

Rural banks and credit cooperatives in Bohemia, 1860-1914

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Rural cooperatives of all sorts were founded in the second half of the nineteenth century in the Bohemian crownlands of the Habsburg monarchy. Cooperatives and agricultural associations were intended to provide the support farmers needed both to withstand agricultural crises and to take advantage of economic opportunity. They helped peasants manage their debt by providing long-term mortgage loans on favorable terms. They enabled farmers to modernize production by providing credit for investment and access to agricultural machinery.

Cooperatives were part of a growing network of rural associations that contributed significantly to mobilizing rural populations. Agricultural cooperatives integrated peasants and farmers into the larger civic and political life of the late Habsburg monarchy, which was based on broad participation in voluntary associations. Voluntary association was a key element of Central European society, and agricultural societies and rural cooperatives were the primary means of rural participation in this movement.

Cooperatives were also a central feature of Czech economic nationalism. Czech nationalists espoused a program of economic development designed to achieve political and economic parity with German speakers in Bohemia and Moravia. In the mid-nineteenth century, the majority of Czech speakers were engaged in agriculture. Nationalist reformers sought to establish the institutional structures and personal habits that would increase agricultural efficiency. Recognizing that the Czech population was less wealthy than their German-speaking neighbors and aware of the difficult competitive position of Czech farmers, they promoted cooperative self-help, which emphasized individual effort within the context of mutual aid. Advocates of cooperation embraced a theory of Czech national character first delineated by František Palacký, namely the idea that Czechs were naturally democratic and collaborative. Cooperatives seemed a particularly appropriate means of organizing economic activity. Building on the seminal ideas of Hermann Schulze-Delitzsch, František Šimák emphasized self-help within the structure of cooperatives as a way of gathering financial resources to both protect farmers and promote agricultural development.

In addition to self-help, economic nationalists also embraced a form of protectionism they called *sv_j k svému* or “each to his own.” František Palacký coined this phrase, which urged Czechs to support Czech enterprises. *Sv_j k svému* influenced the cooperative movement in the Bohemian crownlands in two ways. The first was that Czechs and Germans tended to found cooperatives that had a clear national identity. As national affiliation became more important in defining political and economic relationships in Bohemia, rural cooperatives played a significant role in creating parallel Czech and German environments. National differences emerged first because of language use, since cooperatives typically conducted their business primarily in either Czech or German. In addition to language use, other markers of national affiliation included cooperatives’ membership in central associations, their participation in nationally oriented banks, and their affiliation with national

political parties and defense associations. The Agrarian Bank, established by the Czech Agrarian party, had an overt national and political agenda.

The second influence became apparent toward the end of the nineteenth century, when the competition between Czech and German political parties and national defense associations intensified. Because voting rights were associated with property ownership, nationalist organizations began to seek to extend national control over landed properties. This “inner colonization,” as it was known, had both socioeconomic and national motives. It was in part an ill-fated effort to stem rural depopulation by acquiring and subdividing large estates. More important were national motives. Advocates of inner colonization sought to bolster and extend the “language border” between Czech and German areas. They urged rural credit cooperatives and banks to invest in acquiring property, either to protect it from falling into enemy hands or to gain it for the nation. These investments were risky because the estates were typically in distress, and cooperatives preferred to invest in safer loans to protect their assets. Even so, rural credit cooperatives gained in significance, from a nationalist point of view, thanks to the efforts to promote inner colonization.

Finally, national defense associations established local chapters and began to introduce nationally divisive issues into rural communities. Pieter Judson has demonstrated that nationalist rhetoric had only limited appeal in small, rural communities.¹ Nonetheless, the continued public discussion of national competition for control over property and access to education, employment, and credit did infuse distrust into ethnically mixed rural communities by the 1920s.

The history of Bohemian credit cooperatives in the late nineteenth and early twentieth centuries reflects an ambivalent and evolving relationship between promoting economic development and supporting national development. It is easy to exaggerate the role of national affiliation. While distinct, cooperatives and the central associations they belonged to typically collaborated across national lines. Cooperatives in ethnically mixed communities supported the common financial and economic needs of their members. It was common in ethnically mixed communities for families to send their teenage children to live for a year or more with a family that spoke another language. Czech children regularly boarded with German-speaking families and German children with Czech-speaking families.²

As the political scene became more complex (after extensions of the franchise first in 1882 and then in 1889-91 gave more farmers the right to vote), cooperatives affiliated with particular political parties and national defense associations competed *within* national communities as well. Czech parties such as the National Liberal party, the People’s party, and the Agrarian party all sought to use rural cooperatives to influence voters. Meanwhile, agrarian parties (the Czech Agrarian party and the German *Bund der Landwirte*) had common interests and collaborated frequently, both in the local communities and in the legislative arena.

On balance, the organizational separation of Czech and German cooperatives and heightened nationalist rhetoric did, over time, drive a wedge between Czech and German farmers in many rural communities by the 1920s and 1930s. Even so, small farmers retained an awareness of their common economic interests and a willingness to collaborate across national lines.

