

The editor of *Arbeiterpolitik*, organ of the German Communist opposition, who lectured in England as an exchange professor before the War, gives American readers an unbiased analysis of the significance of the German elections.

# The Real Trend in GERMANY

By AUGUST THALHEIMER

MR. H. R. KNICKERBOCKER wrote a series of articles on Germany discussing whether or not the four billion dollars of American capital invested there were safe. I will not write from that standpoint, which is of paramount importance to the owners of these billions. In the first place, I hazard the guess that the overwhelming majority of the American people themselves have nothing to do with these billions. Secondly, I presume that the political history of Germany does not have such great respect for these billions that it will base the direction of its development on whether or not they are safe. The history of Germany will be decided very much more by the forces at work in the country itself.

The great mass of the American people has an interest, above all, in becoming acquainted with the political situation and tendencies in Germany as they actually are, uninfluenced by any special interests. The inferences, from the point of view of this or that class of the American people, will then

be easily drawn. One people can learn from another. The problems facing the American people are, to some extent, similar to those confronting the German people, though they are not entirely the same. Both countries are being shaken by a great economic crisis. The economic structure of both countries contrasts with that of all other lands in that its industry and banking system are concentrated in the highest degree in mammoth enterprises. One important difference, however, is that American capital has much greater reserves than German. The United States was the chief victor in the World War, and Germany the chief vanquished power. In this respect the two countries represent opposite poles.

However, just this situation is responsible for the fact that present political developments in Germany forecast some important trends in America. The narrow base upon which the economic and political forces of Germany move and the limited reserves at Germany's command are causing the

political system to develop in the sharpest and most concentrated form and at the most accelerated tempo. Naturally, German history can forecast only some, not all, of the basic trends of American history, nor can it throw light on specific details. But the basic trends that it can forecast should be of no less interest to those intelligent American readers who want to look beyond the immediate present and beyond the borders of their own land than the probable fate of the American capital invested in Germany. And, finally, the owners of this capital could also profit by studying German conditions, because the future of their investments in Germany is tied up with the general history of the country.

**T**HE present political situation and forces in Germany are brought into bold relief by the votes cast in the presidential elections of March 13. Three main groups took part in the elections. The first was represented by President Hindenburg. The second was represented by Hitler, leader of the National Socialist Party, and by Düstenberg, candidate of the German National People's Party and of the Stahlhelm. The third was represented by Thälmann, the candidate of the Communist Party.

The dominant power in the first group is the army, as represented by its generals. Its leaders, next to Hindenburg, are Generals Groener and von Schleicher. Groener was the recent Minister of the Interior and for Defense. General von Schleicher plays a leading rôle in the Defense Ministry. These generals and their immediate military circle are not newcomers to German politics. They played prominent political rôles, sometimes openly, sometimes behind the scenes, during the World War and in the Weimar Republic that succeeded the Empire in 1918. They

include a substantial portion of the politico-military staff of the former 'Headquarters.'

Behind them are arrayed the parties that have supported the Brüning Government. The most important of these are the Centre, the political party of the Catholics, to which the Chancellor of the Reich himself belongs; and the Social Democratic Party and the trade unions and other large organizations politically allied with it. The dominating force in the Centre is the Catholic clergy, which is remarkably well organized and has exceptional political training and experience. The Social Democrats, up to now, have controlled the principal ministerial positions in Prussia. All these groups welded the various organizations politically affiliated with them into an 'Iron Front' for a fight against Fascism.

The most important of these organizations are the free trade unions, with over five million members, and the various workers' sport clubs, which have several million members. The Centre Party is also politically affiliated with certain mass organizations, of which the Christian trade unions are the most important. Along with the Centre and the Social Democrats, all the smaller parties—the bourgeois Democratic, Liberal, and Conservative parties, which have supported the Brüning Government—are supporting Hindenburg. These parties, however, are only fragments to-day. The Democratic and Liberal parties, which used to be strong organizations in Germany, are now dying. The middle classes, as well as the petty bourgeoisie, in the past two years have largely deserted these parties, which once had a large membership drawn from the bourgeois classes.

