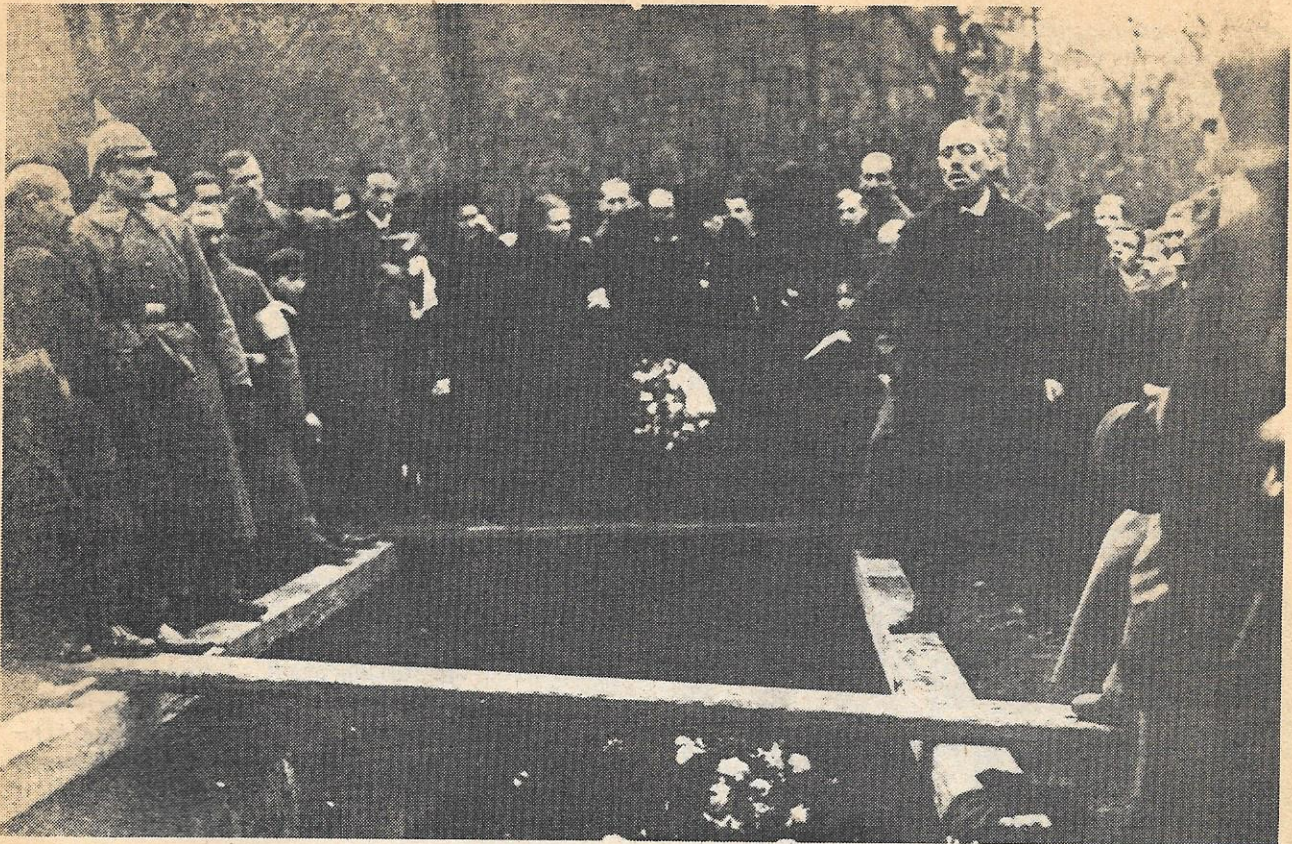


The Freikorps, used as military surrogates by the bourgeoisie to attack and assassinate communists and revolutionary workers, were organized in 1918 to drown the revolution in blood through a reign of white terror.

Germany in the 20s, U.S. in the 80s?

WEIMAR GERMANY: A Declining Imperialist Power's Road to Fascism

by Mark Steele



Karl Liebknecht, great leader of the newly-organized Communist Party of Germany, standing over the graves of revolutionary martyrs murdered by the fascist Freikorps during the 1918 revolution. A few days later, he too would be murdered by them.

The first imperialist world war of 1914-1918 was the inevitable outcome of the struggle of a handful of imperialist countries for the redivision and domination of the whole world. As Lenin said, **"It was waged in order to decide which of the small groups of the biggest states—the British or the German—was to obtain the opportunity and right to rob, strangle and exploit the whole world."** (Speech at the Second Congress of the Communist International." *Lenin Collected Works*, Vol. 31). The incredible carnage of the first imperialist world war—leaving millions of Europeans dead in battle, disease and starvation—ended in Germany's defeat, with the formal end of the war coming on June 28, 1919, the date of the signing of the Versailles Treaty.

The predatory peace of Versailles strangled Germany. The treaty assessed all "war guilt" to it, divided up its colonies among the victor countries and forced Germany to grant "most favored nation" terms of trade to England, France and the U.S. for five years. The Versailles Treaty limited the German army to 100,000 men with no reserves and abolished the air force and navy.

