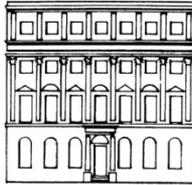


German Historical Institute London



BULLETIN

ISSN 0269-8552

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Coffee Worlds: Global Players and Local Actors in Twentieth-Century Germany

German Historical Institute London Bulletin, Vol 36, No. 2
(November 2014), pp24-48

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**COFFEE WORLDS:
GLOBAL PLAYERS AND LOCAL ACTORS IN
TWENTIETH-CENTURY GERMANY**

DOROTHEE WIERLING

This article outlines a project which started, many years ago, with an interest in colonial products and the notion of the 'colonial' in everyday life and consumption. Over the years, this interest narrowed down and focused on one product, coffee, and one group of actors, the overseas merchants who were the most important link between the producer and the consumer of 'colonial' goods. The article looks at the coffee trade as a global and local, as well as an economic, social, and cultural phenomenon.

Why coffee? In one way or another, coffee shapes national and regional economies all over the world. It is exclusively produced by countries in the southern hemisphere, while consumption is dominated by the industrialized countries of the north. Unlike sugar and cotton, there is no alternative product that can replace it, as none of the surrogates made from grain or chicory contain caffeine, the stimulating essence of 'real' coffee. It has, since the late nineteenth century, been a commodity for mass consumption in coffee-drinking countries such as Germany, where its availability is an indicator of 'normal' living conditions at the level of society and individual. In 1909 the per capita consumption of coffee in Imperial Germany was 3.3 kg, a figure that, after two world wars and economic crises, was only reached again by West Germany in the early 1960s.¹ Governments

This article is based on my inaugural lecture as Gerda Henkel Visiting Professor 2013/14, delivered at the German Historical Institute London on 22 October 2013.

¹ Julia Laura Rischbieter, *Mikro-Ökonomie der Globalisierung, Kaffee, Kaufleute und Konsumenten im Kaiserreich 1870–1914* (Cologne, 2011), 256. Numbers vary, mostly because some statistics count green coffee, others roasted coffee, which is about 15 per cent lighter than the unroasted beans. For figures for the 1960s by comparison with other *Genussmittel* (stimulants, luxury foodstuffs) such as tobacco and alcoholic beverages, see Gero Thalemann, *Die soziale Marktwirtschaft der Bundesrepublik Deutschland – ein realisiertes Konzept?*

led by various parties were aware of the importance of coffee for consumers and saw it as a factor in their own legitimacy. As such, coffee can be seen as a 'political' commodity. At the same time, it has been central to nation-building and the development of infrastructure in the producing countries, in particular in Latin America. During its long history as a consumer good, coffee has been endowed with a variety of contradictory connotations, such as luxury *and* normality, leisure *and* intense work, the public *and* the domestic sphere, a male *or* a female drink, an attribute of the older *or* the younger generation. An ever increasing amount of coffee is transported and marketed over long distances.²

The other choice I made was that of one specific group of actors, namely, merchants engaged in the international trade with this formerly colonial product. Only by analysing this group can we fully understand the existence of global commodities and the mechanisms by which they became 'global' in the first place. Through their communications and interaction, merchants shaped a universe in itself, filled with speculation, information, and often invisible transactions which took place 'in-between'. They concerned not only the commodity itself, but involved a large number and variety of people, currencies, contracts, social classes, nation-states, cultural meanings, and images. In the historiography of commodity chains, however, the merchants are still a missing link.

Adding political history as a third strand to the economic and socio-cultural approaches outlined here, the project explores the more recent history of the coffee trade by reflecting on the conditions under which it was carried out in the twentieth century, characterized as it was by economic crises, social change, political ruptures, and, especially, by political violence and two world wars. These different worlds—the global sphere, the place of the merchants, and the political framework of the nation-state—are brought together in

Eine Analyse von Genesis, theoretischem Gehalt und praktischer Verwirklichung (Hamburg, 2011), 203. There appears to be no perfect English translation for the German term *Genussmittel*. It refers less to luxury than to the fact that these goods are non-essential, and are consumed for the sheer pleasure ('Genuss') of tasting or being stimulated by them.

² Steven Topik and Alan Wells, 'Commodity Chains in a Global Economy', in Emily S. Rosenberg (ed.), *A World Connecting, 1870 to 1945* (Cambridge, Mass., 2012), 593–812, esp. 773 ff.

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order to understand the conditions and terms of trade (in a broader sense) under which coffee, a 'modern' commodity, was transformed along its 'chain' and over time. In order to be able to answer these general questions, the project looks at one specific case, that of Hamburg's coffee merchants. My starting point is that of a social historian interested in everyday practices and the subjective experiences of concrete actors. But in order to understand the meaning of the social, it is crucial to look at its material, that is, its economic foundation. This article will elaborate on the three approaches mentioned above that I believe are necessary for a complex understanding of the coffee trade in the twentieth century.

I. Coffee as a Global Commodity in the Age of De-globalization and Re-globalization

In the 'coffee year' of 2011/12,³ more than 144 million 60 kg-bags containing green (unroasted) coffee beans were produced all over the world, the majority by Brazil, Vietnam, Indonesia, Colombia, and Ethiopia. Forecasts predicted an increase of around 7 million bags for the following year. Since the millennium, world production of coffee has increased (from more than 117 million bags), and world consumption has also risen, from almost 113 million to more than 141 million bags. In the EU alone, more than 44 million bags of coffee were consumed in 2011/12, putting Europe at the top of the rankings, followed by the USA, which consumed more than 23 million bags. Altogether, world exports, consumption, and stocks accounted for a total coffee distribution of more than 254 million bags in 2002/3, and more than 280 million bags in 2011/12.⁴ Although coffee is not, as has been claimed, the second largest export commodity (in trading value) behind oil,⁵ there can be no doubt that coffee is of crucial

³ Statistically, the coffee year begins in October, although some producing countries begin their coffee years earlier, depending on the time of the harvest. Thus Brazil's coffee year starts in July, and Indonesia's in April.