The rapid and violent collapse of these parties reveals the depth and sharpness of the political crisis in Germany. The same condition can also

be seen in the fact that none of the parties and organizations that are still supporting the parliamentary Republic nominated any candidate of their own for president but that they all lined up behind the general of the national army. Field Marshal Hindenburg and his generals, however, have never pretended to be Democrats, Liberals, or Social Democrats. Hindenburg, in repeated and solemn statements, stressed the fact that he did not consider himself a party man and that he would not permit himself to be politically bound by the parties that chose him as their representative. In this reservation Hindenburg was absolutely open and unequivocal. On the other hand, the parties that placed themselves behind Hindenburg have tried and are trying to gloss over this clear situation. That is understandable. No political party likes to admit publicly that it is surrendering, that it is committing political suicide. That, however, is the fact.

The parties that have supported the Brüning Government have renounced their own political character and political entity. It is one thing for a political party to select as its candidate a general bound to its orders and quite a different thing for it to support a general who openly announces that he is not bound to any party but only to 'his God, his conscience, and the Fatherland.' The monarchs of Germany in the past used a similar formula. Indeed, the President of the Reich in recent years has acquired power that is much greater and less limited than that possessed by Wilhelm II. He has acquired this power not against the opposition of the parliamentary parties, but with their help and approval.

The Reich Government to-day is virtually independent of parliament. The Reichstag is only a shadow. It is still called together now and then for a few days to give its approval to blanket laws that the Government decides upon

through 'emergency decrees,' quite independently of parliament. On the other hand, the Government has become completely dependent upon the President's good faith. In the Government itself the greatest power is concentrated in the Reich Minister of the Interior and for Defense. Brüning, the Chancellor, has long ceased to be the leading figure in the Government. The real governing power in Germany is composed of the leaders of the national army.

**T**HE second camp to participate in the presidential elections is that of the Fascists. The leading force here is the National Socialist Party, generally called 'Nazis' for short. Their candidate was their leader, Hitler. This party to-day has a membership of 900,000, according to its own statement, whereas in the fall of 1930 it had only 300,000 members, and it has a strictly disciplined semi-military organization of 400,000 men led chiefly by former officers. In the past two or three years the National Socialist Party has made unexampled progress. Most of its members are petty bourgeois whose poverty has driven them to despair. But the 'Nazi' ranks also include workers who have lost faith in the ability of the Social Democratic or the Communist parties to help them. In addition, a large portion of the membership consists of bourgeois and petty bourgeois young people for whom there are no jobs. But the real leaders and organizers of the movement are not in public view. The real leading staff of the National Socialists consists predominantly of former young officers of the old army, who in the years of open civil war from 1918 to 1923 received their political training and experience in the camp of the counter revolution. Hitler is the dominant agitator and the representative of the party most in the

public eye, but he is controlled by the above-mentioned circle, which hardly ever appears publicly.

Minor forces in the Fascist camp include the German National People's Party, led by Hugenberg, and the Stahlhelm, led by Von Seldte and Düsterberg. The Stahlhelm is not a political party in the strict sense of the word, but a semi-military union. The German National People's Party and the Stahlhelm represent the 'better class' of Fascists, while the National Socialists represent the plebeian elements of the movement. The German National People's Party and the Stahlhelm are the connecting links between the Nazis and the leading circles in industry, the banks, large landowners, and so on. In the Fascist camp the National Socialists enjoy political superiority by a wide margin. They control the political and politico-military organizations. The social advantage, however, is on the side of Hugenberg because his party plays the rôle of intermediary and enables industries, banks, and large landowners to find an outlet for their social interests within the Fascist movement.

The National Socialists, the German National People's Party, and the Stahlhelm were not able to agree upon a common candidate for the presidential elections; that is, the German Nationalists and the Stahlhelm were not prepared to recognize the hegemony of the National Socialists. The block formed previously by these three sections of the Fascist movement, the so-called 'Harzburg Front,' was broken.

The third camp in the presidential contest was the Communist Party. It put up Thälmann as its candidate for president. It must be kept in mind that the Communist Party hoped to attract some Social Democratic workers who did not relish voting for Hindenburg.

The election was conducted with great energy by all the contestants.

The government used its position unscrupulously, forbidding the use of the radio to everyone except Hindenburg and Brüning. Most of the leading figures in the government worked for Hindenburg in the election. The results were as follows. Hindenburg received 18,660,000 votes, or 49.6 per cent of the total number cast. Hitler 11,340,000 votes, or 30.1 per cent; Thälmann 4,980,000 votes, or 13.2 per cent; Düsterberg 2,560,000 votes, or 6.8 per cent. Hindenburg thus received almost a majority of votes.

