TED ANKARA COLLEGE FOUNDATION PRIVATE HIGH SCHOOL
History Extended Essay
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Comparison of Home Front Economic Policies of Britain, Germany and Turkey
<b>Research Question:</b> To what extend the home front economic policies of Turkey is different or similar to the home front economic policies of England and Germany during the Second World Wor?
similar to the home front economic policies of England and Germany during the Second World War?

### **ABSTRACT**

The Second World War affected different countries in different ways both internally and externally. However this extended essay will only be investigating the internal or home front aspects of the Second World War in terms of the economic policies applied in Britain, Germany and Turkey and the research question "To what extend the home front economic policies of Turkey is different or similar to the home front economic policies of England and Germany during the Second World War?" is answered. The reason for the selection of specifically Britain, Germany and Turkey is because of the difference in their ideologies, which lead me to wonder whether the varying ideologies of the countries, affected the home front economic policies. The National Protection Act passed in Turkey was the starting point of this essay because it gave government a vast degree of right over the economy. I searched whether Britain and Germany had similar measures applied during the Second World War and found out that all three countries followed similar internal economic policies since they all faced similar problems. On the other hand some differences occurred due to the differences in their ideologies. These measures, problems and differences in the internal economic policies are examined in this essay in a detailed way. The references used include the Tan nad Ulus which were two of the newspapers published in Turkey during Second World War. I have gone through each Tan and some of the *Ulus* published in the interval of 1939-1945 in order to find the appropriate news that I could use as the primary sources.

Word Count:262

# TABLE OF CONTENTES

Introduction	2
1. Home Front Economic Policies of Britain Germany and Turkey	3
1.1 Britain's Home Front Economic Policies During 1939-1945 Period	
1.2 Germany's Home Front Economic Policies During 1939-1945 Period	5
1.3 Turkey's Home Front Economic Policies During 1939-1945 Period	
2. Comparison of Differences and Similarities in Applied Policies	11
2.1 Situation of Production	
2.2 Methods for Providing Workforce	13
2.3 Intervention in Working Condition	13
2.4 Child Labour and Forced Labour in Germany	14
2.5 Price Fixing.	14
2.6 Taxes	
Conclusion.	15
Appendices	16
Bibliography	18

### **INTRODUCTION**

Second World War has affected countries' internal situations as well as their international situations. The effects of the war occurred in the form of some socio-economic changes which were handled in different ways by different countries. In this Extended Essay Britain, Germany and Turkey will be investigated in this sense and an answer for the research question which is "To what extend the home front economic policies of Turkey is different or similar to the home front economic policies of England and Germany during the Second World War?" will be tried to submitted.

In order to underline the significance of the internal policies applied during the Second World War It would be of use to state the situation in each country. Britain was a capitalist and liberal country whereas in Germany a fascist regime has been established under the rule of Adolf Hitler and according to NAZI Party's ideology public need came before the personal benefit. On the other hand in Turkey, industrial and financial excel had been tried to achieve under government direction. In other words a liberal system was tried to be set via statist measures. Thus we can say that each country had varying ideologies however the Second World War affected each country's home front in similar ways therefore it is subject of interest whether the varying ideologies lead to the occurrence of varying home front economic policies.

# 1. Home Front Economic Policies of Britain Germany and Turkey

# 1.1 Britain's Home Front Economic Policies During 1939-1945 Period

Between September 1939 and April 1940 mobilization was slow, unemployment was at high rates.(Dear1130) As the war broke out, the British Parliament passed the "Emergency Powers Act" in September 1939, which gave the government complete control over the economy. (Lyons233)

The complete control covered "persons and property, not just some persons of some particular class of the community, but of all persons, rich and poor, employer and workman, man and woman and all property" according to Atlee. (Dear1130) By having control over the economy the government could provide the war effort and mobilization including man power for operating war-related industries and also for producing adequate amounts of food and providing coal which played a crucial role for providing energy. Also wages, working hours and conditions could be controlled by the government. The Excess Profits Tax was also increased in order to prevent profiteering (Dear1130) which became a problem also for Turkey during the war period due to the decreasing production of some consumer goods.

