did not fare so well. Their taxes jumped, but they were forbidden by law to raise rents. Expenses for upkeep mounted. As a result, a number of owners, during and after the war, had to sell their estates, parts of which were often bought up by the newly prosperous tenant farmers.

Between 1917 and 1922 one agency alone sold nearly two million acres, or about

4% of the total area of Great Britain. Of course, the land was not all sold to tenant farmers, and England is still far from being a country of small holders. But the sales constituted a distinct step in reversing the process whereby agricultural land had gradually been concentrated in the hands of a few. Since there is a strong conviction in England that home agricultural production ought to be greatly increased, and since there is a widespread belief that small holdings will make for such increase, it is not unlikely that the future will witness expropriation by legislation of the sort made common in Eastern Europe.

### III

The good fortune of the farmers and peasants in the early post-war period deserted them after a few years. The sun of prosperity ceased to shine, the shadows gathered, the darkness of suffering ensued; and in that darkness they are still enshrouded. It is somewhat strange that the three great influences, which seemed at first to be working for the prosperity of the peasant, in the end led to the present agricultural crisis: the war, the progress of agricultural technique, and the activity of governments in promoting agricultural production. The war brought disorganization in its train. For one thing it gave an artificial stimulus to agriculture in non-European lands, since the belligerents were forced to rely on these regions much more than previously for food supplies. Cuban sugar, for example, responded vigorously to war demands from Europe and later from the United States. After the war some of this food production naturally died off, but much of it remained to compete with Europe. According to a report of the League of Nations published in 1931, "New Zealand, the Argentine and

Australia export 350,000,000 English pounds of butter in place of 50,000,000 in 1900. The production of meat in these countries is calculated at 2,000,000,000 pounds as against 300,000,000 in 1900." Such competition naturally operated to force down agricultural prices in Europe.

It was the war, too, that led to those fluctuations of currency which have reacted so disastrously throughout the world. Inflation, it is true, at first led to high prices for agricultural products and enabled the peasant to pay off his debts with ease, as has been pointed out. But the aftermath of inflation is depression. If the peasants got rid of their old debts, they contracted new ones when currency levels were unconscionably high. These debts have hung like millstones around their necks ever since. With the end of inflation, too, and the coming of currency stabilization, agricultural prices tumbled and crumbled; and while the prices of the goods the peasants had to buy went down also, they were far from dropping proportionately. The peasant was cut by the "scissors process," the *Preisschere*, of low prices for his sales and high prices for his purchases.

During the Nineteenth Century technical knowledge in agriculture made great strides, but its application lagged somewhat behind. Since the war, however, the application of technology has advanced rapidly. During the brief period of post-war prosperity it was the ambition of many a thrifty peasant to become the proud possessor of a tractor to till his fields or of a "combine" to reap and thresh simultaneously his grain; and often he was in a position to realize his aim. So the use of such machines has been widely extended, bringing more efficient production and increasing the area of cultivation. New fertilizers, new varieties of seeds and

a hundred and one other results of patient, scientific experimentation, have contributed to the process of making two blades of wheat, two ears of corn or two potatoes grow where one grew before.

Post-war governments have striven to take full advantage of this advance in agricultural technique. At no other time in history have national governments had to face responsibility for the material welfare of their peoples as they do at present. At no other time in history have they felt obliged to strive for national self-sufficiency as they have since 1914. They have felt it essential to produce as large a proportion as possible of the national food supply at home. Consequently, they have made the most strenuous efforts to foster and develop agriculture. The story of Russia's trials and errors, failures and successes is familiar to most of us. Just now she is concentrating effort on the *kolkhoz* or collective farm, believing it to be the answer to the backwardness, laziness, obstinacy and fatalism of the Russian peasant. Sometimes by persuasion, sometimes by compulsion, the government and Communist officials have done their best to get the peasant to leave his little farm and join the *kolkhoz*. As far as bringing about collectivization is concerned, results have exceeded expectations. In 1932 the collective farms constituted some 75% of the total cultivated area of the Soviet Union and over 90% of the principal producing regions. Whether there will be a substantial gain in production remains to be seen. The prospect seems to be good. In 1931 the yield from collective farms averaged 4 to 5% higher than the yield from individual holdings.

