

# **Class Struggle and the Rise of Hitler**

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Hitler's appointment as the Chancellor of Germany on January 30, 1933, was the result of a complex interaction between the state of the economy, class struggle involving big business, labor, and the middle-class, and the subjective decisions of political parties. The onset of the deepest economic crisis ever experienced in the history of capitalism in the 1930s led to intensified class conflict between capital and labor and nascent fascist movements in the United States,<sup>1</sup> France,<sup>2</sup> Austria,<sup>3</sup> Spain, and Britain<sup>4</sup> – but nowhere did it lead to fascists coming to power<sup>5</sup> except in Germany and later in Spain, and only then after a prolonged civil war. Thus the triumph of fascism in Germany was not the inevitable outcome of the depression; nor was it primarily the result of elite conspiracy, intrigue, and miscalculation as Henry Turner suggests in his *Hitler's Thirty Days to Power*, although these elements certainly played a role. A critical factor in Hitler's rise to power was the political strategy of the German working-class left which led to passivity in the face of the fascist menace.

The impact of the depression on the class struggle between capital and labor was contradictory, dampening conflict at the point of production but intensifying it within the political arena. Layoffs caused enormous unemployment – in 1930 an average of 23.4 percent of the workforce was unemployed, in 1931 the figure rose to 36.2 percent and in 1932 it reached a

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<sup>1</sup> See Arthur M. Schlesinger Jr., *The Politics of Upheaval: 1935-1936, the Age of Roosevelt, Vol. 3* (Boston: Houghton Mifflin, 1951) for more about a coup plot involving decorated Marine General Smedley Butler and prominent businessmen to create a fascist state in the U.S. See also Farrell Dobbs, *Teamster Politics*, (New York: Pathfinder Press, 1975) for background on the Silver Legion of America which had a brief heyday before being routed by workers organized by Teamster Local 544 in Minneapolis in 1934.

<sup>2</sup> See Chris Harman, *A People's History of the World*, (London: Bookmarks, 1999), 494-495.

<sup>3</sup> *Ibid*, 491-493.

<sup>4</sup> *Ibid*, 482-483.

<sup>5</sup> Italian fascism came to power well before this time period in the mid-1920s. The Portuguese case is not one of fascism because fascism is not simply a military dictatorship or a police state but an *anti-democratic mass movement of the middle-class*. So although Portugal's dictator Antonio del Salazar openly looked to Mussolini and Hitler for his inspiration, he did not come to power through mass mobilizations of the middle-class but rather through a standard military coup and therefore was not a fascist. For more, see Colin Barker ed., *Revolutionary Rehearsals*, (Chicago: Haymarket Books, 2002).

peak of 46.8 percent.<sup>6</sup> Fear of unemployment severely undermined union power and shop floor militancy. The number of days lost to strikes fell dramatically – in 1928, 20,288,211 days were lost to strikes, in 1930 3,935,977 days were lost, and in 1932 1,137,890 days were lost to strikes, a decline of 90 percent in four years.<sup>7</sup> Union membership shrank from 6.5 million in 1930 to 5.1 million in 1932,<sup>8</sup> but this figure is somewhat misleading about union strength because it includes workers who lost their jobs but remained union members. For example, the metal workers' union had an average 4 percent unemployment rate among its members between 1907 and 1928, while in December 1932 the figure was a whopping 43 percent.<sup>9</sup>

So while class struggle at the workplace declined precipitously, class antagonisms sharpened and became focused on the state. The “Grand Coalition” collapsed when the Social Democratic Chancellor resigned in March, 1930, when he was unable to resolve a major political conflict over unemployment benefits. One party of big business, the German People's Party (DVP), demanded cuts in unemployment benefits, while the main working-class party, the Social-Democratic Party (SPD), demanded an increase in benefits with employers responsible for at least half the cost.<sup>10</sup>

At this point, President Hindenburg appointed Heinrich Brüning of the Catholic Center Party as Chancellor. Brüning submitted a balanced budget to the Reichstag which was voted down, and a vote of no confidence in the new Chancellor was passed. President Hindenburg reacted by dissolving the Reichstag and implemented Brüning's budget using emergency decrees

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<sup>6</sup> Bernd Weisbrod, “Industrial Crisis Strategy in the Great Depression” in *Economic Crisis and Political Collapse: the Weimar Republic 1924-1933*, ed. Jürgen Baron von Kruedener, (New York: Berg, 1990), 53.

<sup>7</sup> Harold James, *The German Slump: Politics and Economics, 1924-1936*, (Oxford: Clarendon Press, 1986), 218.

<sup>8</sup> Donny Gluckstein, *The Nazis, Capitalism, and the Working Class*, (London: Bookmarks, 1999), 95.

<sup>9</sup> Gluckstein, 40.

<sup>10</sup> Jackson Spielvogel, *Hitler and Nazi Germany*, (Englewood Cliffs: Prentice-Hall Inc., 1988), 55.

that utilized articles of the Weimar Constitution.<sup>11</sup> Under the Constitution, the dissolution of the Reichstag automatically triggered a new round of elections scheduled for September 14, 1930.