⁴ Numbers taken from USDA, Foreign Agricultural Service, Circular Series December 2012.

⁵ Mark Pendergrast, 'Coffee second only to oil? Is coffee really the second largest commodity?', online at <www.thefreelibrary.com/coffee+second+only+oil>, accessed 16 Oct. 2013.

importance for what we call a globalized economy. Produced in forty-six countries on three continents—South America, Asia, and Africa—and consumed mainly in Europe, North America, and Brazil, coffee appears to be *the* global commodity per se.

At the beginning of the twentieth century, the basic structure of the coffee commodity chain was already fully developed. It was spelled out by William Harrison Ukers in his three-volume *All About Coffee* (1922), which detailed twenty-four steps from planting the coffee tree seed in a nursery to making the beverage at home. His first twelve steps took place in the producing country. They included cultivating and pruning the plants, picking the red cherry, separating the beans by washing or drying, grading and packing, and finally transportation to the sea. The last eight steps related to preparation for consumption, and mostly took place in the countries of consumption themselves, in a second phase of (now industrial) production: blending and roasting, buying and selling at retail, and grinding and preparing the actual hot drink. The main changes since Ukers first published *All About Coffee* relate to the larger role of roasters: grinding, packaging, and advertising were added as coffee became a branded commodity with competing trademarks.

Between these two phases of production, we find what, in the narrow sense, is known as ‘the trade’: buying and selling for export, transshipment overseas, buying and selling at wholesale, and shipment to the place of manufacture.⁶ What is striking in Ukers’s list is his relative disregard of the activities linked to the trade, in particular, the overseas trade. While the agricultural phase is spelled out in detail, ‘buying and selling’ seem to be self-explanatory and not worth a closer look. This is also reflected in the book itself. Less than ten per cent of its 818 pages are devoted to the export–import part of the commodity chain. The neglect of overseas trade continues to the present day. For example, a standard German economics database (which claims to be the world’s largest) lists 955 titles, mostly books, under ‘coffee’. Of these, no more than 76 are listed under the heading ‘coffee trade’, and 27 of them relate to international trade.⁷ Many of

⁶ William H. Ukers, *All About Coffee* (2nd edn. New York, 1935), p. xii.

⁷ Online-Katalog econis at the Deutsche Zentralbibliothek für Wirtschaftswissenschaften am Leibniz-Informationszentrum Wirtschaft, Kiel <www.econbiz.de/record/datenbank-econis-online>, accessed 29 July 2014. The

the latter are, however, legal works concerning international coffee agreements and terms of trade.

Why should merchants be the focus of our research? The history of globalization (or transnationalism) is unchallenged as a research trend in historiography, even in Germany. But so far research has tended to focus on conceptual issues or macro histories. Jürgen Kocka, well-known social historian of the Bielefeld school, has recently expressed a hope that the shift towards global history will bring 'big structures' back into historiography.⁸ Where it becomes more concrete, the obvious path to take is the history of commodities, as in Sidney Mintz's study of sugar, or Sven Beckert's forthcoming study of cotton.⁹ In what are sometimes referred to as works on commodity chains, commodity biographies, or social histories of commodities, a large range of (mostly) colonial global goods have been studied in this way, showing how globalization was created by international trade and documenting the growing connectedness of nations and societies through commodities.¹⁰

A second route into the economic aspects of globalization is the study of companies engaged in international market relations.¹¹ A institute claims to have created the world's largest database of scholarly literature in economics.

⁸ Jürgen Kocka in conversation with Dennis Sweeney, Kathleen Canning, Eve Rosenhaft, Alf Lüdtke, and Andrew Zimmermann in 'Forum: Class in German History', *German History*, 30/ 3 (Sept. 2012), 429–51, at 442.

⁹ Sidney Mintz, *Sweetness and Power: The Place of Sugar in Modern History* (New York, 1985), published in German as *Die süße Macht: Kulturgeschichte des Zuckers* (Frankfurt am Main, 1987); Sven Beckert, *The Empire of Cotton* (New York, forthcoming 2014).

¹⁰ For an overview see Steven Topik, Carlos Marichal, and Zephyr Frank (eds.), *From Silver to Cocaine: Latin American Commodity Chains and the Building of the World Economy, 1500–2000* (Durham, NC, 2006); for conceptual issues see the classic work by Arjun Appadurai (ed.), *The Social Life of Things: Commodities in Cultural Perspective* (Cambridge, 1986); and Wim van Binsbergen and Peter Geschiere (eds.), *Commodification: Things, Agency, and Identities (The Social Life of Things Revisited)* (Münster, 2005).

¹¹ See Hartmut Berghoff's study of Hohner, a producer of musical instruments, and Angelika Epple's book on Stollwerck, a manufacturer of chocolate and food vending machines. Hartmut Berghoff, *Zwischen Kleinstadt und Weltmarkt: Hohner und die Harmonika. Unternehmensgeschichte als Gesellschaftsgeschichte* (Paderborn, 1997); and Angelika Epple, *Das Unternehmen Stollwerck: Eine Mikrogeschichte der Globalisierung* (Frankfurt am Main, 2010).

recent pioneering study by Christof Dejung combines these two approaches, drawing on the rich archives of one merchant company, Volkart Brothers, based in Switzerland, to study its long-term, successful engagement in the global trade with cotton and, after 1945, coffee.¹² Dejung's study centres on the merchant and his company as a global actor and thus as an agent of globalization. Here the market no longer appears as an abstract, anonymous structure, but as an interactive one, formed, used, and changed by individuals and groups of actors. Our as yet underdeveloped knowledge of all their activities allows at least a few glimpses into a sphere which, up to now, has been ignored or condemned by historians.