Agricultural Associations

Rural cooperatives emerged in a milieu in which agricultural associations had already cultivated the idea of collaboration, education, and mutual support to improve agricultural productivity. The first agricultural association in Bohemia was the Patriotic Agricultural Society founded by the nobility in 1767.³ The Patriotic Agricultural Society was a forum in which the nobility could discuss modern agricultural techniques. The society sought to convey new techniques to local peasants and farmers, introducing change gradually to avoid provoking social upheaval. Like the rural cooperatives that were founded after 1860, the Patriotic Agricultural Society was an important social institution in which “men of different backgrounds and different political agenda were brought together for a similar purpose.” Modernizing agricultural production “ultimately became part of the larger public dialogue on the comparative strength of the nation.”⁴

In 1827 the Patriotic Agricultural Society established regional branches, which were dominated by the nobility and used German as their language of communication. Members of the nationally oriented intelligentsia, such as František Cyril Kampelík and František Korpík in Moravia, also began to explore ways to modernize agricultural techniques in the 1830s.

Independent agricultural associations were founded in eastern Bohemia in the early 1860s. They were led by well-to-do farmers and village bourgeoisie and promoted a self-help program based on cooperative buying, selling, and processing of agricultural goods. They also engaged in educational ventures, founding reading rooms that bought books and subscribed to agricultural journals, organizing public lectures, and presenting exhibitions of goods and machinery. Historical studies focusing on the experiences of individual farmers bear out the importance of these agricultural associations in promoting technical knowledge in leading to a breakthrough in agricultural productivity. The diary of Jan Antonín Prokpek, who later became a leader in the agrarian movement, reveals his early efforts to improve the technical aspects of agricultural production on his farm, despite financial setbacks and ridicule from neighboring farmers.⁵ Local agricultural societies also provided a means through which small farmers (who did not have voting rights at the time) could become politically engaged. The societies engaged in overt political activities in the 1870s, such as sending petitions with agricultural and nationalist demands to representatives in the Bohemian diet or the Austrian parliament.⁶ The agrarian ideology of the 1860s linked the prosperity of the individual farmer to the future of the nation.⁷

The rapid proliferation of specialized agricultural voluntary associations limited the role of the Patriotic Agricultural Society, which reorganized itself as an Agricultural Council in 1873. The Agricultural Council represented both Czech and German interests. It attempted to reframe its activities to address the problems of modern agriculture. Its focus, however, remained on large agricultural producers, and the Bohemian nobility continued to play a significant role in its leadership. The Agricultural Council was an informal body mediating between government and agricultural producers. The council’s unofficial status limited its effectiveness, particularly during the 1880s, when small farmers bore the brunt of the agricultural crisis.⁸ Small producers resented the nobility’s control over the council; their organizational efforts remained focused in local associations. In 1884 German members withdrew from the council to protest both the growing influence of Czech members and the continued dominance of the council by conservative nobility. Germans insisted on creating an autonomous German section of the Agricultural Council. When this demand was not met, they

founded a separate association, the *Deutscher landwirtschaftlichen Central-Verband für Böhmen*, which was associated with the Liberal party of Franz Schmeykal.⁹

The stand-off between Czech and German interests was resolved in 1891, when the Agricultural Council was transformed into an official provincial organization and divided into separate German and Czech sections.¹⁰ Representatives from both national sections comprised a joint executive committee, on which the nobility retained their traditional influence. In other respects, the Czech and German sections functioned as separate institutions.

The new, official Agricultural Council provided an institutional base from which national leaders could promote economic interests. The sections received significant financial resources to distribute to agricultural endeavors. The budget was divided, with approximately 64 percent going to the Czech section and 36 percent to the German section.¹¹ Activities included establishing statistical committees and research institutions, promoting agricultural education, addressing technical problems, promoting insurance, working with local agricultural societies, and lobbying for laws to benefit agriculture.¹²

The Czech section was by far the more dynamic of the two. It quickly became an active and professional advocate for the economic needs of agriculture, despite some tension between the Young Czech leadership and the Agrarian party established in 1899. The council's leaders saw their mandate as encompassing both social and national goals. It sought to improve the financial independence of Czech farmers by promoting the establishment of small credit cooperatives and the Agrarian Bank. Although it did fund at least one German-language school (in the Tetschen [D__ín] area), in general it supported Czech-language activities.⁷ The council saw its mandate as improving the welfare of rural communities, thereby strengthening the Czech nation as a whole.

Like other official bodies in which Czechs gained a majority, the Agricultural Council developed into an important instrument of provincial administration that reinforced Bohemian autonomy. It was one of a series of public forums through which Czech leaders could promote nationally oriented economic activity and propagate knowledge of new techniques of production and management. These public bodies complemented voluntary associations and cooperatives. Because they were state funded, they allowed Czech efforts to expand beyond the financial and organizational limits of self-help. Even so, public bodies like the Agricultural Council were constrained by law in their ability to promote explicitly nationalist agendas. The assertion of Czech influence in political and public bodies also provoked German reaction; the fiercest battles of the 1880s were fought over control of institutions, rather than over economic policy or national property.