**WHAT** do these results signify? If one is to believe all the big bourgeois-liberal and Social Democratic newspapers, it means that Fascism is defeated, that it has already reached its zenith and will now be on the downward path, and that the German people in this election decided for political stability as against extreme left or right.

I should like definitely to warn against these opinions as merely the usual self-deceit of the liberal middle class and of the Social Democrats allied with it. If this opinion were correct it would certainly be very reassuring to the owners of the billions of American capital invested in Germany. But it is not correct. That is evident from a whole series of computations and facts whose significance everyone admits. The most important facts that throw light on the present political situation in Germany and on the immediate future are the following.

In the first place, although Hindenburg received almost an absolute majority, that does not mean that the parties which supported the government command a majority. Rather, it is easily proven that these parties no longer are supported by a majority and therefore that the Brüning Government no longer controls a parliamentary majority. An intelligent Social Democratic

writer, George Decker, estimates in *Vorwärts* that about four and a half million people voted for Hindenburg on March 13 solely because of their high personal regard for him, but that these voters in an election in which the parties appeared separately with their own lists would have voted Fascist. This estimate certainly is not used against the parties which supported the Brüning Government. If one accepts this figure, however, we find that the parties in question received only about 14 million sure votes, and their opponents 23 million!

In the second place, the Fascists were unsuccessful in immediately receiving a majority and, with it, control. They are, however, by no means beaten. Since the Reichstag elections in the fall of 1930 they have made tremendous advances. In 1930 the National Socialists received 6,500,000 votes; now they have received 11,300,000, almost twice as many. To-day they are by far the strongest single party in Germany. Every third voter in Germany is a Fascist. In the agricultural districts of Pomerania, Lower Silesia, and East Hanover, Hitler and Düsterberg received more than 50 per cent of the votes cast; in other words, an absolute majority. They have also made great advances in the important industrial districts. In Greater Berlin the National Socialists received, 665,000 votes, or about as many as the Communist Party. In Upper Silesia the National Socialist vote rose from 63,500 on September 14, 1930, to 185,000 in the presidential election. In the Ruhr, in the same period, their vote increased from 195,000 to 363,000. In the Saxon textile district around Chemnitz and Zwickau their vote rose from 264,000 to 410,000.

In the third place, the direct result of the vote is the strengthening of the authority of the group represented by Field Marshal Hindenburg. What

group is this? None other than the leaders of the army. But does this group offer any kind of guarantee that it will not allow the Fascists to get into power? The Social Democrats spread the illusion that it does. That this is an illusion, however, is attested by clear facts. Back in February, the group around Hindenburg attempted to build a government including the Fascist parties. Their effort failed just before its completion because the three sections of the Fascist group could not agree on the division of the government posts. In other words, the leaders of the German National People's Party and of the Stahlhelm were not ready to submit to the Hitler group. As a result, the generals were not ready to hand the whole government machinery over to the Fascists, as the latter asked. Furthermore, the leader of the Centre, Prelate Kaas, made an important declaration to the effect that he was ready to allow his party to merge with a larger group but that this offer was not for the Third Reich. That the Centre Party, which has a very old tradition and exceptionally strong discipline, which was the leading government party in the past year, and which now has a greater influence over the Catholic portion of the population than it has had at any previous time in the recent history of Germany—that this party should make such an offer is most astounding.

What does this declaration signify? How is it to be explained? The position of the Centre, which up to now has been dominant, has been undermined from without and within. The great influence of this party was due to the fact that it held the balance of power between the parliamentary right and left. But the bourgeois parliamentary parties to the right of the Centre Party, like the Democratic and Liberal parties of the middle class, were shattered by the blows of Fascism. They are now

only pitiful ruins. Thus the Centre has lost its rôle of arbiter.

