Headline Books

Changing Governments

IN

FRANCE, GERMANY, ITALY, RUSSIA AND DENMARK

THE FOREIGN POLICY ASSOCIATION

SAMUEL A. PORTNOY

HEADLINE BOOKS

No. 11

HARRISON HIGH SCHOOL

HEADLINE BOOKS

★

WAR TOMORROW—
Will We Keep Out?

MADE IN U. S. A.

DICTATORSHIP

PEACE IN PARTY PLATFORMS

CLASH IN THE PACIFIC

AMERICA CONTRADICTS HERSELF
The Story of Our Foreign Policy

COOPERATIVES

BILLIONS FOR DEFENSE

CHURCH AND STATE

CHANGING GOVERNMENTS
Amid New Social Problems

PEACEFUL CHANGE—
The Alternative to War

WAR IN CHINA
America's Role in the Far East

THE PUZZLE OF PALESTINE

SHADOW OVER EUROPE
The Challenge of Nazi Germany

BRICKS WITHOUT MORTAR
The Story of International Cooperation

THE GOOD NEIGHBORS
The Story of the Two Americas

BATTLES WITHOUT BULLETS
The Story of Economic Warfare

THE COLONIAL PROBLEM
(In preparation)

EUROPE'S MINORITIES
(In preparation)

HOUSING EUROPE
(In preparation)

CHANGING GOVERNMENTS

AMID NEW SOCIAL PROBLEMS

A SURVEY OF THE GOVERNMENTS OF FRANCE, GERMANY, ITALY, RUSSIA AND DENMARK

by

RYLLIS ALEXANDER GOSLIN

THE FOREIGN POLICY ASSOCIATION

COPYRIGHT 1937, 1939
FOREIGN POLICY ASSOCIATION, INCORPORATED
8 WEST 40TH STREET, NEW YORK, N. Y.
ALL RIGHTS RESERVED

First published September 1937
Reprinted February 1938
Second edition, revised by Elizabeth Ogg, May 1939

Distributed to all secondary schools and teachers colleges by
SILVER BURDETT COMPANY
Publishers of School and College Textbooks
New York Boston Chicago San Francisco

Typography by Andor Braun

COMPOSED, PRINTED AND BOUND BY UNION LABOR
MANUFACTURED IN THE UNITED STATES OF AMERICA

Introduction

A few years ago most of the world believed that democracy was the best form of government. The goal of democracy, men thought, was the goal of progress. For democracy meant freedom for individuals and the right of the people to govern themselves through elected representatives.

But democratic government as we know it today came into being in an age of territorial and industrial expansion. Frontiers seemed endless, man's possibilities limitless. And as men wanted to be free to use the opportunities that came with the development of new continents, new inventions, new-found wealth, they swept away traditional ideas of government and class in favor of individualism and the right of every man to determine his own fate.

For a century or more this idea of democracy flourished, spreading from country to country until it seemed as though every country in the world would sooner or later adopt it.

Then came the World War—a great conflict fought and won supposedly for the cause of democracy. But the four years of destruction left behind revolution, bitterness, economic ruin, chaos. What was more, the world had changed. The age of the pioneer and new frontiers had ended, and the day of rugged individualism was over. Finally, in 1929, the worst depression of modern history set in, bringing new suffering and insecurity.

Because of these new conditions, governments around the world have been facing new social and economic problems. Where democracy has had a long history and where a sense of national unity developed long ago, as in France and England, the governments have striven to meet these new conditions without sacrificing the principles of democracy. But in countries where democracy has had a short life or has never existed at all, people have given up liberty and the right to

HARRISON HIGH SCHOOL

vote in the hope of achieving prosperity and security through a strong central government. Thus in Russia a communist dictatorship has undertaken the task of transforming a primitive agricultural nation into a modern industrial one. And in Italy and Germany the people have surrendered personal freedom to fascist dictators who have promised them national glory and well-being.

Only the future will determine whether dictatorship is a temporary expedient which may be followed by a return to liberalism, or whether democracy will continue to lose ground. Certainly it is increasingly important for the people and their representatives in democratic countries to realize that, if they are to preserve the principles of popular government and individual liberty, they must rid government of corrupt policies and transform it into a means of guaranteeing everyone a chance to work and enjoy a rising standard of living.

In this book we shall consider the records of five governments in Europe. When you have finished studying them, ask yourself the following questions about each regime: Does it help all the groups in the population? Is it dependent upon the whim of an individual? Does it tend to raise or lower the living standard of the people? Is it a program which can be worked out in cooperation with other nations, or only in opposition to them? Will it develop a civilization based upon intelligent citizenship? Can the people judge for themselves whether it is for their good or whether some other system might be better? Does it tend toward peace or war?

When you have answered these questions, you will be the better able to decide which changes in government are likely to lead in the direction of truer justice and greater freedom.

I. The Popular Front in France

On Bastille Day, July 14, 1935, some 300,000 French men and women celebrated the one hundred forty-sixth anniversary of the Revolution by dedicating themselves anew to the cause of freedom. In a huge demonstration they took an oath—an oath to unite and work for peace, defend democracy and save France from fascism. This was the beginning of the Popular Front—a union of political groups which was to bring a new government into power in France within a year.

The ninety-six organizations which forgot their differences to form the Popular Front were concerned above all with the preservation of those individual rights which had been won by the revolution of 1789. But why were those rights in danger at this particular time? Well, one reason was that the depression had hit France just as it had hit other countries. Then came social unrest and discontent with traditional forms of government. And this discontent in turn brought about the rise of fascist groups which threatened to establish a dictatorship over France.

ECONOMIC DIFFICULTIES

The four pictures on pages 9 to 15 give the most important reasons why the people of France were dissatisfied with the existing government in 1935. They tell the story of how the depression hit France between 1929 and 1935.

Now between June 1932 and February 1934 France had six different governments, each of which failed to deal adequately with the economic difficulties shown in these charts. Dissatisfaction with the parliamentary method of government mounted. People began to lend an ear to the fascists, who steadily built up their organizations. With the publication of the famous Stavisky scandal, in which a French adventurer and financier was accused of making huge profits in connivance with a number

of politicians, popular indignation against the government boiled over. On the night of February 6, 1934 there were serious riots in the streets of Paris. In those riots the fascists were much to the fore.

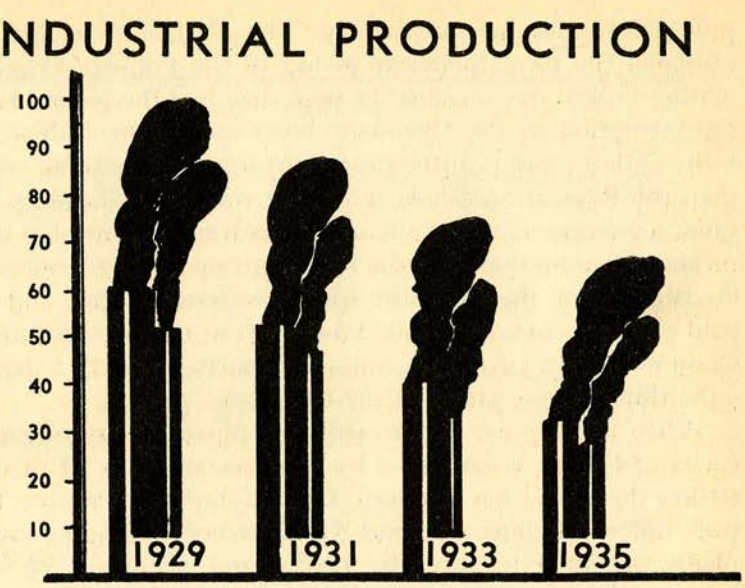
It was this outburst of violence which brought home vividly to many French men and women the popularity and growing strength of the fascist forces, most of them armed and organized as private armies. The groups on the Left especially were alarmed. For similar economic conditions in Germany and Italy had resulted in the growth of fascist groups which finally took over the government. Would the fascists take over the French government also? It was to prevent them from doing so that the opponents of fascism—led by the Communists and the Socialists—set about forming the Popular Front.

