The Economic Policy of the Prussian State in the Interwar Period and the Operations of the Port Community and the Port Company in Szczecin

Abstract

The article is an attempt at addressing the question of the Prussian State’s involvement in the economy during the interwar period, as it was first one of the constituent states of the Weimar Republic and then a part of the Third Reich. After the First World War, the economic and social problems of Prussia resulted from the general difficult situation of Germany. However, Prussia in particular suffered serious territorial losses in the east of the country. Many petitions and requests demanding the state’s active involvement in solving economic and socio-demographic problems were addressed to the Prussian government. A very important premise for this involvement was the political motivation and willingness to solve the ongoing problems indicated by the economic sector and local administration. The investment of the state’s financial resources into the Port of Szczecin and the establishment of the Port Community of Szczecin was conditioned, on the one hand, by the failure of negotiations with the City-State of Hamburg to establish a similar port community. On the other hand, it stressed the importance that the Port of Szczecin acquired during the First World War. As a result of the Prussian State’s involvement, investments of at least several million marks worth were made in the port. The change in the form of cooperation between the state and the City of Szczecin in terms of managing the port, which took place in 1929, led to the creation of the Port Company in Szczecin. Nevertheless, it should be noted that the amount of funds that the Prussian State allocated to the Port of Szczecin was limited. During the Nazi period, some more costly investment projects in the Port of Szczecin were drafted but they were never implemented.

Keywords: Weimar Republic; Third Reich; Prussian State; economic history; state involvement in the economy; business entities; business sector; port cities; Port of Szczecin; interwar period

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Germany, and Prussia as its constituent part, entered the interwar period with the nineteenth-century experience of the economy actively shaped by the state on the one hand, although historians are still debating on the degree of state involvement\(^1\), but on the other hand, with the experiences of war and with the new post-war situation caused by the recession and the economic consequences of the Treaty of Versailles. Due to a different situation which came into being after 1918, the involvement of state in German economy had to be handled differently compared to the classical model proposed by Wolf-ram Fischer, which referred to the period of Industrial Revolution. It should be remembered that he placed an emphasis on the possibility of the state influencing the economy through legislation, administrative regulations, direct participation in certain enterprises, and the state’s role as a consumer and investor\(^2\). Germany felt the consequences of the First World War in the economic sphere by suffering a serious weakening of its potential. It was caused, among other things, by the shrinkage of its territory, and thus reduced access to natural resources, the need to pay war reparations, and economic losses incurred during the war. The burden was borne by the entire German economy without differentiating between particular constituent states.

Until the First World War, many functions of central administration, especially economic administration, were performed by Prussian ministries. The Reich Constitution of 1871 did not provide for the existence of a German government, and initially the only central institutions were the Reich Chancellor and the Ministry of Foreign Affairs. However, Reich state secretaries and Prussian ministries were bound by a ‘personal union’ of sorts. As secretaries of state, the Prussian ministers sat in the Bundesrat with the right to vote, and hence the bills drafted in the Prussian ministries made the legislative process in the Bundesrat faster and more ‘automated’\(^3\). During and shortly after the First World War, such institutions as the Reich Economic Office (Reichswirtschafts-

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amt) were established, which were usually converted into Reich Ministries in early 1919. Thus, in March 1919, the said Reich Economic Office became the Reich Economic Ministry (Reichswirtschaftsministerium). In the same year, the Reich Ministry of Communication (Reichsverkehrswirtschaftsministerium) was created from the Reich Railway Office (Reichseisenbahnamt). The Reich Office of Food (Reichsernährungsamt), which was established during the war, became the Reich Ministry of Food and Agriculture (Reichsministerium für Ernährung und Landwirtschaft) on 1 April 1920. The creation of new ministries also resulted from the Weimar Constitution adopted on 11 August 1919. The creation of new central administration bodies naturally weakened the position of the Prussian ministries, whose informal pre-war competences often crossed the borders of Prussia. The Prussian Ministry of Commerce and Industry (Preußisches Ministerium für Handel und Gewerbe), which had a decisive opinion on main economic policies not only of the Prussian State but of the entire Second Reich, stands as an example. Within the new German state created after 1918 Prussia remained the largest constituent state, but its political position was limited in favour of the central government. This in turn gave rise to a conflict between the authorities of the Weimar Republic and the Prussian government.