The Reichstag election results revealed a sharp political polarization taking hold of *all* social classes, with the extreme left and extreme right gaining at the expense of the moderate parties, although the extreme right gained far more than their counterparts on the left. The Nazi party's share of the vote exploded, going to 18.3 percent from a tiny 2.6 percent in the previous election in 1928. The growth of the Nazi vote came primarily at the expense of other right-wing parties. The conservative German Nationalist People's Party's (DNVP) share of the vote was cut in half, going from 14.2 percent in 1928 to 7 percent and the center-right DVP suffered a similar fate, going from 8.7 to 4.7 percent.<sup>12</sup> The liberal German Democratic Party (DDP) lost far less of its share of the electorate, only 1.1 percent, while the two catholic parties, the Catholic Center Party and the Bavarian People's Party (BVP), lost less than 1 percent.<sup>13</sup> The rapid electoral growth of the Nazis was also in part due to 5 million new voters casting ballots in 1930 who had not voted in the previous election. The increase in the Communist Party's (KPD) share of the vote was minimal, going from 10.6 percent in 1928 to 13.1 percent, although in absolute numbers, the party's vote increased from 3,265,000 to 4,590,000. The KPD's main competitor, the SPD, lost only 5.3 percent of its 1928 vote.<sup>14</sup> The September 1930 election showed that large sections of the middle-classes, fed up the Weimar parliamentary system's paralysis that made it incapable of taking decisive measures to end the depression, swung far to the right, while only a small section of the working-class shifted its allegiance to the left from the SPD to the KPD.

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<sup>11</sup> Jürgen Baron von Krüedener, "Could Brüning's policy of deflation have been successful?" in *Economic Crisis and Political Collapse: the Weimar Republic 1924-1933*, ed. Jürgen Baron von Krüedener, 87.

<sup>12</sup> Joachim Remak, ed., *The Nazi Years: a Documentary History*, (New York: Simon and Schuster, Inc., 1986), 44.

<sup>13</sup> Gluckstein, 79.

<sup>14</sup> Remak, 44.

The political radicalization in Germany at this time was not solely electoral in nature. While working class militancy declined sharply with the onset of the depression and the enormous rise in unemployment, leading figures in big business increasingly saw the Weimar system with its mass workers' parties and Reichstag as a major obstacle to taking the necessary measures to resolve the economic crisis on terms favorable to big business, measures such as drastically cutting wages and social spending. As Carl Köttgen, chairman of the Managing Board of Siemens-Schuckertwerke<sup>15</sup> put it:

Personally, I do not believe that the hard times we are facing are to be explained solely or to a large extent by the world crisis. [...] We have not only lost a war, but we have a fundamentally new government, which has been concerned for ten or twelve years to distribute charity to all sides, and that with a generosity which could not have been greater if the war had been won.<sup>16</sup>

Carl Duisberg, head of I.G. Farben's supervisory board concurred on the question of slashing social spending, complaining, "[c]apital is being destroyed through the unproductive use of public funds... Only an immediate and radical reversal of state policies will help."<sup>17</sup> As early as December 12, 1929, a special meeting of the German Society for Industry (RDI) was told that political parties:

inevitably strive for compromise, which at best can only produce half measures. For us half measures will no longer do... In Germany there will only be economic peace when the 100,000 party functionaries are out of the country. (Cries of "Bravo!" and "Mussolini!")<sup>18</sup>

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<sup>15</sup> "Siemens History: Personalities," Siemens company website:  
<http://w4.siemens.de/archiv/en/persoenlichkeiten/vorstaende/koettgen.html>

<sup>16</sup> James, 166.

<sup>17</sup> Gluckstein, 45.

<sup>18</sup> Ibid, 46.

To understand why German big business, and heavy industry in particular, favored these measures, it is instructive to examine how hard Germany industry was hit by the crisis in comparison with the industries of other advanced capitalist countries. The low point for British industrial production was at 89 percent of its 1929 level and the corresponding figure for French industrial production was 71 percent, while Germany's industrial production plummeted to 61 percent of its 1929 level.<sup>19</sup> Not only did the depression hit German capitalism harder than its international competitors, it also hit Germany heavy industry harder than its light industry. In 1932, industrial production of consumer goods stood at 74 percent of its 1928 figure while industrial production of producer goods stood at 47 percent of its 1928 figure.<sup>20</sup> The share of total costs going to labor provide another stark example of the difference between heavy and light industry; in the mining industry, the proportion of total costs going to labor rose to over 50 percent, while in the chemical industry only 15 percent of its total costs went to labor.

At the same time that German capitalism was being hit harder than its rivals abroad, the exponential growth in unemployment led government expenditure to more than double, going from 1.2 billion marks in 1928 to 2.7 billion in 1930.<sup>21</sup> At the end of the Weimar republic, spending on social insurance, health and welfare was four times higher than its pre-war level in 1913, while spending on defense and economic development at this time (roads and industrial subsidies) fell to a quarter of its 1913 level.<sup>22</sup>

The problem that German big business faced was that the scale and severity of the austerity measures needed to restore profitability were impossible given the strength of working-class organization within the framework of the Weimar Republic. For example, in 1928, the SPD

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<sup>19</sup> James, 6.

<sup>20</sup> Dietmar Petzina, "Was There a Crisis Before the Crisis?", in *Economic Crisis and Political Collapse: the Weimar Republic 1924-1933*, ed. Jürgen Baron von Kruedener, 6.

<sup>21</sup> Gluckstein, 45.