Germany also lost 25,000 square miles of territory in Europe, with France occupying the highly industrialized Rhineland for 15 years. In raw materials, it lost 65% of its iron ore reserves, 45% of its coal, 72% of its zinc, 12% of its principal agricultural areas and 10% of its industrial establishment. The bloodthirsty

victor nations also demanded that Germany pay reparations for the war in cash and kind amounting to millions upon millions of marks.

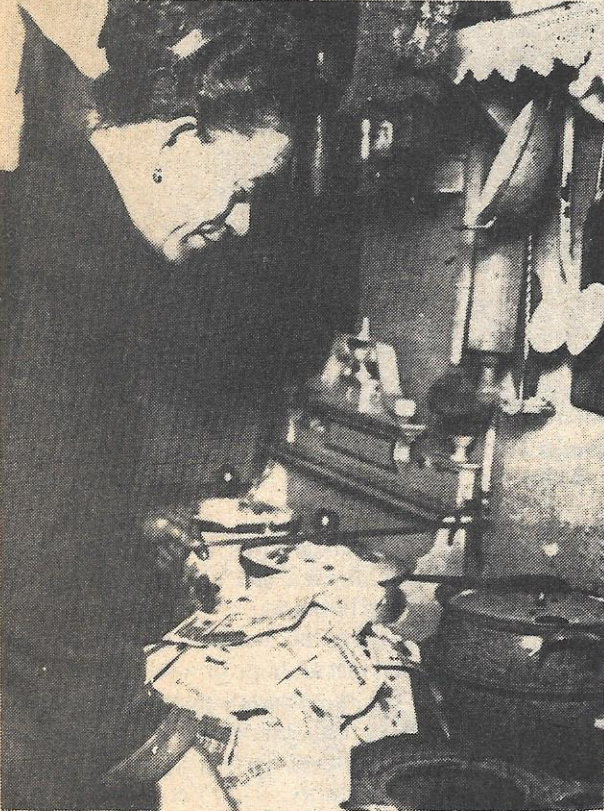
Thus Germany, once the number one industrial power in Europe, had lost all hope of world hegemony and the Versailles Treaty—also an attempt by Britain, France and the U.S. to transfer their crisis to Germany after the war—made it almost impossible for Germany to regain economic stability. The Versailles Treaty imposed such terms that Germany—now a declining imperialist power—was reduced to a state of colonial dependency, poverty and ruin. On the other hand, the victorious imperialist powers—Britain, France and the U.S.—consolidated their hegemony over the world.

THE DEFEAT OF THE GERMAN REVOLUTION BY THE BETRAYAL OF THE SOCIAL DEMOCRATS

In the wake of the war a revolutionary situation swept Europe from 1918 to 1923, giving rise to the October Socialist Revolution in Russia and leading to the German working class seizing power in 1918 and establishing a republic.

In November 1918, when the German Workers' and Soldiers' Councils were supreme in the country the German capitalists lay helpless before them. But the newly-formed Communist Party of Germany was un-

able to assume leadership and the Independent Socialists—one of the groups participating in the revolution—capitulated to the revisionist German Social Democratic Party to set up a council of people's commissars over the soviets. The Social Democrats up to very day of the revolution were part of the ruling government, holding cabinet posts in the bourgeois regime. Killing the revolution from within under the name of "democracy," they disarmed the workers, restored the old system, put capitalists in cabinet posts and organized the officers of the German imperial army into a white guard.



A German housewife during the early 1920s period of hyperinflation burns worthless money to cook her breakfast.

“The inflation explosion made all traditional ideas about money absurd.”

FREIKORPS USED AS MILITARY SURROGATES BY THE BOURGEOISIE

In the 1918 Revolution, with the collapse of the regular German Army, representatives of the German bourgeoisie like Gustav Noske, using chauvinist and anti-communist rhetoric, recruited an irregular army—the *Freikorps*—to fight the communists. Made up of veterans, backward unemployed workers and lumpen proletarians armed and organized into military units, they acted as surrogates for the bourgeoisie, ambushing and assassinating communists and revolutionary workers.

Workers' revolts led by communists broke out in city after city in Germany during 1919. In January workers rose up in Berlin entrenching themselves in the Spandau section where the munitions factories were and occupying the main newspapers. After bloody battle, the *Freikorps* retook the positions and massacred communists and other workers on the spot. As communist-led revolts broke out in central Germany, in the west and again in Berlin in March, the *Freikorps* would be sent in again to drown the revolution in blood through a reign of white terror. The *Freikorps* was especially effective in picking out and murdering communist leaders, kidnapping and assassinating Karl Liebknecht and Rosa Luxembourg, leaders of the newly-formed Communist Party of Germany, on January 15, 1919. For these monstrous crimes, the Social Democratic government of Ebert and Schiedemann (Karl Kautsky, the infamous renegade and revisionist, was deputy foreign minister) sentenced the assassins to two years in prison, declaring one of them "insane" and convicting the other for "leaving his post without being properly relieved."