Adopted on 30 November 1920, the Constitution of Prussia retained only the most important element of the former Prussian statehood, namely the administration, which weathered the revolutionary period almost intact. Even the so-called manorial areas (Gutsbezirke) had been preserved, where the policing rights held by landowners were abolished not earlier than in 1928. On the other hand, the Prussian State lost part of its territory to new independent countries, chiefly Poland and Lithuania, although the corrections applied to some territorial units were relatively small. However, the preservation of the administration led to the preservation of the significance of Prussia within the Weimar Republic, which went beyond the provisions of its constitution.

Changes in self-government as well as changes in the structure and function of central and provincial administration took place only in 1933.

After the First World War, the economic and social problems of Prussia became part of general German problems, but solving them became a task meant only for the Prussian government. It became the addressee of all problems.

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related to the collapse of agriculture in the eastern provinces, the industrial crisis, or the marginalization of Prussian ports located on the Baltic coast. For those who observed the changes in German economy after the First World War, there was no doubt that the burden of economic life in this country shifted even more decisively to its central and western provinces. The Province of Pomerania found itself almost on the margins of German economy. The geopolitical changes after the First World War made the economic development of Pomeranian and its capital – Szczecin (Stettin) – dependent on the economic relations between Germany and Poland. The Prussian authorities also became aware of this dependence, but only a few years later⁶. However, it can hardly be assumed that the state intentionally took on the role of an economic stimulator, which would have corresponded to the later guidelines by John M. Keynes, who believed that the state should directly and indirectly participate in shaping the economic and social life⁷. Even today, some contemporary economists refer to the active role of the state in the economy, which results from, among other things, historical experience⁸. While the conclusions based on the analysis of primary sources remain to be drawn, one should probably assume that the Prussian State acted more for political than economic reasons and, in this way, addressed some demands for the state’s involvement in the economy formulated by administrative officials and business people. At this juncture, it is worth pointing out to several cases of state involvement in solving economic problems the Province of Pomerania suffered in order to better understand the policy of state towards the Port of Szczecin.

II

Szczecin and Pomerania were also directly linked to the issue of war reparations provided for in the Treaty of Versailles. Here is one example of a passive attitude of the Prussian government. Poland was to receive from Germany (until March 1924), 13 river tugboats with high engine capacity and over 120 barges with a tonnage of over 40,000 tonnes in order to create its own fleet on the

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⁸ A key role in this discussion has been assigned to a widely recognized, also in Poland, scholarly work: Mariana Mazzucato, Przedsiębiorcze państwo. Obalić mit o relacji sektora publicznego i prywatnego, tł. Joanna Bednarek, Poznań 2016, pp. 27–28.
Oder River, with the right to winterise it in Kostrzyn (Küstrin). The German government fulfilled this provision of the treaty only partially by handing over only six tugboats to Poland, arguing at the same time that there were no funds to buy the barges from their previous owners. It is worth noting that the business sector of Szczecin and the Prussian government remained indifferent in this matter, as they failed to notice a clear threat to the interests of the Port of Szczecin rising on the Polish side of the border.

After the First World War, the condition of agriculture became a burning problem for the Prussian government and the eastern Prussian provinces. During the war, the level of agriculture productivity decreased due to a limited use of fertilizers. In the first post-war years, inflation allowed to write off the debt of many farmers. The debt was repaid with a devalued mark, but after 1923, i.e. after the value of the mark had stabilized, farmers quickly started to run into debt again. This was largely due to low profitability of agricultural production. In 1925, the state lifted bans on grain export. However, this did not improve farm profitability as it was difficult to sell German grain on foreign markets. Banks and credit institutions became the source of financial support for large farms. This model of agriculture collapsed with the onset of the Great Depression in 1929.

Pressure from conservative political circles, mainly landowners, led the Prussian government to launch an agricultural aid plan known as Osthilfe in 1931. It was intended for East Prussia, but after political efforts, it also covered the Province of Pomerania. However, attempts to extend this plan to industry, including the automobile manufacturer Stoewer based in Szczecin, did not earn approval of the Prussian government.

Another interesting step taken by the Prussian government, which demonstrated the central government’s commitment, was the process of internal settlement in the Pomeranian countryside. Its aim was to create new farms and develop already existing rudimentary ones. The initial effects of this settlement

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initiative in Pomerania were not impressive. In 1924, 324 farms with a total area not exceeding 7,000 hectares were established. In the years 1931–1932, however, this process gained considerable momentum. More than 4,000 farms were established then. By the time the National Socialists took power, more than 6,000 farms had been established in the Province of Pomerania as a result of this settlement action. The great landowners’ acreage was depleted by about 9%. This process was modified during the Nazi period. The authorities limited the possibility of purchasing land by individuals and settlers’ organisations. However, it was allowed to buy land from landowners provided that the funds obtained were allocated to write off the debt of the property. The state also donated land from its domains for this purpose, although the size of this acreage was not impressive and was only 13,000 hectares. The landed property obtained from large landowners consisted of 98,000 hectares allocated by the state for internal settlement. The state authorities, however, provided the settlers with care as they perceived them as a crucial social factor for the implementation of their internal policies and military plans regarding the border region.

