

THE NEW DEAL IN EUROPE

BY
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ABOUT THE AUTHOR

Emil Lengyel was born in Budapest, Hungary, thirty-eight years ago. He studied economics and international law at the University of Budapest, where he received the degree of Doctor of Laws. He took part in the World War, was taken prisoner by the Russians and sent to Siberia. After the war he became a journalist in Austria, where he was a co-editor of the *Ungarische Rundschau*. The languages he learned in Russian captivity have stood him in good stead, as he now writes in English, French, German, and Hungarian.

In 1921, Dr. Lengyel came to the United States, and since then has regularly contributed articles on political and economic subjects to the leading magazines of the country. At the same time he has interpreted the United States for European readers. His own most recent books include *Hitler*, a biography of the Nazi leader, a brilliant contribution to the understanding of the man and his movement; and *The Cauldron Boils*, a scholarly discussion of the problems of Eastern Europe. Dr. Lengyel is also a lecturer of note.

NEW DEAL—OLD DEAL

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I

THE NEW DEAL

THE revolutionary period upon which Europe entered after the World War has been different from that inaugurated by the French Revolution. The great social upheaval of the late eighteenth century was directed against a tyrannical ruling house and a parasitical aristocracy. A new social force broke through the established order and after decades of hectic wrangling the "Third Estate" of the *bourgeoisie* finally took over the responsibilities of government.

The key-note of Europe's new revolutionary movement was sounded by Italy's dictator, Benito Mussolini: "The method of capitalistic production is vanquished, along with the theory of economic liberalism."

Three of the most populous countries of Europe have now joined the New Deal parade, representing nearly two-thirds of the population of the Continent. What is Europe's New Deal? Let it be plain at the outset that in our discussion the term is not used in a sense either of praise or blame. New Deal countries mean here merely those that have left the crowded highways of past history, and are striking out for new goals. Have they a common characteristic? Can Stalinism and Hitlerism even be named in the same breath? May Bolshevism and Fascism, differing diametrically as they appear to do, both be called New Deals?

Before answering these questions, we must glance swiftly at the backgrounds of the three main New Deal movements in Europe. Let us also see in what direction they are headed.

Russian Bolshevism is the direct offspring of medieval dictatorship by the grace of the Almighty Czar. From one extreme the vast empire went to another, its great body tormented by an obscure disease. The revolt was engineered by a handful of zealots, whose genius of will and energy overwhelmed the inert mass of Czarist police. The battle of the New Deal was hailed in Russia with the cry: "We want peace and land!" The régime's enemy is the rich, the despised and hounded "kulak." The goal is a Communism where all means of production are owned by the State, in which forward thinking and planned management are expected to do away with economic and social chaos.

In Germany, the basic cause of the radical upheaval was the humiliation of a great country that boiled with rage at the iniquities committed against it by the peace treaty. From the war defeat the Hitler régime drew strength to swell it to enormous proportions, sweeping away the New Deals offered by Socialists and Communists. In the nationalist awakening of reaction, the German masses were also demanding greater social and economic justice.

If the revolts in Russia and Germany can be accounted for by despair, where were the roots of Mussolini's Fascism? Italy fought in the World War on the side of the victors, and her army marched under a triumphal arch into the heart of Rome. The old shame of *Italia Irredenta* in the mountains of Tyrol was wiped out, and with the redeemed lands nearly all Italians were

united under the rule of the Eternal City. Is it more reasonable to suppose that Italy revolted against the victorious régime because nationalistic ambitions were not yet gratified by the peace, or because her industrial magnates feared the spreading radicalism in the valley of the Po? Perhaps truer than either would be to say that Fascism swept the country by capitalizing the glories of ancient Rome to reawaken Italy as a vital nation. From the country she was in pre-war days, broken up into loosely-joined regions, was to be created a land firmly bound by the patriotic ardor of its inhabitants.

Italian and German revolts are similar in their attacks on representative government, democracy and liberalism. "We are opposed to freedom," might be written upon the banners of both Mussolini's and Hitler's disciples. The two régimes hold the same views in their deadly hatred for the Communist Party. Both Signor Mussolini and Herr Hitler have claimed credit for averting what they call the danger of an extreme creed invading Western culture.