UNITING THE ANTI-FASCISTS

The business of unifying the various groups which opposed fascism was not easy. But after the riot of February 1934 the Communists began to urge the formulation of a united front program that would appeal to numerous other groups besides the Communists and Socialists. They argued that the platform must be kept free from state ownership planks, which might alarm the middle class. The Socialists, on the other hand, protested that to propose measures which were short of socialism and would therefore fail to solve the economic crisis would end in disillusionment for all who supported the Popular Front. As a result, they said, the cause of social change itself would suffer. In the end the Communists' plan was adopted. The demonstration on Bastille Day 1935 marked the union of all the forces of the Left.

THE PROGRAM

Carrying out the Communists' idea of making its appeal as wide as possible, the Popular Front program was neither socialist nor revolutionary. It proposed social reforms similar to those



passed by our New Deal. These included the limitation of working hours, recognition of the right of collective bargaining and vacations with pay. They also included the disarmament and dissolution of the fascist *ligues*, amnesty for political prisoners, nationalization of the munitions industry and reform of the Bank of France.

On the basis of its "New Deal" program the united front won a complete victory. For in the elections of May 1936 the Left captured 383 seats in Parliament, as compared with only 235 for the Right and the Centre. As a result the Socialist leader, Léon Blum, became Premier and formed a Popular Front cabinet.

POPULAR FRONT PARTIES

Before we look at the Popular Front in action, let's look a little more closely at its composition. The names of most French

political parties are misleading. The Radical Socialists, for example, the most moderate group in the Popular Front, are neither radical nor socialist. In 1936 they had the second largest representation in the Chamber. Next comes the Independent Left, with a more positive program for state economic control than the Radical Socialists. Then the orthodox Socialists, who favor a government of the workers, with state ownership of the means of production. Still the largest group in the Chamber, the Socialists draw their support from workers, peasants and low-paid government employees. To the left of the Socialists are the Communists. In 1936 the Communist party elected 72 deputies —the third largest group in the Chamber.

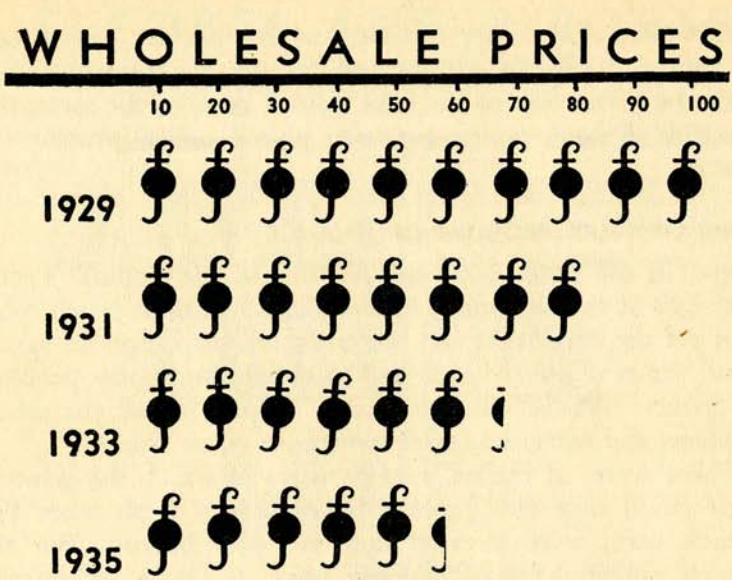
When the Popular Front came into power, many of the factories of France were closed by the greatest wave of sit-down strikes the world has yet seen. On the day that Premier Blum took office, a million men and women were holding newspaper plants, automobile, aircraft, textile and munition factories, butcher shops, coal mines, railroads, insurance offices, power stations and docks.

What was the reason for these strikes? No one knows exactly. The best guess is that they were the spontaneous result of the desperation and long-suffering of the workers. But even though spontaneous, they were well organized and disciplined.

The first task of the new government was to settle the strikes. Blum immediately appealed to the workers. He promised them legislation covering their demands. Two days later employers and employees came together for a conference. The result was an agreement under which the workers won the right of collective bargaining and secured wage increases.

POPULAR FRONT LEGISLATION

By the end of the year an extensive legislative program had been put through Parliament. New laws provided for collective labor contracts, the compulsory arbitration of labor disputes,



the 40-hour week and an annual two-weeks holiday with full pay for all laborers. At the same time the salaries and wages of government workers were increased by abolishing part of the pay cuts voted by one of the previous governments.

Perhaps the most important piece of Popular Front legislation was the law "to democratize the Bank of France." Ever since its founding by Napoleon, this privately owned institution had been controlled by the "200 families" who are the largest stockholders in the bank. Owning the bulk of the bank's stock, these 200 stockholders elected fifteen out of the eighteen members of the Council of Regents, which governs the bank's affairs. The 40,000 other stockholders had almost no say in the management of the bank at all!

Under the new law each stockholder has one vote, regardless of the size of his holdings, and the bank is governed by a council of 36 members, only two of whom are elected by the

stockholders. The other members of the council are chosen by various economic groups and by the government. Thus while the ownership of the bank's stock remains the same, the direction of bank policy has been placed under government control.

THE DIFFICULT PROBLEM OF FINANCE

These, in the main, were the reforms of the Popular Front. But right at the beginning, before Blum had done much more than get the employers and the trade unions to sign an agreement, the new government had to tackle the knotty problem of finance. Where was the money to pay for all the salary increases and extended social services to come from?

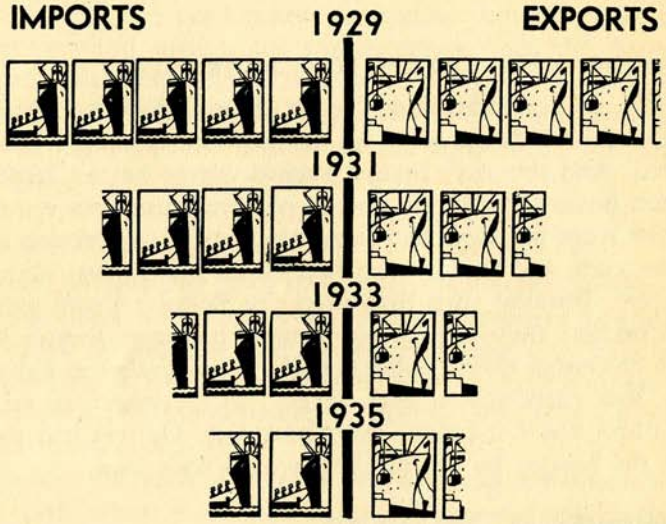
There were, of course, various ways in which the government could raise new money. It could levy fresh taxes. But French taxes were already high. It could borrow. But the French public debt was already huge. It could cut interest rates on its bonds. But this would antagonize all its creditors. Lastly, it could devalue the franc. That is to say, by cutting down the amount of gold a Frenchman could exchange a paper franc for, it could create an additional reserve of gold with which to back the printing of additional paper francs.

THE FRENCHMAN AND THE FRANC

Now the idea of devaluing the franc has always been unpopular in France. For if paper money is devalued it cannot be exchanged for as much gold as before or for as much foreign currency. And very often it will not *buy* as much as before, even in the home country. Knowing how the French people feared devaluation, M. Blum on taking office assured them that he would defend the franc. He hoped, he said, that the wage and salary increases the Popular Front government had brought about would add to the people's purchasing power. This in turn would stimulate business and there would be a

EXPORTS AND IMPORTS

EACH FIGURE — 1 BILLION FRANCS PER MONTH



greater crop of tax returns. Thus the government would be able to increase its income without going so far as to devalue the franc.

Unfortunately, however, business didn't improve. Tax returns didn't increase. Germany's reoccupation of the Rhineland, in March 1936, made new expenditures for defense seem imperative. And as more and more reform legislation came before the Chamber of Deputies, people began to doubt whether Blum would be able to raise the money to carry it out and still fulfill his promise to defend the franc. So they began turning their money into gold and hoarding it in old stockings or sending it abroad, where the Popular Front government couldn't touch it. In September 1936, as a result of

HARRISON HIGH SCHOOL

this flight of gold, the gold reserve in the Bank of France was shrinking dangerously. So in the same month the government reluctantly cut the gold content of the franc by about 30 per cent.