The economic problems of the eastern Prussian provinces also became a pretext for political speeches delivered by the representatives of both the provincial administration and the Prussian government. These speeches placed the blame for the economic stagnation and regression of some regions and economic fields on the alteration of borders after the war and on the Republic of Poland, which pursued its own economic policy. This political conflict, fought through propaganda campaigns, had been carried on by the Prussian government and the provincial administration against Poland since 1925. It was initiated by the speech by Kurt Cronau, President of the District of Kośalin (Regierungsbezirk Köslin), who explicitly pointed to a negative impact of post-war border alterations on the economy of the eastern provinces. These arguments were upheld during the 1927 tour of the Province of Pomerania by Albert Grzesinski, the Prussian Minister of Internal Affairs. A year later, the Prussian government sent out to senior presidents of border provinces a me-

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13 The text of Kurt Cronau’s speech from March 1925 has been published in Pomorze Zachodnie w okresie od traktatu wersalskiego po klęskę III Rzeszy, p. 112.
memorial. It was prepared in Wrocław (Breslau) at the Ost-Europa-Institut, one of the many quasi-scholarly but actually political institutions set up in the border provinces, by Professor Andreas Hesse entitled ‘Die Einwirkung der Gebiets-abtretungen auf die Wirtschaft des deutschen Ostens’ (‘The Impact of Lost Regions on the Economy of the German East’). The tone of all these speeches and published studies was explicit and unequivocal. They claimed that Germany suffered severe political and economic losses and forfeited the living space (Lebensraum) necessary for its development as a result of, as they put it, the ‘Peace Dictate of Versailles’. Indicating the reasons for the economic decline by the Prussian government was only one side of their activity. The other side of the coin should have been their involvement in the economy – in the area of industry, commerce or local manufacturing – which in fact was lacking. The only exception was the activity of Port Community in Szczecin.

III

Until 1923, the Port of Szczecin was the only one of the large German ports owned by the Municipality of Szczecin, and the condition of its transshipment infrastructure and shipping route was also taken care of by the Merchant Corporation of Szczecin, which was transformed into the Chamber of Commerce and Industry during the interwar period. The nineteenth century saw the consolidation of the Port of Szczecin’s position as the third German port after Hamburg and Bremen in terms of transshipment, and the largest Prussian port on the Baltic Sea. Thus, the Port of Szczecin entered the interwar period with some serious arguments to its advantage, which had been additionally enhanced during the First World War, when it functioned as the only large German port not affected by the Allied blockade, supplying valuable raw materials to German industry, mainly from Sweden. Such arguments should have favoured investments to modernize quays and port facilities.

14 For a report presented by the chairman of the Chamber of Commerce and Industry Helmut Toepffer at a meeting with Minister Grzesinski in Szczecin, as well as other memorials addressed by the representatives of provincial administration to Prussian ministers, including the Minister of Agriculture, the Minister of Internal Affairs, and the Reich Minister of Labour, see B. Dopierała, Ekonomiczne i demograficzne problemy Pomorza Zachodniego, pp. 54–73, 133–157. Hesse’s text is currently kept in LA Greifswald, Rep. 60, Nr. 1915, pp. 2–72. For the discussion of this study, see Edward Włodarczyk, Wpływ zmian granicznych na wschodzie Niemiec po pierwszej wojnie na gospodarkę prowincji nadgranicznych w ocenie Andreasa Hessego, Przegląd Zachodniopomorski, R. 19 (48): 2004, z. 3, pp. 47–58.