As the war broke out Britain's total population was 47 million which included a work force of 19.7 million men and women. (Peterson121) In 1940 the army was consist of 2.2 million men and 55 thousand women and there were 1 million available worker who were not employed. (Dear1133) In order to contribute to production these unemployed people were mobilized by the government. Since armed forces had hold of great proportions of men power, work force famine occurred at times. Skilled workers who were in the army were returned to the work force. (Peterson171) In order to provide more man power "Essential Work Order" was passed by the parliament which provided workforce for industries requiring workers. (Lyons230)

War related industry played a crucial role of war time production of Britain.4.2 million people were employed in the war related industry and around 1 million people were employed in agriculture. In 1942 as the working population increased, man power famine did not occur war related industries employed 5 million workers whereas other industries employed 7.5 million workers. (Peterson398) In order to meet the demands of war industries' production most women under the age of 40 had to work in war related industries in 1943.(Dear1134) As a result of man power mobilization Britain increased her tank and aircraft production. (Lyons 233)

Coal, which was an important energy source, had to be produced constantly. Production of coal fell from 204 million tons in 1942 to 175 million tons in 1945. In 1943 miners' sons also had to work in mines in order to keep the coal production stabilized. (Dear1134)

As a result of man power being diverted to war-related industries and armed forces, the production of consumer goods decreased which eventually resulted in a decrease in food supplies. In order to allow access to vital materials such as food, clothing and coal rationing was introduced. (Dear1135) The rationings were done by setting consuming limits for each material which is short in supply so that people would have equal opportunities to have access to essential materials. "Ration book-holders" were given in each month according to which people bought scarce goods. The goods which were subject to rationing include: meat, butter, sugar, milk, egg, marmalade, tinned salmon, dried peas, tea, clothing and hard soap. However unlike it was done in Turkey and Germany bread was not subject to rationing.(Dear1135)

Black market was formed as a result of shortages, against the black market people were encouraged to grow their own fruits and vegetables as well as raise their own livestock.(Dear1135)

# 1.2 Germany's Home Front Economic Policies During 1939-1945 Period

According to National Socialism private property was allowed, however prosperity of the public was the priority. The economic system of Nazi Party offered a system in which people would be less focused on money and would be more cooperative in order to provide social integration.(Örs508)

During the war period the nationalism and idea of social integration which was brought in by National Socialism lead by Hitler had an important role in the mobilization of German people. (Dear456) A breakdown of civilian morale was feared so the level of consumer goods was not reduced. (Peterson 22) According to Goering, the Air force was to be increased five-fold, the Navy was to arm more rapidly and the Army was to produce more offensive weapons. (Peterson 86) Goering's this statement to the Economic Council indicates that, similar to England, war-related industries were crucial for Germany. Also when the figures of government expenditure are considered it could be seen that military expenditures have always exceeded the civil expenditures through the war. (Dear458)

Although production of war-related industries was important, Germany faced shortages of some raw materials which are used in the war-related industry such as oil, rubber, iron ore and copper. Lack of skilled labour and farm labour were other problems. Therefore Germany had to depend on food imports as well as raw material imports. (Peterson135)

When the war broke out, Germany's population was two times larger than England's population with 79.5 people. Her workforce encompassed 39.1 million Germans as well as 300,000 foreign workers. (Dear457) Unlike England, there was almost no unemployment. However most of the women industrial workers married and stayed at their homes causing a decrease in the available workforce. (Dear457) Besides, 6 million men were mobilized for internal and external security of Germany.(Dear457) In order to provide workforce young

men between 18-25 had to do compulsory work for the Reich Labour Service for 6

months.(Dear458)

Although population had increased to 85 million in 1940, the workforce decreased. Army was reduced by 36 divisions in order to provide extra workforce. More ammunition, U-boats and bombers were produced. (Peterson 207) "Hitler decided that production could be boosted by rationalization, squeezing out less efficient industries." (Peterson 265) For acquiring more skilled labour force small firms were closed down by the government and the workers were redistributed. (Dear...460) This is an intervention to workforce similar to the ones in Britain and in Turkey.

In 1942 due to the heavy war situation the armed forces had subtracted 7.5 million men from the work force. The industrial labour force declined from 8.4 million in May, to 8 million in November of which 2.5 million were women. In order to provide more workforce, Germany used a far different method from Britain and Turkey: forced labour. (Peterson 364) Since Germany was invading other countries, she had many prisoners of war; these prisoners of war were forced to take part in German workforce. By this way Germany provided her industry with 5.124.000 foreign workers. (Peterson 364) Another branch of forced labour was provided from the concentration camps in which Jews were kept.(Dear460) The workers from the concentration camps worked under the most severe conditions as foreign workers were treated according to their skills and races.(Dear460) Unlike Turkey and Britain who brought in compulsory work under the control of orders and acts, in Germany people were forced to work by stringent means whose reason might be associated with her fascist regime.