After crushing the revolution and supported by Allied arms and money, the Social Democrats, left liberals and Catholic Center, which before had been permanently relegated to the opposition bench, now became the government.

Social Democracy because of its mass base among the workers became the main weapon of the German capitalist class after the war in breaking the workers' resistance. The government headed by the Social Democrats throughout the period of the Weimar Republic actually allowed the fascist movement of Hitler to grow and discouraged all resistance to Hitler by the working class. The roots of the fascist victory 15 years later lay in the defeat of this revolution of 1918 and the central role played by the German Social Democratic Party in betraying the revolution and propping up the Weimar Republic.

THE EXPLOSION OF INFLATION IN 1923 IN GERMANY

The post-war crisis that swept the capitalist world hit Germany the hardest. Being a declining imperialist country, the crisis came home much faster for



The inflation of 1923 made workers' paychecks worthless and brought on food riots in the cities as workers refused to starve. Above, police clear a Berlin street after looting in 1923.

Germany. Deprived of its colonial possessions, there was no way for Germany to export its crisis. The economic basis to continue bribing the leadership of the German Social Democratic Party which had served to strangle the working class and defeat the revolution of 1918 was now non-existent.

Beginning during the war, inflation had reduced the German mark, before valued at four to the U.S. dollar, to 75 to the dollar by 1921. Then in January 1923, on the pretext that Germany was 100,000 telegraph poles short in deliveries, the French army occupied the Ruhr. Germany's most industrialized region was completely shut down overnight, with the ruthless French occupiers often resorting to opening fire on the workers with machine guns to establish order.

The French occupation of the Ruhr caused the complete collapse of Germany's currency. Since the war, unlike England's taxation policy, inflation was the policy of the German capitalist class to push the burden of the crisis onto the backs of the German people. With the occupation of the Ruhr the government was forced to pump enormous sums of money into the economy to keep it going. Mounting expenditures were met by printing more currency. Prices began to double, then triple. The mark fell to 10,000 to the dollar and then 50,000. The mark was soon to become worthless, cheaper to write on than scratch paper.

By mid-1923 German economic life was grinding to a standstill. On November 23, 1923 inflation reached nightmare proportion. The mark's worth had plummeted to 4.2 trillion to the dollar. Larger and larger bills began to be produced. According to Pool, "More than 300 paper mills and over 2,000 printing presses were operating on a 24-hour basis just to supply paper money, most of which had printing on only one side." (*Who Financed Hitler?*, J. & S. Pool, p.67) Banks no longer bothered to count million-mark notes, but weighed them in bundles or measured them with rulers. Prices soared a whopping 55 billion percent.

Wholesale Price Index From Mid-1914 to November 1923

July 1914	1.0
January 1919	2.6
July 1919	3.4
January 1920	12.6
July 1921	14.3
January 1922	36.7
July 1922	100.6
January 1923	2,785
July 1923	194,000
November 1923	726,000,000,000

INFLATION NIGHTMARE TO PEOPLE BLESSING TO CERTAIN CAPITALISTS

The inflation explosion made all traditional ideas about money seem absurd. While real wages dropped by 25% workers were paid millions of marks per week and had to carry their money home in shopping bags. As the value of the currency dropped daily, workers were paid five times a week; and wives would stand at the factory gates to get their husbands' checks and rush to buy groceries before prices went up. Beggars were throwing away 100,000-mark notes in disgust because they would not buy bare necessities. And according to Pool, "A woman who took a wicker basket full of marks to the vegetable stand to buy a few potatoes sat the basket down and turned her back for a few moments while standing in line; when she turned around again the marks had been dumped on the sidewalk and the basket stolen." (*Ibid.*, p.67)

Hoarding became common as storekeepers would hold back goods to wait for higher prices and fat profits. Farmers refused to bring food into the cities to sell for worthless pieces of paper. People starved in the cities, with malnutrition and scurvy written into the faces of children grown old before their time. In desperation, people took to the streets in food riots and groups of workers marched into the countryside to loot farms.

As buying and selling with currency broke down, people reverted to bartering. Shoe factories paid their workers in bonds for shoes negotiable for other goods. With two eggs one could get a regular theatre ticket and a few ounces of butter could bring a pair of pants or shoes.

Inflation also had a devastating effect on housing. While the rents on old apartments were fixed by law, the rents on new ones were exorbitant. And the inflation explosion caused existing housing to deteriorate, as it cost a landlord a month's rent to fix a broken window. Many petty bourgeoisie who bought real estate and rented it out as a hedge against inflation were squeezed out. With rental income failing to meet the rising cost of repairs, many landlords went bankrupt. Houses were rationed and many families, to make ends meet, turned their homes into boarding houses.

Of course, inflation affected all classes. To be able to eat, petty bourgeoisie were forced to sell their furniture, jewelry, clothing and works of art as their savings were wiped out.