The establishment of the Port Community of Szczecin (Stettiner Hafen­gemeinschaft m.b.H.) in 1923 was a significant event which, at the same time, emphasized the change of the Prussian government’s attitude towards the Port of Szczecin. It was also preceded by a heated debate on the development of German and Prussian maritime trade. The establishment of the Port Community must also be perceived in the context of the struggle of interests, not only economic ones, between Hamburg, Berlin, Szczecin and Kiel. There were several reasons why Hamburg’s position in this rivalry was privileged, for example, due to the fact that it was Germany’s largest port and remained so after the First World War, or the fact that it negotiated its conditions with the Prussian government as a city state independent of Prussia. The establishment of the so-called ‘Greater Hamburg’ (Groß-Hamburg) consisting of several cities, including Altona and Harburg, which were formally part of Prussia, was to strengthen Hamburg’s position as a city and a port. This goal was eventually achieved on 5 December 1928 at the expense of territorial losses of the Province of Schleswig-Holstein belonging to the Prussian State. Szczecin, on the other hand, entered this political game marked by the continuous competition against Hamburg. Szczecin carried on this struggle with various means, not only economic but also political ones. The city’s approach was also characterized by a certain ‘bitterness’ of the local elites that resulted from the fact that the role of the only large unblocked German port played by Szczecin during the war seemed to be underestimated by the central authorities. Discussions and efforts, on the part of both Hamburg and Szczecin, which mainly consisted in sending memorials to Berlin and inspiring press appearances, continued from the beginning of 1919. Negotiations between the Prussian government and Hamburg regarding the establishment of a Port Community in Hamburg with the participation of Prussia, which continued until the beginning of 1922, failed. It was mainly due to mutual mistrust and disputes over the enlargement of Hamburg’s territory at the expense of Prussia. This opened the way for another initiative undertaken in Berlin by the Senior Mayor (Oberbürgermeister) of Szczecin, Friedrich Ackermann, and the representatives of business sector. During the negotiations, the Prussian government was represented by the provincial administration, which was interested in the development of the port,
while Szczecin was represented by the Senior Mayor and the representatives of the Merchant Corporation that was later transformed into the Chamber of Commerce and Industry. A significant role in the course of the negotiations was played by Dr. Rudolf Krohne, a man who was later associated with Szczecin for a long time, but then he held the position of a ministerial director at the Reich Ministry of Communication, only to later become head of this ministry. At the turn of 1923, a draft treaty was agreed upon between the Prussian government and the city authorities. The City Council of Szczecin approved it on 30 April 1923, and on 23 September the Prussian Landtag passed a law regulating ownership in the Port of Szczecin. As a result of these agreements, two business entities were established to operate in the port, namely the Port Community of Szczecin and the Port Operations Company of Szczecin (Stettiner Hafenbetriebsgesellschaft m.b.H.)\(^\text{18}\). However, the city authorities and the Chamber of Commerce and Industry had to accept a smaller financial involvement of the state in the development of the port than they had requested. In the end, the Prussian government declared only 4.86 million marks to be invested in the Port of Szczecin, instead of 7.25 million marks, as originally planned. In order to manage the port, the Port Council (Hafenbeirat) was established, which consisted of three representatives appointed by the Prussian government and the Municipality of Szczecin each, and two representatives of the Merchant Corporation\(^\text{19}\). The establishment of the Port Community of Szczecin, and then the Port Company in 1929, has been evaluated differently by various Polish scholars, but usually critically.\(^\text{20}\) This article attempts to verify, at least partially, these opinions. In order to do so, the activity of the Port of Szczecin and the role that the Prussian State played in its development are investigated from the perspective of the reports and minutes from the meetings of supervisory boards of the Port Community and the Port Operations Company, and later the Port Company. The analysis covers also the contents of memoranda submitted to the Prussian government after the creation of the Port Community, and the minutes from selected meetings of the city authorities and the Prussian government.

\(^\text{18}\) Details of intense discussions between both parties were presented by E. Włodarczyk, Powstanie Szczecińsko-Pruskiej Wspólnoty Portowej, pp. 29–47.


The first meeting of the supervisory board of the Port Operations Company was held on 10 April 1924 with the participation of 12 people, including two representatives of the Prussian government, who served as ministerial directors. The meeting was chaired by the Senior Mayor of Szczecin Ackermann. In fact, Ackermann chaired almost all the meetings of this board. One of the most important points of the meeting was the issue of increasing the company’s capital. At the time of its creation, the Prussian State and the City of Szczecin contributed the capital of 30,000 marks (Goldmark) each, while the Merchant Corporation – 15,000 marks. The proposal of one of the board members representing the corporation was to double the company’s capital, but it did not meet with the approval of other board members. The representative of the Prussian government, Kieseritzky, Director of Water Engineering at the Prussian Ministry of Commerce and Industry, stated that he had not received any powers of attorney from the government in this matter. This proposal did not surprise the members of the supervisory board because earlier, in 1923, one of the city councillors of Ahrens had postulated an increase in the shares of the city and the state in the company’s capital\(^{21}\). The board, on the other hand, pointed to the need to insure port facilities against fire. It thus referred to a large fire that took place in the port in May 1922, during which one of the port warehouses burned down and four wharf cranes were seriously damaged. Also, the board members agreed on the proposal to increase the rental payments for warehouses and storage yards in the port\(^{22}\). Reading the minutes from this supervisory board meeting does not lead to the conclusion that there is a discrepancy of interests between representatives of the city and the Prussian government. It should be noted, however, that the Prussian government appointed relatively low ranked officials, usually ministerial counsellors and directors, to board meetings in Szczecin. Hence, the possibility of making strategic decisions for the port’s development was limited.