<sup>22</sup> *Ibid*, 40.

had 1,021,000 members, 9,000 local organizations while the KPD had 130,000 members,<sup>23</sup> and the two combined consistently received an average of 35 percent of the Reichstag vote throughout the 1920s and 1930s.<sup>24</sup> The SPD's strength was not only measured in its membership numbers – it controlled a number of state governments, including Prussia, home to a large proportion of Germany's population, economic assets, and the nation's capital, Berlin. As we have seen, the doubling of unemployment between 1930 and 1932 was not matched by a corresponding decline in union membership; union members who lost their jobs overwhelmingly remained union members, a testament to the organizational strength, social cohesion, and class consciousness of the German working-class in the face of a severe economic hardship.

The contradiction between what big business needed to alleviate the economic crisis and what the political structure allowed was at the heart of the conflict that led to the dissolution of the "Grand Coalition" and the last gasps of the parliamentary system beginning in 1930. Thus Henry Turner's assertion that, "the assault on the democratic institutions of the republic that began in 1930 came not from big business but from ... the military"<sup>25</sup> is wrong. However, this does not mean that the Nazis were pawns of big business or that big business (or the military high command) rushed to embrace Hitler and his party as their own. The relationship between the Nazis and Germany's ruling class was complex and filled with contradictory tensions which meant that the Nazi seizure of power was not inevitable.

Some sections of Germany's elite embraced Hitler well before the economic and political crises that wracked the Weimar Republic in the 1930s. General Erich Ludendorff, one of the generals who ran Germany as a military dictatorship in the later stages of the First World War

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<sup>23</sup> Steve Wright, "Introduction," in Leon Trotsky, *Fascism, Stalinism and the United Front*, (London: Bookmarks, 1989.)

<sup>24</sup> Remak, 44.

<sup>25</sup> Henry Ahsby Turner, *German Big Business and the Rise of Hitler*, (New York: Oxford University Press, 1985), 103-104.

and later a Nazi representative in the Reichstag in the mid-1920s, told United Steel Works supervisory board member Fritz Thyssen in 1923 that Adolf Hitler was, “the only man who has any political sense. Go and listen to him one day.”<sup>26</sup> This marked the beginning of Thyssen’s long and close relationship with the Nazi party,<sup>27</sup> during which he gave 100,000 gold marks to the party through Ludendorff,<sup>28</sup> paid for Hermann Göring to move into a larger apartment,<sup>29</sup> loaned Rudolf Hess money to pay for their headquarters in Munich, the Brown House,<sup>30</sup> and played a key role in getting Hitler to speak to the German Industry Club of Düsseldorf on January 27, 1932.<sup>31</sup>

Thyssen and Ludendorff were exceptional within the German ruling class because they first embraced the Nazi Party when it was still a small, marginal organization. Significant support for the party from elements of big business began only in 1930, after the dramatic leap in the Nazi vote, and tended to come from specific sectors of German capitalism: heavy industry, the financial sector, and from medium-sized capitalists,<sup>32</sup> reflecting the depression’s uneven impact on different sectors of business. Light industry’s conspicuous lack of support for the Nazi party is due to the fact that smashing working-class organizations and severely lowering workers’ purchasing power would lead to the drastic contraction of the market for consumer goods. As we have seen, the depression hit heavy industry much harder than light industry, and labor costs as a proportion of total costs were much greater for heavy industry, which explains why they tended to have stronger anti-labor positions. The support of some elements in the

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<sup>26</sup> Fritz Thyssen, *I Paid Hitler*, (New York: Farrar and Rinehart, Inc., 1941), 80.

<sup>27</sup> While his relationship was long and close, it was by no means continuous. Thyssen’s relations with the Nazis was practically nonexistent after the end of the 1923 economic and political crisis that wracked the early Weimar Republic.

<sup>28</sup> *Ibid*, 82.

<sup>29</sup> *Ibid*, 100.

<sup>30</sup> *Ibid*, 98.

<sup>31</sup> *Ibid*, 100.

<sup>32</sup> For lack of space, details about support by medium-sized business cannot be provided. See Turner, 191-204.



financial sector stems from the interconnection between heavy industry's financial needs and the ability of large banks to meet those needs. Support for the Nazis among medium-sized capitalists is understandable given their precarious economic position *vis-à-vis* their larger competitors. They could ill afford to negotiate with strong unions and concede high wages and other benefits and as a result were attracted by the party's strident anti-union stance. Furthermore, these capitalists were frustrated at being unable to sufficiently influence the traditional parties of business – the DVP and the DNVP – because they did not have the financial resources to out-lobby big business.

Aid from sections of heavy industry tended to come from United Steel Works executives as well as executives representing Ruhr coal, mining, and steel interests. Aid took the form of financial contributions, membership in the Nazi Party, pressuring other right-wing parties to collaborate with the Nazis, and lobbying President Hindenburg, other parties, and other sections of big business on behalf of the Nazi cause. The first major boost the Nazis received from heavy industry came when *Deutsche Allgemeine Zeitung*, an influential newspaper of Ruhr heavy industry, advocated voting either for the DNVP or for the Nazis in the September 1930 election because “every vote won for the right means a weakening of social democracy.”<sup>33</sup> This partial endorsement of the Nazis came despite the fact that in the previous election they had won only 2.6 percent of the vote, an indication that heavy industry was willing to lend them support in spite of their unpopularity.