CALLING A HALT TO THE POPULAR FRONT

But the gold reserve had already dwindled so far that this devaluation did not produce all the new money the government needed. And the 1937 budget turned out to be the largest in French history. Not only had government expenses mounted, but the wage increases had raised the cost of production about 35 per cent, and this in turn had raised living costs about 20 per cent. Business men distrusted the Popular Front government because they were afraid it might bankrupt France. So in order to restore their confidence Blum announced, in February 1937, that there would be a "pause" in the march of reform. But Blum was not out of the woods yet. He still had to balance the budget before business would trust him.

PARLIAMENTARY SEE-SAWING

In June 1937 Premier Blum asked Parliament for power to deal with matters of currency and the budget by his own decree. The Chamber of Deputies granted his request, but the Senate refused, and he chose to resign. The new Premier, M. Camille Chautemps, was a Radical Socialist. In other words, he represented the most conservative bloc in the Popular Front. Another devaluation of the franc and increases in taxation followed. Rigid economies were also introduced. But by adopting this conservative course, the government alienated many of its Popular Front supporters. And instead of getting better the economic condition of France grew worse.

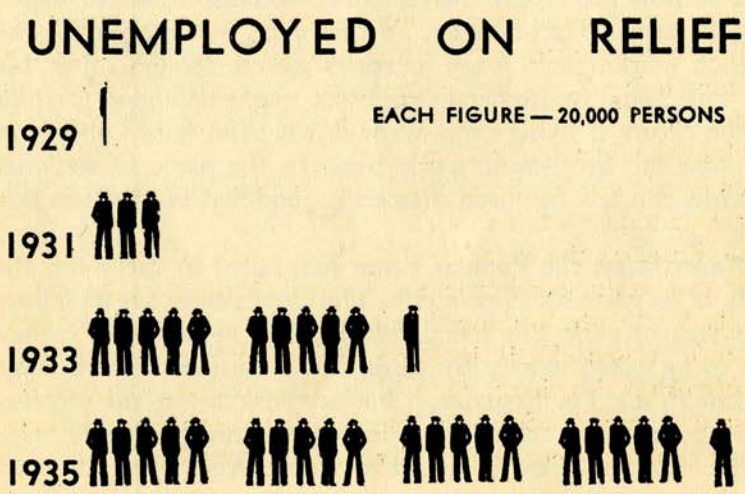
When Hitler annexed Austria, in March 1938, Chautemps had just resigned, and France was without a government. But Blum was again persuaded to take a turn at the wheel.

Meanwhile a wave of "stay-in" strikes swept over the country. The metallurgical industry was paralyzed, France produced no planes for two weeks, and employers refused to cooperate with the government in settling the strikes. In this emergency Blum again asked for decree powers, this time to settle industrial disturbances as well as to regulate government finances. But the Senate refused to consider his whole program, and Blum's second government fell in April 1938—only one month after it had taken office.

DALADIER AND THE DECREE-LAWS

The next government was formed by Edouard Daladier, a Radical Socialist leader and a man who represented relatively conservative feeling. He paid lip-service to the principles and social reforms of the Popular Front, and was polite about its past services in "saving democracy." But what he wanted to do most was to re-arm France.

For across the Rhine Germany was building armaments at a terrific rate, while in France industrial disputes and govern-



ment overturns had slowed up the work of rearming time and again. In this critical situation the Senate gave Daladier the special financial decree powers it had refused to give Blum.

As a matter of fact, Daladier succeeded in settling some of the big strikes right away. And by means of his decree powers he increased expenditures for arms, jacked up taxation on industries benefiting from the arms boom and raised the limit on Treasury borrowing. Then in May 1938 he devalued the franc. This was the third devaluation in two years.

But in spite of all these measures the French budget for 1939 had to provide for a higher income tax and other new taxes in order to make the government's estimated income add up to the same total as its estimated expenditures. And it was an open question whether, even with these new taxes, its actual income at the end of the year would reach the desired figure.

WHAT IS LEFT OF THE POPULAR FRONT?

Thus by the spring of 1939 the Popular Front, which had started out with such hope and fervor in the summer of 1935, had become little more than a name. To be sure, it had wiped out the armed fascist *ligues*. Furthermore, it had won for the French workingman wage increases which, though offset for the time being by higher living costs, might be a gain for him in the future if living costs went down. And it had also won for him the forty-hour week law. (In the name of national defense, this law has been drastically modified in practice. But it still stands.)

Nevertheless the Popular Front had failed to carry out the bulk of its great social program. The chief reason for its failure was lack of cash. For social reforms cost money, and money has to be raised chiefly by taxes. But if business is bad, there is little to tax. Furthermore, if business, distrusting the government program, is afraid to launch new enterprises, the economic situation goes from bad to worse. And when the need

of putting more and more government money into armaments grows acute, social reform has to mark time.

So the failure of business recovery and the increasing cost of French armaments defeated the Popular Front. Today it is perhaps a warning to the Right not to go too far Right. But it is apparently powerless to take any measures of its own.

II. Nazi Government in Germany

In March 1933 the German *Reichstag*, or parliament, voted to make Adolf Hitler supreme ruler of the German nation. This parliament had been elected under the provisions of the Weimar constitution, declared to be the most democratic in the world. Yet from that day to this Hitler has been virtually the government of Germany.

How did so startling a development come about? To answer that question we must look back over Germany's experiences in the post-war period.

THE GERMAN REPUBLIC

To begin with, we must remember that the republic established at the end of the World War was Germany's first experiment with republican democracy. Then too, the Weimar Republic was beset with difficulties. And because it failed to solve them, many Germans began to lose faith in it. Some of these difficulties were due to the government's lack of experience and decision. But many more were due to the injustices the Allies heaped on Germany when they drew up the Treaty of Versailles.

For the Versailles Treaty ordered Germany to pay for all the loss and damage the Allied nations had suffered through the war. It took away from Germany all her colonies and some of her border territories. It disarmed her. Furthermore, the

German people had to accept these terms although they had been given to understand that, once they had got rid of their war-time leaders and set up a republic, justice would be done to them as well as to everybody else.

But even without the galling conditions of the Versailles Treaty, the Weimar Republic would have had a trying situation on its hands. It had to start the wheels of Germany's foreign trade moving again, reorganize industry for peace, build much needed houses, find jobs for millions of unemployed, feed starving people and give them some hope for the future. As more and more gold left Germany to pay reparations bills and bills for war supplies the Kaiser had failed to pay, the government was forced to print enormous amounts of paper money to meet its expenses at home. As a result German marks became almost worthless, and the savings of thousands of people were wiped out. So desperate was Germany's condition that, in 1924, the Allies at last consented to scale down the reparations payments they had originally demanded. And from that time until 1931 they made loans to Germany to help her get on her feet again.

DEMOCRACY ON TRIAL

But the leaders of the Weimar Republic were unable to find a real solution of the problems they faced. Unemployment continued. And when the world depression came along and foreign loans stopped flowing, the future looked darker than ever. Aristocrats, big business men and army officials who had opposed the republic from the beginning now harped on its failures. They persuaded many members of the middle class that a return to a government of the "strong hand" was what the country needed. And against these opponents the German working classes, who supported the republic, failed to unite. Instead they continued to divide their allegiance between the Communist and the Social Democratic parties.

There was division, too, in the *Reichstag*. No one party had a majority, and no two parties could agree to pool their votes and make one. While the politicians wrangled, the President and Cabinet had to resort more and more to ruling by decree in order to get any government business done at all.

THE NAZI PARTY

Now ever since 1919 Hitler's National Socialist German Workers (Nazi) party had been railing bitterly against the Versailles Treaty. The Nazis demanded restoration of Germany's military might. They demanded a colonial empire. They blamed the Jews and the Communists for Germany's defeat in the war, and threatened to root them out of the nation. "Destroy democracy," they cried, "and from its ashes a new and greater Germany will rise!"