Rural Credit Cooperatives

Credit cooperatives emerged out of this rich milieu of voluntary association, growing political awareness, and economic growth in the 1860s. Rural reformers Kampelík and _korpík specifically urged the creation of rural credit cooperatives as a means of self-help for farmers. Towns in the richest agricultural regions of Bohemia were among the first to organize credit cooperatives.¹³ The climate for founding cooperatives was very favorable in the late 1860s. Following Austria's defeat in the war with Prussia and the Compromise that established Hungarian autonomy, the Habsburg state's finances became more stable and economic conditions in the Habsburg monarchy began to improve. The political situation also stabilized with the introduction of parliamentary government.

Credit cooperatives addressed some of the problems small farmers faced in the transition to a market economy. With the end of serfdom in 1848, many peasants owned their own plots, although they acquired long-term debt as a result of restitution paid to the former landlords. New challenges emerged as peasants learned to manage debt. Equally important, credit cooperatives were designed to provide the resources farmers needed to respond effectively to economic opportunity. Advocates of credit cooperatives argued that they could protect farmers from the high rates of interest charged by private lenders and could provide the funds and machinery needed to modernize agricultural practices.

Several efforts were made to adapt the cooperative idea to the meet the credit needs of agriculture. Schulze-Delitzsch credit cooperatives were founded in rural towns in the 1860s. Municipal savings banks also provided credit to small farmers. In addition, district agricultural cooperatives were established as public bodies using the resources that were left over from traditional emergency funds dating from the seventeenth and eighteenth centuries.¹⁴ Peasants typically obtained both short-term and mortgage credit from these local financial institutions.

In the 1890s a new form of credit cooperative, geared specifically to agriculture, became widespread. These were known as *Raiffeisenkassen* or *kampeli_ky*. K. F. Procházka and František Cyril Kampelík had publicized the ideas of Wilhelm Raiffeisen in the 1860s, but their ideas were not realized until later.¹⁵ *Raiffeisenkassen* and *kampeli_ky* were much smaller than Schulze-Delitzsch cooperatives. They provided unsecured personal credit within a small community of members and were staffed on a volunteer basis by members. This increased the personal commitment of members, thereby reinforcing the community aspect of cooperation. As Schulze-Delitzsch cooperatives and municipal savings banks grew larger, they operated like businesses. *Raiffeisenkassen* and *kampeli_ky*, by contrast, emphasized mutual aid within the community.

The first *kampeli_ka* in Bohemia was established in Rtny_ in 1889. It was founded by the local agricultural and artisanal association under the leadership of _en_k Vit. At first the cooperative had to borrow money from a local Schulze-Delitzsch cooperative to fund its operations. It attempted to operate on a very small margin between the rate of interest paid to depositors and the rate charged for loans. After a few years, however, under Vit's persuasive leadership, the cooperative thrived. The number of *kampeli_ky* and *Raiffeisenkassen* grew rapidly in the 1890s. They were easy to establish and provided an institutional structure at the level of the smallest village through which political parties and voluntary associations could mobilize members.

National defense associations got involved to help found these small credit cooperatives, both to provide financial resources for small producers and to accumulate the capital needed for national projects. The North Bohemian National Union proudly proclaimed itself the "mother of Czech *Raiffeisenkassen*" and lobbied the Bohemian diet and the Agricultural Council for state support for the cooperatives.¹⁶ The *Böhmerwaldbund* likewise encouraged German communities to found the cooperatives.¹⁷ The complex balancing act between social cohesion and national competition is displayed in František Obrtel's survey of agricultural cooperatives, printed in 1928. The survey is published Czech, German, and French. In addition to general information on the number and type of cooperative, the book includes short descriptions of several hundred individual cooperatives. Most are described solely in terms of their economic and social function. A few, however, are identified as playing a critical role in bolstering the "language frontier" between Czech and German areas. The credit cooperative in _umberk nad Desnu, for example, is described as having been founded in 1902

for reasons of national and economic defense. Obrtel credits the cooperative with helping acquire land to settle Czech farmers in several villages that had been entirely German before World War I.¹⁸

Supporting small agricultural producers was particularly important in south Bohemia, where the *Böhmerwaldbund* lent agricultural machinery, founded agricultural cooperatives, organized demonstration projects like school gardens, and provided veterinary inspection of farm animals. Like its Czech counterpart, the *umava* Union (*Po_umavská jednota*), the association gained representation on the Agricultural Council, which provided financial support and expertise for many of their projects.