Moreover measures such as freezing of prices and rationing were introduced in 1939. The civilian demands were met by producing consumer goods and determining food rations quite higher than the First World War. Meat, bread and fats were rationed.

To conclude Germany's home front economic policies were mostly focused on government intervention to mobilization of workforce. However the prices and goods were not controlled as strict as Turkey and Britain did.

# 1.3 Turkey's Home Front Economic Policies During 1939-1945 Period

Unlike Britain and Germany, Turkey did not enter the Second World War; on the other hand government had to take precautions as if Turkey could enter the war in no time. Turkey's production was not focused on war-related products. Turkey mostly tried to produce consumer goods, food and coal. However due to the relatively poor conditions of newly-established Turkey, many difficulties were faced. Since a large proportion of the budget was used for defence expenses, the industrial investment programs were procrastinated. (Boratav81) This caused a disruption in Turkey's industrial leap forward attempts.

Among the precautions mentioned above, 1 million men were recruited as soldiers. In 1939, 85% of Turkey's population was living on the rural.(Kuyaş64-66) Recruitment of 1 million adult male caused the draining of workforce. Mechanisation in agriculture was not efficient enough therefore this decrease in the workforce was likely to dstrike the agricultural production. This caused almost up to 50% decrease in production of grains. (Boratav81) As a result of this, Turkey was to face feeding issues as the war lasted.

"When the war broke out, Turkey's foreign trade regressed. In the year 1939, as the total exports were 127 million TL and the imports were 118million TL in the year, 1940 its exports decreased to 111.5 million TL as its imports decreased to 69 million TL." (Timur190) This caused raw material shortages, leading to decreased production of consumer goods.

The prices of scarce goods were constantly rising and black market was formed due to the decreasing production of some goods.(Metinsoy53)

In order to regulate the war-time economy an act ,called "Act of National Defence" (Milli Korunma Kanunu) was passed by the Turkish Grand Assembly, which was consisted of only one party at that time; Republican People's Party (CHP) in 18 January 1940. According to *Tan* published on January 24 in the same year the government gave itself control over any institution that would be necessary in national defence. Actually the government granted itself right to have immense intervention over the economy. (Timur187) According to the act, in case of a mobilization, the country entering war or war between foreign countries which interested Turkey, the act was to come into effect.(Koçak374) However according to *Tan* of January19,1940 the act had come into effect immediately due to the global situation. According to the act, Turkish government would be able to control mobilisation of workforce, industrial production, mining and agricultural production. The goods could be rationed and working hours and conditions could be controlled by the government. Imports and exports could also be controlled. This protectionist act allowed widespread government intervention on the economy.

The government could determine the production amounts and the products to be produced by the industrial institutions and the mines according to the demands. If the institutions failed to complete the production schemes determined by the government or was not able to reach the determined levels of production, the government could seize the institutions and run them by itself. If the institutions needed machinery in order to meet the determined production levels, government was to provide enough machinery. Similar to need of machinery, necessary labour force was also to be met by government by paid compulsory work. (Timur192)

Agriculture was also subject to government control. Government could determine the crops to be produced in a certain field.(Timur 192) The farmers, who were available to work, could be moved to state's agriculture institutions, without leaving their own works uncontrolled.(Timur 193)

In order to prevent sharp increases in prices due to the scarcity, and prevent the producers from stocking their products in a way that might pose feeding issues, the agricultural producers had to sell a certain amount of their grain to the government. (Metinsoy 80)

Since the prices at which the goods were sold were determined by the government and these were obligatory sales; these acts could be considered as "confiscation" acts. However trade was not subject to such strict confiscation-like sales.(Koçak 389)

In order to fulfil the productions of crucial goods, and for other uses government could direct any one to any work. In order to do this, some laws which were in favour of the workers were suspended. Workers could be assigned additional shifts up to 3 hours a day.(Timur 192) The new regulations for the workers' life also brings in another important issue; child labour. Children over the age of 16 could be sent to mines to work and every children over the age of 12 could be directed to work at textiles industry.(Koçak 388) The suspension of laws which were in favour of the workers caused unfavourable working conditions.(Metinsoy 195)

In order to fight feeding issues, rationing system was introduced in 14January 1942. In that day's  $Tan^{I}$  it is said that workers could get 750 grams of bread in a day whereas adults could get 350 grams and children could get 185.5 grams of bread every day. Due to the flour shortage other kinds of bread and some traditional food like "börek" were also forbidden. This might have caused an immense negative impact on the civilian morale. What's more, when rationing was cancelled in 1944,  $Ulus^{2}$  of November 1 announced the news with this title: "From Now on We Can Eat Cake, 'Simit', 'Baklava' and Börek'!" <sup>3</sup>

basic parts of daily life.