Can one properly speak of a New Deal, where the main aim of a country's effort is to destroy the freedom of man? Our fathers considered liberty the most valuable contribution of human genius to our civilization. Shall we forget that our nights could be made light as day by the flames of the stakes at which mankind's martyrs have died for freedom of thought and speech? Can we forget that the gallows of those who have died for human rights could girdle the globe? Instead of describing such movements as New Deals shall we not rather speak of a relapse to barbarous standards of thoughts against the trend of the times? Should we not

Speak of the dictatorships as retrogressive forces which must be overthrown before we may go forward again?

Look at Benito Mussolini in the early days after his march on Rome. How he cried out against the Socialists with whom he had been associated until a few years before. Or look at Adolf Hitler, Chancellor of Germany, calling himself a National Socialist and yet preaching a crusade of hatred against the Socialists. Are they only the puppets of a handful of ironmasters and public utility kings, who have paid for their enthusiasm and are financing their parties? Is John Strachey right in his charge that in whatever form Fascism appears it is the handmaid of capitalism, a huge bluff to divert attention from real issues?

Have Italy and Germany, then, turned to Fascism in a desperate effort to stay the sun in its heavenly course? Are most of Europe's population trying to put the clock back? We may free Moscow from any such suspicion, as even the worst enemies of the Russian régime do not deny it is striving for an ideal of mankind, the equalization of living standards. The planning of production at which it aims is also conceded to be a step toward the perfection of man's economic machinery. What its honest critics contend is that these objects of Russian Communism are impracticable, or at least impossible in our days. They also say a régime with such high idealistic aims should not wantonly massacre those not sharing its views. Nevertheless, if Communism's objects could be realized, and if the present masters of Russia proved themselves fit to do it, it is admitted that mankind would have reason to sing Halleluiahs.

It is quite different with critics of Berlin and Rome. In Hitlerism and Fascism they perceive retrograde

forces and selfish efforts to resist the pressure of attempts at human betterment. They see in it the work of reactionaries to purge mankind of idealism for the sake of favored wealth, held by a small number of persons, big in persuasive power.

Georges Sorel, the French syndicalist, was among the first to admire both Mussolini and Lenin, even before the leader of Fascism became master of Italy. He saw them engaged in similar tasks, both of them wanting to bring discipline to nations which had had little of it in their histories. He saw them arousing to action tens of millions of people who had been almost sleepwalking to their appointed tasks up to that time, without enthusiasm. Mussolini and Lenin, according to Sorel, were both engaged in conquering new marginal land for the European spirit. He saw them essentially much alike, altho they differed in methods, and both as pioneers of industrialization. Both also were ruled by the *genio industriale*. Lenin was madly in love with electricity, and a biographer of Mussolini described the sparkling eyes of Italy's dictator when he spoke of the future "laboratory generation" of teachers, engineers and industrial builders.

Apart from political organization, what similarities do we see between Communist Russia and Fascist Italy? Both are dramatizing their high-pressure industrial campaigns. The first Five Year Plan was carried on with all the fanfare of war; even army life terminology was borrowed to keep mass enthusiasm at a feverish pitch of competitive ardor. And in Italy every little industrial advance is hailed as a *conquista*, "conquest," while labor battalions are pushing ahead for the glory of the country. Factory hands are expected to perform

their jobs in the Roman way, *romanamente*, and when the "Battle of the Wheat" was won, the country indulged in exuberant joy.

Fascist Italy has made laws that can never be linked to capitalism. If Communism denotes a collective effort of the people to replace private initiative by a régime in which society as a whole sits at the control-board of economic life, then Mussolini is moving toward Communism. This may seem to contradict the evidence of blood spilled in the fight between Fascists and the Left Wing, but can a system be called capitalism under which a shop cannot be opened without a government license? What has become of individual freedom, when the government can oblige a capitalist to join an association to which he does not want to belong, and compel a board of directors to make certain products or cease turning them out?

Does the red flag once more fly on North Italian factories? It would hardly be out of place if it did, for it would faithfully designate industry's subservience to the State. Nominally the owner is still in control of his property, but his mastery lasts only as long as he suits the government. A manufacturer whom the government no longer can accept may be dislodged from his place by a variety of means, not the least effective being through State control of the nation's money bags. Mussolini has dissociated himself from capitalism in his outspoken style.