Between 1930 and 1932, a number of influential industrialists and bankers joined the Nazis or agreed to collaborate with them in the hopes of bringing them to power. Emil George von Stauss, director of the *Deutsche Bank und Disconto-Gesellschaft*, one of Germany's largest banks, wanted to join the Nazi Party in 1931 but was told by Göring that he would be more

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<sup>33</sup> Gluckstein, 54.

valuable to their cause by remaining in the DVP and using his influence there to further the Nazi agenda, although he was allowed to join the Nazi Party's Economic Policy Section.<sup>34</sup> Hjalmar Schacht, president of the *Reichsbank* from 1923 until his resignation in March 1930 and founding member of the DDP, used his influence within the business community to win more support for the Nazis but did not join the party, partly to protect the Nazis from accusations of being in league with big business and partly to ensure that the businessmen he was trying to influence did not see him as a party functionary with a partisan agenda. Ludwig Grauert, the managing director of the employers' association of the Ruhr iron and steel industry, known as *Arbeitsnordwest*, became a Nazi supporter (but not a member until after the seizure of power), and loaned the Nazis somewhere between 50,000 and 100,000 marks to publish a Nazi newspaper in Essen, the *National-Zeitung*. Grauert received approval for the loan from the chair of the *Arbeitsnordwest*, Ernst Poengsen.<sup>35</sup> Other major Nazi supporters among the ranks of big business were: Albert Voegler, the chair of the United Steel Works, Ernst Brandi, chairman of the coal operators' association, the *Bergbauverein*, and an executive of United Steel Works, Herbert Kauert, another United Steel Works executive, Ernst Tengemann, chairman of the board of directors of *Essener Steinkohlenbergwerke AG* until its absorption by a United Steel Works subsidiary, *Gelsenkirchener Bergwerks AG*,<sup>36</sup> Emil Kirdorf, the director of the Rhenish-Westphalian Coal Syndicate<sup>37</sup> and Schlenker, the executive secretary of the Federation for Safeguarding the Business Interests of Rhineland and Westphalia.<sup>38</sup>

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<sup>34</sup> Turner, 143-144.

<sup>35</sup> *Ibid*, 147.

<sup>36</sup> *Ibid*, 149.

<sup>37</sup> Gluckstein, 54.

<sup>38</sup> George W.F. Hallgarten, "Adolf Hitler and German Heavy Industry," *Journal of Economic History*, vol. 12, no. 3, 228.

In addition direct contact with executives from heavy industry, the Nazis also developed important relationships with big business through two journalists who wrote for influential business publications, August Heinrichsbauer and Walther Funk, relationships which often led to major financial contributions.<sup>39</sup> Through Funk, the economic editor of the conservative financial newspaper, *Berliner Börsen-Zeitung*, Hitler was able in February, 1931 to gain an audience with important capitalists for the purpose of raising money to arm the Nazis' storm troopers, the S.A. At the time, Hitler feared a military coup which would trigger a civil war with the KPD and SPD on one side, the army on the other, and the Nazis divided between its "left" and "right" wings over whose side to fight on.<sup>40</sup> This meeting at the fashionable Kaiserhof Hotel across from the Reich Chancellery in Berlin began when Funk brought two executives of *Allianz und Stuttgarter Verein Versicherungs-AG*, one of Germany's largest insurance firms, to meet Hitler. Within five minutes, they had pledged five million marks to the S.A. if a civil war broke out. The amount overwhelmed Hitler and left him temporarily speechless, a remarkable feat. In the course of the next few days, Funk brought in more prominent Berlin businessmen from the capital, raising a total of twenty-five million marks had been pledged.<sup>41</sup>

What is clear from the evidence is that the Nazi Party had significant support from big business, particularly heavy industry. Yet this was not enough to catapult Hitler into power, despite the anti-parliamentary consensus within big business as a whole.

The dilemma that dogged Germany's political and economic elites since the end of the Grand Coalition government in 1930 was that they had to end the Weimar Republic but they feared to establish a military dictatorship because it might spark a revolution and civil war. An earlier attempt to do so, the Kapp Putsch in 1920, sparked a massive general strike and nearly

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<sup>39</sup> Turner, 156.

<sup>40</sup> Ibid, 150.

<sup>41</sup> Ibid, 150.

rekindled the revolutionary upheaval that shook the country in the wake of the First World War that toppled the monarchy.<sup>42</sup>

Desiring the end goal but afraid of taking the steps needed to achieve it led Germany's rulers into the transitional political situation of 1930-1932 in which they tried to govern through Presidential decrees. This method of ruling was constantly undermined by the remnants of Weimar democracy: namely, the right-wing opposition to Hindenburg's Chancellors led by the Nazis in the Reichstag and the left-wing opposition's refusal to fully support Hindenburg's Chancellors' moves in the Reichstag. As the lifespan of each new cabinet grew progressively shorter,<sup>43</sup> it became clear that the only way the political situation could be stabilized was by bringing the Nazis into the government since they commanded by far the largest amount of right-wing popular support, but the price for their support was high: Hitler demanded the Chancellorship for himself and the freedom to choose his cabinet.

The specific timing of Hitler's appointment was due to a convergence of two factors: the rapidly vanishing political support for Papen and Schleicher in the Reichstag that made the system of governing by Presidential decree untenable in the long run and the decline in the Nazi vote in the latter half of 1932. Why the Nazis would be given power when their vote was declining requires some explanation.

When the Nazi vote in the November 6, 1932, election sank to 33.1 percent of the total, compared to 37.4 percent in the previous election on July 31 of the same year – a loss of two million voters – Hitler's big business supporters began to panic, fearing that their opportunity to form a stable right-wing dictatorship might evaporate as the Nazi base shrank into political

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<sup>42</sup> Gluckstein, 31.

