

**SEIZING GRAIN FROM THE PEASANTS. GERMANY
AND THE FOOD ISSUE IN UKRAINE ON THE VERGE
OF 1917–1918**

On February 9, 1918, at a diplomatic conference in Brest-Litovsk, the Ukrainian People's Republic and the states of the Quadruple Alliance (Austria-Hungary, Bulgaria, Germany, and the Ottoman Empire) signed an agreement to end the war and establish friendly relations. The agreement provided for the exchange of goods. By July 31, 1918, the parties had to sell each other “the surplus of the most important agricultural and industrial products to meet the needs of the fleeing.” It was agreed that Ukraine would supply agricultural products, primarily grain. According to the protocol of February 7, 1918, which supplemented the peace treaty, the amount of Ukrainian grain exported was to be at least 1 million tons.

The peace treaty of February 9, 1918, put an end to the war between the UPR and the Quartet, but the Ukrainian state was suffering from another war at the time, with the Bolsheviks. To fight them, at the request of the UPR leadership, Germany and Austria-Hungary sent their troops to Ukraine after the Brest-Litovsk peace treaty. The Austro-Hungarian and German military presence in the Ukrainian state was to guarantee its security and enable it to establish food exports.

Seeking to obtain grain from Ukraine, the leaders of the Central Powers believed that the country retained a strong export potential, just as it had before the war. German diplomat Wipert von Blücher wrote in his memoirs: “Ukraine [...] was portrayed as the breadbasket

of the old Russian Empire. As such, it had to be able to deliver a very large amount of grain for our food supply.”¹

In the absence of accurate statistics, German officials and their economic advisors relied on reports from Ukrainian diplomats representing the UPR at the Brest-Litovsk peace talks, and mostly on their own assumptions and general considerations to determine the amount of grain in Ukraine that could be exported.

Speculative calculations yielded the following result. Before the war, the grain harvest in the Ukrainian provinces of the Russian Empire amounted to about 19 million tons per year. Of this amount, about 4.8–5 million tons were exported. During the war, the export of the empire’s grain almost completely stopped. Therefore, during the four years of war (1914–1917), Ukraine should have accumulated about 20 million tons of surplus grain². Taking into account the war-related decline in grain production, German experts concluded that Ukraine’s export resource in early 1918 was between 2 and 8 million tons of grain³.

According to the Ukrainian delegation at the Brest-Litovsk peace talks, this resource ranged from 1 to 3.3 million tons. However, the Ukrainian delegates assured that there was one important circumstance: almost all of the finished bread was in the hands of peasants⁴.

The German leaders took note of this warning, but still thought that in addition to peasant barns, grain was also concentrated in large warehouses, both public and private. “The fact that large-scale stocks were available seemed undeniable. Especially in Shepetivka, there

¹ Blücher, W. *Deutschlands Weg nach Rapallo. Erinnerungen eines Mannes aus dem zweiten Gliede*. Wiesbaden: Limes Verlag, 1951. S. 20.

² Velsen, S. *Deutsche Generalstabsoffiziere im 1. Weltkrieg 1914–1918. Erinnerungen. Die Welt als Geschichte*. 1956. Heft 3–4. S. 289.

³ Blücher W. *Deutschlands Weg nach Rapallo. Erinnerungen eines Mannes aus dem zweiten Gliede*. Wiesbaden: Limes Verlag, 1951. S. 20.

⁴ Malynovsky, B. Grain export from Ukraine: assessment of the potential during peace negotiations in Brest-Litovsk. *Український селянин*. 2023. № 29. С. 29–34.

must have been such [stocks] stored where they had been left by the Russian army,” General Ottokar Landwehr, one of the Austro-Hungarian leaders responsible for food supply, later recalled⁵. German officials hoped to find other large warehouses in southern Ukraine, near the Black Sea ports, the main centers of Ukrainian foreign trade.

Based on these considerations, the governments of the Central Powers drew up a general plan of how they would act to obtain grain from Ukraine. They intended to use two methods simultaneously. The first was to restore pre-war ties with grain trading firms in Ukraine and use them to purchase grain from Ukrainian producers-both what was in large warehouses and what was in small farms. “We hoped to get grain from the hands of the peasants through the mediation of Jewish traders⁶”, wrote Blücher about this plan. The first step was to acquire grain stored in large granaries. Perhaps there would be so much of it that purchases from producers would be unnecessary.

The second way: without waiting for grain trading firms to start working, the German government could also procure grain with the help of its military units, which were deployed to Ukraine as part of the armed assistance to the UPR government against the Bolsheviks. The Order of the German High Command on the purpose of the military action in Ukraine (March 3, 1918) stated: “The Rada must begin to govern the country as soon as possible. The support of the Rada [is necessary] for the implementation of the peace treaty, especially for the acquisition of life and food supplies for Germany. In addition to this, it is necessary to put the railroads into operation, to purchase and collect from the railroads the supplies intended for Germany”⁷.

⁵ Landwehr, O. Hunger. Die Erschöpfungsjahre der Mittelmächte 1917/18. Zürich, Leipzig, Wien: Amalthea-Verlag, 1931. S. 172.

⁶ Blücher, W. Deutschlands Weg nach Rapallo. Erinnerungen eines Mannes aus dem zweiten Gliede. Wiesbaden: Limes Verlag, 1951. S. 20.

⁷ Weltkrieg 1914 bis 1918. Berlin, 1942. Band 13. Die Kriegsführung im Sommer und Herbst 1917. Die Ereignisse außerhalb der Westfront bis November 1918. S. 378.

To pay for the purchased grain, German officials planned to use cash reserves of the ruble and Russian securities stored in banks in Germany and neutral countries, as well as borrowed funds. W. Blücher noted that: “The Russian securities that were to be transferred to Ukraine were to be used for payment. We estimated that the Central Powers owned another 500 to 800 million of these [assets]. More than a billion of these funds passed from the German side to the Netherlands during the war. [We] were vigilant about getting [these assets] back. In addition, it was planned to pay for the supply [of Ukrainian grain] with German machines, in particular in the way that Ukraine would take out a loan from the imperial bank intended for the purchase of machines”⁸.

Agricultural equipment and other industrial products were necessary for the exchange of goods. Ukrainian delegates at the Brest-Litovsk peace talks emphasized “Peasant farms, as the main holders of grain in Ukraine, did not need money, but lacked household items and equipment. At a meeting of Austro-Hungarian and German leaders in Berlin on February 5, 1918, dedicated to the issue of a peaceful settlement with the UPR (hereinafter Ukrainian People’s Republic), Austro-Hungarian economic expert Gustav Gratz reported the following: “The Ukrainians emphasize, however, that payment in cash will not reveal the peasants’ reserves. The peasants have a surplus of money, but not enough goods. Agricultural tools are especially needed. It is noteworthy that horseshoes cost 9 rubles”⁹.

The German and Austro-Hungarian leaders hoped that the implementation of this plan—buying grain and exchanging it for industrial goods with the help of grain trading organizations

⁸ Blücher, W. *Deutschlands Weg nach Rapallo. Erinnerungen eines Mannes aus dem zweiten Gliede.* Wiesbaden: Limes Verlag, 1951. S. 20.