A third wave of growth in the number of cooperatives took place after 1918. Thanks to the influence of the Agrarian party (then known as the Republican party) in the First Czechoslovak Republic, the number of cooperatives increased, as did their membership and functions. By 1925, there were over 4,500 *Raiffeisenkassen* and *kampeli_ky* in Czechoslovakia (most of them in Bohemia and Moravia). In addition, there were nearly 800 Schulze-Delitzsch credit cooperatives in rural areas.¹⁹

Agricultural Banks

Despite their vital contribution to local finance, rural credit cooperatives were subject to increasing public, government, and financial pressure. A series of scandals led the Austrian government to pass a law in 1903 requiring audits. This spurred cooperatives to form central associations such as the Central Association of Agricultural Cooperatives (*Úst_ední jednota hospodá_sk_ch dru_stev*) to undertake audits and train bookkeepers in appropriate financial management. At the same time, the proliferation of savings banks and credit cooperatives heightened competition. Rural credit cooperatives needed access to credit from banks devoted to agriculture.

As early as the 1860s, Bohemia had established a Provincial Mortgage Bank. This bank provided mortgage loans to large estates but did not serve the needs of small producers or cooperatives. The *Böhmische Bodencreditgesellschaft* was founded in the early 1870s. It invested heavily in agricultural processing industries, particularly the sugar industry, and collapsed in 1884 when world sugar prices plummeted. After its collapse, Czech leaders sought to establish a similar institution that could issue mortgage bonds and provide credit for agricultural improvement, agricultural industry, and other large projects. Leaders of the National (Old Czech) party, which was rapidly losing power to the National Liberal (Young Czech) party, formed a committee in the Provincial Executive Council to investigate forming a Provincial Bank.²⁰

Old Czech leader F. L. Rieger noted that the new bank would provide financial services throughout the province, without regard for differences of nationality or status.²¹ German delegates participated on the committee and supported the proposed bank until it was presented in the diet, when they abstained from voting. The Provincial Bank (*Zemská banka* or *Landesbank*) began operation in 1890, but German nationalists complained that the bank was backed by taxes paid by German Bohemians, who did not benefit from it. The purpose of the bank was defined in ways that made it more useful to Czech organizations. It gave loans to town and district governments and to agricultural and credit cooperatives. It provided credit for ameliorating the quality of agricultural land, for regulating water ways, and for the demolition and reconstruction of the Prague ghetto. With the rapid expansion of *Raiffeisenkassen* in the 1890s and 1900s, the Provincial Bank also emerged as

a financial center for these small rural cooperatives. The Czech-speaking population benefitted disproportionately from all of these investments.²²

A more specialized bank, the Land Bank (*Pozemková banka*, 1909), was founded with organizational support from most prominent Czech national defense association, the Czech National Council. The Land Bank was intended to strengthen Czech landownership, particularly in the countryside. Although most Czech financial institutions approached land acquisition haphazardly and typically purchased properties in foreclosure sales as a result of bad investment decisions in the first place, the Land Bank was organized specifically to help extend Czech ownership of real estate.²³ The proposal to found the bank was sparked by the loss of several large estates, which Czechs were unable to purchase because of a lack of capital.²⁴ Czech journals also expressed the hope that the bank could counteract the harmful effects of usury and speculation in the purchase and subdivision of land.²⁵

Lubo_ Je_ábek outlined the purpose of the Land Bank in a pamphlet published in 1905. According to Je_ábek, Czech landowners were gradually but steadily losing control of estates in both north and south Bohemia. If not checked, this could lead to the loss of the Czech majority in the Bohemian diet. In addition, the status of rural Czech-speaking minorities in the borderlands was fragile, and a bank could help stabilize their economic position. The bank could also purchase properties that had water rights, thereby protecting the access of Czech farmers and factories to water (a point of contention in the early twentieth century). The Land Bank could finance the purchase of buildings in which to house Czech institutions, could construct apartment buildings for Czech-speaking workers in predominantly German areas, and could devote special attention to retaining nationally significant properties, such as houses that included rights of ownership in municipal breweries, which might be lost as a result of “national indifference.”

The funds were to be raised by selling share capital, issuing mortgage bonds, and buying and selling property.²⁶ Alfred Mayer, an expert in the problem of rural depopulation, expanded on Je_ábek’s vision in 1908, arguing that the Land Bank could promote the subdivision of large estates and the sale of property to farmers, thereby protecting rural producers and keeping land in Czech hands. In Mayer’s view, the Land Bank should be modeled after similar institutions established by Poles in Pozna_, which resisted German efforts at colonization, extended Polish property ownership, and stemmed emigration. In order to meet its objectives, the bank would need to rely on a network of confidants who could inform the bank quickly and quietly of available property and help arrange local sales.²⁷

Not surprisingly, given its explicitly nationalist intention, the proposal to found the bank did not receive government approval right away. Although the proposed statutes were submitted in the summer of 1905, the bank did not begin operation until 1909.²⁸ Like most Czech banks, the Land Bank had a political affiliation. The bank was the result of collaboration between Old and Young Czechs, but Young Czech influence predominated. A biographical sketch of one of the founders noted that “The bank undertook in its time a good bit of work for our economy, and especially in the first years it was active in the land market, acquiring a host of estates, which it transferred to Czech hands intact or divided into smaller estates and parcels.” The Land Bank purchased several large estates, including Lipková Voda near Pelh_imov (Pilgram). This was a financially risky business, and the Land Bank did not survive the vicissitudes of war, the collapse of agricultural prices in the early 1920s, and the banking crisis that followed deflation of the Czechoslovak crown in 1923. With the

founding of the Czechoslovak Republic and the implementation of comprehensive land reform, the Land Bank lost its main purpose.²⁹