Subsequent minutes of supervisory board meetings confirm that the board dealt mainly with the ongoing activities of the port and its financial results. At one such meeting on 20 October 1924, a periodic balance sheet was approved and during the discussion it was noted that the decreasing turnover of the port affected the poor financial results of both the Port Operations Company and the Port Community. One of the council members, Senior Construction Counsellor, Lohmeyer from Berlin, raised the issue of transportation policy of the Reich Railway, which in turn also affected the interests of the Port of

\(^{21}\) Information from *General-Anzeiger* from 1 May 1923 and *Pommersche Tagespost* from 1 May 1923. For extracts from both newspapers, see BA Berlin, Reichsministerium des Innern. Kommunalabteilung, Nr. 4170 (Die Verwaltung, Bd. 2: Anlagen), p. 16.

\(^{22}\) Ibid.
Szczecin. The discussion at the board meeting provided another interesting piece of information which concerned the mutual settlements between the Port Operations Company and the Port Community. It was noted that the Port Operations Company had to pay high fees for the lease of some equipment and quays that became the property of the Port Community. At the end of 1924, these fees amounted to about 70,000 marks. The Port Community also included in the amount of this sum the expenses for rail service in the port. The liabilities towards the Port Community in the amount of 70,000 marks are included annually in the Port Operations Company’s reports. It might be of interest to describe a situation concerning the Munich Transport Exhibition of 1925, the participation in which the supervisory board decided to cancel for the reason of high participation costs. Initially, it was planned that the Port of Szczecin would be presented there jointly by both entities operating in the port. However, these plans were abandoned.

At a meeting in May 1926, the supervisory board of the Port Operations Company addressed another relatively trivial issue, namely the technical improvement of transshipment in the port. In an agreement with the Port Community, it was pointed out that new electrically powered wharf cranes should be installed to replace cranes driven by steam engines. This demand referred mainly to the quay at the Duńczyca (Dunzig) River. The hydraulic cranes in the duty-free zone of the port also required modernisation.

The expansion of the port was a basic problem that concerned both the Port Community and the Port Operations Company. In the correspondence to the Prussian government sent until 1924, mainly to the Ministry of Finance, but also to the Ministry of Commerce and Industry, the need for basic investments resulting from the agreement concluded at the time of establishing the Port Community was indicated. They referred to the quays in the duty-free zone and new cranes in the bulk handling basin. The Prussian government transferred these investments to the budget for 1925. Some of these investments were actually implemented. Three new cranes were added to the bulk handling quay, and a warehouse equipped with cold stores to store exported butter was built on the quay at the Duńczyca River and the duty-free zone. Work on the construction of new basins adjacent to one of the already existing ones also began. These investments were far different from the plans to expand the Port of Szczecin submitted to the Prussian government in 1923.

The Port Community was constantly interested in further investments in the port. It sought financing in the funds that were at the disposal of the

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23 Ibid., pp. 17–18.
24 Ibid., p. 19.
25 Archiwum Państwowe w Szczecinie (further cit. APSz), Rejencja Szczecińska, Wydział Prezydialny, nr 4075, pp. 1–8 (the letter was signed by the chairman of the Merchant Corporation).
Prussian government. One must be aware at this point that the formal position submitted to the government by the Community resulted from the proposals made by the Chamber of Commerce and Industry and the city council deputations for financial and port matters. These, in turn, were dominated by the representatives of the business sector. Therefore, on 24 June 1926, the Port Community presented the Prussian Minister of Commerce and Industry with a comprehensive port investment plan of over 50,000,000 marks. Among other things, it provided for the dredging of several port basins, the construction of new warehouses on the Duńczyca River quay, further investments in the port area where bulk transshipment was carried out, and the expansion of the duty-free zone and industrial areas of the port. The discussion on this plan took place in Berlin on 27 August in the Prussian Ministry of Commerce and Industry with the participation of officials from several Prussian ministries and representatives of Szczecin’s business sector, among whom were Helmut Toepfer, the president of the Chamber of Commerce and Industry, and Julius Lippmann, the Senior President (Oberpräsident) of the province. The degree of state involvement in the expansion of the port became one of the main problems once again. The Minister of Commerce and Industry pointed out that the government, since the establishment of the Port Community, had already allocated approx. 10,000,000 marks for investments in the Port of Szczecin. Both the authorities of the city and the Chamber of Commerce and Industry expected that the Prussian State would bear the main financial burden in the next stage of the port development. The city was ready to participate at no more than 25% of the costs. It was Senior Mayor Ackermann that took on the difficult role of a negotiator seeking a compromise between the expectations of the city’s business sector and the capabilities of the Prussian government. Hence, the new port modernization plans were first reduced to 23.8 million marks. In the subsequent stages of discussions, which lasted until the end of October 1926, government representatives reduced the state’s share even further to the amount of 14.2 million marks.