On the other hand, the inflation nightmare for the people was a blessing to certain capitalists. Inflation provided the conditions for certain German monopoly capitalists to concentrate capital and centralize their political power.

Big capitalists like Hugo Stinnes and large corpora-



The flourishing of decadent culture like the Berlin cabarets (above) typified the mindless live for today attitude gripping the masses as the inflation crisis shattered the old ideas.

tions with unlimited credit were able to accumulate vast holdings at little cost. Stinnes ended up owning over 1,500 enterprises as a result of the bankruptcy of many small businesses during 1923. A small factory, say, might be purchased for 50 million marks, payable in six months. When the six months had elapsed, the 50 million marks was hardly enough to buy an automobile. Thus certain monopoly capitalists found the inflation extremely profitable as mortgages were paid off, bonds retired, and debts wiped out with inflated marks worth only a fraction of their former value.

It was also during the 1924 crisis that the German monopoly capitalist Hugenburg centralized under his control Germany's media. Using the inflation, he bought most of Germany's daily newspapers, gained control of the country's radio networks and bought the UFA—Germany's film company. A secret supporter of Hitler, Hugenburg would later use his control over the media to make Hitler "respectable" and his name a household word.

INFLATION SHATTERS THE MASSES' OLD OUTLOOK

The inflation's effects were more than the collapse of the German currency. It had profound effects upon the behavior, values and morals of the German people which persisted right up to the time Hitler came to power. With the devastating inflation of 1923 people could no longer plan for the future. With savings wiped

out, with people losing their homes because they could not meet mortgages, everyone lived for the present. Bourgeois respectability disappeared and many people co-habitated and had "illegitimate" children, once unthinkable in Germany with its strong feudal tradition. Because of the impossibility of making marriage economically secure marriage itself disappeared. Families broke apart as each member thought of his own individual survival. Often young girls were forced into prostitution so their brothers, younger sisters and parents could eat.

A sort of mindlessness gripped Weimar Germany with widespread disorientation as the old order collapsed. Members of the German petty bourgeois class—professors, civil servants, doctors, etc.—once a strong conservative force, were now reduced to mere beggars in the streets of Berlin. People wandered in the streets from day to day throughout the city and at night tried to lose themselves in the cabarets, indulging in all manners of pleasure-seeking. As one observer put it, "It was an epoch of high ecstasy and ugly scheming, a singular mixture of unrest and fanaticism. Every extravagant idea that was not subject to regulation reaped a golden harvest: theosophy, occultism, yogism and Paracelsism. Anything that gave hope of newer and greater thrills, anything in the way of narcotics, morphine, cocaine, heroin found tremendous market. The shock of inflation had made people mistrustful of the past, immensely suspicious of the present, and pathetically ready to have hopes for the future. It was perfectly clear to them that new solutions were needed, equally clear that until such solutions should appear they could put their trust in nothing except the validity of their own sensations." (Alex DeJonge, *Weimar Chronicle*, p.104)

LEVER OF ECONOMIC CRISIS CAUSES MASSES' POLARIZATION BETWEEN COMMUNISTS AND FASCISTS

While disorienting the masses, the crisis also saw a massive upsurge in workers' resistance throughout Germany. Widespread strikes and street actions under the leadership of the German Communist Party broke out in many industrial centers and in Thuringia and Saxony the local governments came under communist leadership. Looting was commonplace in Berlin due to periodic food shortages. Workers in Hamburg rioted when they discovered that the local canning factory was using rats and cats to sell as preserved meat. The German Communist Party organized a para-military group and held mass demonstrations to counteract the Nazis' intimidation of the workers. With the Communist Party growing rapidly, the specter of the 1918 revolution was haunting the German capitalist class all over again. Under these conditions sections of the German bourgeoisie began to support the Nazis and other fascist groups who could combine patriotism and "socialist" anti-capitalist rhetoric to win the workers away from the communists.

In the early years following the war and the 1918 revolution, German military intelligence was clearly



Political disorientation shown during a Berlin rent strike. Note both communist and Nazi flags.

aware of the still-great danger of proletarian revolution. They knew that if the working class rose up under communist leadership, Germany's meager army in no way could break them. In 1919 the army began its search for a mass political party which it could develop as a patriotic alternative to the Communist Party of Germany. To this end Hitler began his political career on the full-time payroll of the *Reichwehr*, the military intelligence arm of the German government.

Hitler immediately began to pull contacts and funds together to develop his "German Workers' Party." Enlisting people like Ernst Hohnm, the military officer in charge of press and propaganda as well as directing the secret movement of weapons out of view of the Allied Control Commission, Hitler's first priority was the establishment of a daily newspaper. In December 1920, Hitler changed the name of his organization to the "Nationalist Socialist Party" and with money funneled in through the army bought a newspaper. Acquiring his own party newspaper, the *Volkischer Beobachter* (*Peoples' Observer*) Hitler set about intensifying his fundraising and recruitment drive. Hitler began his political campaign at a favorable time.