⁹ Советско-германские отношения от переговоров в Брест-Литовске до подписания Рапальского договора. Сборник документов. Москва : Политиздат, 1968. Т. 1 (1917–1918 гг.). С. 281.

and military institutions-would not take much time and would yield significant results, and that the grain thus obtained would be sufficient to overcome the food crisis in the Central Powers.

German troops began advancing through the territory of the UPR on February 18, 1918. Ten days later, Austro-Hungarian units joined the offensive. Once in Ukraine, the Allies quickly realized that their previous perceptions of the situation in the Ukrainian state only partially corresponded to reality and that the export plan based on these perceptions needed to be very significantly adjusted.

It turned out that, as the German economic experts had predicted, Ukraine did indeed have a lot of food products suitable for export-not too much, but enough to meet the needs of the Central Powers. This did not mean, however, that the export issue would be easy to resolve. The problem, as it became clear, was not the availability of grain, but the inability to get it quickly for export. The ideal option for organizing exports – to take the products in warehouses and, having paid the price agreed with the owner, send them to the Central Powers – turned out to be completely impossible.

Large warehouses did exist (for example, Ostap Lutsky, an officer in the Austrian service, mentioned in his diary 7,000 wagons of grain in Kherson¹⁰), but they were few and far between. Most private and public storage facilities were empty. “They assure me that there are no grain reserves in large estates anywhere [...]. There are no public warehouses left, and no stocks can be found among traders¹¹”, the report to Vienna said. The Bolsheviks took some of the grain from the storages to Russia, while others were looted during the riots.

Almost all of the finished bread, as the UPR representatives had warned at the peace talks in Brest-Litovsk, was at the disposal of the peasants. They were the main labor force on the estates and received about a third of the crops grown there as payment for their

¹⁰ Луцький О. Щоденник з України 1918 р. *Сучасність*. 1985. № 5. С. 91.

¹¹ Ereignisse in der Ukraine 1914–1922, deren Bedeutung und historische Hintergründe / Hgb. von Th. Hornykiewicz. Philadelphia, 1966. Band 1. S. 316.

work¹². In addition, peasants were the main participants in attacks on estates and state storage facilities during the riots, and thus they got what the landlords kept for themselves after paying them as employees and what the state authorities and grain trading institutions had purchased before the riots began. Thus, in addition to their own grain (grown on their farms), as of March 1918, peasants also owned most of the grain belonging to other people, including landlords, traders, and the state.

The peasants did not keep their own grain, let alone appropriated grain, in the barns, in plain sight, but carefully hid it. Recalling peasant precautionary measures in his memoirs, General Wilhelm Groener, a representative of the German High Command in Ukraine, wrote: “Those who had anything at all hid it, as is customary in Ukraine, in large holes in the ground”¹³. And they were skillfully disguised, for example, by planting onions on top of them¹⁴.

As a result, food exports, on which the Central Powers had high hopes, were slowed down and complicated. First, exports had to be preceded by harvesting. Secondly, in carrying out this procurement, it was necessary to deal not with a few large suppliers (state institutions or private wholesalers), but with a large number of small holders. We were talking about millions of people. According to Professor Otto Auhagen, an agricultural expert who advised the German command in Ukraine, as of 1916 there were 3,657,550 peasant farms¹⁵ in the 9 Ukrainian provinces¹⁶.

¹² Ereignisse in der Ukraine 1914–1922, deren Bedeutung und historische Hintergründe / Hgb. von Th. Hornykiewicz. Philadelphia, 1966. Band 1. S. 316.

¹³ Groener W. Lebenserinnerungen. Jugend. Generalstab. Weltkrieg. Göttingen, 1957. S. 390, 391.

¹⁴ Рабочая борьба (Екатеринослав). 1918. 19 апреля.

¹⁵ The provinces that, according to the Third Universal of the Ukrainian Central Rada, formed the territory of the UNR, with Crimea, but without the four counties of Volhynia occupied as of 1916.

¹⁶ Auhagen, O. Agrarfrage in der Ukraine. *Schmollers Jahrbücher*. 1919. № 43. S. 332.

How was this procurement to be carried out? That is, how was it possible to “lure” grain from the peasants? As the experience of the first procurements showed, none of the methods used was fully effective.

At that time, there were several types of banknotes in circulation in the UPR: Russian “tsarist” rubles, Russian rubles issued in 1917 (credit cards and treasury notes, the so-called “kerenky”), and Ukrainian karbovantsy (introduced by the UPR law in January 1918). In Austria-Hungary, German military and merchants added marks, kronor, and ost-rubles (a currency introduced by the German administration in the occupied regions of the Russian Empire).

It quickly became apparent that not all types of paper money were equally suitable for procurement. “Only marks, krona, and tsarist rubles are of value as a means of payment,” one German representative noted in a report from the second half of March 1918¹⁷. “Kerenki” in Ukraine were valued much less than ‘tsarist’ rubles, and people avoided taking karbovanets altogether because due to the low quality of printing, many fakes were distributed¹⁸. There was no benefit in purchasing from the ‘ost’-ruble. Ukraine categorically refused to accept it.

So, the rubles issued in the Russian Empire before the overthrow of the monarchy had to be used for the calculation. As it turned out, there were several reasons why this was difficult. First, there was the decreasing value of money and rising prices. During the World War, as a result of the issuance of paper money in the former Russian Empire, the amount of paper money increased significantly, while its value decreased and continued to fall. Colin Ross, a German writer and traveler, liaison officer between the German diplomatic service

¹⁷ Krauss, A., Klingenbrunner, F. *Die Besetzung der Ukraine 1918. Militärverwaltung in der von österreichisch – ungarischen Truppen besetzten Gebieten*. Wien, 1928. S. 369.

¹⁸ Григор’єв Г. У старому Києві. Спогади. Київ : Радянський письменник, 1961. С. 322.

and the military command in Ukraine, noted in a report to the Eastern Front Command that during the war “the value of the ruble decreased 10 times.” So many credit cards were printed that almost all Ukrainians had tight wallets: “everyone from a simple laborer to a vagrant or a demobilized soldier has a lot of money, because for the simplest physical labor, such as unloading a railway carriage, they pay 30 to 50 karbovanets a day”¹⁹.

Money was losing value – prices were creeping up. “The value of money has decreased enormously. The closer you get to Kyiv, the higher the prices. Here [in Kyiv], bread, consisting of a small amount of wheat and rye flour, and mainly pea and bean flour, costs 70 kopecks for the smallest Russian pound”²⁰, Major Theodor Michelis, a member of the German delegation to Ukraine, reported to his superiors (March 12, 1918)²¹. Compared to the pre-war period, prices increased many times over. A pud (40 lbs.)²² of lard, for example, according to an Austro-Hungarian observer, cost 140 rubles instead of 3 rubles²³.

But that was not all. As it became known, the peasants, the main owners of grain reserves, were not at all interested in selling it. First, they, like all residents of Ukraine, anticipated that prices would rise. If they sold the grain today, they might regret it tomorrow, because prices were not going down, but up, and the future profit from the sale would surely exceed the current one. The peasants, knowing that no one else in the country had grain, according to Vice Admiral Albert Hopman, head of the Navigation and Technical Commission in Odesa, “not without reason foresaw an imminent famine,” meaning

¹⁹ Доклад начальнику Операционного отделения германского Восточного фронта о положении дел в Украине в марте 1918 года. *Архив русской революции*. Москва : Терра, 1991. Т. 1. С. 292.

²⁰ Merchant pound = 409 grams, apothecary pound = 358 grams.