The study of coffee as a global commodity is an integral part of the history of globalization. While coffee has been known since the seventeenth century, it really took off in the last third of the nineteenth century, when large-scale planting, especially in Latin America, secured a supply to meet the growing demand from the industrializing and urbanizing regions of Europe and North America. Technological developments improved the processing of coffee for shipping, and its storage and preparation for consumption. Railways and steamships made transport quicker and easier; and telegraph cables allowed swift communication between continents. At the same time, the complicated technology of financing was being fully developed. The British pound sterling had become the common currency of international trade, and coffee exchanges allowed trading in futures. While nationalism was on the rise, so was the ideology of free trade, and although the most important coffee-growing regions in Latin America were no longer colonies but formally independent nation-states, they depended on European and North American capital, expertise, and personnel. This golden age of globalization, at least from the perspective of Europe, the USA, and the local elites of the coffee-producing countries, came to a sudden end with the outbreak of the First World War, giving way to what has been called the age of de-globalization. Although some scholars have rightly challenged this concept as Eurocentric,¹³ it does apply to Europe, and

¹² Christof Dejung, *Die Fäden des globalen Marktes: Eine Sozial- und Kulturgeschichte des Welthandels am Beispiel der Handelsfirma Gebrüder Volkart 1851–1999* (Cologne, 2013).

¹³ See the discussion of this issue *ibid.* 253 ff.

specifically Germany. Having started and lost two world wars, Germany suffered an immense loss of economic capacity (in terms of access to foreign currency, imports and exports, and national as well as private income) until West Germany's 'economic miracle' marked the beginning of a steady recovery and success well into the 1970s. From then on, we can speak of a process of re-globalization which gained so much momentum in the 1990s that the awareness of living in a globalized world is now taken for granted.

This narrative needs some qualification, however, when concentrating on one segment of world trade, such as coffee. Even during the early years of the First World War, coffee was imported into Germany via neutral countries. Import and consumption of coffee began to rise considerably again from the early 1920s (from 0.87 kg per capita in 1924 to 2.17 kg in 1928) and continued to do so during the Third Reich (rising, after the Great Depression, from 2.0 kg in 1933 to 2.91 kg in 1938), despite all the Nazi rhetoric of autarchy. Imports of coffee stopped almost completely during the Second World War, but after the war, the first coffee was already being imported in 1948 with the permission of the Western Allies. Per capita consumption grew steadily, accelerating from the 1950s (from 1.47 kg in 1953 to 2.89 kg in 1958 to 4.09 kg in 1963 in West Germany).¹⁴

While the general picture of de-globalization and re-globalization is thus confirmed, the numbers also show that even in the first half of the twentieth century developments were inconsistent and irregular. Coffee never vanished from the scene entirely. Even in the last years of the Second World War, the Nazis made sure that there was some coffee for the army and extra rations for the victims of air raids, known as 'Zittermokka'.¹⁵ And in socialist East Germany, the ruling party went out of its way to ensure a basic supply of coffee, which was crucial (though not exclusively) for the legitimacy of the state. For East Germans, too, coffee was firmly established as a commodity whose availability signified 'normality' as opposed to crisis and

¹⁴ Figures from *Statistisches Jahrbuch für das Deutsche Reich* (Berlin, 1929), vol. 48, p. 299; vol. 59 p. 447; and the annual report of the Verein der Kaffee- großröster und -importeure (Hamburg, 1964), p. 4.

¹⁵ The term is untranslatable into English. It means something like 'coffee to stop you trembling from fear' or 'coffee to make up for that fear'.

poverty. The GDR's stores were filled with green coffee when the state imploded in 1989.¹⁶

II. *Space and Place: The Case of Hamburg*

The notion of merchants as invisible actors 'in-between' is quite misleading. Throughout the twentieth century, actors in global trade have been grounded in local contexts, and the physical and social space they occupied has been crucial for their ability to move commodities, money, and people all over the globe. This was also the case in Hamburg, and certainly applied to the sub-group of the Hamburg merchant class, the coffee-trading firms. Around 200 of them co-existed in the city and its port at any given time until the late 1950s.

Every big port city sees itself as the centre of world trade, and Hamburg is no exception, as a map from the mid 1920s shows (see Illustration 1). Although the map illustrates the intensity of overseas trade as a whole, it also shows the main routes of the coffee trade, especially from Latin America, and re-export to Scandinavia.¹⁷ In the late nineteenth century Hamburg had joined the customs and tariff union of the newly founded German Empire on condition that its port was granted the status of a free trade zone. It was here that importers, brokers, and agents established their offices, close to incoming ships, storehouses, the newly founded Coffee Exchange, and very close to each other. The Sandthorquai¹⁸ was home to about 100 such merchants, and became an international trademark for the Hamburg coffee business (see Illustration 2). The storehouse complex was also within walking distance of the new town hall, which, in turn, was directly connected to the chamber of commerce and the stock exchange (see Illustration 3).