In the inflation crisis, Hitler's pleas for money from the German capitalists and petty bourgeoisie were listened to more carefully. Money began to pour in from various sources such as white Russians who wanted to restore capitalism in Russia as well as Germany's biggest industrialists such as Kirdorf and

Thyssen. The money pumped in built the Nazi paper into a daily.

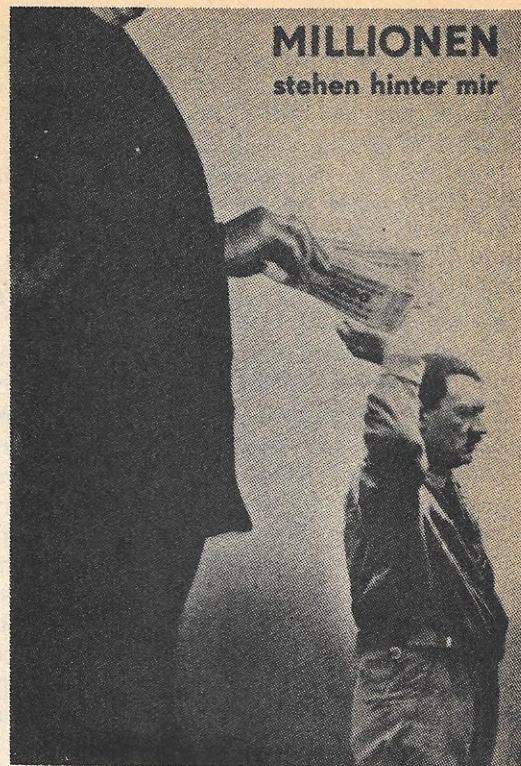
Hitler began to step up his demagoguery. Speaking on inflation, he said, "The government calmly goes on printing these scraps, because if it stopped, that would mean the end of the government. Because once the printing presses stopped—the swindle would at once be brought to light. For the workers would realize that he is only making a third of what he made in peacetime, because two thirds of labor go for tribute to the enemy." (*Who Financed Hitler?*, p.67) With this demagoguery Hitler was able to attack many disoriented people to the Nazi party, attacking the government—at the same time taking money from the capitalists who were benefiting from the policies of the government. Hitler's propaganda at this time played upon the disorientation of the German masses by his ranting against inflation and whipping up German chauvinism against the Versailles Treaty, the government and the humiliation of Germany by the Allies.

The Nazi party began to grow. In the fall of 1922 it had little over 10,000 members; a year later it had an estimated membership of 35,000 and over 200,000 supporters.

NAZIS SCAPEGOAT JEWS FOR THE CRISIS

Singling out a target for the masses' anger, the Nazis started a wave of scapegoating against Jews in Germany. Hitler screamed that they were responsible for the 1918 revolution and Germany's defeat and that class hatred served only their interests; they had sold their nation into the slavery of the Versailles Treaty. (*Who Financed Hitler?*, p.25) Booklets such as "The Protocols of the Learned Elders of Zion" which talks of an international Jewish conspiracy to dominate the world and the "International Jew" by the U.S. monopoly capitalist Henry Ford were widely circulated in Germany attacking the Jews for the crisis. During that period Hitler also organized his Brown Shirts to attack communists and hecklers at his meetings.

That the big industrialists who gave funds to Hitler in 1923 and onwards, however, meant by no means that they had as yet thrown their support totally behind only Hitler. Up to the crisis of 1929 the capitalists would distribute money freely among all anti-Marxist parties and groupings. Not until 1931 was all the money directed to the Nazi party for up to that time the tactic of the German monopoly capitalist was still to buy time with the false promises of the German Social Democratic Party. A high Social Democratic official of the Prussian government best summed it up in 1925: "The social democrats are the most effective defenders of capitalism. For they, better than anybody else, have learned the technique of explaining convincingly to the workers how it is not yet possible to take steps towards setting up a socialist state and why it is necessary to wait . . . a while longer."



"Millions Stand Behind Me". Hitler's connections with the big bourgeoisie included money and promotion through the media.

THE DAWES PLAN BUYS GERMANY FIVE YEARS OF TEMPORARY STABILIZATION

The temporary stabilization of European capitalism in the middle and late 1920s was achieved mainly with the aid of U.S. capital—at the price of the financial subordination of Western Europe to the U.S. The Dawes Plan, drawn up in the U.S. after the events in Germany in 1923, began to pour loans and credits into Europe to bolster and rebuild the already brittle European capitalism. This led to the relative stabilization of the situation in Germany from 1924 to 1929. But in no way did this influx of money lessen the inherent weaknesses in the German economy.

On the contrary, it intensified them. There was some relative improvement in the material conditions of the working class and an enormous expansion in a number of highly important branches of German industry (railroads, steel, shipbuilding, autos, textiles, electronics, and secretly, armaments). But precisely because of this expansion of some of the productive sectors, a no less gigantic expansion of industry would lead to an inevitable crash. Germany's economic restoration was built on and dependent upon U.S. money. Just as U.S. capital provided the economic base for the

rebuilding of German capitalism as well as the rest of Europe, so the U.S. crash of 1929 would as quickly provide the basis for its collapse.