Other European countries, rejecting Bolshevik collectivization, have resorted to various expedients to stimulate agricultural production. Bulgaria, which is al-

most entirely a grain-producing country, has attempted to meet a catastrophic drop in wheat prices by diversification of crops. There is a saying that "every Bulgarian is a gardener at heart"; and Hessel Tiltman, who has recently published an excellent book on "Peasant Europe", records that in traveling through Bulgaria he saw, first the wheat-fields, and then "a different scene—a land of orchards heavy with fruit, and fields of strawberries and vegetables. This was the new Bulgaria which is dawning, the beginnings of the garden-land of tomorrow which the experts have glimpsed afar."

The British government has tried to aid the farmer by facilitating the conditions under which he markets his products, by tariffs and quota regulations to restrict imports, by guaranteeing minimum prices for certain domestic products and by payments of subsidies. Germany, likewise, has fixed minimum prices for grains and has checked imports by tariffs and quotas. This policy raised wheat prices to formidable heights; in fact, at one time, wheat sold in Berlin for almost three times the price at which it was selling in Chicago. Italy has done much to reclaim marshes and waste land for cultivation, fighting and conquering the scourge of malaria in doing so. "Reclaim the land, and with the land the men, and with the men the race," says Mussolini grandiosely.

In all such efforts as these the European governments have thought of the agricultural problem in terms of increased production. And the results have been truly amazing. In Italy, according to the most recent statistics of the League of Nations, the yield of wheat rose from an average annual production of not quite 54,000,000 quintals for the period 1921-1925 to over 81,000,000 quintals in 1933, an increase of over 60%. In France it rose from a little



less than 80,000,000 to nearly 100,000,000 quintals, in Yugoslavia from a little less than 16 to over 26. In Germany the percentage advance is even more remarkable. A yield of less than 27,000,000 of quintals became a yield of over 56,000,000. In other words, wheat production in Germany more than doubled in less than fifteen years. Other crops made similar strides in various countries. Mr. Tiltman points out that the little state of Austria, left impoverished at the end of the war, "tackled the task of reconstruction with characteristic energy, and in the ten years which followed 1919 increased the volume of wheat grown within the restricted frontiers of the new Austria by 40%, of rye by 100%, of barley by over 150%, and of sugar-beet by 800%. That progress has, despite the recent difficult years, been fully maintained."

#### IV

Yet it is just this astounding increase of production, resulting from the war, from the development of agricultural technique and from national economic policies, that led directly to the agricultural crisis. This sounds sadly familiar to us from our experience in this country: soaring production, tobogganing prices. Or, to put it another way, the crisis came from a lack of balance between production and consumption. With the coming of the industrial depression conditions grew worse and worse, and the city-workers bought less and less.

As Mr. Tiltman traveled through the agricultural countries of East-Central Europe last year, the peasants poured their tales of trouble into his sympathetic ears. "We used to be the granary of Europe," said a peasant of Bessarabia. "Now the grain rots in the railway sidings for want

of wagons to carry it away. We used to attract many visitors, and be considered a rich land. Now only the hungry wolf makes the mistake of thinking a peasant worth pillaging." "I have good land and good crops," said a peasant in Eastern Galicia. "I work fourteen hours a day, and have four children, all of whom work with me. In 1932 my profit, after growing our food and paying taxes, was £1." And he was better off than most of his neighbors; he was classified as a "rich" peasant. Everywhere in the Ukrainian districts under Poland, says Tiltman, "the refrain is the same. Net profit in 1928, £30. Net profit in 1932, £1. A cow worth £55 in 1928, and a beast of the same age and weight fetching £6 10s. in the Lemberg market five years later. A good horse fetching only £5 in the spring and as little as 3s. in the autumn." Of conditions in Bulgaria the same writer remarks: "Not even defeats in two major wars within one generation had such disastrous repercussions upon the Bulgarian people, both materially and psychologically, as had the catastrophic fall in the prices of, and restrictions in the market for, agricultural products during the years which have followed."