¹⁶ Oral information from Wolfgang von der Decken, head of the Hamburg logistics firm which transported much of this coffee to storehouses in Hamburg. For coffee in the GDR see Monika Sigmund, *Genuss als Politikum: Kaffeekonsum in beiden deutschen Staaten* (Munich, forthcoming 2014).

¹⁷ At the time, coffee represented the largest single import commodity in trading value (238,154,910 RM) compared to 6 billion RM trading value of overall imports in 1925. Statistisches Landesamt Hamburg (ed.), *Statistisches Jahrbuch für die Freie und Hansestadt Hamburg 1925* (Hamburg, 1926), 68.

¹⁸ The spelling later changed to 'Sandtorkai'.

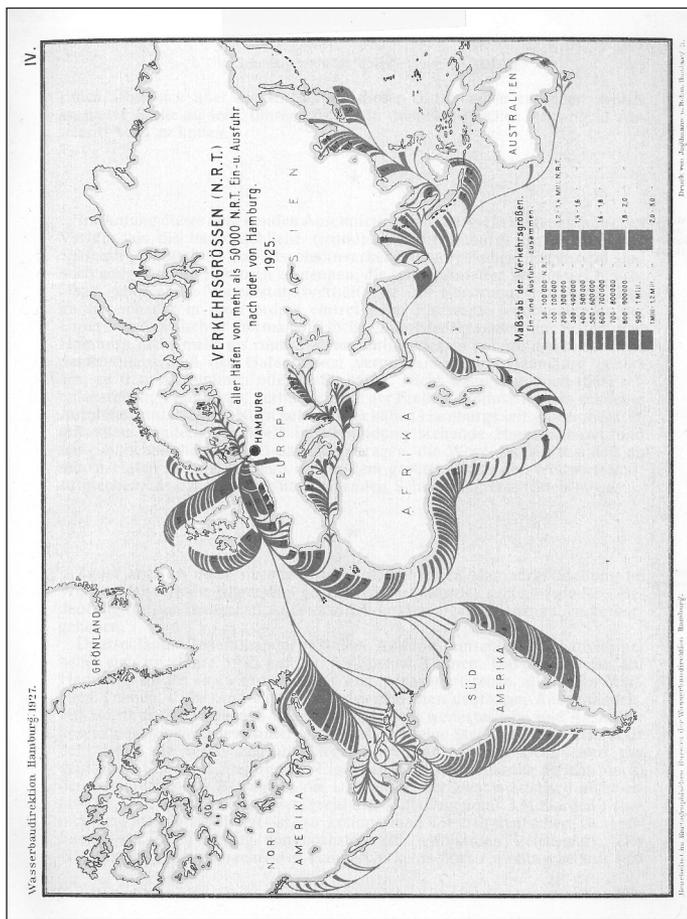


Illustration 1: Map IV in Freie und Hansestadt Hamburg, Handel, Schifffahrt, Gewerbe und Baudeputation, Sektion für Strom- und Hafenaubau (ed.), *Der Häfen von Hamburg* (Hamburg, 1927). By courtesy of Forschungsstelle für Zeitgeschichte in Hamburg.



Illustration 2: View of the Sandthorquai in 1915, with the Sandthor harbour in the centre and the neo-Gothic building complex of storehouses behind. The coffee merchants had their offices and storage space at the right end of the block. Source: *Der Hafen von Hamburg*.

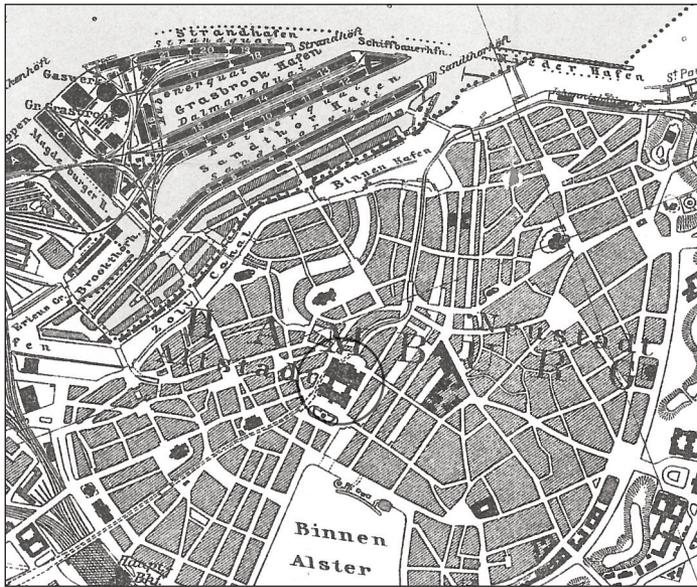


Illustration 3: Hamburg's inner city in 1930. Above, the Sandthor harbour and Sandthorquai; below, the city centre with the prominent building complex of the connected townhall and stock exchange. Source: *Der Hafen von Hamburg*.

The coffee merchants thus occupied a most convenient space. Although quasi extra-territorial, they were extremely close to Hamburg's business and political centre. In the area of the free port, they densely settled a space where they could exchange information, coffee, and future contracts, or just visit, eat, drink, and gossip. Daily routines were shaped by morning calls to the coffee exchange, which was built into the storehouse block on the Sandthorquai, and by the visits brokers and agents paid to the various importers. This enabled companies to cooperate while closely observing competitors.

In Max Weber's terms, coffee merchants were a *Stand*, an estate. Contrasting this concept with that of class, Weber defined belonging to an estate as 'an effective claim to social esteem . . . typically founded on [a] style of life . . . empirical training . . . the corresponding forms of behavior . . . [and] occupational prestige'.¹⁹ According to

¹⁹ Max Weber, *Economy and Society: An Outline of Interpretive Sociology*, ed.