<sup>&</sup>lt;sup>1</sup> According to Hıfzı Topuz, Tan was a news paper which was supporting the allies and was loyal to the leading party in Turkey; CHP. (Topuz179)

<sup>&</sup>lt;sup>2</sup> According to Hıfzı Topuz, Ulus was a newspaper which reflected the views of the government. (Topuz164) <sup>3</sup> Simit, Baklava and Börek are foods which reguire flour in order to be produced. These foods can be defined as

Up to this point all of the precautions and acts mentioned above belong to Refik Saydam's era of prime ministry. After Refik Saydam's death, Şükrü Saraçoğlu became the prime minister in 1942. According to Cemil Koçak, he was opposing Refik Saydam's economy policies and therefore economic policies were loosened during his era. Saydam made the government intervention on the economy less stringent. The aim of the making the Act of National Protection less stringent was to encourage production.(Koçak412)

The commission which was in charge of price fixing was suspended.(Koçak413) Therefore the salesmen where free to determine their own prices which marks a more liberal economic approach. The agricultural producers also did not have to sell all of their grains to the government, they had to sell only 25% or 50% of their goods instead.(Koçak412)However his plan caused sharp price increases.

Goods	Prices(Kuruş)  Years		Increase in the Prices (%)
	1939	1943	, , ,
Grain	6	110	1733
Flour	15	110	966
Rice	35	185	428
Eggs	1.5	9	500

Table1: The prices of grain, flour, rice and eggs in years 1939 and 1943 (before and after Şükrü Saraçoğlu) and the percentage of price increase. (Metinsoy83)

In table one, some of the goods and the increase in their prices can be seen. The effect of the new policy is clearly visible due to the high increase in the prices some goods became harder to afford for some classes of the society. (Metinsoy 63)

As the prices increased rapidly, some producers had vast amounts of profits. In order to fight against the considerably unfair profits gained in this period two severe taxes, one of which is the Wealth Tax, were introduced. This tax was mainly directed to tradesmen however it is controversial due to the targeted group was mainly consisting of non-Muslim society. The other is "Agricultural Products Tax" which was directed to agriculture producers. (Boratav85)

To sum up, the Act of National Defence has been a shift from formerly "semi-liberal" economic atmosphere to a more government-controlled one and had been as much as striking the war itself. Moreover the Act of National Protection and its applications caused the ruling

# 2. Comparison of Differences and Similarities in Applied Policies

political party, CHP to lose public support and the elections in 1946.

Germany, Britain and Turkey had had different financial policies and different ideologies attained. Germany under Nazi rule was in favour of "national socialism" whereas Britain was a capitalist and liberal country (Sander115) and in Turkey capitalist system was trying to be sustained with government intervention. (Boratav65) These three countries had varying ideologies, however the problems they faced during the war time were similar therefore the measures that they have taken against the issues such as decreasing production, work force famine and feeding issues were similar in terms of the home front economic policies that they have taken up. On the other hand as Turkey passed the Act of National Protection and Britain had passed the Emergency Powers Act in order to intervene the economy, Germany did not have any significant acts passed from the parliament. The home front economic policies of the three countries will be compared in five aspects as follows: situation of production, methods of providing workforce, intervention in working conditions, child labour and forced labour in Germany, price fixing and taxes.

### 2.1 Situation of Production

Since Germany and Britain were at war, and there was a risk of Turkey entering war, all three countries had to recruit soldiers which caused draining of workforce from the production and resulted in the decrease in production rates of the consumer goods. Note that decrease in the level of production of consumer goods was tried to be avoided for keeping the civilian morale high. Although most of the production was being done in factories in Germany and Britain, work force was essential to run the factories moreover, Turkey's economy was mainly based on agriculture and in agricultural where enough mechanisation was not sustained, manpower was even more crucial for the continuity of the production.