²¹ Archivalische Forschungen zur Geschichte der deutschen Arbeitsbewegung. Berlin: Rütten u. Loening, 1959. Band 4/III. S. 1243.

²² Pood = 16.38 kilograms.

²³ Ereignisse in der Ukraine 1914–1922, deren Bedeutung und historische Hintergründe / Hgb. von Th. Hornykiewicz. Philadelphia, 1966. Band 1. S. 316.

that soon the demand and, consequently, the price of bread would likely become not just high, but sky-high²⁴.

Second, the peasants' lack of need for money was evident. As food prices in the Russian Empire rose during the World War, peasants significantly increased their income. In addition to selling food, they received additional sources of income, such as payments for horses and cattle requisitioned by the state and financial assistance in connection with the conscription of family members²⁵.

At the same time, the production of non-food products, such as household items and tools, declined in the Russian Empire. For example, the production of agricultural machinery in 1917 amounted to only 10% of the production in 1913²⁶. "Although agricultural machinery was imported from America and Sweden during the war, it could not meet the needs; the shortage of scythes was especially acute, with 1.68 million imported in 1914," noted Rudolf Claus, author of the book *War and the Russian Economy*²⁷.

Thus, while selling the products of their farms at a great profit and receiving additional payments from the state, the peasants were unable to spend the proceeds for several years in a row. As a result, by the spring of 1918, the villages of Ukraine, as one Austro-Hungarian observer put it, were literally "overflowing with money"²⁸. According to financial experts, Ukrainian peasants had a huge

²⁴ Hopman, A. *Das ereignisreiche Leben eines "Wilhelminers". Tagebücher, Briefe, Aufzeichnungen 1901 bis 1920* / Hgb. M. Epkenhans. München: V. Oldenbourg Verlag, 2004. S. 1094.

²⁵ Клаус Р. *Война и народное хозяйство России (1914–1917 гг.)*. Москва ; Ленинград : Государственное военное издательство, 1926. С. 108.

²⁶ Советско-германские отношения от переговоров в Брест-Литовске до подписания Рапальского договора. Сборник документов. Москва : Политиздат, 1968. Т. 1 (1917–1918 гг.). С. 526.

²⁷ Клаус Р. *Война и народное хозяйство России (1914–1917 гг.)*. Москва ; Ленинград : Государственное военное издательство, 1926. С. 100.

²⁸ *Ereignisse in der Ukraine 1914–1922, deren Bedeutung und historische Hintergründe* / Hgb. von Th. Hornykiewicz. Philadelphia, 1966. Band 1. S. 317.

amount of cash at their disposal – from 2 to 4 billion rubles²⁹. “Almost all the money [in Ukraine] is in their hands,” Hopman said³⁰. And this does not seem to be an exaggeration, given that the total amount of paper money in circulation in the Russian Empire at the end of 1917 was 19.574 billion rubles³¹.

Thus, the peasants accumulated a lot of paper money, which depreciated significantly and continued to lose value, and they had nothing to spend it on. Grain, on the other hand, is an expensive commodity that is always in demand and has a long shelf life. Not feeling the need for money, fearing to cheapen or, even worse, to exchange a valuable product for worthless pieces of paper, grain owners refused to put it on sale – they preferred to store it, waiting for a more favorable situation.

Or they processed the grain into alcohol, as it was several times more expensive. Since the beginning of World War I, the Russian government has significantly restricted the production and sale of vodka products. The reduction and rise in price of distilleries’ products stimulated the production of moonshine, “it was then that this product established itself in the Russian village as [...] a substitute for vodka, which had disappeared, [...] and a universal means of exchange”³².

And not only in the Russian village, but also in the Ukrainian village, as German representatives saw in early 1918. Colin Ross’s report reads: “Another reason for the reluctance to sell bread is the ban on the sale of alcohol [...]. Vodka, as well as alcohol in general, is a highly marketable commodity in Ukraine,

²⁹ Ereignisse in der Ukraine 1914–1922, deren Bedeutung und historische Hintergründe / Hgb. von Th. Hornykiewicz. Philadelphia, 1966. Band 1. S. 371.

³⁰ Hopman, A. Das ereignisreiche Leben eines “Wilhelminers”. Tagebücher, Briefe, Aufzeichnungen 1901 bis 1920 / Hgb. M. Epkenhans. München: B. Oldenbourg Verlag, 2004. S. 1094.

³¹ Голицын Ю. Финансы России в 1917. *Россия в 1917 году* : энциклопедия. Москва : Политическая энциклопедия, 2017. С. 1002.

³² Курукин И., Никулина Е. «Государево кабацкое дело». Очерки питейной политики и традиций в России. Москва : АСТ: ЛЮКС, 2005. С. 229, 230.

and in the cities it can only be obtained at an exorbitant price. [...] all peasants make vodka from grain. And since the highest price for grain does not exceed 18 karbovanets per pud, and 3 bottles of vodka worth 90 karbovanets can be obtained from a pud of grain, distilling vodka is a new reason for peasants not to sell grain as a food product³³.

The “home” production of vodka contributed to the growth of peasants’ prosperity because it saved money, since peasants did not spend money on its purchase, as was the case before the introduction of restrictive measures in the vodka trade³⁴.

German journalist Fritz Wertheimer wrote in a report from Kyiv on April 8, 1918: “There are no stocks in the silos and warehouses that can be taken at once. It is true that the peasants have considerable stored volumes, but they have already been reduced and are being further reduced due to the unfortunate widespread custom of feeding cattle with the best sown grain, as well as due to the [operation of] secretly erected vodka distilleries that exist in almost every household. Drunkenness in the villages is now more than ever”³⁵.

In such circumstances, when it was unprofitable to trade grain, peasants usually agreed to sell it without much desire, after a long bargaining process, and at a very high price. The appearance of German and Austro-Hungarian troops in Ukraine raised prices even further: the Ukrainian population viewed the foreign army as a bargain, able to pay three times the price for the food and supplies they needed. It was clear that these extremely high prices were not the limit, because the larger the purchases for export, the higher the peasants would raise prices, because as the total mass of grain

³³ Доклад начальнику Операционного отделения германского Восточного фронта о положении дел в Украине в марте 1918 года. *Архив русской революции*. Москва : Терра, 1991. Т. 1. С. 292.

³⁴ Клаус Р. Война и народное хозяйство России (1914–1917 гг.). Москва ; Ленинград : Государственное военное издательство, 1926. С. 101.

³⁵ Frankfurter Zeitung. 1918. 13 April.

in the country was “exhausted,” each subsequent batch would be more valuable than the previous one, and therefore more expensive.

The highest price for a pud of grain, Colin Ross reported in his report, was 18 rubles in the second half of March³⁶. Thus, in order to purchase the 60 million puds/1 million tons of wheat envisaged by the February 7, 1918 protocol at prevailing market prices, the Central Powers needed more than a billion rubles in cash.

In addition to the fact that the amount was very large, the Allies simply did not have that many ruble notes. Attempts to find additional ruble cash in the Central Powers (in addition to that which had been accumulated before the military offensive) yielded unsatisfactory results. The “Ruble Syndicate,” created by the Central Powers’ governments with the participation of Austrian, Hungarian, and German banks to collect and concentrate rubles³⁷, was admittedly “relatively inefficient in its first months [of operation]”³⁸.