<sup>43</sup> The Brüning government survived twenty-six months, the von Papen government survived five and a half months, and the Schleicher government lasted a mere fifty-seven days.

indifference. As Kurt von Schröder, a banker for United Steel Works and a Nazi supporter, put it:

The general aim of industrialists at the time was to see a strong leader come to power in Germany who could form a government which would long remain in power. When on the 6<sup>th</sup> of November 1932, the NSDAP suffered its first set back and thus passed its peak point, the support of German heavy industry became a matter of particular urgency.<sup>44</sup>

Schröder, Voegler, and Schacht drew up a petition to Hindenburg urging him to make Hitler Chancellor before the Nazis' strength declined any further and circulated it among industrialists. Paul Reusch, head of the Ruhrdale, a secret organization of twelve top industrialists with control over Germany's largest political fund,<sup>45</sup> and Fritz Springorum of the Hoesch steel group, told Voegler that they agreed with the petition but did not want to add their signatures. The same response came from the directors of the Hamburg-American Steamship Line, Kiep and Cuno.<sup>46</sup>

Eventually fifteen industrialists agreed to sign the petition on the grounds that it was the only way to end the revolving door of the Chancellery and the political instability that came with it, but Hindenburg ignored them. Despite this setback, Hitler's big business allies received a boost from an unexpected source: Papen. Deposed as Chancellor on December 2, 1932, when Schleicher convinced Hindenburg that he would be able to muster more support in the Reichstag than Papen had, Papen was anxious to regain office and prevent the collapse of the Nazis. As he put it to the British ambassador in early January of 1933: "It would be a disaster if the Hitler

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<sup>44</sup> Hallgarten, 242.

<sup>45</sup> Gluckstein, 56.

<sup>46</sup> Hallgarten, 241.

movement collapsed or was crushed for, after all, the Nazis were the last remaining bulwark against communism.”<sup>47</sup>

Schröder arranged a meeting between Papen and Hitler on January 4, 1933, at which Hitler compromised, agreeing to a right-wing coalition cabinet with himself as Chancellor. Hitler’s willingness to make concessions to Papen was due to his party’s increasing fragility; two Reichstag elections and the Presidential race in 1932 left the party in serious debt, and Hitler had such a difficult time keeping party cadres in line when Gregor Strasser threatened to split the party under pressure from Schleicher that he even threatened suicide if they showed any disloyalty.<sup>48</sup> Papen convinced Hindenburg that Hitler should be made Chancellor but that he would be able to control Hitler if the Nazis held only a few cabinet positions. Papen famously declared at the time, “we have hired Hitler.”

Ironically, Schleicher agreed about the necessity of appointing Hitler Chancellor one day after he resigned in a conversation with the commander-in-chief of the army, von Hammerstein, which Hammerstein later recalled:

We were both convinced that the only possible future Reich Chancellor was Hitler. Any other decision would generate a general strike, if not a civil war, and thus to a totally undesirable use of the army against the Nationalists as well as against the left.<sup>49</sup>

The day after Hitler was appointed Chancellor, the non-Nazis within Hitler’s cabinet including Papen insisted that the Reichstag be dissolved and that the elections scheduled for March 5, 1933, be the last of their kind, finally ending the Weimar parliamentary system.<sup>50</sup>

Beginning in February, the Nazis, in cooperation with President Hindenburg and the other right-

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<sup>47</sup> Harman, 488.

<sup>48</sup> Henry Ashby Turner, *Hitler’s Thirty Days to Power: January 1933*, (Reading: Addison-Wesley, 1996)

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<sup>49</sup> Gluckstein, 66.

<sup>50</sup> Spielvogel, 69.

wing parties, began curtailing freedom of the press and suppressing the KPD and the SPD. On February 20, 1933, twenty important industrialists were invited to a private meeting with Hitler at the Reichstag presidential palace to hear an address from the new Chancellor. After promising that the March 5 election would be the last, and after Göring predicted that the election would be, “the last for ten years, in all likelihood, indeed, for one hundred years,” Schacht told them, “and now gentlemen, pony up.” After consulting among themselves, three million marks were pledged to a campaign fund that the Nazis, the DNVP and DVP would share, signifying the support of German big business for the new regime’s anti-democratic actions.<sup>51</sup>

The logic of the political situation facing Germany’s ruling class compelled them to give Hitler power in early 1933, especially given that the Nazi movement was in decline. Historian Henry Ashby Turner, in ruling out any substantial role for big business in Hitler’s rise to power, has instead attributed it to, “strong elements of contingency”<sup>52</sup> and miscalculations by figures within the German elite such as Papen. Historian Ian Kershaw made a convincing counterargument to Turner:

Those miscalculations...were not random acts. They were the miscalculations of a political class determined to inflict what injury it could...on the new, detested or at best merely tolerated democratic republic. The anxiety to destroy democracy rather than the keenness to bring the Nazis to power was what triggered the complex developments that led to Hitler’s chancellorship.<sup>53</sup>

Although there was a political logic to making Hitler Chancellor, it was by no means inevitable. A critical factor in his rise to power was the political passivity of the two main

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<sup>51</sup> Louis Lochner, *Tycoons and Tyrant: Germany Industry From Hitler to Adenauer*, (Chicago: Henry Regnery Company, 1954) 146. Arguing that this amount was given out of coercion, it is important to remember that the Nazis’ hold on power was still tenuous – the Enabling Act would not be passed for another month.