But up till 1932 Hitler had made little headway. Many Germans did not take him seriously at all. In this they made a great mistake. For Hitler has an uncanny power of swaying people, often against their better judgment. In November 1932, after a campaign in which he promised the workingmen jobs and bread and persuaded many middle-class people that his program was the only alternative to communism, his party secured 196 out of the 584 seats in the *Reichstag* chamber.

Two months later the German Chancellor resigned. On the advice of the conservatives who surrounded him the aged President, Paul von Hindenburg, appointed Hitler in the Chancellor's place. But though Hitler was head of the largest party in the *Reichstag*, he did not have a majority. As a matter of fact no party had. So Hitler called for new elections. These elections were held in March 1933.

HITLER BECOMES *DER FUEHRER*

One of the strongest rivals the Nazis had to reckon with was the Communist party. A few days before the election a fire

almost completely destroyed the *Reichstag* building in Berlin. The Nazis accused the Communists of starting it. The Communists said the Nazis had started it themselves. Whatever the truth of the matter was, the *Reichstag* fire played into the hands of the Nazis by discrediting the Communists. And in the March election the Nazis won 288 seats out of the 648 seats in the new *Reichstag*. Allied with them were the Nationalists, occupying 52 seats. Thus the Nazis and the Nationalists together made up a majority. And it was the *Reichstag* they controlled that voted absolute power into Adolf Hitler's hands.

MAINTAINING HIS POWER

If any *Reichstag* members woke up later to wonder why they had done it, it was too late to repair the damage. The nation was already in the iron grip of dictatorship. No more free elections. No more debates in the *Reichstag*. No more political parties save only one—the Nazi party. No free speech. No free press. Where could a repentant legislator, if there was one, begin to set things right? It was too late.

Nevertheless, it is not by virtue of the iron hand alone that Adolf Hitler keeps his power. It is true that by muzzling all opposition with death or fear of death, and by allowing the people to read and know only what he wants them to read and know, a dictator can make himself almost invincible. Almost. But to be sure of his power he must win and keep the faith of a majority of the people. That faith Hitler has won. He has done it partly by playing on the national sentiment of the German people and partly by actual measures of assistance to various groups among the population. Let's see first what he has done to gratify the national pride.

TOWARD NATIONAL GLORY

As we have seen, long before he came to power Hitler had denounced the Versailles Treaty. No sooner was he in the

saddle than he set out to make Germany strong enough to throw off the shackles the treaty had laid upon her. To that end he challenged the individual to be willing to make every sacrifice. Before the German thinks of food, of amusement, of comfort, of plenty, he is asked to think of the great cause of national honor. National Socialism is a new religion demanding obedience, loyalty and self-sacrifice in the interest of the state.

In exchange for this devotion, Hitler has from time to time made good his promises in bold moves which have had great psychological effect both at home and abroad. He renounced the war-guilt clause of the Versailles Treaty. He marched German troops into the Rhineland, which the treaty had demilitarized. He annexed Austria and Czechoslovakia. He forced Lithuania to hand over Memel. Moreover, Hitler backed up these moves with a vast display of military might. And on the radio, in the press, in the cinema and in parades and spectacles of the greatest magnificence, he has made the most of every ounce of drama that could be got out of all these achievements. No wonder, then, that many Germans feel that Hitler has restored their pride in their race and nation.

Let us look now at the various groups among the Germans of Hitler's *Reich* and see what he has done to fulfill his promises to them and keep their devotion.

HITLER'S CHIEF SUPPORTERS

First of all, there are the members of the official Nazi party, numbering, according to the Nazi government, 7,000,000. They are Germany's new privileged class: they get the best jobs, the best "breaks," and their prestige is great. Besides the Nazi party, there are the 180,000-odd members of Hitler's bodyguard (called the *Schutzstaffel*, or *S. S.*) and more than 1,500,000 Storm Troopers (the *Sturmabteilung*, or *S. A.*). Both the *S. S.* and the *S. A.* consider themselves the special defenders of Nazi

doctrines, although not all of their members belong to the party. Strange as it may seem to us, many *S. S.* men and Storm Troopers are idealists and have a religious devotion to Hitler; others revel in their power to tyrannize over their fellow citizens. You could find plenty of idealists, too, among the seven million or more members of the Nazi youth organizations. For the Nazi philosophy, with its emphasis on patriotism and sacrifice, has made a great appeal to youth.

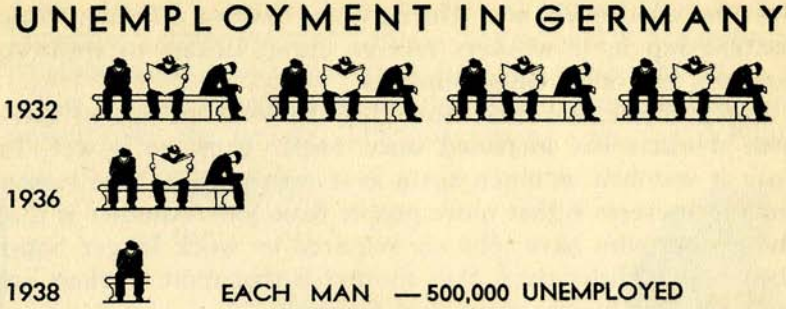
WHAT ABOUT THE UNEMPLOYED?

Among the next most ardent supporters of Hitler are the 7,000,000 who have found jobs since 1932. From the picture opposite you can see that the Nazis practically wiped out unemployment in the first six years of their rule. They also put a great many young people to work who might otherwise have stayed idle. How did Hitler manage to create so many jobs?

During the first two years of their régime the methods the Nazis used to create jobs were highly artificial. In the next four years, however, the decrease in unemployment was due to a real increase in production, shown in the chart on page 25. For the government spent money lavishly on public works, such as buildings and roads. And it started a vast rearmament program. All this activity meant a great increase in the output of materials needed for production purposes.

WHAT ABOUT THE INDUSTRIALISTS?

What most owners of industry want is to be free to conduct their businesses as they see fit. But if they have to choose between fascism and communism they are apt to choose fascism rather than run the risk of having their property socialized. And this is largely true of German capitalists. For the Nazi government still allows them to make their profit, and with the rise of production their profit has increased. Factories have



been running at top speed and, because wages are fixed, the owners do not have to share the proceeds of the larger turnover with their workers.

On the other hand, profits have not been excessive, either, because prices also are fixed. Moreover, taxes have gone up, and all profits over six per cent must be invested in government bonds. The government has also taken charge of interest rates. But most of the capitalists, despite these restrictions, continue to support Hitler.

WHAT ABOUT LABOR?

Among the groups whose support is more doubtful, the first is labor. The Nazi government has deprived the workers of the right to organize and to strike. This is a good reason why the German worker's loyalty might easily be undermined. The government therefore uses the most effective means of propaganda it can devise in a constant effort to keep labor groups in line.

One of the most powerful means of influencing the workers is the Labor Front. This organization has replaced all the former trade unions. Employers as well as employees belong to it. Its "Strength Through Joy" department guarantees every worker a vacation trip at very low cost. This department also

provides educational and athletic opportunities. Through their membership in it workers receive cheap tickets to theatres, concerts and other entertainments.

Furthermore, statistics show that the total income of German workers has increased since Hitler came to power. In 1937 it was half as much again as it was in 1932. One reason for this increase is that more people have jobs. Another is that the people who have jobs are required to work longer hours than in pre-Hitler days. Still another is that most workers are paid a higher hourly wage than formerly.

But against their higher income, and the social advantages the Labor Front provides for workers, we must set the restrictions the Nazi government has imposed on them. A worker must accept without question the wages given him. Taxes and compulsory social insurance contributions swallow roughly 22 per cent of his earnings if he is a skilled worker, somewhat less if unskilled. Furthermore, at the whim of the government a man may have to leave his home and his chosen job to go and work elsewhere, perhaps even in some new field.