The creation of an Agrarian Bank (*Agrární banka*, 1911) was supported by the Czech National Council and the Agrarian party. It was founded to provide financial support for agricultural cooperatives, particularly the small *kampeli_ky* whose numbers had grown rapidly since 1889. The idea of establishing a central bank to support agriculture and agricultural cooperatives had been discussed for several years. When Antonín _vehla gained control over the Czech Agrarian party in 1905, he sought to win support from smaller farmers through concrete benefits, including the extension of local cooperatives and the establishment of the Agrarian Bank. The bank provided liquidity to credit cooperatives, invested in agricultural processing industries, and was actively involved in acquiring noble estates and subdividing the land. Like other Czech banks, the Agrarian Bank quickly became a general commercial bank, focusing on investments in land and agricultural industry. One of its divisions sold goods such as malt, wine, wood, livestock, and leather on commission, while another sold agricultural machinery in Austria-Hungary and abroad. The new Agrarian Bank was noted in the German press, which expressed concern that the bank would be a force for “Czechization” of rural areas. The German newspaper *Bohemia* called for the establishment of comparable German banks that could invest in the border region of Bohemia.³⁰

After the founding of the First Czechoslovak Republic, the Agrarian bank also benefited from land reform. The Agrarian (Republican) party controlled the State Land Office, which distributed noble estates under land reform, and the bank was both protected from losses and provided with opportunities to profit from the massive transfer of land in the 1920s.³¹

Inner Colonization

Rural depopulation, which resulted from the long-term drop in agricultural prices, represented a multifaceted threat to national interests. When reflected in census data, depopulation could lead to a decline in state resource or changes in official language use. Czech and German nationalists saw the rural population as a healthy social element that embodied core national virtues. Both claimed that farmers determined the national future in the borderlands.³² The sale of rural property to “foreign” buyers therefore was seen as eroding national assets. People’s party leader Jan Klecenda claimed that statistics demonstrated that if current trends continued, more and more agricultural land owned by Czech speakers would fall into “foreign” hands. According to Klecenda, Jewish influence was felt not only through economic exploitation but also through their indirect influence on local politics.³³ As a virulent anti-Semite, Klecenda was concerned about both German and Jewish purchasers of agricultural property.

To devise a plan to promote inner colonization, the Czech National Council commissioned Alfred Mayer to prepare a study on the transfer and subdivision of property. The invitation to Mayer noted that “Austrian Germans have been preparing a new campaign against Slavs with the help of inner colonization.” Mayer was asked to analyze what the German organizations had accomplished, how they had organized their efforts, and population trends in Czech districts.³⁴ His report addressed the legal issues involved with the sale of a large estate to a consortium, considered the social and national aspects of inner colonization, and recommended keeping track of the sales of agricultural land.

To succeed, inner colonization had to be supported by institutional structures and aid programs to ensure that new owners of small plots of land could afford the purchase and could make a living. Following Alfred Mayer's report and the 1910 census, which showed a decline in several districts in the population reporting Czech as their language of daily use, the Czech National Council surveyed local officials to determine the causes of depopulation and to develop strategies to stabilize the rural population. District officials were asked about the potential to subdivide agricultural estates, establish factories, promote domestic manufacturing, and develop communication links. Only two districts recommended subdivision of large estates as a way of stemming emigration from rural areas. Large estates often encompassed woods and other resources that were important for the local economy. Because banks charged high commissions, the district official in Benešov recommended commission-free transactions. New farms would only succeed if they were at least 10 hectares in size and already had buildings. The respondent from Votice also cautioned that to purchase, prepare, and subdivide agricultural land required a high capital investment. Only a large bank, like the Land Bank, had the resources to undertake such transactions. Other officials emphasized that vocational training, good railroad connections, and water power would be more effective in promoting economic development in rural areas.³⁵

German national defense associations also were integrally involved in efforts to protect small farmers and settle German colonists along the "language border," where their presence might shift the demographic balance. Josef Hoyer argued that "Whoever has land and soil has power." He feared that Czech buyers, with help from their credit cooperatives, were pushing German speakers out house by house, farm by farm. Thanks to easy credit and a nationally oriented network of local banks, Hoyer believed that Czechs were able to purchase German properties when they came on the market. In fact, because interest rates at Czech institutions were higher than at German banks, German-speaking Bohemians sometimes deposited their money in small Czech banks, which then lent the money to Czech buyers of German property. In Hoyer's view, Germans needed to establish a settlement bank (*Ansiedlungsbank*) like that in Poznan to counter Czech activities.³⁶ Hoyer also urged German banks to invest more in smaller farms and businesses, which generally took out loans from Czech institutions.