Stalin described this negative side of the Dawes Plan and its effect on the German masses as such: **"The contradiction between the expansion of German industry and the shrinking of foreign markets for this industry, the discrepancy between the hypertrophied demands of the Entente and the maximum ability of the German national economy to meet these demands—all this inevitably worsens the conditions of the proletariat, the small peasants, office employees and the intelligentsia, and is bound to lead to an upheaval, to a direct struggle for the conquest of power by the proletariat."**

The recovery of 1924 renewed the strength of the Social Democrats. The influx of U.S. capital, plus the stabilization of the mark, which at least in appearance improved the situation, created the illusion that Germany's situation would continue to improve. It was on this illusion that German Social Democracy maintained its leadership in the *Reichstag*, Germany's parliament. In 1924 the Social Democrats gained 2 million votes while the German Communist Party and Hitler's party both lost votes.

GERMANY ONE OF HEAVIEST SUFFERERS OF 1929 CRASH

Of the advanced capitalist countries, Germany was hit hardest by the 1929 crisis. Being a declining imperialist power it had no colonies in which to export its crisis, get cheap raw materials or exploit cheap labor. The dominant imperialist powers—France, Britain and the U.S.—used their monopoly position to squeeze German products out of the world market. German capitalism, not only economically weak but internally unstable, was shaken from the defeat in the war, the rapacious Versailles Treaty, and sharpening internal class struggle.

The system was brittle. German capitalism, propped up by the U.S.' Dawes Plan, crashed when the U.S. demanded immediate repayment of loans in 1929. Germany's industrial production dropped by approximately half. Neither the U.S., Britain, nor France were affected so severely.

It is a matter of decisive importance whether crisis strikes an economically strong, socially and politically stable country or whether it strikes one which is already badly shaken, and therefore highly vulnerable. Unlike Britain and France, and especially the U.S., which possessed large foreign investments, Germany was a debtor country cut off from almost all opportunities to export capital or goods. When the crash came, the German bourgeoisie had nothing to fall back on and thus quickly found the situation rushing headlong towards catastrophe.

The number of registered unemployed in Germany rose from 1,320,000 in September 1929 to 3,000,000

in September 1930; it was up to 4,350,000 in 1931 and 5,102,000 by September 1932, with the actual number of unemployed much higher. Quickly the huge smelting furnaces of the German steel trust, capable of producing twice as much steel as England, stood useless, cold and still. Coal, no longer exportable, lay piled up around the mines while the unemployed miners and their families spent the winter freezing in unheated houses. During the whole period of temporary stabilization German farmers had been encouraged by the government to increase their production, but with the crisis in 1929 their crops could no longer compete on the world market. In order to maintain themselves and their families they began to borrow like crazy from the banks and mortgaged their farms. Within a short time the rate of interest doubled. Unable to pay the interest on their loans or the taxes on their farms, many went bankrupt. Foreclosures were common.

In this crisis the *Reichsbank*, Germany's central bank, lost almost 200 million marks of its gold reserves and foreign exchange in the first week of June and about 1,000 million by the end of the next week. The interest rate was raised as high as 15% without stopping the loss of reserves. On July 8 the Northern Wool Company in Bremen collapsed with debts of over 200 million marks; this pulled down the Darmstadter Bank (one of Germany's four largest banks), which had lost over 20 million marks in the failure of the Northern Wool Company. Many smaller banks soon followed and the government could find no means of preventing bank crashes other than proclaiming a bank holiday. Several banks were placed under direct state control and the flow of money halted. Wages and salaries were drastically cut or not paid at all.

Confronted with economic crisis, unable to pull together any sort of coalition to deal with the crisis or with the hundreds of skirmishes erupting all over the country, a faction of the German monopoly capitalists—the most reactionary, chauvinist, terroristic section of the monopoly capitalists—represented by Thyssen, Kirdorf and Krupp in desperation began to listen more attentively to Hitler's words that only strong leadership could hold society together and revive the economy. In the summer of 1931 on the recommendation of Thyssen, the *Ruhrlade* (a secret organization of the leading German bourgeoisie) made its first contribution to the Nazi party. From this time on all money was funneled into the Nazi party coffers, rather than just any of the many right-wing, anti-communist organizations.

It is clear that the contradictions between the various European capitalist countries had merely been suspended after World War I for a while and were bound to break out again even more intensely. The Versailles Treaty had placed the German economy in an even tighter straitjacket than it had been in before World War I. The causes of Germany's need to expand

had not been abolished. It was not a matter of choice that drove the German imperialists towards expansion, but the result of the irresistible economic need of capitalism to expand or die. By 1929, primarily with the influx of U.S. loans, the German industry had been modernized and rebuilt and was under heavy pressure to open up new markets for itself abroad; however, because of the constrictions of the Versailles Treaty, it was not even able to obtain pre-war foreign trade levels.