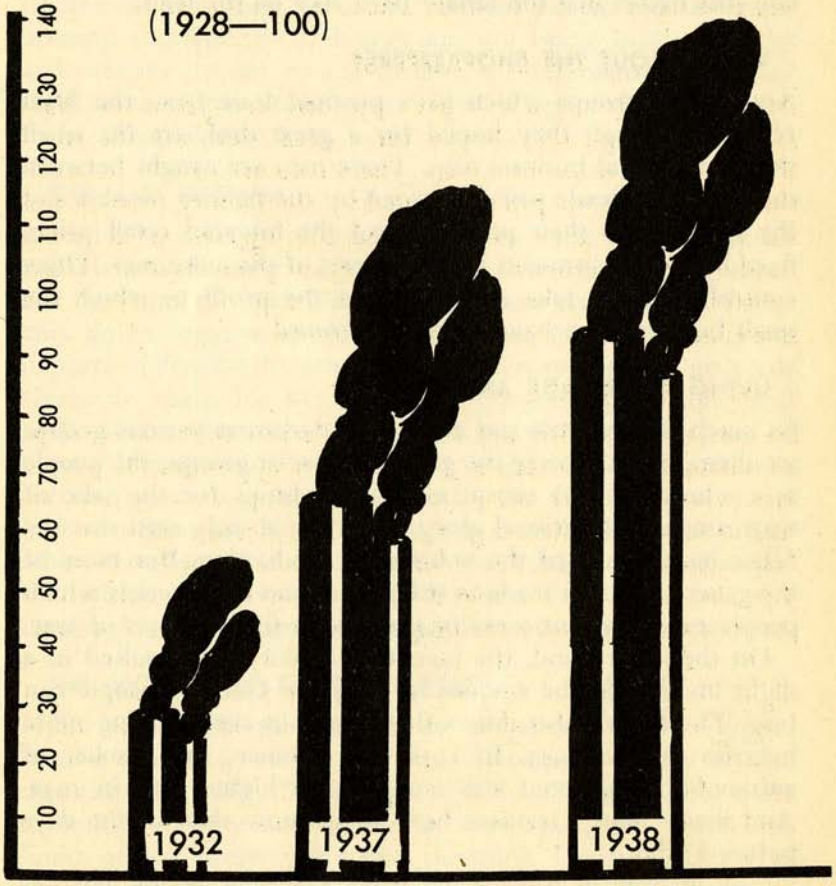
Nevertheless, as long as the worker feels reasonably sure of his present job and reasonably sure of getting help from relief agencies if he needs it, it is doubtful whether any serious opposition to Hitler will develop among labor groups.

WHAT ABOUT THE FARMER?

Another group which Hitler must keep a watchful eye on is the farmers. During the first two years of the Nazi régime the net income of the German farmer increased. For a system of price control raised agricultural prices, and government aid reduced the farmers' debt- and interest-payments. But since 1935 the farmer has had to pay higher wages for labor because more and more laborers have been deserting agriculture for industry, and even government regulations cannot keep wages rigidly fixed where labor is becoming increasingly scarce.

Thus, although the farmers' income is higher than in pre-Hitler days, their expenses are also higher, and it is a question whether in the final summing up they are any better off.

But for better or for worse the Nazi régime has absolute power over the farmer. The government can, for example,



THE INDEX OF PRODUCTION

decide what crops a farmer must grow and whether he is cultivating his land efficiently or not. Then, too, the government has decreed that 700,000 medium-sized German farms shall be converted into "Hereditary Farms," which cannot be sold, mortgaged or seized for debt. They must stay "in the family," and that means that the family must stay on the land.

WHAT ABOUT THE SHOPKEEPERS?

Among the groups which have profited least from the Nazi régime, although they hoped for a great deal, are the small shopkeepers and business men. These men are caught between the rising wholesale prices charged by the factory owners and the farmers for their products and the lowered retail prices fixed by the government in the interest of the consumer. These controlled prices take away most of the profit to which the small business men have been accustomed.

LIVING STANDARDS ARE LOW

So much for the pros and cons of Hitlerism as various groups see them. But whatever the gains for special groups, the people as a whole have to accept certain hardships for the sake of rearmament and national glory. We have already seen that the Nazis have increased the volume of production. But most of the gains have been made in the production of materials which people cannot eat or wear or use except for purposes of war.

On the other hand, the increased activity *has* resulted in a slight increase in the amount of *food* the German people can buy. The record also shows that Germans are enjoying more luxuries than in 1932. In 1938, for instance, the number of automobiles registered was 170 per cent higher than in 1932. And many more Germans have radios now than in the days before Hitler.

Yet, in spite of these gains, there is serious doubt whether the living standard of the average German is much better today

than it was in the worst depression years. The increases in food consumption, for instance, amount to very little for each individual. And the consumption of fats, fruits, potatoes, cocoa and eggs has actually declined. Moreover, although the government is building new roads, barracks, public buildings and fortifications on a great scale, the German people face a serious housing shortage. So if houses are not being built and eggs and oranges are not on the market, the Germans cannot buy them, even if their incomes *are* slightly higher than they used to be. They simply have to do without.

THE NAZI DILEMMA

Now Hitler is aware of how much a few extra loaves of bread and adequate housing can do to keep the average man content. But he wants to make Germany sufficient unto herself. So he cuts down imports as much as he can. And he cuts down imports of foodstuffs rather than imports of the raw materials Germany needs for her armament program. How long will he be able to persuade the German people to prefer guns to butter? The question is a hard one to answer. The Nazis have certainly done a great deal to "sell" the German people the idea that guns are best. No protests were heard in Germany when they launched their Four-Year Plan in 1936. Yet the two major objectives of the Four-Year Plan were to make Germany self-sufficient and to achieve adequate rearmament.

THE PROBLEM OF SELF-SUFFICIENCY

Hitler admits that the first task is "stupendous"—how stupendous is evident from an analysis of Germany's supply of raw materials. She really has enough of only one—coal. And there is besides a very serious doubt whether, even within the limits of her present extended territory, Germany can ever become wholly self-sufficient. For although the annexation of Austria and Czechoslovakia provided Germany with new sup-

plies of iron and other ores, brown coal and timber, these regions are obliged to import an even greater proportion of the foodstuffs and raw materials they need than is Germany herself. Their acquisition has therefore aggravated Germany's problem.

Meanwhile German scientists have been carrying on experiments to discover *Ersatz*, or substitute materials. They have produced a substance called "cell wool," for instance, to replace cotton and wool. But in the case of rubber, at least, the substitute they have invented is expensive. Furthermore, the quality of many substitutes is inferior to the genuine article.

FOOTING THE BILL

How has the Nazi government been able to finance its economic reforms and its rearmament program? Partly by increased taxation, largely by borrowing money. The government does not publish its budget figures, but the total public debt, including Austria but not Czechoslovakia, is now estimated to be about 62 billion marks. This figure is not excessive in relation to the annual income. But the German government cannot continue indefinitely to keep the country going by means of borrowed money.

We can say, then, that some of the pledges with which Hitler bought his power he has fulfilled, and some he has not. He has put people to work; he has wiped out the Versailles Treaty; he has made Germany strong. He has not, however, raised the German standard of living in any general sense. And in spite of his boast that he would save Germany from bolshevism he has himself taken over a good deal of the bolshevist system in practice, if not on paper. Technically, private property survives in Germany. Actually, it can be used only under strict state control. For the Jews it has ceased to exist altogether. And banking, foreign trade and the organization of labor are complete state monopolies.

It is extremely difficult to evaluate such a system. For in Germany it has been accompanied by acts of injustice such as the whole world condemns. To unite and "purify" the German nation, Hitler has preached hatred of the foreigner and has ruthlessly persecuted the Jews and other minority groups. And in carrying out his program he has suppressed freedom of speech and the press and has converted universities into institutions of propaganda. Above all, by his contempt for international law and solemn treaties and by his bloodless conquests he has aroused the indignation of a large part of the civilized world.

III. Fascism in Italy

Another country which has put its fate into the hands of one man is Fascist Italy. But the surrender of power to Benito Mussolini was not a swift dramatic move like that which ushered Hitler in. It was a slow process. And its causes were deep-seated: they were as much a part of Italy's age-old circumstances as of her recent history.