"But the peasant always has something to eat. He will never starve," says the optimist. True, he will not starve unless he happens to live in one of the few regions subject to famine. But in many parts of Europe he is too poor to buy the three fundamental products coming from outside the farm: salt, matches and kerosene. He cannot afford to purchase the factory-made clothes, which in so many regions have gradually replaced the picturesque costumes once slowly but deftly woven and embroidered by hand in peasant cottages during long winter evenings. He cannot buy tools and other farm equip-

ment. He is loaded with debts so heavy that he can never hope to pay them, and he cannot keep up his interest payments. Worse than all, perhaps, he is burdened with taxes that have mounted higher and higher as governments have employed more and more officials, increased the size of their armies beyond all reason, borrowed more and more money, and become entangled in what Mr. Tiltman calls "new and improved methods of corruption." As one peasant put it to the same author: "We raise cattle and pigs for the debt-collector. We raise food to keep ourselves alive. We use eggs as the only currency left. It is six months since I saw one *zloty* [a small Polish coin] in this village. We cannot go on."

In Russia the situation is somewhat different, owing in part to Communist policies. But there can be no doubt of the gravity of the agricultural crisis there. The shortage of commodities of all sorts is acute. Rations of fats and meat were lower in 1933 than they had been in ten years. Rations of bread and sugar have been drastically cut even for industrial workers. Yet there are many peasants who have been so disheartened by economic reverses and who are so rebellious against government policies of regulation and repression that they have fled from the farms to join the ranks of the industrial proletariat. As industrial workers they are especially favored by the government and receive the best there is, poor as it may be, "in food, in manufactured goods, in amusements, in education."

Russia has her own ways of trying to work out of this morass. As for the European peasant elsewhere, there is little likelihood that his plight will be righted by the simple old process of leaving things alone and letting the law of supply and demand take care of the results. A poor

harvest now and again may send up agricultural prices temporarily. But agricultural technique is going to go marching right ahead. O. W. Wilcox, in a recently published book, entitled "Reshaping Agriculture", says that by the use of proper agricultural methods the eight principal crops of the United States could be raised in a sixth of the present space now used and by a sixth of the present number of farmers. All the inhabitants of Greater New York, he maintains, could be fed from reclaimed land in Florida of an area no greater than the metropolitan area of New York. Whether or not such a dream is ever realized, it is evident that in Europe as in America agricultural production can easily be much increased, leading to a permanently low level of prices for agricultural products. Unless something is done about it, it would seem, then, that the peasant is doomed to lasting poverty.

## V

Isn't it amazing? Peasants and industrial workers face each other across a great chasm. Each group can produce in abundance far more than enough to supply the normal needs of the other. Yet the very technology that has made this abundance possible has already sent thousands of industrial workers to the bread-line and could easily doom thousands of agricultural laborers to the limbo of unemployment. Each group stands facing the other, unable to make the exchange of goods across the chasm.

The author of an article on "Peasant Europe," in the London *Times Literary Supplement* for July 5, 1934, expressed the thought that the time may come when an aroused European peasantry will stand as the most effective bulwark against Communism. He speaks of the Bulgarian Alex-

ander Stamboliski's dream of a "Green International" of the European peasantry, a dream which, he says, may yet come true. If the peasants should become sufficiently awakened to their common economic interests to break down political boundaries and unite, "a new economic and political force of incalculable strength would make its appearance in the political arena. An international peasantry would then stand in sharp opposition to an international proletariat."

There is little in the existing situation to encourage this wishful thinking. True, the peasant has long been known as a rugged individualist. In Russia the Communists are having a hard enough time in bringing him into conformity with their system—at least as far as the older element is concerned. Nor is the present condition of Russia, with its woeful shortage of commodities and its pitifully meager ration for workers, likely to awaken any immediate enthusiasm for Communism elsewhere. On the other hand, it is obvious that there is little in the non-Russian peasant's present economic situation and prospects to make him devotedly loyal to the system under which he lives. Bad as things now are in Russia, the *kolkhoz*, or collective farm, has already shown itself more productive than the average individual peasant holding, and such observers as Hindus think that it has great possibilities for the future. With some four-fifths of the Russian peasants already collectivized, the *kolkhoz* cannot be dismissed as a minor experiment. If the peasant's lot elsewhere should fail to become visibly better, and if there should be any considerable improvement in Russia, is it not quite possible that all over Europe more and more peasants will look to Communism as the way out?