Weber, an estate could be based on class position, but it was both more and less than class. Possession of money and an entrepreneurial position were not enough to guarantee acceptance as part of an estate; on the other hand, Weber defined estates as incompatible with a free market, because they tend to monopolize appropriations and thereby curb the individual's earning power.²⁰ Despite Weber's distinction between estates and the (capitalist) market, the identification of the coffee merchants as an estate seems appropriate until the 1950s. In the late 1880s, they had formed the Verein der am Caffeehandel beteiligten Firmen (Association of Companies Engaged in the Coffee Trade), which regulated their terms of trade, especially since the introduction of futures trading at the newly founded Hamburg coffee exchange.

The coffee association held a monopoly of the international trade, since only members had access to the coffee exchange and to crucial information about harvests, stocks, and prices; non-Hamburg companies and roasters were excluded. The association also represented the trade vis-à-vis the state after the latter began to interfere heavily in the trade, starting in the second half of the First World War. In addition, it formed the basis for an exclusive social club and a community of individuals with obligations to each other and to the common cause, with its own code of honour based on a shared set of values and lifestyle. Bourdieu's concept of *habitus* best describes their sense of distinction, and helps to identify the coffee merchants as part of a larger community: the honourable Hanseatic merchant estate. *Habitus* refers to the internalized habits of thinking, feeling, and acting acquired through and in the group of social belonging. Bourdieu, much concerned with the process of its individual acquisition, linked *habitus* to the concept of 'capital'. All four types of capital he identifies – economic, cultural, social, and symbolic – worked together for this group, which provided these various forms of capital for its members, who could use them to build and improve their status in the community.²¹ After all, this was not a community of equals.

Günther Roth and Claus Wittich (New York, 1968), 305; originally published in German as *Wirtschaft und Gesellschaft* (1921–5).

²⁰ Weber, *Economy and Society*, 926 ff.

²¹ Pierre Bourdieu, 'Principles of an Economic Anthropology', in Neil J. Smelser and Richard Swedberg (eds.), *The Handbook of Economic Sociology* (2nd edn. Princeton, 2000), 75–89.

Importers on the Sandthorquai were the most powerful, with brokers and agents forming influential links between them; at the bottom of the rankings were the *Länderfirmen* (country-based firms), which specialized less in one commodity than in one country or region for their trade, and whose offices were located in the city. For most of the period under consideration, around 200 Hamburg-based companies made up the diverse group of green coffee merchants. I have been able to identify a total of more than 600 such companies, which were commercially active between 1914 and the 1970s. Many of them existed throughout the whole period under consideration.

Despite the dramatic changes the trade underwent during the twentieth century, one aspect was never openly challenged from inside: the notion of honour and trust as the normative basis for the business and the community.²² To be 'honourable' meant to be guided by the principles of solidity, honesty, fairness, and trustworthiness, a combination which was regarded as typically Hanseatic by Hamburg merchants.²³ While it goes without saying that honour and trust were crucial factors in overseas trading, this also applied to the local context, where cooperation and competition constantly overlapped and a fragile balance between various interests had to be considered. At stake was not just good business, but personal dignity and 'social esteem', earned by an individual's credit in the double sense. Moreover, business practices were embedded in highly distinct personal and social styles, which to the present day emphasize discretion and modest understatement. It was by no means assumed, however, that everybody would always follow these rules in their daily practice, and a variety of instruments existed to ensure that they played by the rules. The most important basis of the community's functioning, however, was the family firm, the common unit of

²² For the basic concept see Paul Seabright, *The Company of Strangers: A Natural History of Economic Life* (2nd edn. Princeton, 2010).

²³ The notion of 'Hanseatic' denoting a specific form of bourgeois beliefs and existence, closely linked to the free port cities of the medieval Hanse, with Hamburg and Bremen on the North Sea and Lübeck on the Baltic Sea, underwent considerable changes in the nineteenth and twentieth centuries. See Alexandra Ortman, ' ". . . mit den Tugenden eines echten Hanseaten": Zur Konstruktion einer Identität um 1900' (MA thesis, University of Göttingen, 2005). A larger research project on the modern history of 'Hanseatum' is currently being conducted by Lu Seegers at the Forschungsstelle für Zeitgeschichte in Hamburg.

coffee merchants to the present day.²⁴ What made the family firm such a successful model for the coffee trade?

First, trust is much easier to establish in a family firm as a family is bound by emotions and shared economic interests.²⁵ Family members could act as agents in producing countries or at the places of international finance; they evaluated crops and negotiated contracts. At local level, since membership in the coffee association was by company, the firm's honour, trust, and credit depended on the behaviour of each individual family member. Secondly, sons (the coffee trade was a strictly patrilineal system) would often be exchanged between families for professional training, creating the basis for early and long-term acquaintance at the horizontal level of generation. During their travels abroad these young men would be introduced to the families of business partners, socialize with the local elites, and bond with their peers to form early international connections. Generational socializing furthered family matches inside the Hamburg merchant group and between elite families until at least the first half of the twentieth century. Thirdly, firm as family and family as firm represented a model for the entire business. Not just the core family, but the whole system it was embedded in worked together in an orchestrated attempt to enable informal *habitus* acquisition much more effectively, it can be assumed, than the formal apprenticeship each prospective successor went through.

Obviously, this ideal image of the family as a framework for social and economic stability and mobilization had its flip sides. Fathers could deny their sons the succession, or sons could refuse to accept it. Daughters could make mismatches. Friends could use their intimate knowledge of each other to compete more effectively. But all in all, the family system (embedded in broader systems of kinship, friendship, and mutual support) was more effective than not, well into the 1950s.