# 2.2 Methods for Providing Workforce

As it can be seen workforce famine was one of the major issues that was faced during the Second World War in all of the countries therefore the measures that were taken in all three countries were similar in terms of management of the workforce which is introducing compulsory work. The compulsory work allowed the governments of all three countries to direct their workforce to necessary production fields. In Germany and Britain, which turns out to be one of the major differences in management of the production, the workforce was mainly directed to war-related industries whereas in Turkey production of food and energy was more important during the war since she was not involved in the war.

Moreover Germany and Britain returned some proportions of the skilled workforce to the production in order to provide workforce, however Turkey did not reduce the number of the soldiers in the army in order to provide work force.

### 2.3 Intervention in Working Condition

Governments of Britain and Turkey also had intervention in the working hours and conditions in order to keep the production at determined levels. Moreover women also worked in the industry along with the men in Turkey and Britain; however women in Germany were generally directed to household works after having been married. Since Germany was leading a pronatalist demographic policy, women were preferred to take care of their children. Working women would not be ablr to take care of their children efficiently therefore for the excel of the German society women were encouraged to have children instead of working.

# 2.4 Child Labour and Forced Labour in Germany

Allowing child labour was another similarity between the policies of Britain and Turkey. In order to compensate for the gap in the workforce, children worked in factories in Turkey. Similar to this, in Britain, children worked at mines in order to help Britain meet her coal requirement.

Child labour was also seen in Germany, beside the child labour and compulsory work, Germany used forced workforce during the war in order to meet the production rates. Since Germany had occupied and reached to large territories during the war, as part of the Lebensraum policy (Sander46), which meant the invasion of the lands where Germanspeaking people are present, there were many prisoners of war and also large numbers of workforce was provided by having these prisoners working. Therefore the forced labour could be considered as the main difference in the three countries' economic policies. Turkey was neutral during the war so she did not occupy lands. Britain was not having prisoners of war working.

Forced Labour in Germany was also seen as a way of extermination of the Jewish people, therefore this can be considered as a major difference between the policies of the three countries. We can say that this is strongly related to the fascist ideology of Germany and is a major difference between the policies of the three countries.

### 2.5 Price Fixing

Due to the reasons that were mentioned before, the production rates were not as high as they once have been so availability of some goods have shrank and therefore black market was formed in Turkey and Britain. In order to let the citizens have access to certain c

onsumer goods in equal ways, prices were determined by the government in all three countries. Moreover rationing was applied on the scarcely found goods such as bread, meat and butter.

### **2.6.** Taxes

Excess profits tax was increased in England during the war, however in Turkey an additional tax which came into effect in 1942 is highly different than the taxes in Germany and Britain. The Wealth Tax which came into effect in 1942 was intended to take away the excessive profits gained via black market therefore trades men were to be targeted. However most of the taxpayers were from the minorities. Moreover if the taxpayer failed to pay the Wealth Tax he was sent to working camps in Aşkale, Erzurum. Therefore we can say that the way the tax was collected violated the equality. (Akşin236)

**CONCLUSION** 

Although Turkey, Germany and Britain had different strategies and ideologies during the war,

the home front economic policies that were applied are found to be highly similar apart from

some differences. The priority of production in all three countries was different as well.

Turkey focusing on production of consumer goods, Germany focusing on the production of

war related products as well as consumer goods and Britain focusing on war industries like

Germany. However workforce famine and decreased production rates were major issues that

needed to be solved in all these countries. Despite the differences in methods like Germany's

measures such as forced labour being highly strict and Turkey's arrangements in the working

hours exceeding 12 hours a day causing harsh working conditions, all countries have coped

with their internal economic issues effectively. On the other hand the fact that forced labour in

Germany had violated the human rights and had been seen as a way of extermination cannot

be overseen as the major difference caused by the difference of ideologies. Moreover in

Turkey, a tax which was against equality was applied. As response to the research question

we can say that the home front economic policies of Britain, Germany and Turkey have been

similar to each other however some differences has occurred due to the each country's stance

and ideology in the war.

Word Count: 3.999



Picture1: The front page of Tan of 19 January. Below TAN the headline reads: "National Protection Act Passed"

# Millî Korunma Kanunu Dün Kabul Edildi

Picture2: The article in Tan of 19 January 1920 explaining the government's rights on economy after the passing of the National Protection Act.

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