Attempts to compensate for the lack of ruble banknotes by borrowing from Ukraine were equally unsuccessful. As it turned out, there were almost no large accumulations of cash inside Ukraine, either with the state or with private financial institutions. The Bolsheviks, retreating to Russia, took not only grain stocks but also valuables from banks and the state treasury and, in addition, seized the ruble printing presses. The devastated state treasury of the UPR was not replenished because the population stopped paying taxes in the midst of the chaos. Thus, private and public financial institutions in Ukraine did not have the large amounts of cash needed to pay farmers for grain. Cash was concentrated

³⁶ Доклад начальнику Операционного отделения германского Восточного фронта о положении дел в Украине в марте 1918 года. *Архив русской революции*. Москва : Терра, 1991. Т. 1. С. 292.

³⁷ Дорнік В., Ліб П., Расевич В. Німецька імперія та Австро-Угорщина як окупанти України 1918 р. *Україна між самовизначенням та окупацією: 1917–1922 роки*. Київ : Ніка-Центр, 2015. С. 272.

³⁸ Loewenfeld-Russ, H. *Die Regelung der Volksernährung im Kriege*. Wien: Hoelder, Pichler, Tempisky A. G., New Haven: Yale University Press, 1926. S. 399.

among the population, mainly among peasants. Therefore, in order to buy grain from peasants, one had to first receive the accumulated funds from them in one way or another.

Paper marks and kronor could not be a good means of payment either. For the same reasons that rubles, marks, and kronor were needed to pay peasants, a lot of them. The disastrous consequences of large-scale use of its own currency in Ukraine were shown by the experience of Austria-Hungary. Shortly after the start of the offensive, its military units in Ukraine were provided with 100 million Krona to buy food³⁹. Hans Löwenfeld-Russ, the head of the Austrian State Food Service, wrote in his memoirs about the result: “This military special action [...] due to the heavy consumption of krona notes – the military paid with krona notes! – extremely damaged the value of our currency not only in Ukraine, but also, due to the outflow [abroad], especially to the Scandinavian and Dutch markets [...] and undoubtedly contributed to a strong fall in the krona exchange rate within a few months”⁴⁰.

In addition, it turned out that the currency ratio agreed upon during the Brest-Litovsk negotiations was, in the opinion of German representatives in the UPR, unequal, i.e., when exchanging marks and kronor for rubles to purchase bread or when paying for it directly in marks and kronor, this bread (like any other product) became even more expensive for the Allies.

In the peace treaty with the UPR, the Central Powers included the pre-war (pre-1914) exchange rate, without taking into account that the ruble had depreciated significantly during the World War. According to the peace treaty, 1000 marks were supposed to be equal

³⁹ Loewenfeld-Russ, H. Die Regelung der Volksernährung im Kriege. Wien: Hoelder, Pichler, Tempsky A. G., New Haven: Yale University Press, 1926. S. 400; Krauss, A. Die Besetzung der Ukraine 1918. *Militärverwaltung in der von österreichisch – ungarischen Truppen besetzten Gebieten*. Wien, 1928. S. 370.

⁴⁰ Loewenfeld-Russ, H. Im Kampf gegen Hunger. Aus Erinnerungen des Staatssekretär für Volksernährung. 1918–1920. Wien: Verlag für Geschichte und Politik, 1986. S. 94.

to 462 rubles in gold⁴¹. In reality, paper ruble marks were worth much less in Ukraine at the beginning of 1918. A fair exchange rate, according to German observers, should have been 1:1⁴².

Experts from the Central Powers believed that it was necessary to balance the exchange rate, to bring it closer to the 1:1 level. It was also possible to try to artificially “swing” it in the other direction, to change it in favor of the mark and the krona. However, this was most likely a bad idea. One Austrian analyst noted: “The proposal to establish a forced exchange rate for the krona seems, in addition to other doubts about the circulation of millions of krona in Ukraine, a very dubious means, because it is not yet known whether the peasants will agree to sell bread against the forced exchange rate for krona and marks”⁴³.

Paper banknotes only “replace real money in circulation – gold and silver”⁴⁴. In other words, procurers could theoretically resort to exchanging grain for precious metals. The Brest-Litovsk Peace Treaty of February 9, 1918 (Article VII, paragraph 1) stipulated that in the course of commodity exchange, “settlements were to be made in gold”⁴⁵. However, even at the stage of drafting the peace treaty, the Allies made it clear that, despite this provision, they would not actually provide gold in any case. Thus, UPR official Ivan Shafarenko, a participant in the Brest peace conference, later noted that “in private conversations, the Germans warned him that they had

⁴¹ Українська Центральна Рада. Документи і матеріали. Київ : Наукова думка, 1997. Т. 2. С. 138.

⁴² Доклад начальника Операционного отделения германского Восточного фронта о положении дел в Украине в марте 1918 года. *Архив русской революции*. Москва : Терра, 1991. Т. 1. С. 292.

⁴³ Дорошенко Д. І. Історія України 1917–1923 рр. Київ : Темпора, 2002. Т. 2 : Українська Гетьманська Держава 1918 року. С. 12.

⁴⁴ Атлас 3. Деньги бумажные. *Экономическая энциклопедия. Политическая экономия*. Москва : Советская энциклопедия, 1972. Т. 1. «А» Индексы. С. 413.

⁴⁵ Українська Центральна Рада. Документи і матеріали. Київ : Наукова думка, 1997. Т. 2. С. 138.

no intention of giving their gold to Ukraine”⁴⁶. For their part, the Ukrainian delegates to the peace talks agreed not to insist on paying in gold⁴⁷.

And later, during their stay in Kyiv, representatives of the Central Powers categorically refused to even raise this issue. According to the economist Oscar Anderson, author of a book about Ukraine’s foreign trade in 1918, by the end of March it was obvious to everyone involved in determining the content of Ukrainian economic policy “that Ukraine would not receive gold”⁴⁸.

The general conclusion about the plan to buy grain at market prices and pay with paper money was that it was possible, but difficult, given the high cost and lack of credit cards, as well as the need to conduct lengthy bidding with an uncertain outcome – even after much persuasion, peasants could refuse to buy grain.

Summarizing the experience of German troops’ attempts to buy grain from the UPR at free prices, W. Groener wrote in his memoirs: “The fact was that there were no large amounts of grain in Ukraine, and what was available was hidden [...]. Given all this, Ukraine’s grain reserves were still so large that it could export without danger to itself, but not in the volume that we expected. But how could we get the Ukrainian surplus if it was not voluntarily given? Each individual peasant gave nothing because he did not want to know the money offered to him, the so-called Ost-Rouble, and he trusted only the old Tsarist Ruble, which was [...] unfavorable for us

⁴⁶ Андерсон О. Внешняя торговля Украины в 1918 году. Киев : Издательство Всероссийского центрального союза потребительных обществ, 1919. С. 27.

⁴⁷ Советско-германские отношения от переговоров в Брест-Литовске до подписания Рапальского договора. Сборник документов. Москва : Политиздат, 1968. Т. 1 (1917–1918 гг.). С. 281.

⁴⁸ Андерсон О. Внешняя торговля Украины в 1918 году. Киев : Издательство Всероссийского центрального союза потребительных обществ, 1919. С. 27.

[according to the established exchange rate] and could be obtained only occasionally”⁴⁹.

