Excerpt from an Explanation of the Two-Year Plan for 1949/50 (June 30, 1948)

Abstract

The Two-Year Plan of June 30, 1948, which laid out detailed plans for the economic development of the Soviet occupation zone/GDR for the years 1949 and 1950, took its economic cues from prewar figures. It highlighted the successes that had already been achieved in the nationalization of mineral resources and industries and in agricultural land reform. With the expansion of Agricultural Production Cooperatives [*Landwirtschaftliche Produktionsgenossenschaften* or LPGs] in 1952 and the extensive compulsory collectivization that followed in 1960, the guarantee of land ownership to farmers soon became irrelevant.

Source

With the dispossession of the Nazi and war criminals, ownership of key economic holdings in the Soviet occupation zone has passed into the hands of the people. Nationally-owned enterprises [*Volkseigene Betriebe*] are now the foundation of industry. In the first quarter of 1948, these enterprises represented only 8% of the total number of companies required to register, but they were responsible for nearly 40% of production in the most important branches of industry in the Soviet occupation zone. The majority of companies remained in private hands, but the rule of the monopolies was broken.

The following table shows the contribution made by nationally-owned enterprises to the overall production of German industry in the first quarter of 1948:

Industrial sector	**Percentage of production from nationally-owned enterprises**
1. Mining	99
2. Metallurgy	54
3. Machine building and metal processing industry	41
4. Electronics industry	33
5. Precision engineering and optics	16
6. Chemical industry	35
7. Construction materials	29
8. Wood processing industry	13
9. Textile industry	32
10. Light industry	18
11. Cellulose and paper industry	44
12. Electric energy and gas	40
Overall average production:	39 percent

This shows that the people have important holdings in the economy of the Soviet occupation zone. Large, monopolistic industrial and financial conglomerates were dealt a crippling blow when they were dispossessed in one part of Germany. The people were given ownership of thirty-eight brown coal mines, smelting works, and other companies in the Flick group; a total of fifty-nine companies belonging to the electronics groups Siemens and AEG; thirty-eight factories of Continentale Gas-AG; nine Mannesmann

factories; fourteen enterprises in the Rütgers group; eleven factories in the Christian Dierig-AG textiles group; seven Henkel-AG chemical factories; eight factories of the Reemtsma group; as well as further key production facilities owned by a number of major German concerns.

Key companies in the transportation industry are also in the hands of the people. A total of 3,328 kilometers of railway lines once belonging to private companies were nationalized, including Pommern, Mühlhausen, Lüben, Graf von Arnim, and Bachstein. Currently, 98.6% of all railways are nationally owned, while 1.4% are owned by private companies.

By contrast, motor transport and inland shipping are primarily in private hands. Eighty-five percent of vehicle fleets and tugboats are owned privately and only 15% are owned by the public. Only 12% of the inland fleet is nationally owned. […]

Junkers and large landowners, as the most important pillars of German imperialism and fascism, once played a leading role in agriculture, but even that sector has radically altered its features. As a result of land reform, the Junkers, large landowners, and other Nazi and war criminals have lost all their land and other means of production. Their reign over the countryside has been broken. A total of 6,837 farming enterprises run by Junkers and large landowners in the Soviet occupation zone have been dispossessed of 2,472,000 hectares of land. Together with the holdings of war criminals and active Nazi party members, and a few state and city holdings, some 3,147,000 hectares of land have been transferred to farmers. This land was distributed to 204,530 families – primarily to landless farmers and resettlers [*Umsiedler*] – as well as to 79,700 enterprises operated by farmers with little land, and to 191,700 enterprises operated by small-scale leaseholders and industrial workers. The number of recipients of land thus stands at 475,930, and if we add the 38,800 farming enterprises that were given forested land, the total figure amounts to 514,730. Furthermore, villages and national administrative bodies were given land and forests once belonging to large landowners. Land reform has changed social relations in the rural areas of the Soviet occupation zone, as the following table shows:

Enterprises grouped according to hectares of land		**Number of enterprises**		**Their land ownership**	
		1939	1946	1939	1946
		in %	in %	in %	in %
from 0.5 to 5.0		56	44.5	10	11.7
from 5 to 20		33	47.5	30	49
from 20 to 50		8.5	6.8	21	22.2
from 50 to 100		1.4	1	9	8.1
over 100		1.1	0.2	30	9
	Total	100	100	100	100

In 1939, small and medium-sized enterprises owned only 40.2% of all land compared with 60.7% in 1946. The importance of large enterprises has declined significantly, particularly in terms of land ownership. In 1939, there were 6,300 large enterprises with over 100 hectares of land, meaning that 1.1% of all enterprises owned 29.8 percent of all available land. In contrast, since the end of land reform, large private enterprises have ceased to exist.

Land ownership by farmers remains unaffected

The liquidation of the dominance of Junkers and large landowners in the countryside has strengthened the position of the working classes in the rural population. Owners of small and medium-sized farms have assumed the most important position.

In keeping with their position in villages, small- and medium-sized farmers should fill leading posts in the Association for Mutual Farmers' Assistance, in the agricultural cooperatives, and in other agricultural bodies. Though few in number, owners of large farms still continue to play an influential role in the countryside. The small- and medium-sized farmers, together with new farmers, must produce leaders from their own ranks and fight to preserve the democratic character of their organizations. Through the Association for Mutual Farmers' Assistance, efforts must be made to prevent small, medium-sized, and new farms from selling land, cattle, and inventory, and a vigorous fight must be waged to strengthen these farms economically.

The Junkers, large landowners, and their supporters have spread rumors that a new land reform will be launched that could affect farmers' holdings. These rumors are a deliberate lie and are tantamount to libel. Land ownership by farmers was and remains intact, but the power of the Junkers and large landowners in rural areas has been destroyed forever.

Source: Excerpt from an Explanation of the Two-Year Plan for 1949/50 (June 30, 1948), in *Dokumente der Sozialistischen Einheitspartei Deutschlands,* vol. II, Berlin, 1951, pp. 22–25; reprinted in Ernst Deuerlein, ed., *DDR*. Munich, 1966, pp. 76–79.

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