TO PREPARE FOR WORLD WAR, GERMAN BOURGEOISIE HAD TO ATTACK PEOPLE AT HOME FIRST

Thus, in order to get out of the profound economic crisis that struck the capitalist system in 1929, Germany had to prepare for world war. By the late 1920s Germany was back on top as the number one industrial power in Europe. But with the crisis, the other capitalist countries placed more restrictions on German exports, and new tariffs were placed on goods from Germany. Without colonies it became increasingly difficult for Germany to get raw materials. Using their monopoly position the U.S., France and Britain were out to kill Germany. The only way out of the crisis was war.

Germany's foreign policy had been formulated by Hitler in *Mein Kampf*: "The aim of German foreign policy today must be the preparation for the reconquest of freedom for tomorrow. . . . No consideration of foreign policy can proceed from any other criterion than this: Does it benefit our nationality now or in the future, or will it be injurious to it? This is the sole preconceived opinion permissible in dealing with this question. Partisan, religious, humanitarian, and all other criteria are completely irrelevant." Nakedly laying out the expansionist policy of all imperialists he wrote, "Since our own soil cannot possibly sustain the sum total of our population, we are forced to leave the inner circuit of our economy and adjust our production to the export market. . . . Not to overlook the fact that in importing countries industry is also slowly beginning to develop, so that geographically less favorably situated countries, as for example Germany, will one day have to reckon with difficulties in finding markets for their products. In addition, the outside world has succeeded in breaking down a number of German monopolies on the world market and is emerging as dangerous competition, thanks to the coercive restraints of wartime and as a result of the peace treaties and the extensive industrial espionage they produced and fostered. Finally, however, the economies of the outside world's great industrial states are backed up by those countries' political power. And the decisive factor in economic conflict in this world has never yet rested in the relative skill and know-how of the various competitors, but rather in the might of the sword they could wield to tip the scales for their business and hence their lives." (*The Road to Resurgence*, 1928)

Under the Weimar Republic a whole secret

economic planning office was set up controlled by the leading circle of the German bourgeoisie. Its main goal was to rearm and to replace the machines and property demolished by orders of the Allied disarmament commission. For example, property of the Krupp firm, worth over 104 million gold marks, was destroyed. At least 9,300 machines weighing over 60,000 tons were demolished; 801,420 gauges, molds and other tools, along with 379 installations such as hardening ovens, cranes, oil and water tanks, and cooling plants were smashed. The Krupp firm was Germany's principal armaments manufacturer and for that reason it was rebuilt through state monopoly capitalism. From 1924 through 1927 the emphasis was placed on planning and designing arms prototypes. When the Allied Control Commission pulled out in January 1927, German rearmament began on a large scale as factories were adapted for mass production. The budget of the army increased rapidly from 490 million marks in 1924 to 827 million marks in 1928. Emphasis in the 100,000-man army was to train them all-roundedly so as to have a developed officer core later when the army expanded.

But in order to go to war the German monopoly capitalists had to attack their own people and centralize their rule at home. In Hitler's words, "We cannot even dream of having an aggressive foreign policy unless we can count on solidarity at home." Thus they had to crush the rapidly rising resistance of the German working class. The German Communist Party, leading the massive Berlin transportation strike in 1932, was gaining in membership and influence. It was in this period that Hitler's growing Nazi party became the choice of the German bourgeoisie to smash the German Communist Party and break the resistance of the masses, establish fascism, and thus open the road to World War II.

The growing economic crisis saw widespread mass disillusionment in the Weimar government headed by the German Social Democratic Party. In addition to the high rate of unemployment, all the gains the working class had made were taken away. Hourly wages were slashed. Social legislation protecting the rights of the workers were wiped out. The total salary of the workers fell from 44.5 billion marks to 25.7 billion marks during the crisis of 1929, with the average unemployment benefits for workers being nine marks.

Mass political polarization again took place rapidly. As many workers became disillusioned, they deserted the Social Democrats and went over to the Communist Party, on the one hand, while the more backward elements went over to the Nazi party. Between 1930 and 1932 the Social Democrats lost 1,338,000 votes while the Communist Party gained 1,384,000. The Nazis also grew rapidly as all the other bourgeois parties rallied behind them. As Dutt said, "Only when the world economic crisis and the Brüning hunger-regime had exposed the final bankruptcy of all the promises of Social Democracy, only then Fascism



An anti-fascist Red Front demonstration led by communists in 1932. In the decade of the 20s, there were street fights between the communists and the fascists practically every day.

leapt forward in the headlong advance which was revealed at the elections of September 1930, in a vote of 6.4 million (against 8.5 million for the Social Democrats and 4.5 million for the communists).” (R. Palme Dutt, *Fascism and Social Revolution*, p. 137)

After repeated attempts by the communists to form a united front with the Social Democrats and other parties to fight the Nazis coming to power, the Social Democrats refused. They supported Hindenburg as president calling him the “lesser evil” as opposed to Hitler. In 1933, Hindenburg appointed Hitler as Chancellor.