A much better option, in fact, the optimal one, was the one that Ukrainian delegates emphasized during the Brest-Litovsk negotiations and which was enshrined in the protocol of February 7, 1918: the exchange of grain for manufactured goods.

The lack of such goods among the peasants was very significant. Around Odesa, for example, according to the observation of the Austro-Hungarian military, “there was a shortage of agricultural machines and tools”⁵⁰ Therefore, the option with the exchange for household items and equipment would suit the peasants as best as possible, and, therefore, would encourage them to get grain from the warehouses and carry it to procurement points. If “even with a very high price for bread, it will be difficult to induce the peasant to sell the supplies of life in considerable quantities”, Ross noted in his report, then “he will willingly exchange them for the goods he desperately needs. First of all, these are agricultural tools, leather, dishes, clothes and boots”⁵¹.

Understanding this, the German side diligently sought goods for exchange. At first it seemed that everything would work out. During W. Groener conversation on the eve of his trip to Ukraine (March 1, 1918) with representatives of the imperial government Karl Helfferich, Hans-Karl Stein and Hilmar Bussche, they talked about the government’s intention to quickly create a material fund for commodity exchange.

⁴⁹ Groener, W. Lebenserinnerungen. Jugend. Generalstab. Weltkrieg. Göttingen, 1957. S. 390, 391.

⁵⁰ Krauss, A., Kligenbrunner, F. Die Besetzung der Ukraine 1918. *Militärverwaltung in der von österreichisch – ungarischen Truppen besetzten Gebieten*. Wien, 1928. S. 368.

⁵¹ Доклад начальнику Операционного отделения германского Восточного фронта о положении дел в Украине в марте 1918 года. *Архив русской революции*. Москва : Терра, 1991. Т. 1. С. 292.

Having money to buy grain, his interlocutors told Groener, was not enough: grain was concentrated mainly among peasants, and they were not interested in cash, but household goods (“tools for their production, watches and other small necessities”). Helfferich assured Groener that the imperial government had taken this into account – the necessary preparations had already been made for industrial imports into Ukraine. After this conversation, Groener wrote in his diary: this approach to the matter is correct: “if we want to export grain from Ukraine, we must import and offer goods, if possible, quickly and not too little”⁵².

But very soon German government officials became convinced that the German industry is not capable of meeting the Ukrainian consumer’s demand for industrial products. Already in the middle of March 1918, discussing this issue with officials of the Ukrainian People’s Republic, German representatives made it clear that their country would not be able to provide not only gold, but also industrial goods. More precisely, he can, but not quickly and not at a cheap price. On March 25, 1918, at a meeting of Ukrainian officials devoted to the preparation of trade negotiations with the Central Powers, the Minister of Trade and Industry of the Ukrainian People’s Republic of Ukraine Ivan Feshchenko-Chopivsky reported that representatives of the Central Powers “come to us with demands to give them various goods; when we tell them that we should also give something, they refuse”⁵³.

The first deliveries of German goods arrived in Ukraine already under Hetman Pavlo Skoropadsky, in May 1918. They clearly showed that Germany, after four years of war, had lost the ability to

⁵² Von Brest-Litovsk zur deutschen Novemberrevolution. Aus den Tagebüchern, Briefen und Aufzeichnungen von Alfons Paquet, Wilhelm Groener und Albert Hopman, März bis November 1918 / Hgb. von W. Baumgart. Göttingen: Vandenhoeck und Ruprecht, 1971. S. 262–264.

⁵³ Андерсон О. Н. Внешняя торговля Украины в 1918 году. Киев : Издательство Всероссийского центрального союза потребительных обществ, 1919. С. 28.

supply the market with quality goods at an adequate price. P. Skoropadsky wrote in his memoirs: “In the first steps, they [German government officials] organized their export trade with Ukraine very poorly [...] they created in Berlin the Ausfuhr Gesellschaft [= export company], which probably consisted of gentlemen not particularly intelligent, [...], it started with the fact that this company brought in so much of all kinds of low-quality goods, and the prices were impossible even at the present time, for example, a plow, quite simple, for a peasant, cost 300 rubles. When no one started buying from them, they were very surprised. [...] This case did not go like that”⁵⁴.

An alternative to buying at free prices could be a forced payment withdrawal – requisition. The requisitioning procedure for the purchase of goods made it possible not to take into account the owner’s desire to sell it and made it possible to set a price that the procurers considered acceptable, and not the price that the seller offered. That is, in this way it was possible to avoid a long negotiation with the seller and to prevent him from excessively inflating the price.

The government of the Ukrainian People’s Republic was inclined to carry out requisition or even, according to German officials in Ukraine, to carry out confiscation (forced free removal) as the main methods of harvesting bread for export and other state needs. In Ross’s report we read: “The council is of the opinion that the peasants illegally seized large stocks of food from state warehouses that served to supply the front. She wants to put pressure on the peasants with the help of German troops and force them to hand over their supplies”⁵⁵.

⁵⁴ Скоропадський П. Спогади. Кінець 1917 – грудень 1918. Київ ; Філадельфія, 1995. С. 247.

⁵⁵ Доклад начальнику Операционного отделения германского Восточного фронта о положении дел в Украине в марте 1918 года. *Архив русской революции*. Москва : Терра, 1991. Т. 1. С. 292.

Actually, it was not only about the grain captured during the robberies, but about everything in general. Legally, the grain concentrated among the producers did not belong to them, but to the state, since Ukraine had a state grain monopoly from the time when it was part of the Russian Empire. From the spring of 1917, the law “On the transfer of bread to the disposal of the state” was in force. According to it, “the entire amount of bread, food and fodder, the harvest of the previous years, 1916 and [...] 1917, after deducting the stock [...] necessary for the food and economic needs of the owner”, was at the disposal of the state and could be “alienated only through the mediation of state food authorities”⁵⁶. The state bought bread from the producer at certain prices (fixed prices). They were prosecuted for selling grain by peasants bypassing state authorities as speculation. The bread monopoly provided for the right of the state to forcibly remove grain at set prices if the producers did not want to do it voluntarily.

The purchase prices set by the state were much lower than the market prices. In his report, on March 24, 1918, one of the members of the Austro-Hungarian trade mission to the Ukrainian People’s Republic reported that in the Kyiv province the fixed price for various types of grain varied between 6 and 6.8 rubles per pud⁵⁷, that is, for wheat, it was twice the market price – three times.

Since there was a lack of money for purchases, the heads of the UNR planned to use requisition receipts, designed to act as a substitute for money. At the meeting of March 3, 1918, the Council of People’s Ministers decided to issue such receipts as a special type of securities during the requisition “to meet the needs of the population and the German troops”. The state undertook to pay

⁵⁶ Российская революция 1917 года: власть, общество, культура. Москва : Политическая энциклопедия, 2017. Т. 1. С. 352.

⁵⁷ Ereignisse in der Ukraine 1914–1922, deren Bedeutung und historische Hintergründe / Hgb. von Th. Hornykiewicz. Philadelphia, 1966. Band1. S. 335.

the amount specified in the receipt with profit (4% per annum from the date of issue). This financial document could be placed in a bank deposit account or transferred to other persons⁵⁸. At a meeting on March 13, 1918, the Council approved a draft resolution on the creation of special requisition commissions. They were supposed to replace various bodies that were responsible for conducting bread harvesting⁵⁹. They planned to use the militia to carry out the requisition, but still could not do without the involvement of the troops of the Central Powers.