<sup>52</sup> Turner, “Hitler’s Thirty Days to Power,” 166.

<sup>53</sup> Ian Kershaw, *Hitler 1889-1936: Hubris*, (New York: W.W. Norton & Company, 1999), 424.

workers' parties, the SPD and the KPD, in the face of the Nazi Party whose openly stated goal was the complete destruction of the German labor movement. As Hitler himself put it:

If we are victorious Marxism will be destroyed, and completely destroyed. We shall not rest until the last newspaper has been destroyed, the last organization liquidated, the last center of education wiped out and the last Marxist converted or exterminated.<sup>54</sup>

The SPD, the largest left-wing party with over a million members, should have made it an ideal candidate for leading the fight against Nazism and in defense of democratic rights, especially given its key role in the foundation of the Weimar Republic. Instead, the SPD sought to avoid political conflict and social turmoil at all costs, which led them to adopt a policy of "toleration" towards the Brüning cabinet and to campaign for Hindenburg in the 1932 Presidential run-off on the grounds that Hindenburg would be a lesser-evil to Hitler.

Avoiding confrontation while class antagonisms and political polarization began to tear the Weimar Republic apart only postponed the inevitable at the SPD's expense. Furthermore, it assured the German ruling class that it would not face a general strike or civil war if Hitler was appointed, which was the main fear that prevented them from destroying the Weimar Republic outright after the collapse of the Grand Coalition in 1930.

Tolerating Brüning instead of actively opposing his austerity measures allowed the Nazis to pose as the genuine opponents of big business and the government's austerity measures. As Brüning became known as the "hunger Chancellor," the SPD's toleration policy allowed them to be labeled "hunger socialists" by the Nazis. As one Nazi explained, "We had all heard of liberty, peace, and democracy, only to find that under Marxist rule reality differed from these slogans."<sup>55</sup> A Nazi in Saxony offered a similar view:

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<sup>54</sup> Gluckstein, 24-25.

<sup>55</sup> Theodore Abel, *Why Hitler Came Into Power*, (New York: Atherton Press, 1966), 36.



The belief in the Reich, more specifically in the government, was eroded in the years after the November revolution amongst the people.... They too had heard the promises which were made at that time and ... many even followed the Marxists because their agitators made most promises. Year after year the [people] waited in vain for the promises of the various parties to be fulfilled. However, they saw with their own ears and eyes that things increasingly got worse....<sup>56</sup>

The bankruptcy of the party's strategy was exposed twice during 1932, first during the April Presidential election and again when the party lost control of the Prussian state government. The SPD campaigned for Hindenburg, hoping to bolster him with their share of the electorate (about 20 percent at the time)<sup>57</sup> and thereby prevent Hitler from becoming President. The party's strategy for stopping Hitler, voting for the lesser evil, proved to be a tremendous failure within less than a year, as the lesser evil Hindenburg appointed the greater evil Hitler as Germany's Chancellor.

Toleration of Brüning's cabinet and campaigning for Hindenburg were merely preludes to what was probably the single greatest failure for the SPD's strategy prior to Hitler's appointment: the loss of the Prussian state government when Papen blatantly violated the Weimar constitution by dismissing the SPD Prussian state governor and declaring martial law in Berlin on July 20, 1932. The response of the party's newspaper, *Vorwärts*, was in its headline on the day Papen acted: "Martial Law in Berlin! Our Answer – 31 July!"<sup>58</sup> July 31, 1932 was the date of the Reichstag election. The party proposed to fight the growing authoritarianism of the government by participating in elections organized by the increasingly authoritarian government!

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<sup>56</sup> Claus-Christian Szejnmann, "The Rise of the Nazi Party in the Working-Class Milieu of Saxony" in *The Rise of National Socialism and the Working Classes in Weimar Germany*, ed. Conan Fischer, (Providence: Berghahn Books, 1996), 210.

<sup>57</sup> Remak, 44.

<sup>58</sup> Gluckstein, 106.

In his diary, Goebbels recognized the significance of the party's passivity in the face of Papen's blatant assault and wrote: "The Reds are overthrown. Their organization put up no resistance. [They] have missed their great moment. It will never return."<sup>59</sup> The SPD's reaction would be repeated – but with far more tragic consequences – after the Nazis came to power.

American journalist Lochner recounted a revealing example of the absurdity of the SPD's policy at this time:

The executive committee of the Social Democratic Party addressed a confidential inquiry to the General Federation of Trade unions, asking whether, to forestall a coup by Hitler, they would declare a general strike as they had so successfully done to checkmate the Kapp Putsch in [sic] 1921. The answer was: a careful analysis of the membership showed that about one-third had in the course of the Great Depression swung politically into the Communist camp; another third was already marching behind the Nazi swastika; only one-third remained true to the Social Democratic colors. A general strike was out of the question. For, to be successful it demanded the solidarity of all members.<sup>60</sup>

In actuality, the SPD's dominance over the unionized working-class was unchallenged, either by the KPD or the Nazis. The KPD's worker-members split from the main union federation in the country to form communist-controlled unions in 1930, under the slogan, "Out of the Free Unions."<sup>61</sup> In 1930, when the Nazis had gained 18.3 percent of the electorate in the Reichstag elections, the Nazis could only muster a pathetic .51 percent of delegates in factory council elections.<sup>62</sup> Even after the Nazis had seized power, the Nazis were only able to win 7.7 percent in factory council elections. The impression given to Lochner by the SPD's leaders had

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<sup>59</sup> Ibid, 106.