ITALY—A POOR RELATION

For Italy is a poor country, lacking both in raw materials for her industries and food for her people. And her sales of agricultural products and manufactured goods abroad have never been large enough to enable her to buy in exchange all that the Italians need to raise their standard of living. Furthermore, American and British tariffs have made Italy's situation worse rather than better. And Italy has long resented the fact that France and Britain control the entrances and exits of the Mediterranean Sea and could very well bottle her up and starve her, if they chose.

For these reasons many Italians were in favor of expansion

along ancient Roman lines long before the coming of the Fascists. They wanted an empire to provide Italy with the raw materials and foodstuffs she lacked and to rescue her from the hold France and Britain had over her.

These thoughts the Fascists inherited. But to see how the seeds of Italian Fascism actually sprouted we must look back, as we did in Germany, to the years just after the World War.

POST-WAR ITALY

Although Italy, unlike Germany, was on the winning side in the war, she did not get anything like what she wanted out of it. She had expected as her share of the booty new colonies in Africa and the Near East and absolute control of the lands bordering on the Adriatic Sea. But all she got was a slight extension of her existing African colonies, South Tyrol and, in 1924, the port of Fiume. Consequently many Italians complained that for them "the war was won but the peace lost."

ECONOMIC AFTERMATH OF THE WAR

Besides being disappointed over her share of the spoils of war, Italy also had economic troubles. The soldiers who came back from the trenches found that other men had taken their jobs. Business was bad. Foreign trade and tourist traffic were practically at a standstill. Prices went up while wages stayed down. And because foreign countries—notably the United States—had clapped on immigration restrictions, Italians couldn't seek their fortunes across the seas, as they had often done in the past.

In the midst of this crisis the Italian government seemed helpless. And an appeal for consideration of Italy's raw materials problem, which it addressed to the League of Nations in 1920, was quietly buried.

Because of the government's feebleness, more and more Italians began to try "direct action." Workers went on strike or seized the factories and tried to run them themselves;

peasants refused to pay rent to their landlords; ex-soldiers took possession of strips of land. In 1919 and 1920 there was a series of riots. Not only their own discontent but stirring tales of the workers' achievements in Bolshevist Russia inspired the leaders of these "direct action" schemes. Others joined in less from conviction than from a desire for revenge in some personal quarrel. So chaos threatened to engulf Italy.

This threatened chaos was Mussolini's cue. And he was not slow to take it.

MUSSOLINI—SOCIALIST AND FASCIST

Benito Mussolini, son of a blacksmith, began his career as a teacher with revolutionary leanings. Before the war he was editor of *Avanti!*, the official newspaper of the Italian Socialist party. But during the World War he became associated with the Fascists—the "men of action"—who wanted Italy to intervene in the war on the side of the Allies. In March 1919, when the war was over, Mussolini called all these former interventionists and a number of ex-soldiers together at a meeting in Milan. At that meeting the Fascists dedicated themselves to fight for an Italy worthy of her war sacrifices. Mussolini became their leader.

But the Fascists did not make much headway until after the riots, strikes and factory seizures of 1919 and 1920. These disturbances thoroughly alarmed the conservatives and those people in general who had anything to lose by revolution. Such people shared a common hatred of the "Reds." And their hatred finally inspired them to join the Fascists, because the Fascists were willing to take violent measures against the so-called bolsheviks.

So the Fascists got new and powerful support. Their wealthier sympathizers gave them money. Zealous young men joined their ranks. And they went out with clubs, guns and bottles of castor oil to vent their wrath on communists and socialists

and any one who failed to see their point of view. In 1921 they returned 35 deputies to Parliament. They then declared themselves the National Fascist party, organized a Fascist militia, donned a "Black Shirt" uniform and took as their badge the *fasces*—a bundle of rods enclosing a battle ax which in Roman times had symbolized power. And they flooded Italy with pamphlets, papers and books declaring that they alone could save her from bolshevism.

THE MARCH ON ROME

Meanwhile, with the country practically in a state of civil war, the government continued to do nothing. Several times Mussolini hinted that the Fascists might overthrow it and set up a strong régime. In October 1922, while Mussolini was in Milan, several thousand armed Fascist militiamen began to march on Rome.

This was too much for the nervous deputies. They could not agree to proclaim martial law because they were afraid the army might not support them. So the king telephoned Mussolini and asked him to become the head of the government. Mussolini at once took a train for Rome. Alighting from it like any peaceful diplomat, he took over Italy's destiny without firing a shot.

MUSSOLINI BECOMES *IL DUCE*

But Mussolini did not take over supreme power all at once. He was Europe's pioneer modern dictator and he had to feel his way. First he persuaded Parliament to give him a grant of dictatorial powers for fourteen months. At the end of 1923, after hinting about the possibility of using force, he put through Parliament a new election law. This law provided that the party which won the most votes in a national election (provided they were at least one quarter of the total votes cast) should have two-thirds of the seats in the Chamber of

Deputies. In the next election it was the Fascists who won the most votes, and so, under the new law, they gained complete control of the Chamber. Finally, in 1926 Mussolini abolished all opposition parties in the Chamber of Deputies and made himself responsible to the king alone.

THE FASCIST PARTY

The core of *Il Duce's* government is the Grand Council of the Fascist party. About twenty men, all high government as well as party officials, make up the Fascist Grand Council. Mussolini can add to their number at will. Besides drafting new laws under Mussolini's direction, the Council appoints the provincial secretaries of the Fascist party. The provincial secretaries in turn appoint the secretaries of the local *fasci*, or branches, of the party, which had, in 1937, over two million members. So you see that the Fascists believe in *guidance from above* rather than representation from below.

THE SYNDICATES

Even before the war many Italian workers had wanted a government by representatives of *economic* instead of *political* groups. These workers called themselves syndicalists. They were not radicals, for they believed firmly in private property rights. After the war they sided with the Fascists in the struggle against communism. To supplant the socialist trade unions, they began to organize syndicates for each of the six main fields of work: industry, agriculture, commerce, maritime and aerial transportation, land transportation and inland navigation, and banking. For each field of work there were two syndicates—one for employers and one for employees. In addition, there was one syndicate for intellectuals,—professionals and artists—making thirteen in all.

As the syndicates grew in importance, Mussolini began to think he had better have them under his wing. So in 1926 he

gave them legal recognition and put them under the control of a minister of corporations. The first minister of corporations was Mussolini himself. Under the new arrangement the syndicates had the sole right to draw up collective labor contracts. But at the same time strikes were declared illegal. Each national syndicate could, through its branches, tax and act for all the employers or all the employees in its field of work, regardless of whether they were members or not. But members got preference over non-members in the matter of jobs. And it soon turned out that only people acceptable to the Fascists could join the syndicates. In 1937 there were nearly six million members of the workers' syndicates.

THE CHARTER OF LABOR

To offset any discontent the workers might feel over the way the state was "managing" their syndicates, in 1927 Mussolini issued a Charter of Labor. This charter explained that labor was a "social duty" and must therefore be under state control. But it went on to outline the privileges due to workers: overtime pay, annual paid vacations, accident and unemployment insurance and so on. Unfortunately the Charter of Labor was not a law but merely a declaration. Mussolini has translated some parts of it into law by establishing a system of accident, sickness and old-age insurance and maternity and child-welfare services. But it remains more of a treatise for students to argue about than a real force in the lives of the workers.

In 1928 *Il Duce* introduced into the Chamber of Deputies a system of representation by economic groups. Under this system each syndicate nominated a definite number of candidates. (The employers, though far fewer, nominated just as many as the workers.) Certain cultural and charitable societies also nominated candidates. From the 1,000 nominees presented by these groups the Fascist Grand Council selected 400 names, adding or substituting its own suggestions if it felt like it.

Then it offered the select list of 400 to the public on election day and the public voted "yes" or "no" to the entire list. No women could vote, and only those men who paid syndicate fees or a certain amount of taxes or were recognized members of the clergy. In the first election under the new law about 98.5 per cent of those who voted voted "yes."