GERMANY IN THE 1920s, U.S. IN THE 1980s

In summing up why the crisis was so profound in Germany and why they had to go towards fascism compared to the U.S., the bourgeois sociologist Martin Lipset said: “If you look at the 1930s, they were an enormous blow to our body politic and the economy—20-25% unemployment, bankruptcies everywhere and so on. We and the Germans were hit the most badly. The Germans, however, suffered from the fact that their political system had weak legitimacy and collapsed. People didn’t accept the Weimar Republic, and when an enormous crisis came they deserted to the right and the left. We, on the other hand, entered the 1930s with a very legitimate political system which had worked. People believed in it, so the

system was resilient, even though it had been hit a body blow. The German system was brittle. Now I’d say we’ve got a much more brittle system today. There’s less belief in the idea that, come what may, it’s the greatest system in the world. If a 1930s-scale depression were to hit us, which I don’t believe will happen, I think it would create more protest movement, radicalism, and organized discontent today, probably, than occurred in the 1930s. What I’m suggesting is this: Today, the American system is less legitimate in the eyes of people than it was, certainly at the end of the 1950s. Hence, there’s more need for it to work, to keep going than there was in the 1930s.” (U.S. News and World Report, January 7, 1980)



Jerry Tung, Party General Secretary, has said,

Fascism means the most direct and vicious attack on the masses ever and will take all the bourgeoisie's strength. If we can beat this back, and we are determined to, we can certainly move on to smash the bourgeois state. The murder of the CWP 5, the scapegoat tactics used against Iranians and the national redbaiting campaign against CWP members and friends are preludes to this approaching test of strength. This is the beginning of our countdown—people must get prepared.

Why is the U.S. bourgeoisie trying to impose fascism now? The General Secretary of the CWP, comrade Jerry Tung gave the answer in the Editorial of the Jan. 21 issue of the *Workers Viewpoint*:

“Besieged by crisis, and since halfsteps like the grain embargo only make things worse, the bourgeoisie is forced, consciously or unconsciously, independent of their will, bit by bit into a world war to redivide the world in order to conquer new markets and new sources of natural resources. But the fact is that the U.S. people will not tolerate a world war right now, nor are the U.S. imperialists ready militarily to enter an all out war with the Soviet Union. . . . This is the tight bind the bourgeoisie is caught in—driven towards war by the economic crisis at home, yet unable to go to war because of the opposition at home and the collapsing state of the U.S. industrial base. For the bourgeoisie, there is only one logical answer to this riddle—fascism at home. At present, the danger of world war and fascism is visibly growing.”

This is the larger context of why the CWP 5 were murdered, why the Greensboro 6 were framed, and why the Harlem apartments were raided by the FBI. All are attempts to eliminate the leadership of the U.S. people and instill fear in people's minds. In the same *Workers Viewpoint* article, General Secretary Jerry Tung continued on:

“Unable to contend with the Soviet social-imperialists, the U.S. can give up its superpower ambition, resign itself to being a second-rate imperialist. This would mean that the U.S. bourgeoisie has to give up the hope for another round of temporary stabilization of capitalism in the West and face the immediate prospect of proletarian revolution at home, Europe and Japan. But the U.S. must act instinctively, along its imperialist nature, to fight for world hegemony and thus maintaining its rule abroad and at home.”

The U.S. did not need fascism at home to fight the First World War and Second World War. They need it now if they want to fight the Third World War because

as Comrade Jerry Tung elaborated in the same Editorial:

The situation facing the monopoly capitalist today is qualitatively different from the one they faced in the 30's and 40's before World War II. Then, the U.S. was able to go to war, resort to Keynesian economics, without resorting to fascism at home—the extreme naked rule of the monopoly capitalists stripped of all bourgeois democratic dressing. But that was before the U.S. had irreversibly poisoned the economy with massive military spending and deficit-financing. That was before the rise of the third world countries who today, along with the second world imperialists, block the U.S. superpower from exporting economic crisis to their shores (as Iran and OPEC are doing). The bourgeoisie has only one option. But there is another important difference between the 30's and 50's and today, and here lies the great hope of the American people and the people of the world. Today, after Viet Nam, Watergate and the phony oil shortage, the U.S. people are more politically conscious than ever before. Shaken by the historic lever of economic crisis, the U.S. working class is waking up. And most decisive, today there is a party to lead the American people to fight for a bright socialist future—the Communist Workers Party.

Fascism means the most direct and vicious attack on the masses ever and will take all the bourgeoisie's strength. If we can beat this back, and we are determined to, we can certainly move on to smash the bourgeois state. The murder of the CWP 5, the scapegoat tactics used against Iranians and the national redbaiting campaign against CWP members and friends are preludes to this approaching test of strength. This is the beginning of our countdown—people must get prepared.

As the bourgeoisie themselves summed up, ‘1980 promises to be the most critical year in at least a decade—maybe the most critical year . . . in a half-century’ (*Business Week*, December 31, 1979).” □