Franz Jesser laid out a wide-ranging case for inner colonization, in which he identified several groups of potential settlers, including small independent farmers, agricultural laborers, tenant farmers, and factory workers. He thought that the borderlands of Bohemia were particularly well suited to part-time farming because industry in the region was decentralized. Subdividing larger estates would provide small plots that new settlers could afford. The new owners would not depend on agriculture for their livelihoods, but would have a reserve of food and income to enable them to withstand economic downturns. He believed that higher wages for agricultural workers would strengthen the social foundation of the German national community. Property ownership would enhance personal independence and community commitment. In Jesser's view, small local banks like *Raiffeisenkassen* were particularly well suited to undertake the purchase, subdivision, resale, and credit for such colonization.³⁷

National defense associations drew investors' attention to large estates that were available for purchase, particularly if the estates carried with them the right to vote for delegates to the upper house of the diet. As an example, a large estate in Pohořov came into Czech hands due to the combined

efforts of the Central Association of Czech Agricultural Societies (*Ústřední jednota českých hospodářských společenstev*) and the National Union of the Silesian Region.³⁸ Efforts to enumerate national assets and gain nationally significant properties helped fix the national identity of sellers and buyers of agricultural property. The struggle to extend national frontiers was fought particularly fiercely over regions with mixed populations of German speakers and Czech speakers. However, local populations were less directly involved than nationalist organizers and associations. Along the so-called language border in Bohemia and Moravia, people had eluded fixed national identities. Efforts to acquire national property did begin to sharpen a sense of difference between Czech and German speakers, but they continued to work in harmony and share common economic interests.

Efforts to stem rural depopulation had little impact until the implementation of comprehensive land reform in First Czechoslovak Republic, since private attempts to purchase and subdivide large estates were stymied by national competition, the paucity of valuable properties on the market, and the high costs of such investments. Land reform set a limit of 150 hectares on agricultural land and 250 hectares on forests or other landed property. Large estates, many of which had formerly been owned by the nobility, had encompassed 40 percent of the agricultural land within the territory of Czechoslovakia. They were redistributed to small farmers in an effort to solidify the position of middling farmers and eliminate dwarf holdings that could not support a family. A State Land Office was formed to administer the reform, and members of the Agrarian party (renamed the Republican party after 1918) had disproportionately high representation in its central administration and local offices.³⁹

Officially, land reform had the social aim of ensuring equality and strengthening the position of small farmers, rather than any national intent. Nonetheless, national defense associations recommitted to inner colonization after World War I. Czech defense associations saw land reform as an opportunity to colonize the German borderlands and urged the government to restrict the distribution of land in Bohemia and Moravia to Czech speakers. Czech associations arranged for loans for the purchase of property, purchased property outright and then resold it, advertised available properties to Czechs, and lobbied the government for easier credit for frontier settlers. To counteract the discriminatory effects of land reform, the *Bund der Deutschen*, the *Böhmerwaldbund*, and other German defense associations continued to help Germans acquire landed property.⁴⁰ The *Kreditanstalt der Deutschen* provided financing to local cooperatives, which then lent money to prospective buyers.

Inner colonization was premised on the expectation that rural credit cooperatives would help finance the redistribution of landed property. In fact, cooperatives tended to protect the financial interests of their members and only rarely invested in inner colonization. National defense associations frequently expressed their frustration with the cautious (and sensible) loan practices of cooperatives. Even so, the heightened rhetoric of national competition did affect social relations in Bohemian communities.

Conclusion

The cooperative movement was remarkably vibrant in Bohemia and Moravia. Production cooperatives provided agricultural machinery and fertilizer; processing cooperatives canned produce, processed starch, milled wheat; warehouse cooperatives collected, stored, and sold grain; credit cooperatives provided short- and long-term credit to agricultural producers. Consumer cooperatives

emerged in urban areas, where they competed with privately owned retail outlets. Agricultural cooperatives that processed food often sold their products to consumer cooperatives.⁴¹ By 1925, there were nearly 15,000 cooperatives in Czechoslovakia, of which over 8,000 were agricultural.⁴²

Religious affiliations and political affiliations were more important in the nineteenth century than ill-defined notions of national identity. As the political scene became more differentiated in Bohemia and Moravia, cooperatives became affiliated with particular political parties. Until the 1890s, Czech cooperatives tended to be affiliated with one of the two main political parties, the National (Old Czech) or the National Liberal (Young Czech) party. In the late nineteenth century, the Old Czech party lost influence and the political scene became more differentiated. In rural areas, the conservative Catholic People's party and the Agrarian party emerged as the strongest political influences in rural areas. The People's party was explicitly anti-Semitic and did not cooperate with other Czech political parties. It had a large network of cooperatives that competed directly with other Czech cooperatives, often in the same village.⁴³

Thus, even as national identity became more salient in the twentieth century, rural cooperatives remained committed to the social and economic needs of local farmers, regardless of their language of daily use or national affiliation. Rural cooperatives were valued precisely because of their ability to meet the social and economic interests of agricultural producers. The rich and vibrant history of agricultural cooperation in the Bohemian crownlands attests to the economic, social, and even national importance of these institutions.