THE NATIONAL COUNCIL OF CORPORATIONS

In March 1939 the Chamber of Deputies was replaced by the National Council of Corporations—a body which Mussolini had created in 1930 to help him plan the economic life of the country. Like the old Chamber, the National Council is made up of representatives of the syndicates, although it also includes representatives of certain economic organizations like the *Dopolavoro*, which arranges recreation for workers. The Council so far has not *taken over* production but merely *regulates* private enterprise in the interests of the state. When it stepped into the shoes of the old Chamber, it wiped out the last trace of democratic government in Italy.

EDUCATING THE PEOPLE FOR FASCISM

How has Mussolini been able to win the people's support? Well, he got an enormous advantage from the start by silencing all rival views. His secret police are relentlessly efficient. And the Fascists either bought out or suppressed all opposition newspapers. Consequently the Italian people hear no public dissent from Fascism.

But Mussolini wants more than merely to suppress all opposition. He wants active training for Fascism. So he has created several youth organizations which give military and religious training, as well as instruction in the theory of Fascism, to boys from four to twenty-one years old. In 1937 these organizations had over five million members. And since Mussolini has also established a system of military training for males between

the ages of twenty-one and thirty-three, he now has all Italian boys and men from the age of four to the age of thirty-three undergoing military discipline of one kind or another. Because he wants Italian women to be the mothers and teachers of good Fascists, he has also established Fascist organizations for women and young girls.

In the schools, too, the Fascists have not been idle. They have spent a lot of money on improving teaching methods and school equipment; they have also circulated a new series of "approved" textbooks. In 1911 almost 40 per cent of all Italians were illiterate. But by 1931 the Fascist educational program had reduced this percentage to 21.

THE FASCIST IDEAL

Thus through their organizations, through the schools, and through the controlled press the Fascists preach their faith. Its central idea is that the individual should seek his fulfilment and his reward in the good of the nation. But it is not for the individual to decide even what his own part in the great struggle for Italy's glory and well-being shall be. Enlightenment must come from above. So Mussolini calls for obedience.

So much for the teachings of the Fascists. How far has Mussolini been able to back them up with economic gains?

THE ECONOMIC PICTURE

From 1922 to 1930 the Fascist régime distinctly improved Italy's economic situation. It balanced her budget, paid off her smaller war-debts and stabilized her currency so that business men could make their plans without fear of shifting money values. The Fascists also revived foreign trade and reduced unemployment through a vast program of public works. But they were halted in their progress by the coming of the world depression.

Thereupon their problem became much more difficult.

They had to cut the salaries of many government employees and dismiss others. Since wages as well as salaries were low, they tried to help the consumer by forcibly holding down rents and food prices. This in turn reduced profits for certain kinds of business men and did not encourage them to start new enterprises. From 1930 to 1935 the number of unemployed varied between 800,000 and 1,300,000.

To meet the situation the Fascists had by 1932 embarked on planned economy. They set up a technical board to regulate the opening of new factories and the expansion of old ones. They made loans to deserving enterprises. They shortened working hours in order to spread the work. And they laid plans to develop Italy's agriculture and industries so that she would not need to import so much from abroad.

THE "BATTLE OF WHEAT"

Most spectacular of these plans was the so-called "Battle of Wheat." The government started wheat-raising contests among the Italian farmers. It sent movies through the country districts to show the farmers how to increase the output of their land. So successful was the drive that in 1932 Italy had to import only 8 per cent of the wheat she used. Heavy duties on imported wheat, however, may partly explain this shrinkage of imports. Nevertheless the Fascists announced that the "Battle of Wheat" was won. And they went on to the "Battle of Agriculture"—an effort to increase domestic harvests of rice, oats and corn. In 1938, this drive was largely successful.

DRAINING THE MARSHES

Another of Mussolini's schemes for stepping up Italy's food production was draining the Campagna and Pontine marshes so that there would be more land for raising crops. The Fascists have widely advertised their land reclamation projects. But, as a matter of fact, they didn't invent the idea of draining

the marshes. Before the Fascists came to power, 1,475,000 acres had been reclaimed. By 1931 another 1,635,000 acres, according to official estimates, had been added to Italy's arable land.

NURSING FOREIGN TRADE

Exports are vitally important to Italy because it is largely through them that she obtains the foreign money she needs to buy raw materials abroad. And unless she buys raw materials abroad she cannot keep her industries going. For Italy produces only one out of every 15 tons of coal she consumes. And her supplies of iron ore and copper are practically nil.

So Mussolini has done everything possible to increase Italy's export trade. As early as 1926 he set up an export institute to study the problem and give assistance to exporters. He has made trade pacts with the Soviet Union, Hungary, Germany and other countries. And he has given Italian shipping lines and shipbuilding yards government subsidies. As a result the Italian line, with its great modern liners, has become one of the leaders of the Atlantic fleet. And Italian shipbuilders have built ships for the Soviet Union, Turkey, Greece, Poland, Finland and South America.

Yet in spite of all these efforts, Italy's export trade is still not large enough to enable her to buy all the imports she needs. To make up for her lack of coal, the Fascists have pushed the development of water power. They have been so successful that they have tripled the hydro-electric power at the service of Italian industry. And many Italian railways are now electrified and give excellent service.

Besides developing water power as a substitute for coal, the Fascists have tried to protect certain home industries from foreign competition by passing tariff acts. They have also stepped up both employment and industrial production by a great program of public works—roadbuilding, housing and reforestation.

WAR THROWS THINGS OUT OF GEAR

Into the midst of these painstaking efforts to solve Italy's economic problems Mussolini threw a monkey wrench in 1935. He went to war with Ethiopia. In 1936 he also embarked on an unofficial war by the side of Generalissimo Francisco Franco in Spain. In 1939 he invaded Albania. So the Italians have had to tighten their belts still further and put most of their resources into building up their military strength rather than increasing their comforts. And the rewards, apart from so-called glory, are uncertain. For though Ethiopia could probably be made to produce cotton, coffee, meat, hides, wool, timber and minerals in sizable quantities, Italy lacks the capital to develop her empire successfully. And her policies have not put richer nations in any mood to lend her the necessary cash.

Nevertheless, Mussolini probably feels that by conquering Ethiopia and gaining a foothold in Spain he has weakened the sway Britain and France exercised over Italy's economic destiny through their control of the entrances and exits of the Mediterranean. Though he knows that his military adventures do not of themselves solve Italy's economic problems, he knows, too, that those adventures have a nuisance value. And their nuisance value may finally bring richer nations to terms and force them to help Italy out of her difficulties.

Meantime, what consolation have the Italian people for the hardships they have to put up with?

ASK THE ITALIANS

Well, the Italian people have always had a low standard of living, whatever their government. Mussolini has promised them a higher one—the chance to work, a fair salary, a decent home and an education. And he has said that the way he is going to fulfil that promise is by building up Italy's military might so that she will be strong enough to take what she needs. Mussolini, remember, is a powerful orator. And undoubtedly

many Italians believe in his program today because they think he will eventually win great economic gains for their country.

On the other hand, there is a contradiction in the Fascist aims. Militarism takes too heavy a toll of a nation's resources to be consistent with a program for raising the people's standard of living. Many Italians realize this and lament the course Mussolini is following. They realize, too, that it doesn't make sense to foreigners to hear the Fascists complain that Italy needs elbow-room for her people and at the same time urge Italian mothers to have more babies.

If the Fascist program embraced only economic affairs, its contradictions would be much clearer to the Italian people than they now are. But it has a spiritual content, too. And that spiritual content, with its appeal to unreasoning national pride, clouds the economic issues. It may be that as time goes on the failure of Fascism to solve their economic problems will lead Italians to question its spiritual content. But it may also be that its spiritual content will inspire them to defy the rest of the world in armed conflict.

IV. Socialism in the Soviet Union

No change in government that has taken place in Europe in the twentieth century has given rise to hotter debate than the change from Tsarist to Soviet rule in Russia. And the questions, "What has it really achieved?" and "Where is it going?" still exercise a great many people's minds.