German and Austro-Hungarian units, in addition to helping to requisition food to procurement institutions of the Ukrainian People's Republic, also used requisitioning on their own. Conditions of rapid offensive often did not leave time to bargain, to persuade sellers to sell their goods. Immensely inflated prices were simply unacceptable. The German officer Hans Tintrup wrote in his memoirs that in many estates and villages, the military in Ukraine were greeted very kindly, they willingly let them spend the night, "with great readiness, without asking for payment, they treated them [...] with bread, milk, eggs, butter"⁶⁰. However, something else happened. For example, in Berdychev, where the German troops entered on February 26, 1918, they were met with a completely unfriendly reception: "The population of the city, in which [...] the Jews set the tone [...], met us with barely concealed reluctance. We [the local sellers] were searched and ripped off with all their might, and immediately after our arrival the prices shot up"⁶¹.

Such conditions, noted Tintrup, pushed the soldiers to use coercion: "the merchant demanded too much from the soldier in a usurious manner, so that he exposed himself to the danger

⁵⁸ Українська Центральна Рада. Документи і матеріали. Київ: Наукова думка, 1997. Т. 2. С. 174.

⁵⁹ Ibid.

⁶⁰ Tintrup, H. Krieg in der Ukraine. Aufzeichnungen eines deutschen Offiziers. Essen: Essener Verlagsanstalt, 1938. S. 19.

⁶¹ Ibid. S. 26.

that the latter would take the goods at an arbitrary price”. It follows from Tintrup’s story that disputes with sellers often ended that way – the military, in their opinion, had no choice but to “grab at the pistol holster”⁶².

Since the procurement requisition procedure was convenient for the military, they resorted to it more and more often, even in cases when it was possible to do without it. Requisition was a significant burden for the population. To be sure, people were unhappy that their property was being taken from them without asking their consent and providing compensation that was less than market value. March 24, 1918 Hopman reported from Odesa: “Immediately after the Austrians sent several wagons with foodstuffs after the occupation of Odesa [on March 13], there was great excitement among the population, incredible rumors about requisitions and the export of huge amounts of grain spread and, of course, are believed to be true”⁶³.

Public indignation grew all the more as enforced withdrawals were increasingly accompanied by abuse. The military sometimes took food from those who were in need, took not only the surplus from the peasants, but also what was necessary for their own consumption, even seed material. Another common violation was the payment of insufficient compensation or its absence at all – the army, using coercion, took away the products and things they needed for free, essentially robbing the peasants.

Scams with receipts for confiscated property have also become widespread. Taking advantage of the fact that the peasants did not know the German language or were illiterate at all, the army men wrote who knows what in the receipts, and instead of a seal they

⁶² Tintrup, H. *Krieg in der Ukraine. Aufzeichnungen eines deutschen Offiziers.* Essen: Essener Verlagsanstalt, 1938. S. 26.

⁶³ Hopman, A. *Das ereignisreiche Leben eines “Wilhelminers”. Tagebücher, Briefe, Aufzeichnungen 1901 bis 1920 / Hgb. M. Epkenhans.* München: B. Oldenbourg Verlag, 2004. S. 1096, 1097.

attached a coin or a button⁶⁴. On March 19, 1918, when reporting to Berlin about the abuses committed by the German military, the head of the German delegation in Ukraine, Baron Alfons Mumm, cited as an example the case when the receipt issued to a peasant read: “a pig was obtained from a pig”⁶⁵.

The question arose as to what the dissatisfaction caused by the requisition could lead to. Coercion was supposed to generate resistance. How powerful will it be? Perhaps everything will be limited to complaints and verbal protests? Observers were struck by the humility and habit of obedience characteristic of the peasantry in general. “The nation will follow the one who will have the strength”, he wrote on April 8, 1918, in the diary of Ostap Lutsky, an officer of the Sich Riflemen Legion⁶⁶.

It was also worth taking into account that the majority of the residents of Ukraine were opposed to the chaos, that the majority of the population no longer wanted a revolution – people longed for a return to normal life and were therefore ready to make concessions and compromises, to avoid any aggravation. The interest of the peasantry in the restoration of order also gave reason to think that the village, despite its discontent, would fulfill the demands of the military and civil administrations, in particular, would give grain at fixed state prices. “Peasants [want] order and security [...]”. It is hard to bear the beginningless situation”, stated one of the Austro-Hungarian officials in mid-March 1918⁶⁷.

It seemed that by relying on the habitual peasant obedience and applying severe punishments for the slightest attempt at disobedience to preserve it, the army could nip resistance in the bud. However,

⁶⁴ Tintrop, H. Krieg in der Ukraine. Aufzeichnungen eines deutschen Offiziers. Essen: Essener Verlagsanstalt, 1938. S. 15, 16.

⁶⁵ Baumgart, W. Deutsche Ostpolitik 1918. Von Brest-Litowsk bis zum Ende des Ersten Weltkriegs. Wien, München: R. Oldenbourg Verlag, 1966. S. 124.

⁶⁶ Луцький О. Щоденник з України 1918 р. *Сучасність*. 1985. № 5. С. 92.

⁶⁷ Ereignisse in der Ukraine 1914–1922, deren Bedeutung und historische Hintergründe / Hgb. von Th. Hornykiewicz. Philadelphia, 1966. Band 1. S. 366, 367.

by acting in this way, it was possible to get the opposite effect – not to suppress, but, on the contrary, to inflate the protests. The troops, resorting to coercion, were exposed to general hostility. Colin Ross wrote about this: "Sometimes, as German troops approached, the peasants gave the Council Commissioners food, horses, etc. However, such methods, if used for a long time, will certainly arouse the strong hatred of the peasant population towards the German troops"⁶⁸.

The habit of bowing to the authority of the authorities and respect for the law were shaken and weakened during the riots. In the words of an Austro-Hungarian observer, the peasants became restless, "without a bridle"⁶⁹. Thanks to military service, the villagers – recent soldiers of the Russian tsarist army – gained combat experience, they had a lot of weapons in their hands, which they brought from the front. "It should be borne in mind that we are dealing with a heavily armed and war-accustomed peasant population", Gopman warned in his report⁷⁰. The peasants sought peace and security, but only such peace and security "as will leave them the loot", the Austro-Hungarian observer noted⁷¹.

Conflicts during requisitions in some cases did lead to armed clashes. Thus, on April 17, 1918, the Ministry of Foreign Affairs of the Ukrainian People's Republic informed Mumma about the incident in the village of Vasiny, Elizavegrad district, where "on the basis of requisition [...] An armed brawl ensued, in which 2 German soldiers and 2 peasants were killed". The German

⁶⁸ Доклад начальнику Операционного отделения германского Восточного фронта о положении дел в Украине в марте 1918 года. *Архив русской революции*. Москва: Терра, 1991. Т. 1. С. 292.

⁶⁹ Ereignisse in der Ukraine 1914–1922, deren Bedeutung und historische Hintergründe / Hgb. von Th. Hornykiewicz. Philadelphia, 1966. Band 1. S. 336.

⁷⁰ Hopman, A. Das ereignisreiche Leben eines "Wilhelminers". Tagebücher, Briefe, Aufzeichnungen 1901 bis 1920 / Hgb. M. Epkenhans. München: B. Oldenbourg Verlag, 2004. S. 1096, 1097.