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26 For the full plan of the development, see APSz, Naczelnny Prezydent Provincji Pomorskiej, nr 1625; BA Berlin, Reichsministerium des Innern. Kommunalabteilung, Nr. 4170 (Die Verwaltung, Bd. 2), pp. 31–33. For a detailed discussion, see M. Stelmach, op. cit., pp. 558–559. See also B. Dopierała, Kryzys gospodarki morskiej Szczecina, p. 29.

27 BA Berlin, Reichsministerium des Innern. Kommunalabteilung, Nr. 4170 (Die Verwaltung, Bd. 1), pp. 70–72. Detailed proposals of expanding the quays and port equipment is discussed by M. Stelmach, op. cit., pp. 558–561. However, it seems that Stelmach’s claim that Senior Mayor Ackermann was acting on his own, without being legitimised by the local business people, cannot be accepted. According to the opinions which were formulated during the Nazi Party rule, the blame for the difficulties in the negotiations was attributed by the government mainly to Julius Lippmann, the Senior President of the province, George Manasse, a representative of the Chamber of Commerce and Industry, and August Ahrens, the president of the city.
In November 1926, a joint meeting of the supervisory boards of both port companies was held with the participation of Dr. Staudinger, the Director of the Prussian Ministry of Commerce and Industry. Rudolf Krohne, the Reich Minister of Communication, also took part in the meeting. Senior Mayor Ackermann played a double role of the chairman of both supervisory boards. The meeting was also attended by the representatives of the Chamber of Commerce and Industry with its chairman, Toepfer. However, the meeting of both boards was not devoted to the issues of investment in the Port of Szczecin, but to problems related to its ongoing operations and mutual settlements between the two business entities operating within the port. Once again, it might be concluded that the function of both boards was to control the day-to-day administration rather than discuss plans for strategic port development. It is also clear that the initiatives concerning the investments in the port came from Szczecin’s business sector or the city council, and not from the representatives of the government who were board members of both port companies.

The issue of the scope of the government’s financial involvement in the expansion of the port was resolved at a meeting in Berlin on 23 November 1926, where the government was represented by the officials from the three ministries (Internal Affairs, Commerce and Industry, and Finances), while Szczecin – by Senior Mayor Ackermann. At the meeting, the amount of contributions to the port expansion from both sides, i.e. the state and the city was determined. These were only slightly changed in the discussions. First, the cost of the port expansion was determined at 14.2 million marks only to set it at 14.64 million marks, with the state pledging to pay 9.76 million, while the city – 4.88 million. The government was very appreciative of the attitude of the Senior Mayor, who showed understanding for the difficult financial situation of the Prussian State. The talks concerning the directions and scope of port investments, which lasted for nearly entire 1927, yielded only minor adjustments. Finally, on 30 October 1927, the Prussian government handed over a bill on port expansion to the Prussian Parliament. The agreement was confirmed by a legal act issued by the Landtag of 9 January 1928. The modernization works were to involve the dredging of the port canals, modernizing the Duńczyca River and Parnica (Parnitz) River quays and, above all, building a grain silo.