<sup>60</sup> Lochner, 13.

<sup>61</sup> Gluckstein, 116.

<sup>62</sup> Ibid, 95.

little to do with the reality of the party's strength but it was an accurate reflection of the fear reigning among party leaders at the thought of unleashing a struggle that could become a revolution or civil war.

While examining the actions of the SPD's leaders, it is important to recognize that they were by no means supported by the rank-and-file of the party. As the party's former Reichstag President, Paul Löbe, recalled in his memoirs:

The question as to whether the sneaking into power of the Nazis might be averted by forceful resistance was a highly controversial one. *The majority of our adherents expected active resistance, but the leaders were convinced of the uselessness of a definitely expectable blood bath.* [My emphasis.]<sup>63</sup>

The formation of the Iron Front for Resistance Against Fascism in 1931 was a concession to rank-and-file dissatisfaction with the leadership's political passivity. At an Iron Front rally, one activist declared, "Socialists deserve to end up in the madhouse if they confront the fascists with democratic means alone," and at an SPD shop stewards' meeting, someone argued, "if the others threaten civil war, we can't wave the peace palm; if the others spray bullets, we can't toss candy."<sup>64</sup> In the summer of 1931, the SPD's leadership dissolved the Socialist Youth organization because it continually disagreed with the leadership's conservative orientation.<sup>65</sup>

Clearly there was a desire, at least among a significant section of the SPD's rank-and-file, to fight the Nazis, whom they knew would discriminate between the revolutionaries, reformists, and the non-political union members. Yet why did the party remain passive, committed to legality even when the Nazis were clearly exploiting Weimar legality in order to destroy it?

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<sup>63</sup> Lochner, 15.

<sup>64</sup> Gluckstein, 107.

<sup>65</sup> Ibid, 108.

In answering this question, it is important to remember that the SPD was a reformist party, committed to the legal, peaceful modification of the capitalist system within the framework of the Weimar Republic. When the Republic's institutions came under sustained attack from big business, the military, and right-wing political parties amidst the deepest economic crisis in the history of the world capitalism, the reformist SPD clung vainly to the institutions it cherished, hoped that the economic and political crisis would somehow solve itself or at least improve, and refused to recognize the reality that neither the economic nor the political crises could be solved using "normal" methods within the framework of Weimar's capitalist democracy.

As successive governments became increasingly authoritarian, the scope for peaceful, legal, and parliamentary activities narrowed considerably, and with it, the SPD's field of activity. The party's refusal to engage in any meaningful activity in defense of democratic rights or actively oppose the Nazis was rooted in the fear of party leaders that a defensive struggle would quickly get out of hand, develop into an offensive – social revolution or civil war (like the one that raged in Germany in the years immediately after 1919) – in which the SPD would lose their legal status and their mass influence to the more radical KPD.<sup>66</sup> Otto Wels, the chair of the party, even went so far as to question the idea of painting party slogans on walls because of its dubious legality!<sup>67</sup>

Yet the failure of the German working-class left to stop Hitler does not rest on the shoulders of the SPD alone. Given its support for the First World War, its creation of *Freikorps* units that murdered Karl Liebknecht and Rosa Luxemburg as well as other communists in order to forcibly contain the 1918-1919 German revolution within the confines of capitalist

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<sup>66</sup> Revolution was not a utopian prospect. The fight against fascism in Spain led to a social revolution in 1936. See Harman, 500-509.

<sup>67</sup> Gluckstein, 107.

democracy, the SPD's failure to fight Hitler should not have been unexpected. Understanding the SPD's inherent limitations as a reformist mass workers' party, logically, leads to examining the KPD, which was an explicitly revolutionary organization unencumbered by the SPD's reformist attachment to the capitalist social order. Theoretically, it should have been able to fight the Nazis and prevent Hitler's rise to power in a way that the SPD could not. Tragically, this was not the case.

The key to understanding the KPD during the early 1930s is the impact that Stalin's rise to power in Russia had on the party through the medium of the Communist International. Beginning in 1928, Stalin declared the beginning of the "Third Period" in which armed insurrection was on the order of the day around the world. At the KPD's 1929 congress, the party's leader, Ernst Thälmann, aped Stalin by declaring, "a new powerful revolution wave [which] was the fundamental characteristic of development at present," and the congress resolution passed at the stating, "the question of armed uprising has unavoidably entered on to the agenda."<sup>68</sup> These declarations were not in anyway, shape, or form based on conditions in Germany or a sober analysis of its political situation.

The KPD's reaction to the September 1930 election was as equally divorced from reality as the political resolutions passed at its party congress. The party's newspaper declared, "The only victor in the September elections is the Communist Party"<sup>69</sup> and stated that, "14<sup>th</sup> September was the high point of the National-Socialist movement in Germany ... what comes after can be only decline and fall."<sup>70</sup> This was the election in which the Nazi exploded from a mere 2.6 percent to 18.3 percent while the KPD's barely grew from 10.6 percent to 13.1 percent.

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<sup>68</sup> Ibid, 109.

<sup>69</sup> Ibid, 110.

<sup>70</sup> Duncan Hallas, *The Comintern*, (London: Bookmarks, 1989), 134.