If Karl Marx should visit his native Rhineland, from his residence in the great Beyond, he might be mistakenly led to the thought that his Germany was on her way from the capitalism he so intensely disliked toward the Communism whose coming he predicted. Surely, no

nation can be capitalistic when its government can forbid the installation of new machinery. Where have gone sacred property rights when a factory manager cannot dismiss his laborers or reduce their wages? Can the Reich really have obtained control of the land's largest steel concern, and have become the greatest power in the entire banking field? In such things are neither State Socialism nor Communism, then what should they be called?

Chancellor Hitler, after waging his contest for power in bitter strife against Socialists and Communists, has signed his name to more measures that smack of Bolshevism than any of his Socialistic predecessors. The very name of his National Socialist Party—if the name means anything—is a recognition of the necessity of a New Deal, altho it was probably chosen at first as a bait.

The Mussolinis and Hitlers may have set out to do quite different things from those they are doing now. A dictator can dictate only as long as he himself accepts dictation from his nation. "I am a leader because I follow my followers." No man can order the hurricane not to blow, and no man can force mass instincts to cease functioning. As soon as dictators dare to resist the elementary power of popular will, they are swept out of office before they have even noticed their fall from grace. Mussolini and Hitler may have started upon their adventures as defenders of the old social order, but the trend of history has turned them from their original course. Their reactions to those mysterious "heartbeats of time," of which the common mortal knows so little, seems to have undergone a change.

Yet, if Italy and Germany are marching toward Mos-

cow—not as enemies but penitents—then why have Italian and German Communists failed to wax strong? Would it not have been more natural for them to lead the procession toward the shrine where Lenin lies embalmed? Thereby hangs a tale, and its chief character is the man in the street.

This man in the street may be in overalls, or he may be a white-collar clerk. He may be a scavenger or an astronomer. If in overalls, he is called “proletarian,” if in a suit with his collar on, he is a “bourgeois.” It was predicted by Karl Marx, father of Social Democracy, that the mastery of the world will be at last in the hands of the proletariat. This has nowhere come true as yet, because even in Russia the government rests in the hands largely of white-collar people, tho they would hate to be known as bourgeois.

The bourgeoisie came into power in France after the Revolution at the end of the eighteenth century. In the following hundred years it consolidated its position in the western half of Europe, including Italy. In the eastern half it failed to gain power because the government there was in the hands of the landed aristocracy and because there were no industries on which the bourgeoisie thrives. This must be kept in mind when considering why Communism succeeded in Russia and failed in Italy and Germany.

A mere handful of resolute Communists, having little to lose and the whole world to gain, chased the effete Russian aristocrats out of their arm-chairs practically without a struggle. In the normal course of things this would have been the bourgeois' chance to seize power, as had been the case in the French Revolution, when a corrupt and inert feudal aristocracy of landed mag-

nates had been relieved of government duties by the bourgeois Third Estate—the industrialists, shopkeepers and bankers. But Russia having no substantial bourgeoisie, the Bolsheviks had everything their own way. They established themselves promptly after a weak-kneed attempt on the part of a few Liberals to set up the framework of a future bourgeois régime. With no Third Estate to fill out the frame, the whole system collapsed and Lenin found himself master of Petrograd and Moscow.

It was quite different in Germany and Italy, where a strong middle class had grown up, fully conscious of its rights. This bourgeoisie had received good education, and had acquired the knack of ruling lower social classes with an iron hand. In the Germany of Kaiser Wilhelm II it was hand-in-glove with the semi-aristocratic Junkers, to whom it gave certain well-paying positions as “window-dressing.” Tho respect for the Junker class remained, money was now more highly respected. Aristocrats, unable to sell their titles in marriage to rich burgher girls or rich Jewesses, quickly lost caste and were swept out of sight.

Italy was not firmly enough united before the World War to present a picture of homogeneous rule. Endless strikes and their bloody repressions showed the servants determined and the masters strong. During the war and for a few years after a distinct social class swiftly crystallized in the North, where Fascism was born.

The little fellow in overalls listened attentively to the Socialist leaders. He wanted a change of the social plan, so that he too could wear a white collar and order people around. He wanted less drudgery in filthy shops,