ENDNOTES

¹ Pieter M. Judson, *Guardians of the Nation: Activists on the Language Frontiers of Imperial Austria*. (Cambridge: Harvard University Press, 2006).

² Tara Zahra, *Kidnapped Souls: National Indifference and the Battle for Children in the Bohemian Lands, 1900-1948*. (Ithaca: Cornell University Press, 2008).

³ Jana Mandlerová, *Soupis odborných spolků a vdeckých institucí v českých zemích (1860-1918)* (Prague: Academia, 1973), pp. 229-30.

⁴ Rita Krueger, *Czech, German, and Noble: Status and National Identity in Habsburg Bohemia* (New York: Oxford University Press, 2009), 103.

⁵ Jiříoua, "Dvě generace představitelů agrárního hnutí—Jan Antonín a Adolf Prokypkové," *Politická a stavovská zemědělská hnutí v 20. století* (Uherské Hradiště: Studie Slováckého muzea, 5/2000): 180-192. See also Josef Volf, *Z paměti starého českého sedláka: Kus selské historie z 2. poloviny XIX. století* (Hradec Králové, 1932).

⁶ Pavel Novák, "Hospodářské spolky a artikulace agrární zájmy (na příklad hospodářských spolků okresu Kutná Hora)," in: Jiříoua, Daniel E. Miller, and Mary Hrabik Samal, eds., *K úloze a význam agrárního hnutí v české a československé dějinách* (Prague: Univerzita Karlova, 2001), pp. 31-37. See also Peter Heumos, *Agrarische Interessen und nationale Politik in Böhmen, 1848-1889: Sozialökonomische und organisatorische Entstehungsbeginnungen der tschechische Bauernbewegung*. (Quellen und Studien zur Geschichte der östlichen Europa, number 11) (Wiesbaden: Franz Steiner, 1979).

⁷ Josef Nojka, *Poátky rolnického spolování* (Offprint from *časopis pro dějiny venkova*, 26 [1939]).

⁸ The Agricultural Council's noble leaders resisted the recommendation put forward by a sister institution in Vienna to establish official agricultural chambers throughout the Austrian half of the monarchy, which would have functioned like the chambers of commerce and been represented in the parliament and the provincial diets.

⁹ Jiříoua, *Kvvoje českého zemědělství na rozhraní 19./20. století (česká zemědělská rada)* (Prague, 1986), pp. 41-43.

¹⁰ Jiříoua, "Vznik české zemědělské rady," *Sborník historický* 27 (1980): 45-89.

¹¹ oua, *Kvvoje českého zemědělství*, p. 82.

¹² Insurance against hail damage and fire had been mandatory since the 1880s; in the 1890s the council promoted the insurance of farm animals as well as social welfare programs for agricultural workers. Zdeněk Amberger, "Význam českého odboru Zemědělské rady (1891-1914)," in: oua, Miller, and Samal, eds., *K úloze a význam agrárního hnutí*, p. 213.

7. Amberger, "Význam českého odboru Zemědělské rady," p. 215.

¹³ Josef Nojka, *Hospodářská mnovvojnách zemí* (Prague: Orbis, 1946), pp. 179 ff.

¹⁴ Ilona Baantová, *Druševní a svépomocné koncepce v českém ekonomickém myšlení: Vývoj názoru a pokus o praktickou realizaci do roku 1948*. (Prague: Prospektrum, 2002).

¹⁵ "eho lze spolčováním docílití." See Ivo Plecháček, *Archiv městské správy státních společen v Praze: Archiv krajské správy státních společen v Praze*. (Prague, 1967).

¹⁶ *Nejdlejší spolek český jest Národní jednota severo-česká*, pp. 3-9; SÚA, PP-V (1908-15), 25/63 Národní jednota severo-česká, Annual reports for 1889-90 and 1891-92; SÚA, NJS, inv. no. 1, Protokoly valných schůzí, 1894-1918, Annual report for 1904-05.