²⁴ This applies even to Hamburg's largest (and the world's second largest) coffee importer today, the Neumann Coffee Group, with an annual turnover of two and a half billion USD. For the persistence of family firms see Hartmut Berghoff, 'The End of Family Business? The *Mittelstand* and German Capitalism in Transition, 1949–2000', *Business History Review*, 79 (2006), 263–95.

²⁵ For the links between family business and trust see Andrea Colli and Mary Rose, 'Family Business', in Geoffrey Jones and Jonathan Zeitlin (eds.), *The Oxford Handbook of Business History* (Oxford, 2007), 194–218, esp. 208 ff.

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This happy account of the merchant group as family obviously needs to be read as an idealizing narrative, ignoring conflicts of interest, individual moral shortcomings, and, more generally, the impact of history on this collective ideal self. Given the long time span of the larger project, from the beginning of the twentieth century to the 1980s, the notion of a specific *habitus* itself needs to be questioned. Since it is not possible to explore the issue in detail in this article, a series of group photographs, showing the coffee brokers at intervals of fifteen, twenty-five, and thirty-five years, assembled for an anniversary of their association on each occasion, may provide a first impression (see Illustrations 4–7).

In 1913 the brokers still look pretty much like former schoolmates of ‘the class of 1888’; in 1928 they have moved to the main exchange for a more representative photo, stressing their formal dignity; in 1963 we see a reduced number in a 1950s environment, no longer posing in the earlier solemn manner and presenting themselves more as businessmen than official dignitaries; and, finally, in 1988, their number is again halved, and most of them are no longer active in business anyway. What we do not see in these pictures, however, is the generational turnover in those 100 years. The founders of the association were men of the late nineteenth century and members of the old Hamburg patrician families; those who entered the business in the 1920s were shaped by the constraints of history and obsessed with controlling its effects; this generation prepared for the rise of individual companies above the level of the estate; and their sons, born in the late 1930s and trained in the 1950s, were crucial for the post-war transformation of family businesses into viable firms strong enough to survive and prosper under the extremely competitive conditions of the post-war national and international markets. It is through these three generations of merchant entrepreneurs that the major changes in value systems, *habitus* formation, and entrepreneurial styles can be traced through the twentieth century.



Illustration 4: Brokers' Association anniversary photograph 1913. By courtesy of Verein der am Caffeehandel beteiligten Firmen.



Illustration 5: Brokers' Association anniversary photograph 1928. By courtesy of Verein der am Caffeehandel beteiligten Firmen.

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Illustration 6: Brokers' Association anniversary photograph 1963. By courtesy of Verein der am Caffeehandel beteiligten Firmen.



Illustration 7: Brokers' Association anniversary photograph 1988. By courtesy of Verein der am Caffeehandel beteiligten Firmen.

III. *Trade and State in Twentieth-Century Germany*

In the third part of this article, politics, the nation-state, and the rapid historical changes that shaped the twentieth century will be considered in more detail. When the Hamburg Association of Companies Engaged in the Coffee Trade commemorated its twenty-fifth anniversary in 1911, the celebration was a sign of the trade's overwhelming economic success, its members' unbounded self-confidence, and their excellent international contacts with all coffee-producing countries. Three years later, this world had changed radically. During the First World War, coffee was no longer regarded as an essential commodity, and the trade finally came to a halt in 1917. For the first time, the state intervened directly in the coffee trade, at both international and national level. In order not to lose control entirely, merchants had to literally learn to deal with the state. Appropriate new strategies had to be found. While the state eventually became a chief actor in the export-import and wholesale business, merchants offered their services as experts to enable state agencies to fulfil their new role – and to ensure their own ongoing influence in the business.

These lessons would turn out to be useful well into the 1950s, when the long period of state intervention finally came to an end. But they changed the outlook, the daily routines, and the trade's more strategic practices: under the conditions of the First World War and the following economic crises during the Weimar Republic, the association became the chief lobbyist for coffee vis-à-vis the state; free trade was replaced by a guaranteed quota for coffee, which the association's board broke down into fixed shares for each member. This maintained the existing economic balance in the trade and strengthened the sense of community. Yet competition also arose under conditions of scarcity and more than one member tried to increase his share by individually lobbying state officials. The First World War had also cut off international relations both with the 'origin' and important financial partners in the City of London. State intervention continued with the Versailles Treaty restricting the number of cargo vessels, forcing asymmetric trade agreements on Germany, and demanding huge sums as reparations, which led to a dramatic shortage of foreign currency. It was not until 1925 that the Hamburg coffee exchange reopened, consumption rose in Germany, and re-exports

reached pre-war levels. But in 1931, with the banking crisis as the result of the Great Depression, foreign trade was again restricted.