In any case, the peasants' plight is a chal-

lenge to the capitalistic system in Europe. It would seem that the one way out is to increase the purchasing power of the masses. This is the fundamental economic problem of the day. It is all the more pressing because of the situation in industry. Before the war surplus manufactures could be sold in foreign markets and surplus mouths be fed, though it was becoming more and more difficult to do so. Anyway, technological unemployment had not developed on the gigantic scale of today, when labor-saving devices are throwing thousands out of industry and cutting off their purchasing power completely save where government aid or private charity affords them a minimum of subsistence.

The future will witness all sorts of radical experiments, interspersed with desperate attempts to return to some semblance of rugged individualism. But if the problem of materially increasing consumption is worked out at all in Europe, the solution will probably come finally in the form of some sort of compromise between capitalism and collectivism. Of the trend toward collectivism there can be no doubt. But the capitalistic system is no more coming to a sudden end than the feudal system did. In the long run, the historical process works by compromise. Temporarily a nation may seem to break suddenly with the past as France did in the French Revolution and as Russia did in 1917. But in the end the law of the continuity of history asserts itself and the new is amalgamated with the old.

Of course, the problem may not be solved at all. We may be in a period of declining civilization corresponding to the last centuries of the Roman Empire. I think it was John Maynard Keynes who, when asked how long the depression would last, replied: "There was one that lasted eight hundred years."



# THE A. F. OF L.: ENEMY OF LABOR

BY ERNEST SUTHERLAND BATES

THE story of American labor, looked at from the point of view of the millions of shattered lives involved, has been a narrative of prolonged tragedy with intervals of sorry farce. Considered in the light of its trend, it presents a record of general but insecurely held gains, won in the face of almost overwhelming obstacles, and at a frightful cost. Opposed by the government at every turn, betrayed constantly by its own leaders, American labor—or at least a section of it—has nevertheless kept up the century-old struggle, the final result of which was never more doubtful than at the present hour. Lately, the American Federation of Labor has succeeded to the chief rôle in both the tragedy and the farce; it has doubled the parts of hero and villain, and represents alike the betrayers and the betrayed. To understand its strange character one must look at its background and its history, always remembering to distinguish between the organization and its leaders.

Craft unions in America are as old as the nation itself. The printers of New York and Philadelphia were well organized by 1786 and the cordwainers of the same cities a few years later. For more than half a century from this time labor unions were regarded under the common law as conspiracies and were liable to prosecution as such, in spite of which their numbers steadily grew until in 1827, following the failure of a carpenters' strike for a ten-hour day, the Mechanics' Union

of Trade Associations was formed in Philadelphia as the first great city central union. An immediate outgrowth of this was the organization of workingmen's political parties in Philadelphia and New York, the New York party actually succeeding in electing a candidate to the State Assembly in 1829. The movement spread throughout the East, and in 1830 the New York *Village Chronicle* began the blithe American custom of talking, on the slightest occasion, about a "revolution." "From Maine to Georgia," it declared, "within a few months past, we discern symptoms of a revolution, which will be second to none save that of '76. Universal education and equal advantages at the polls are the leading objects for which they [the workers] contend." At the same time, the colorful Fanny Wright, mistaking her wishes for reality, was saying, "What distinguishes the present from every other struggle in which the human race has been engaged, is that the present is, evidently, openly and acknowledgedly, a war of class."

During the next year, the Workingmen's Party divided into two bitterly hostile factions, the one headed by Thomas Skidmore, author of "The Right to Property," probably the first book on the social revolution to be written in America, advocating the equal division of all property, and the other, led by Fanny Wright and Robert Dale Owen, concentrating its efforts on securing the establishment of free schools. The latter, in spite of the brilliant Fanny's