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- ¹⁷ Perko, "Die wirtschaftlichen Schutzverein Böhmens," pp. 567-59.
- ¹⁸ František Obrtel, *Zemědělské družstevnictví v československu* (Prague, 1928), pp. 93-95.
- ¹⁹ Obrtel, *Zemědělské družstevnictví v československu*, pp. 16-20.
- ²⁰ SÚA, ZV (1874-1928) A, carton 8902, sign. XIX/13, Zemská banka, memo (drafted by Albín Bráf) of 16 February 1887.
- ²¹ SÚA, ZV (1874-1928) A, carton 8902, sign. XIX/13, Zemská banka, *Stenografická zpráva XIX. sezení IV. zasedání českého sněmu*, 18 January 1887.
- ²² The Provincial Bank was contested not only between Czech and German speakers in Bohemia but also among the Czech political parties. The idea came to fruition during the intense struggle between Old and Young Czechs for control of the Bohemian diet in 1889. Its approval was one of the last accomplishments of the Old Czech party. The Young Czech newspaper, *Národní listy*, condemned the institution as a "cavaliers' bank," which would only serve the interests of the nobility and their Old Czech allies. "Kavalírská banka pro království české," NL 15 September 1889, reprinted in: *Co vykonáno na sněmu království českého v období od 1883-1889?* pp. 25-28.
- ²³ The Land Bank was first proposed in 1902 in česká Těbova and reiterated at a 1903 meeting organized by the Society for the Acquisition of Real Estate in Bohemia (*Společnost pro nabývání nemovitosti v územích*), a real estate office designed to help Czechs acquire property in the borderlands of the province. This society faced financial constraints from its inception and had to limit its activities to building a national center for the Czech minority in Karlsbad. Lubo Jeábek, *Referát o nutnosti založení banky pro nabývání, stavbu a prodej nemovitosti v království českém* (Prague: Menšinová komise Národní rada česká, 1905), p. 3.
- ²⁴ "Pozemková banka," *Selské listy* 28 August 1906.
- ²⁵ SÚA, NR_, inv. no. 408/1, "Zřízení Pozemkové banky v Praze," *Tědeník*, 14 August 1908.
- ²⁶ Jeábek, *Referát o nutnosti založení banky*.
- ²⁷ Alfred Mayer, "Ke zřízení české pozemkové banky," ON 13 (1908): 305-10.
- ²⁸ ANM, Albín Bráf papers, inv. no. 12, folder 657, letter from Petr Nes_, 6 February 1911.
- ²⁹ Archive AV_Ř, NÚ, inv. no. 59, Osobní spisy_žen_, Dr. Petr Nes_. Nes_ served as vice president of the bank and suffered considerable financial loss as a result of its collapse.
- ³⁰ SÚA, NR_, inv. no. 408/1, "Gründung deutscher Agrarbanken," *Bohemia*, 2 February 1909. National defense associations did found several banks, such as the_čumava credit cooperative (*Počumavská záložna*), the *Kreditanstalt der Deutschen*, and the North Bohemian Credit Cooperative.
- ³¹ Jiří Novotný and Jiří_ou_a, *Banka ve znamení zeleného_čtyřlístku: Agrární banka, 1911-1938* (1948). (Prague: Karolinum, 1996).
- ³² Zemmrich, *Sprachgrenze und Deutschtum in Böhmen*, p. 88.
- ³³ Klecanda, *Svět k svému*, pp. 11-12.
- ³⁴ SÚA, NR_, inv. no. 407/2, letter to Alfred Mayer, 14 April 1911; and the confidential memo from president of the National Council to the presidium, 30 June 1911. See also Mayer's report, "O_čista_českých kraj_ od n_čecké družby pozemkové," ON 16 (1911): 449-54.
- ³⁵ SÚA, NR_, inv. no. 410/1, questionnaire on depopulation, 19 October 1911. SÚA, NR_, inv. no. 404/2, plenary session of the Economic Section, 19 October 1911; letters from the district officials, 24 June 1911 and 7 September 1911. For a more detailed response from Tábor, see inv. no. 410/1, *Vsledky s_čítání v politickém okrese tábořském z r. 1910*.

³⁶ Hoyer, *Deutschen und Tschechen*, pp. 24-29.

³⁷ Jesser, *Inner Kolonisation*, pp. 1, 4-5, 17-18. Jesser called upon German Bohemians to model their settlement efforts on the methods Poles had developed to acquire landed property in Pozna_

³⁸ SÚA, NR_, inv. no. 404/2, meeting of the Banking Institute, 2 October 1911.

³⁹ Daniel E. Miller, *Forging Political Compromise: Antonín _vehla and the Czechoslovak Republican Party, 1918-1933* (Pittsburgh: University of Pittsburgh Press, 1999), pp. 51-58.

⁴⁰ SÚA, Svaz N_mc_, Arbeitsausschuss für Volkswirtschaft des Bundes der Deutschen, 1 December 1936.

⁴¹ On consumer cooperatives in interwar Czechoslovakia, see Andreas Reich, *Von der Arbeitersebsthilfe zur Verbraucherorganisation: Die deutschen Konsumgenossenschaften in der Tschechoslowakei, 1918-1938*. (Munich: Oldenbourg, 2004). Large cooperatives (and associations of cooperatives) required savvy business managers to succeed.

⁴² Obrtel, *Zem_d_lské dru_stevnictví v _eschoslovensku*, p. 15.

⁴³ Milo_ Trapl, *Political Catholicism and the Czechoslovak People's Party in Czechoslovakia, 1918-1938*. (Boulder, Colo.: Social Science Monographs, distributed by Columbia University Press, 1995), pp. 30-33.