In the Centre Party, however, pro-Fascist tendencies are increasing. This is especially true of the Catholic clergy, which forms the actual backbone of the Centre Party. The mediæval traditions of the Catholic clergy bring them close to the Fascist concept of the corporate state. These tendencies are supported by industrialists and large landowners who also belong to the Centre Party. This development has progressed so far that the Catholic clergy is already prepared to give up the political influence it has in the Centre Party and join the Fascist parties—with the proviso that the Fascists guarantee and augment the privileges of the Catholic Church. The Catholic clergy is waging an obstinate fight to insure these privileges, but the issue is not yet settled. These facts throw much light on the depth of the political crisis that is shaking Germany. The vote for Hindenburg represents only a passing incident in the development of this crisis, not a settlement or a turning point.

The present political situation in Germany may be summed up in the following sentence: the mainstays of the present government in Germany, the generals of the army and the Centre Party, are already prepared to admit the Fascists into the government but are not yet ready to submit to them completely.

**I**T is obvious that it is only a short step from this situation to a recognition by the leading groups of Fascist hegemony. The most important forces making for this step are three. First, the National Socialists have established their superiority over the other tendencies and organizations of Fascism. Secondly, conditions are favorable to the further strengthening of Fascism.

Thirdly, the mass of the working class is not taking up the fight against the generals of the army and the Fascists.

As far as the first point is concerned, the presidential elections already indicate an important tendency of the two other Fascist groups toward domination by the National Socialists. Moreover, the National Socialists have by far the strongest party machine. Their party organization in the fall of 1930 had 300,000 members. It now has over 900,000. This organization has an almost military discipline.

As regards the second point, no developments have as yet occurred which would reverse the rising tide of Fascism. Such developments would be a quick ending of the economic crisis and a speedy improvement in business that would distinctly and noticeably improve the conditions of the masses. Such a development, however, is not in sight and there is no indication that it is near at hand. Rather do all the facts indicate that the economic crisis will linger for a long time and that an improvement, when it does come, will take place very slowly and to a limited extent. Perhaps the period of the collapse of large industrial firms is not yet over. The balance sheet of the Steel Association, the great German steel and iron trust, is by no means favorable, and all critics who are at all unbiased agree that actually the balance sheet is much worse.

Brüning and Dietrich, the Minister of Finance, have repeatedly pointed out that a whole array of large industrial firms are kept above water only with the aid of the government. The exact nature of this aid is not publicly known. The fact that the government has refused to make it known even to a large parliamentary committee is sufficiently significant. The deficit of the Reich was last given out by the government as 1,160,000,000 marks. For Germany this is a very considerable

figure. Taxes, however, are so high that they cannot be raised any more. A whole series of increases in taxes lately has led to such enormous decreases in the consumption of the articles taxed that the total tax receipts declined. The favorable trade balance and exports are declining. Gross industrial production in the last boom was estimated by the Institute for Economic Research at 7,500,000,000 but in January 1932 it amounted to barely three billions. Production has shrunk almost to the 1897 level. A further reduction in wages and a further lowering of the state's expenditures for the relief of the unemployed are in prospect. Under such conditions only those with illusions can expect that the Fascist tide will recede, and it is obviously a stupid error to assert that it is now falling back.

Another factor that could swing the balance against Fascism would be for the present Government to bring about a decisive change in German foreign policy. The question of reparations stands out prominently here. But the Brüning Government is still confronted by the same dilemma that it has faced during its whole existence. If it grants the political concessions demanded by France from Germany in return for the large loan without which the latter apparently is unable to emerge from the economic and financial crisis, then the Government would be swept out by an assault of the national opposition, although the latter would be ready,

after seizing power, to make the same concessions. If the Brüning Government, however, does not make these concessions, the economic and financial conditions will continue to become worse and the leading industrial and financial circles will rely more and more on Fascism to put through even more drastic measures than the present Government dares to attempt.

An energetic attack by the mass of workers could fundamentally change the situation. Facts, however, show that there is as yet no likelihood of any such offensive. The majority of workers have placed themselves under the leadership of Social Democracy and of the generals and expect from them the saving of whatever still remains of the parliamentary republic. That portion of the working class which is ready to take an independent fighting position and which gathered around the candidates of the Communist Party has since the fall of 1930 hardly increased absolutely, and in comparison with the National Socialists has fallen back.

The whole conclusion to which all the facts I have mentioned lead is the exact opposite of that now generally current in Germany. My conclusion is that the political crisis in Germany is in no wise ended or improved but that it faces a further deepening and sharpening. The presidential elections have produced only a short, temporary breathing spell that has not changed the general, fundamental trend of the political situation.