Yet imports were increasing. The government, trying to avoid a coffee crisis, applied the restrictive rules rather generously. The Hamburg merchants, meanwhile, had established good personal relations with state officials (as they did with every important business partner), which paid off well; and, finally, they could always rely on the local political elites, who were closely entangled with the merchant class through marriage, friendship, business, and a shared sense of pride in their wealthy and liberal city. While merchants tended to be on the liberal or conservative-liberal side, they did not feel threatened by the Social Democrats taking over the government after the November revolution – nor did they have any reason to. In the early 1930s, the coffee trade was confident that it could deal with the Nazi Party in the same way: offer to cooperate; persuade it of the importance of coffee for national wealth and consumer satisfaction; and stay out of party politics as such. But these expectations were only partly fulfilled. While the Nazis supported the importing of coffee, they attacked the independence of the coffee association. Only by its self-nazification, including the dissolution of all participatory elements, the nomination of Nazi Party members as leaders and, not least, the exclusion of Jewish members, could the association's formal existence be secured. In the hope of continuing its informal self-government, based on its tradition of community, trust, and honour, the association was willing to pay a price that eventually meant betraying those very principles. Although some Jewish firms retained formal membership until 1939, by 1938 none were left. The same year showed the highest profits ever for the Hamburg coffee trade since the Hitler regime's takeover of power.²⁶

After September 1939 when, unlike in the First World War, the coffee trade came to an immediate halt and only twelve companies were chosen to market the coffee now confiscated by the *Wehrmacht*, some merchants shifted to other colonial products, offered their services to the city government and Nazi Party, or were drafted. One

²⁶ Since most coffee merchant companies were family firms, they were not obliged to publish their annual income, and no tax records are available. The claim that 1938 was the trade's 'best' year can be made on the basis of de-Nazification files, since those under scrutiny were obliged to provide information about their annual income since 1933.

group (thirty of whom could be identified) got involved in the economic exploitation of the occupied territories in the East, managing former Jewish companies as 'trustees', or working for the *Zentrale Handelsgesellschaft Ost* (Central Trade Company East), organizing the confiscation of agrarian and other food products for the German army and marketing its surplus for the Reich.²⁷ By doing so, they found themselves in the midst of the genocide against the Jewish population in the first wave of massacres. These were conducted quite openly in the Soviet Union's occupied western regions, including the Ukraine, where most of the Hamburg coffee merchants, now labelled 'Pioneers in the East', had gone in the autumn of 1941. At the end of 1944 they hastily left for Hamburg, where the port and centre of the coffee trade at the Sandthorquai had been partly destroyed by air raids.

Not fully aware of the totality of their defeat, the coffee merchants awaited the occupying power with their usual confidence. But coffee was not on the priority list of the British, who were also reluctant to embrace the Hamburg merchant elite despite their outspoken anglophilia. The Allies controlled German international trade through their Joint Export-Import Agency, and reserved these rights until 1952. In 1948, however, a German state agency was established that was later attached to the Ministry of Economics and cooperated closely with the Hamburg-based coffee association. It was here in Bonn that merchants had to apply for foreign currency to buy coffee from prescribed provenances (depending on the bilateral balance of trade), based partly, as before, on their share of imports in the last year before the Second World War. In this sense the coffee merchants were back on terrain familiar to them since 1916, including some of the personnel they had to deal with.²⁸ On the other hand the Allies, especially the USA, challenged these pre-modern, corporatist structures and put pressure on the German administration to open the trade by allowing all interested parties to take part in the bidding for

²⁷ The *Zentrale Handelsgesellschaft Ost* was an agency of the *Ostministerium*, the Ministry for the Eastern Occupied Territories, established after the invasion of the Soviet Union in June 1941. Unfortunately, almost nothing from this agency's archive has survived.

²⁸ In particular, the former head of the *Reichsstelle für Kaffee* (1937-43), Pfeiffer, took over the newly established department for coffee (and tobacco) in the West German Ministry of Economics and led it until his death in 1953.

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state-controlled imports and apply for scarce foreign currency to buy coffee from overseas. This led to a considerable expansion in the number of companies engaged in the coffee trade and, especially after 1955, when all restrictions were lifted and the coffee trade was 'free at last' under the incipient economic miracle, to the beginning of a ruthless competition. This also marked the end of the Hamburg coffee trade as an estate in the Weberian sense. For those who had survived, it felt like a return to pre-war 'normality' (see Illustration 8).



Illustration 8: Boat party of the Verein der am Caffeehandel beteiligten Firmen, early 1950s. By courtesy of Ursula Ihnen.

There were two major changes, however. One concerned the Iron Curtain and the fact that Hamburg was cut off from its traditional hinterland, as shown in a map dating from 1925 (see Illustration 9). Secondly, the post-war trade faced a changed world market now dominated by the USA, with New York as the new centre of the international coffee trade and the US dollar the dominant trading currency for coffee, since Latin America now belonged to the dollar region.²⁹ Given the breakdown of old business relations, large numbers of national competitors thanks to the opening of the trade, and growing competition from Holland and Britain, where capital was

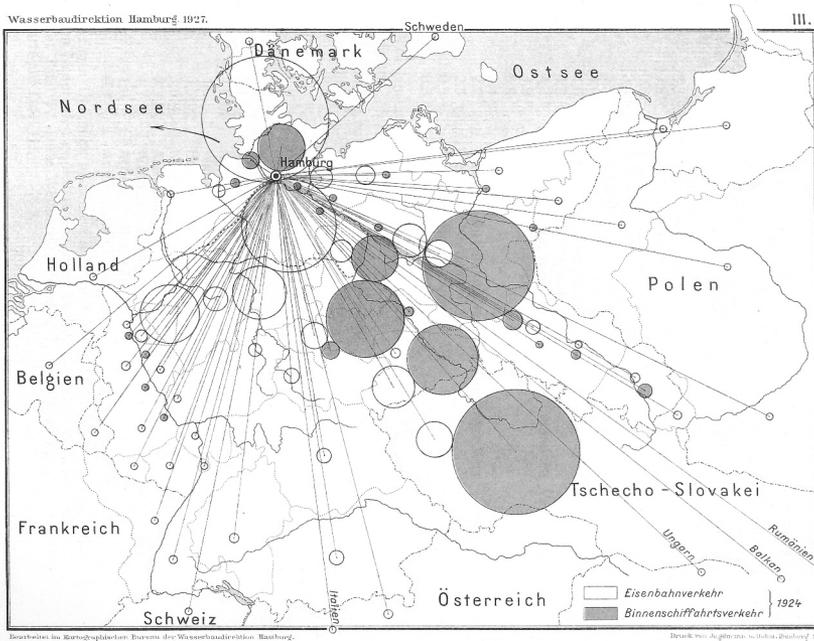


Illustration 9: This map dating from 1925 shows the general direction of Hamburg's European trade routes, both on water and by railway, before the Second World War. Source: *Der Hafen von Hamburg*.