On the question of whether fascism was a threat to the German workers' movement, Thälmann declared that, "fascism will not begin when Hitler arrives; it began a long time ago."<sup>71</sup> Furthermore, not only was Brüning's government fascist (an absurdity given the abundance of national elections and the existence of multiple parties), but the SPD was also fascist! This idea was based on a 1929 resolution passed by the Communist International:

[S]ocial democracy is evolving through social imperialism to social-fascism ... the social-fascist trade union bureaucracy is, during the period of sharpening economic battles, completely going over to the side of the big bourgeoisie ... transforming the reformist trade union apparatus into a strike-breaking organization.<sup>72</sup>

If anything, the Grand Coalition was destroyed by the SPD Chancellor's resignation in 1930 precisely because the SPD balked at, "completely going over to the side of the big bourgeoisie." Nonetheless, the KPD decided to order its members to leave the main "strike-breaking" union federation and the KPD's newspaper, *Rote Fahne*, published a five-part series of articles on, "German trade unions on their way to becoming Mussolini's syndicates."<sup>73</sup> The result was that at the 1931 congress of the main union federation, not a single KPD member was a delegate, and the KPD-controlled union federation, the RGO, could only claim 4 percent support in factory committees.<sup>74</sup> Another result of this policy of splitting unions and refusing to unite with SPD members to fight layoffs was the enormous growth of unemployment within the party's ranks, reaching between 85 and 90 percent of all members in 1932.<sup>75</sup> This stood in stark

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<sup>71</sup> Gluckstein, 110.

<sup>72</sup> Hallas, 126.

<sup>73</sup> Gluckstein, 116.

<sup>74</sup> Ibid.

<sup>75</sup> Ibid, 111.

contrast to the SPD's composition in 1930: 59 percent were workers, 14.8 percent were teachers, salaried employees, or civil servants, 17.1 were housewives, and 4.6 percent were pensioners.<sup>76</sup>

Based on the idea that the SPD were fascists and even more dangerous than the Nazis, the KPD stated that, "a Social Democratic coalition government standing against a disarmed, divided and confused proletariat would be 1,000 times worse than an open fascist dictatorship which would be confronted by the proletarian masses united in class consciousness and determination to struggle."<sup>77</sup> As a result of this analysis, the KPD backed a 1931 referendum sponsored by the Nazi Party and the DNVP to oust the SPD from control of the Prussian state government on the grounds that it would be, "a great victory against fascism."<sup>78</sup> Only 37 percent voted for the referendum and the KPD was unable to win half its normal voters to back the referendum, indicating widespread disagreement among rank-and-file communists that collaborating with Nazis to oust their socialist cousins would be a victory against fascism.<sup>79</sup>

Instead of attempting to draw the SPD into a united fight against the Nazis, the government's austerity measures, and the attacks on workers' living standards by big business, the KPD aimed all of its fire at the SPD. To make matters worse, it destroyed whatever chance it had at influencing rank-and-file SPD members, many of which were dissatisfied at the passivity of their leaders, by claiming that the SPD was worse than the Nazis! The practical result of the KPD's actions strengthened the hold of the reformist leaders they so virulently denounced over the base of the SPD because there was no outside, organized political force to challenge the policy of the leadership and force its hand.

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<sup>76</sup> Tony Cliff, *Trotsky: the Darker the Night, the Brighter the Star*, (London: Bookmarks, 1993), 146.

<sup>77</sup> *Ibid*, 110.

<sup>78</sup> *Ibid*, 114.

<sup>79</sup> *Ibid*, 115.

Although it may seem unrealistic in hindsight that the KPD could have formed a united front with the SPD against the Nazis (especially given the KPD's verbal attacks on the SPD), it should not be forgotten that the KPD did organize a number of united front actions in the early 1920s, shortly after the Communist International of the time realized that the majority of the working classes in Western Europe were not on the verge of becoming revolutionary and that the task at hand was to organize and participate in defensive battles against attacks on workers' living standards. By calling on the SPD to fight together for popular and common aims – for economic demands like wage increases or political demands like disarming right-wing military units – the KPD put the SPD's leadership in a difficult political position. Rejecting the communists' offer would lead to increased rank-and-file dissatisfaction by SPD members and increase the likelihood that they would abandon the SPD for the KPD as the ones who were serious about fighting for workers' interests. Accepting the offer would lead to strikes, demonstrations, and the possibility of winning the demands, the credit for which would go to the communists for initiating the action and prodding the reformist leaders to join them. By 1923, the KPD had significant and in some areas decisive influence in what were nominally SPD-led unions, local committees, and factory councils that formed in response to the economic crisis of 1923.<sup>80</sup>

The point is that the KPD could have pursued a similar united front strategy to combat the government's austerity measures and the extreme right in the 1930s. Given the profound political crisis of the German elite, the radicalization of millions, and the dissatisfaction by rank-and-file members of both the KPD and the SPD at the passivity of their party leaders, the basis for successfully pursuing a united front strategy existed. The problem was that this basis was

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<sup>80</sup> See Pierre Broué, *The German Revolution*, (Chicago: Haymarket Books), 715-720.



never tested in practice by its implementation. Similarly, an army with the best equipment and best training is worthless if it is never tested in battle.

As a result of the passivity of the German left, the working class was hopelessly divided between the confrontation-averse SPD and the sectarian KPD at a time when German big business was striving to decisively and permanently alter the balance of class forces in its favor by scrapping the Weimar Republic. While it is impossible to definitively say that Hitler would have been stopped had the German working-class left united, it is possible to say that failing to unite made his victory all but inevitable. The price paid for this failure was incredibly steep, not only for the German people, but for the people of Europe and the millions of Holocaust victims as well.

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