⁷¹ Ereignisse in der Ukraine 1914–1922, deren Bedeutung und historische Hintergründe / Hgb. von Th. Hornykiewicz. Philadelphia, 1966. Band 1. S. 366.

command imposed a large fine on the village and took ten local residents hostage⁷².

Passive resistance was much greater than active. Since the peasants carefully hid the grain, and after the spread of the publicity about the requisition they began to do so even more diligently, it was still necessary to find them before seizing the peasant stocks. When asked to sell grain at state fixed prices, the peasants often replied that they had nothing. How was it possible to find out how much surplus grain the owner had and whether he had it at all, because he did not show his reserves and denied their very existence?

The first way is to conduct a search. An armed unit was sent to the village, whose soldiers had to walk around the yards, looking for shelter. On April 22, 1918, Volodymyr Vernadsky wrote in his diary: “Here, in Poltava, the procurement [by the Ukrainian government] has been entrusted to General Bresler [...] – a Russian, a small Poltava landowner, robbed by the socialists. He is to carry out, with the help of the chief officer of the German troops, the forcible requisition of grain. Starting soon. The Germans in the province of Kyiv [...] made a tremendous impression on the peasants: with the help of dogs, they opened buried grain and pigs, and with the help of a magnitude arrow – hidden weapons”⁷³.

The second way is to assign a certain amount of grain, which an individual farmer or community had to provide under penalty of punishment, that is, to use the food appropriation. According to the norms of the grain monopoly, producers had to sell all surplus grain to the state. The appropriation provided that, since it was impossible to establish the exact amount of surplus grain, the producer should sell as much as the state needed and as much

⁷² Центральний державний архів вищих органів влади і управління України. Ф. 2592. Оп. 1. Спр. 39. Арк. 134.

⁷³ Вернадский В. И. Дневники. 1917–1921. Киев : Наукова думка, 1994. С. 75.

as the state administration believed he had and was able to sell without harm⁷⁴.

The order of removal according to this principle was as follows: the village community received an order to collect and deliver to the place of procurement a set number of products. Or another option: an armed squad arrived in the village and announced a demand to provide a set number of products, threatening to search and/or impose punishment in case of non-compliance.

This requirement was then fulfilled. “The village of Bydlivtsi [...] a Podilsk village [...] suddenly took on an unusual life [...] People rushed to the streets from all corners, and along the streets they rolled to the Maidan. On the square, just on the ground, rows and large tarred military tarpaulins were spread, and on them – in piles – wheat, rye, barley. People carried grain with plows, shovels, and shovels. Millet and buckwheat were hauled separately in sacks and dumped [...] around the potatoes mountain. There was a lack of overgrown potatoes. In the very heart of the square, around the scale, there are loose rolls of lard on trucks. The lard was also taken no thinner than three fingers – it was not accepted with pride. A German with a bayonet on a rifle stood around each row or truck. Along the streets, the Germans ran in twos, jumped into the courtyards and jabbed the clumsy with their bayonets. The edge of the cemetery in gray covers [...] four machine guns and eight more Germans near them. The German officers huddled around the scales, and with the reserves [...] a government commission from the Central Council. [...] Some of the people who had already handed in theirs stood aside, looked at the receipt and remained silent [...]. The public comrade [= cattle herder] [...] did not have land [...], but the commission issued him twenty kilos [= kilograms] of barley [...]

⁷⁴ Ли Л. Хлебная монополия и трансформация сельского хозяйства. *Критический словарь русской революции: 1917–1921*. Санкт-Петербург : Нестор-История, 2014. С. 607.

he borrowed from people and brought it in his own shirt from his body”⁷⁵.

But if the peasants did not agree to hand over grain, claimed that they did not have it, what about the region? Here the military often resorted to repression. For example, as reported by the newspaper *Rabochaya Borba* (an organ of the Menshevik Party, Katerynoslav), on April 22, 1918, in the village of Solone, Katerynoslav County, an Austrian officer, the head of the commandant in the German village (colony) Mykolaifeld (Mykolaipol, now Mykolay-Pole), without receiving from the village board of information about the surplus food available in the village, ordered the soldiers to seize the grain that the villagers had brought for threshing. "The whole village panicked, and many villagers rushed to the mill to save their last bread. [...] But the commandant [...] showed his “power”. Stomping his feet, he shouted that he would bring cannons and blow the whole village to pieces if anyone took even one pood from the mill. In the end, the matter was resolved through the mediation of a local German landowner: “the commandant made concessions and ordered that the peasants voluntarily deliver all the surplus bread, lard, butter, eggs and ham the next day, because otherwise he would go around the village and then take all the grain. He left the bread that was in the mill in place”⁷⁶.

Therefore, the procedure for harvesting grain by forced removal had numerous defects. For its implementation, large forces were needed – large search teams, as well as detachments to fight the participants of armed demonstrations. It was obvious that the suppression of these speeches would have negative consequences – it would lead to casualties on both sides, change the attitude of the Ukrainian society towards the allied forces (they

⁷⁵ Смолич Ю. Інтервенція. *Вся влада Радам! Революційні події 1917–1920 рр. на Україні. Вірші. Оповідання. Нариси. Фейлетони.* Київ : Державне видавництво художньої літератури, 1957. С. 373.

⁷⁶ Рабочая борьба (Екатеринослав) 1918. 26 апреля.

will turn from aid forces into extortionists and oppressors), spoil the relationship between Germany and Ukraine, create a bad impression in the world and in the Central Powers themselves (it will have “severe consequences in the field of international relations and in our own country”⁷⁷), will prevent German business from creating strong positions in the economy of Ukraine.

There will still be little grain harvested under such conditions. On March 18, 1918, in a letter to Admiral Hennig Holtzendorff, Chief of the German General Naval Staff, Albert Ballin, CEO of the Hamburg-America Line Company, stated: “Any coercive organization, and above all a military one, will try to act [in Ukraine] with strict measures, and this will lead to the fact that all strata of the population will only become even more stubborn. [...] Thus, military intervention would probably lead to a war with gangs and destroy all prospects for economic development”⁷⁸. In view of these considerations, it was worth abandoning the bet on coercion. According to Colin Ross, it seemed “much more expedient to obtain food supplies from the peasants in kind”⁷⁹.

Thus, as it turned out during March 1918, Germany and Austria-Hungary had continuous problems with the organization of grain exports from Ukraine. If, after his meeting with Helfferich and Bussche on March 1, 1918, Gröner had the impression that Ukrainian food exports to Germany, despite certain difficulties, would still be successful, then three weeks later, on March 18, 1918, Albert Ballin reported to Holtzendorff about the general pessimism about it: “according to the data that [...] I cannot judge how true these reports

⁷⁷ Дорошенко Д. І. Історія України 1917–1923 рр. Київ : Темпора, 2002. Т. 2 : Українська Гетьманська Держава 1918 року. С. 11.

⁷⁸ Советско-германские отношения от переговоров в Брест-Литовске до подписания Рапальского договора. Сборник документов. Москва : Политиздат, 1968. Т. 1 (1917–1918 гг.). С. 501.

⁷⁹ Доклад начальнику Операционного отделения германского Восточного фронта о положении дел в Украине в марте 1918 года. *Архив русской революции*. Москва : Терра, 1991. Т. 1. С. 292.

are, but, in any case, they coincide with what I hear from everywhere, that is, that so far the so-called grain peace with Ukraine has caused bitter disappointment”⁸⁰.