²⁹ Under the auspices of the Western Allies, West Germany was obliged to trade only in USD, until, step by step, the German Mark became fully convertible during the 1950s.

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much easier and cheaper to acquire, a few Hamburg firms expanded, becoming multinational companies whose global scope meant they no longer relied on a local basis. The old paradigm of community was no longer attractive for those who could and did participate in the game of the new world market. Their take-off was accompanied and supported by other changes in the coffee trade, such as a concentration of both roasting and retail, resulting in large supermarket chains. The majority of the traditional smaller companies who had formed the core of the association and community were unable to compete under these circumstances, despite increasing consumer demand. Today, there is only one significant company left in Hamburg, the Neumann Coffee Group mentioned above, which controls around 20 per cent of the world trade in green coffee. The Association of Companies Engaged in the Coffee Trade still exists with a small membership of veterans who are very old, even by the standards of a trade in which 60-year-olds could count as junior.

If we look at the twentieth century as a whole, the nation-state and national politics appear relatively weak by comparison with international and national market forces when it comes to explaining the major changes in the coffee trade. These were caused partly by the two world wars, each of which resulted in a significant shift in the power balance towards the USA; partly by the interventionist politics of all national market players in an attempt to control the threat of free trade; and partly by the dynamics of consumer societies, especially in the global north.

IV. *Conclusion*

The three approaches described here – the history of globalization, the local and social place of the merchants, and the impact of politics and the nation-state on global actors – are obviously interwoven narratives which have to be integrated when writing a history of the coffee trade. While it is not possible to present the whole picture here, some examples of how these different approaches can be interconnected will be given by way of conclusion.

First, there is the paradoxical impact of the years of crisis and violence in the first half of the twentieth century. Rather than disturbing, if not destroying the trade's structures, they led to the conservation

of the basic composition and economic structures of the business. Thus access to the market at times of economic and currency crisis was based on a company's share in the trade at a point in the past regarded as 'normal', usually 1913 or 1938 as the last year of peace before the outbreak of the world wars. Despite all the rhetoric of free trade, the state's final retreat from the market meant the end of many individual businesses and the beginning of the end of a sense of 'community' among importers. Thus it was not the dramatic ruptures of the first half of the twentieth century, the world wars, or the national and international economic crises as such which brought about major changes, at least not directly. In the end, changes in the monetary system, shifts in the main world market structures, altered consumption patterns, and the rise of the USA to the status of super power – while themselves partly outcomes of the period from 1914 to 1945 – accounted for the visible transformation of the business.

Secondly, the seemingly stable social structures and phenomena that made the (Hamburg) coffee trade so distinct must be systematically historicized against the background of the group's self representation, insofar as it tries to make the case for an ahistorical, Hanseatic tradition. The concept of generation can account for the peculiar combination of persistence and change, even ruptures in the value and *habitus* systems that shaped (and shape) the group in question. 'Generation' can be made productive in the context of genealogy, that is, as familial generations, raising the question of succession and its potential for changing styles, generational conflict, and innovation. While 'generation' here is a concept for historicizing the notion of a family firm, as a sociological concept in Karl Mannheim's sense,³⁰ it can also be used to explain the impact of historical experience on age groups, and how shared experiences create a specific generational style, not least of doing business.

Thirdly, the simultaneity and the otherness of coffee worlds need to be dealt with. The easiest way is to follow the actors into their worlds: the Hamburg Chamber of Commerce; the 'origin' at the places of cultivation; the City of London; and the New York Coffee Exchange with all its computers. The universe of these actors was and is filled with places belonging to the connected worlds in which

³⁰ Karl Mannheim, 'The Problem of Generations', in Paul Kecskemeti (ed.), *Essays on the Sociology of Knowledge by Karl Mannheim* (New York, 1952). The German original was published in 1923.

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they operate. But at the level of experience, these worlds are often disconnected from the small farmer in Costa Rica, or the students in the Kingsway branch of Starbucks in London. And yet there is a strong desire to have an image of these other coffee worlds. Starbucks' Kingsway branch has a map of the commodity chain on display; and the Hamburg coffee exchange, rebuilt in the mid 1950s close to its former position, has an image of the 'origin'. An almost ecclesiastical stained-glass window turns the dealing floor into a sacred space while evoking all the delights of coffee: the endless horizon of coffee fields; the redness of the cherry; happy women with naked feet and colourful clothes in stark contrast to the black- and grey-suited male ambience of the coffee exchange. The longing for this imagined other world is an integral part of the many worlds of coffee and a trade in which the product itself is in danger of losing its visible presence in the routines of business. In Neumann Coffee Group's brand new storage building, for instance, the coffee is never seen, not even in bags. It arrives in containers and is unloaded directly and distributed by computer into various pipes preparing the mixture for designated customers. Inside the building, the coffee beans can be heard rushing through, and there is a faint smell of fibres that somehow make it out into the air. This might also be an appropriate image for historians' attempts to understand the economic, social, and cultural history of the trade, and its agents hidden behind seemingly anonymous market forces.

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