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During the ongoing talks on the scope of the port investment, several works were undertaken which clearly improved infrastructure of the port. Some of them were started as early as 1927, and their effects were observable a year later. They included the establishment of a large warehouse with a storage area of 240,000 m² in the duty-free zone. It was additionally equipped with 11 modern cranes and four freight elevators. Railroad lines were also brought to the warehouse, which facilitated the transshipment of general cargo. The whole warehouse was opened on 15 July 1929. By the end of 1929, the works on the Przekop Mieleński (Mölln Fahrt) canal were completed. In December 1929 the port received a new waterway lighting. Six electric cranes were also installed on its quays. In order to improve bulk transshipments, the quay was extended by 150 m. 30

When evaluating the investments in the Port of Szczecin from the moment of establishing the Port Community until the end of 1929, it should be noted that it was quite well equipped technically and prepared to increase its turnover. Undoubtedly, the city authorities and business people of Szczecin expected and postulated investments on a much larger scale, while the Prussian government, despite the criticism from these groups and the press, showed restraint and reason both in terms of the scope of investments and its own financial condition. In this respect, the state’s involvement should be assessed positively, taking into account the scale of the demands that the city authorities and the Chamber of Commerce and Industry put forward. 31

In order to understand the later fate of the Port of Szczecin, how it functioned, and the degree of the state’s involvement, a broader perspective on the policy of the Prussian government within the framework of German political life is needed. At the beginning of 1928, talks were held between the Prussian government and the authorities of the City-State of Hamburg, which resulted in the signing of the Treaty on the Establishment of the Prussian-Hamburg Port Community on 5 December 1928. Prussia brought lucrative commercial and industrial areas into this community, while Hamburg gained an ally in expanding its supply base. 32 In the face of this new community created jointly by the Prussian State and Hamburg, the importance of Szczecin and its significance for the Prussian government decreased.


30 M. Stelmach, op.cit., p. 562.

31 A similar conclusion, despite harsh criticism of the Prussian government, was drawn by B. Dopierała, Kryzys gospodarki morskiej Szczecina, p. 36; idem, Port szczeciński w dwudziestoleciu międzywojennym, pp. 63–64. However, one cannot fully concur with Dopierała’s statement in the latter of the cited works that the Prussian government invested in the Port of Szczecin only because of the competition with the ports belonging to the area of Polish custom duty.

32 E. Włodarczyk, Powstanie Szczecińsko-Pruskiej Wspólnoty Portowej, pp. 46–47.
In the same year, i.e. 1928, further talks were held between the representatives of the authorities of Szczecin, local business people, and the Prussian government about changes in the management of the Port of Szczecin. The first proposals for changes signed by Director Staudinger from the Prussian Ministry of Commerce and Industry appeared in early December 1928. They were drafted during talks with Senior Mayor Ackermann. The government was represented by Minister Krohne, the aforementioned Director Staudinger and the people who were certainly connected with Szczecin but during the talks represented the position of the government, namely Secretary of State Toepffer (former president of the Chamber of Commerce and Industry in Szczecin), Lippmann, the Senior President of the province, and Rudolf Borchardt, the district councillor. During the discussion, it was agreed that both companies that manage the port would be merged and that the supervisory board would consist only of representatives of the Prussian government and the city. The Chamber of Commerce and Industry was thus excluded from port administration. The Prussian Parliament adopted the proposed changes in a legal act of 22 July 1929, and the agreement on the establishment of the Port Company was signed on 10 August 1929. The share capital of the new company was set at 50,000,000 marks, to which the Prussian State and the Municipality of Szczecin contributed in equal parts. It was signed for the government by the Senior President of the province Lippmann, who had the power of attorney from Berlin, and Senior Mayor Ackermann for the city.

The hopes of Szczecin's business sector for further investments in the port with the financial participation of the state after the establishment of the Port Company were significantly dampened for at least two reasons. Firstly, although the Prussian government supported various efforts to obtain a loan for new investments, it did not want to engage its own resources, and secondly, these efforts coincided with the global crisis, which inevitably limited economic activity, not only of the government. In the years 1930–1931, the Port Company received only 742,000 marks from the Prussian government for the modernisation of the quay for ore transshipment. The cost of this investment was over 1.1 million marks. The rest of the necessary amount was provided by the municipal authorities of Szczecin.

Large-scale investments took place between 1934 and 1936 and their worth was estimated by the city authorities at 9.58 million marks. The construction of a grain silo became the flagship project. It should be noted here that its con-

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33 BA Berlin, Reichsministerium des Innern. Kommunalabteilung, Nr. 4170 (Die Verwaltung, Bd. 2), pp. 43–46. For the full text of the new treaty between Prussia and Szczecin, see ibid., pp. 45–46.

34 Sprawozdanie morskie za rok 1931, Archiwum Akt Nowych w Warszawie (further cit. AAN), Konsulat RP w Szczecinie, nr 246, p. 320; M. Stelmach, op. cit., p. 563.
Construction was planned as early as in 1927, and a year later the cost of this investment was calculated at over 6,000,000 marks. The agreement regarding this matter was signed by the city and the Prussian government on 23 June 1934. In 1934, the state granted a loan of 5.153 million marks to the Port Company for this purpose. In 1935 it supported this undertaking with another loan of 1,000,000 marks. The city authorities were very consistent as regards this investment. The Prussian government, on the other hand, argued that the financing of the investments indicated by the Port Company was questionable, as the business enterprise, which was a joint-stock company, had a constantly negative financial balance sheet with regard to its activities in the early 1930s.