However, the German leaders, despite the difficulties encountered, decided not to refuse to carry out grain exports from Ukraine in the first half of 1918. Such a refusal would be a completely logical step – because under the conditions when there were no effective means to seize grain from the monopoly owner (peasants), it seemed b, there was no other choice but to stop trying to do this, or rather, to be satisfied with what was obtained, and to cancel the obligation of the Ukrainian People’s Republic to provide at least 1 million tons.

This was the position of the Ukrainian authorities at that time. At the beginning of the trade negotiations in Kyiv on March 28, 1918, the head of the Ukrainian delegation, Mykola Porsh, expressed it as follows: "After the Treaty of Brest [...] events took place that significantly changed the entire situation in Ukraine. Three months, during which the government hoped to make the main procurement of bread, were lost; the country’s financial apparatus was destroyed, money was taken out of banks, securities were destroyed [...], military stocks [...] were looted, and transport was destroyed. In addition, on leaving, the Bolshevik authorities raised to 15 rubles per pud firm prices for bread, which until now have to be reduced due to the general dissatisfaction of the population. [...] Ukrainians will give the central powers everything they can give, but please do not ignore the fact that 1) a lot of time has been lost and that 2) the government apparatus for collecting bread needs to be streamlined. They ask to be allowed, if they do not fulfill all

⁸⁰ Советско-германские отношения от переговоров в Брест-Литовске до подписания Рапальского договора. Сборник документов. Москва : Политиздат, 1968. Т. 1 (1917–1918 гг.). С. 501.

their obligations by July 31, to replace the undelivered products with other products⁸¹.

Nevertheless, the Allies did not agree with this proposal and further emphasized that the export was a complete matter – 1 million tons of export grain was available in Ukraine and could be harvested.

How was it necessary to act in order to obtain such a quantity of grain for export? Among the German specialists, there were various proposals on how to interest the peasants in the sale of grain. For example, they discussed the idea of issuing them warrants for the purchase of certain industrial products later⁸² (when the import will be established), or to partially issue paper money in payment for the purchased grain, and partially, for encouragement, household items, vodka drinks, coins made of precious metals⁸³.

There also were exotic approaches. They mentioned, for example, the colonial experience of Great Britain, which in the second half of the 19th century. contributed to the spread of opium in China, seeking to create mass drug addiction there and thus create conditions for equivalent trade. Tea, silk and other exclusive Chinese goods to be received in exchange for opium from the British possessions in India (this move was caused by the fact that the self-sufficient Chinese society at the time was not interested in goods from Europe, and Great Britain paid for exports from China in silver, losing a large part of its fund of precious metals)⁸⁴. The ingenious Colin Ross proposed to do something similar in Ukraine: “by teaching them new

⁸¹ Андерсон О. Н. Внешняя торговля Украины в 1918 году. Киев : Издательство Всероссийского центрального союза потребительных обществ, 1919. С. 31; Пригуляк П. П. Україна і Брестський мир: від підписання до виконання (1917–1918 рр.). Київ, 2004. С. 105.

⁸² Дорнік В., Ліб П., Расевич В. Німецька імперія та Австро-Угорщина як окупанти України 1918 р. *Україна між самовизначенням та окупацією: 1917–1922 роки*. Київ : Ніка-Центр, 2015. С. 267.

⁸³ Mędrzecki W. Niemiecka interwencja militarna na Ukrainie w 1918 roku. Warszawa, 2000. S. 143.

⁸⁴ История Китая. Москва : Издательство МГУ ; Издательский дом «Оникс 21 век», 2004. С. 296–305.

harmful habits, such as smoking opium”, Ukrainian peasants might be able to be encouraged to sell grain⁸⁵.

But in the end, a product was found that would definitely attract the peasants – land. Since the end of 1917, an agrarian reform has been underway in the Ukrainian People’s Republic, which provided for the abolition of land ownership and the transfer of land plots seized by the state from large owners (landlords and wealthy peasants) to landless and landless citizens. Many landowners’ lands on the border of 1917–1918 really passed into the hands of the peasants. One part is based on the law on agrarian reform, the other part is due to arbitrary seizure.

German experts proposed to amend the law on land reform – to restore ownership of land and organize a large-scale campaign to sell landowners’ land to peasants. This measure made it possible to move from the dead point of harvesting grain for export to the Central Powers, because it created a motive for the peasants to sell their hidden stocks, because in this way they could get more money for the purchase of land plots. At the same time, thanks to these commercial transactions, paper rubles would be removed from peasant caches and returned to circulation⁸⁶.

In the note on the agrarian issue drawn up by German diplomats, the following arguments were presented in favor of the partial sale of the landlord’s land: “The Ukrainian government needs to point out during the negotiations about this proposal that it helps to eliminate the financial crisis. The country has no currency, as the villagers have hidden them. According to the information collected from all sides, the peasants will agree to spend their money not only to buy new land, but also to secure their property rights, [i.e.] they are ready

⁸⁵ Дорнік В., Ліб П., Расевич В. Німецька імперія та Австро-Угорщина як окупанти України 1918 р. *Україна між самовизначенням та окупацією: 1917–1922 роки*. Київ : Ніка-Центр, 2015. С. 267.

⁸⁶ Малиновський Б. В. Аграрна політика Австро-Угорщини й Німеччини в Україні (1918 р.). *Селянство, земля і влада в період Української революції (1917–1921 рр.)*. Черкаси, 2020. С. 184, 185.

to pay for the land they have already taken by force. If the government agrees to such a purchase of land, then the money will pass from the hands of the peasants to the landlords, and from the latter (since they are at too high an economic level to hide paper money) will pass into general circulation. Thanks to this, the shortage of currency notes that currently exists will be eliminated, and in addition, a rich source of income will be provided for the government, since it can, for example, impose a large tax (10–20%) on the merchant”⁸⁷.

The funds received by the government from the sale of land, it could lend to the Central Powers for the purchase of grain. Therefore, if this plan were implemented, everything would turn out to the benefit of all interested parties: the peasants would willingly sell grain, because they needed cash, and the Central Powers would buy grain from them without difficulty, because they would have the necessary cash.

Thus, at the peace talks in Brest-Litovsk in February 1918, the delegates of the Central Powers and Ukraine agreed on the supply of Ukrainian grain in exchange for German, Austrian and Hungarian industrial products. Ukraine has pledged to sell at least 1 million tons of grain within six months. After the beginning of procurement measures in the spring of 1918, it turned out that the country was able to fulfill these obligations – it had such a number of surpluses suitable for export, but it was complicated by the fact that almost all grain stocks were in the hands of peasants, who, having large sums of cash, were not interested in selling their reserves. Having tried various methods of seizing grain from the peasants (buying at market prices, requisitioning at fixed prices), the representatives of the Central Powers determined the best way – to exchange grain for manufactured goods. However, due to the lack of such goods in Germany and Austria-Hungary, another option was considered

⁸⁷ Крах германской оккупации на Украине (По документам оккупантов). Москва : Государственное издательство, 1936. С. 28, 29.

more effective: to offer the Ukrainian government to make changes to its agrarian policy instead of the free transfer of estate lands to the peasants, which the government had started, to sell this land to the peasants, so that they would have to sell the hidden grain in search of funds to buy it.

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