After the Nazi Party rose to power in Germany, the situation of the Port of Szczecin gradually changed. In 1936, during the visit to Szczecin of Reich Minister of Economy Hjalmar Schacht, the development of Szczecin’s industry and the Port of Szczecin was discussed. Again, the amount of 9,000,000 marks for port investments was brought up, which in 1938 grew to 11.6 million marks. Schacht’s visit to Szczecin was, however, depreciated by the Nazi Party authorities, especially by Gauleiter Franz Schwede-Coburg. However, it is noteworthy that the city authorities began to correspond with the Prussian ministries and also with the Reich ministries with regard to the port and its issues. This probably resulted from the legal act of 7 April 1933 on the ‘unification’ of constituent states and the Reich. This law allowed Reich ministers to serve as Prussian ministers at the same time. The unification process was complete a year later.

As a result of the power struggle between the ‘old’ business elites and the ‘new’ ones, supported by the Nazi Party of which they were often members, Krohne resigned as port director in early 1936. Heliodor Sztark, the Polish consul in Szczecin, assessed these resignations as a sign of the party taking over the management in various economic institutions. Krohne was evaluated positively by the local business people, especially in view of his personal connections in Berlin. The plans to extend the Port of Szczecin on the basis of government funds from 1936 onwards provided for the opening up for investments with a total of 11.6 million marks.

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The last great plan for the expansion of the Port of Szczecin was presented in 1938 by the Senior Mayor Wilhelm Faber and Thiessen, the director of the port. It provided for a thorough modernization of the port for 120,000,000 marks. It was later raised to 270,000,000 during the talks. The authors of the project, exceptionally forcefully for the standards of the Third Reich, demanded that the Prussian government pay off the overdue payments to the Port Company. The development project made a negative assessment of the role played by some Prussian ministries in the fulfilment of the state’s obligations to the port, which was described as ‘destructive’ by the authors. The authors of the project pointed out that the Prussian government did not always fulfil the obligations and contracts signed with the city with regard to the investments in the port. It was calculated that the overdue payments to the Port Company resulting from agreements made in 1923 amounted to 6,000,000 marks. It was even demanded that the Port Company be granted non-repayable financial aid for a total of 30,000,000 marks. What made this discussion significant was that the accusations contained in the development project were answered by the Reich ministers, mainly those responsible for communication and finances. The tone of this peculiar exchange of views was completely out of line with the submissiveness which Szczecin usually demonstrated towards the government. The attempts made by Gauleiter Schwede-Coburg to interest the Reich Chancellery and Adolf Hitler himself with plans to expand the Port of Szczecin in 1941 ended in a refusal. Instead, they were referred to the right addressee, i.e. the Prussian government, which in turn was unable to cope with such demands.

IV

These investigations lead to several conclusions. Obtaining the financial involvement of the Prussian State in the functioning and development of the Port of Szczecin was a success for both the Municipality of Szczecin and the local business people, although the process took a long time to complete. In 1922, a favourable political situation arose, which resulted in a positive response of the Prussian government to the initiative of establishing the Port Community of Szczecin with the participation of the state. As has been mentioned, the city authorities and Szczecin’s business sector expected the Prussian government to finance investments on a large scale, and the latter, despite being criticised by these groups and the press, showed restraint and reason with regard to both

the scope of investments and its own financial condition. There can be no
doubt that the Port of Szczecin was significantly modernised on that account.

From 1929, when the Port Company of Szczecin was created and when
the Prussian State took part in the establishment of the Port Community in
Hamburg, the interest in the Port of Szczecin on the part of the Prussian gov-
ernment clearly dwindled. Nevertheless, even then, several investments were
made in the port, and the grain silo could be regarded as a flagship modernisa-
tion project. Thanks to these investments and the economic recovery, in 1936,
the Port of Szczecin was able to reach a transshipment volume on a par with
that in 1913, i.e. over 8,000,000 tonnes.

Further proposals for the expansion of the port put forward by local official-
s and business people, especially those from 1938 and 1941, were intended
to strengthen the position of the Port of Szczecin in view of the plans for the
creation of German Mitteleuropa, but due to the high costs and the ongoing
war were unrealistic and remained only on paper.

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