THE BEGINNING OF SOVIET RULE

The Soviet revolutionaries rode to power on the wave of popular discontent stirred up by Tsarist mismanagement of Russia's part in the World War. Soldiers and people were often with-

out food, for so many men had been drafted into the army that there were not enough left to reap all the harvests and distribute the food supply. So both soldiers and people rallied to the revolutionary cry of "Peace! Land! Bread!" And in 1917 the Bolsheviks under Lenin installed in Russia a communist régime.

AN ATTEMPT AT PURE COMMUNISM

Theoretically, communism means a society in which everyone does the work for which he is best fitted and receives in return whatever he needs. But so many and complicated were the problems of building such a society in a time of civil and international war that in the beginning the Bolshevik leaders had far more failures than successes to record. They were hampered by the opposition of the White Russians—nobles, clergymen, moderate republicans, ex-Tsarist officers and adventurers. They had also to combat foreign intervention, which helped to arm the White Russians and prolong the civil war. But even after the Bolsheviks had overcome their enemies, they still had difficulties. For they were trying to build a society such as the world had never seen before. And they were trying to build it with an ignorant, backward people on an older society which was in ruins.

The new society was to be classless. By abolishing private property and transferring ownership of all land, natural resources and means of production and distribution to the state, the Bolsheviks hoped to wipe out class distinctions. According to this program the peasants were to use the land to supply their own needs and hand over their surplus crops to the government for distribution to the towns. The workers, on the other hand, were to run the factories, mines and railways through workers' councils, or soviets, and provide enough manufactured goods for their own needs and those of the peasants, too.

The result was an even worse breakdown than the one the Bolsheviks already had on their hands. For the peasants, who had wanted to get rid of the former landlords only so that they could own the land themselves, understood little and cared less about the theory of communism. When they found that the government was taking over their surplus crops, they decided to sow only enough for their own needs. But the government retaliated by seizing its quota of grain, regardless of whether the peasants had enough left to live on or not. Because of these tactics, and because also of a drought in the Volga valley in the summer of 1921, in 1921 and 1922 the Russian people suffered the worst famine in their history.

Manufactured goods, too, were sadly lacking. For the workers were inexperienced in managing factories and hadn't enough machinery and mechanical skill to turn out large quantities of goods. Furthermore, the roads and railways were too few and too poor adequately to distribute even what foodstuffs and finished goods there were.

In short, the situation was desperate. Some new attack on the problem was needed.

NEP (1921-28)

Lenin's answer to the crisis was NEP, or the New Economic Policy. This policy was essentially a retreat from the ruthless and reckless attempt to install communism in Russia overnight.

Instead of having to hand over *all* their surplus produce to the state, under NEP the peasants had to pay a fixed tax on their produce. Anything they raised over and above the value of the tax they could sell for their own profit. Some private retail trading was allowed too. Private enterprise was also allowed to run some of the smaller factories—those with fewer than twenty workers—while the state concentrated on perfecting the organization of the larger ones. To expand production, the Soviet government offered foreign capitalists profit-shar-

ing concessions in industry. And, likewise to expand production, it introduced a graduated wage scale, so that workers would be stimulated to greater effort by the promise of greater reward.

Though many Russians continued to suffer hardships, NEP did bring about marked improvements in the economic condition of the country. Besides, under it state bureaus were busy collecting information about every phase of the Soviet Union's economy. This information was to form the basis for a new attempt at completely socialized production—a more cautious and enlightened attempt this time, the leaders hoped.

PERSONAL QUARRELS

Now in 1924 Lenin had died. His death was followed by a bitter struggle for the leadership of the Communist party and, through it, of the Soviet Union. The two outstanding candidates were Leon Trotsky, the fiery advocate of world revolution, and Joseph Visserionovich Dzhugashvili, fittingly nicknamed "Stalin," the man of "steel." Stalin won. With his victory world revolution, postponed indefinitely, became a secondary issue. Since that time the Russian Communists have concentrated on making socialism work within their own borders. A major part of this job, Stalin realized, must be the organization of the peasants, the country's food producers.

THE COLLECTIVE FARMS

As a part of NEP the Soviet government had gone so far in 1925 as to allow land to be rented for short periods and limited numbers of farm laborers to be hired. So the more enterprising peasants had leased their neighbors' lands and hired extra hands to work them. These more enterprising peasants had become prosperous, at least by Russian standards, and the poorer peasants called them *kulaks*, or "big fists."

In 1928 the Soviet government launched the first of its

Five-Year Plans, which supplanted NEP. Under this plan, 55,000,000 acres of cultivated land (one fifth of all peasant holdings) were to be collectivized.

The first Five-Year Plan spelled the doom of the *kulaks*. For collectivization went ahead at a much more rapid rate than even the planners had hoped. The state gave special privileges, such as loans and tax reductions, to farmers who joined collective farms. But those who refused to join had to pay crushing taxes. And those who refused to join were chiefly the *kulaks*, who did not want to give up their land, tools and animals in return merely for a share in the profits of a collective. Local drives which Communists organized against the *kulaks* resulted in violence and bloodshed. And many of the *kulaks*, even if they agreed to join the collective, first destroyed their crops and animals rather than surrender them. More than a third of the country's livestock perished in this way, and many granaries were burned, too, with the result that in 1931 and 1932 there was a serious food shortage. But after a long and ruthless struggle the *kulaks* as a class were "liquidated."

In order to make the collective farms really work, however, the Soviet government had to modify its original plan for them. Instead of pooling all their possessions, as it was first intended they should, peasants who join collectives now pool only their land-holdings, labor, farm tools, farm buildings, beasts of burden and seed reserves. They can keep as individual property their homes, sheep, cows, pigs, poultry and small tools such as those used in gardens and orchards. When a man joins a collective he has to pay a fee, but he can recover this fee if he leaves the collective. He can also recover his animals and tools. He cannot, however, recover his land. This remains the property of the state, which leases it free to the collective.

The state also gives credit and expert farming advice and rents agricultural machinery to the collective through its state

demonstration farms. In return the collective agrees to pay a fixed tax in kind on its harvest. But once it has paid this tax and set aside its reserves of seed, it must share its surplus grain among its members according to the number of "labor days" each has put in. And the individual members can sell their share of the grain for their own profit in the open market.

By 1938 there were 243,000 collective farms worked by 93 per cent of all Russian peasants and occupying 99 per cent of the country's cultivated land. And in 1937 there were 5,000 state farms, run directly by the state as models of organization and production.

THE FIVE-YEAR PLANS

The process of collectivizing the farms we have just described was part of the first Five-Year Plan (1928-33). So far the Soviet government has had three Five-Year Plans. The second ran from 1933 to the end of 1937 and the third was announced in 1938. The biggest task these plans undertook, apart from collectivizing the farms, was stepping up the production of machinery so that the Soviet Union could become independent of foreign nations. For with her vast natural resources and population she needed only adequate machines and the skill to handle them to make herself self-sufficient. At the same time each plan undertook to provide more schools, more books, more music and drama, better housing, hospitals and communications.

A State Planning Commission, or *Gosplan*, drew up each plan. Individual shops and factories sent in to the *Gosplan* their estimates of how much they could produce in five years. Schools reported on how many teachers or technicians they thought they could turn out. And out of all these estimates a master plan for the whole country was mapped out.

The first Five-Year Plan scored some spectacular successes. But they were uneven and failed to tie in with one another.

Record catches of fish, for example, decayed on the piers for lack of the expected deliveries of salt for preserving them. And because of inadequate transportation facilities freight piled up at the depots, perishable goods rotted, and some of the factories could not get raw materials. The workers' lack of skill and their insistence on democratic discussion of every detail of factory management caused endless delays. Often in their ignorance, too, they spoiled machinery. So costs of production went rocketing up. Even where quantity output was achieved, it was apt to be at the expense of quality.

Still the first Five-Year Plan did go a long way toward making the Soviet Union an independent industrial economy. And the second Five-Year Plan set out to correct its mistakes by training the workers in finer skills. It also aimed at producing more consumers' goods—a variety of foods, more and better clothing, modern housing, automobiles. But in the field of consumers' goods it was less successful than in the field of heavy industry.

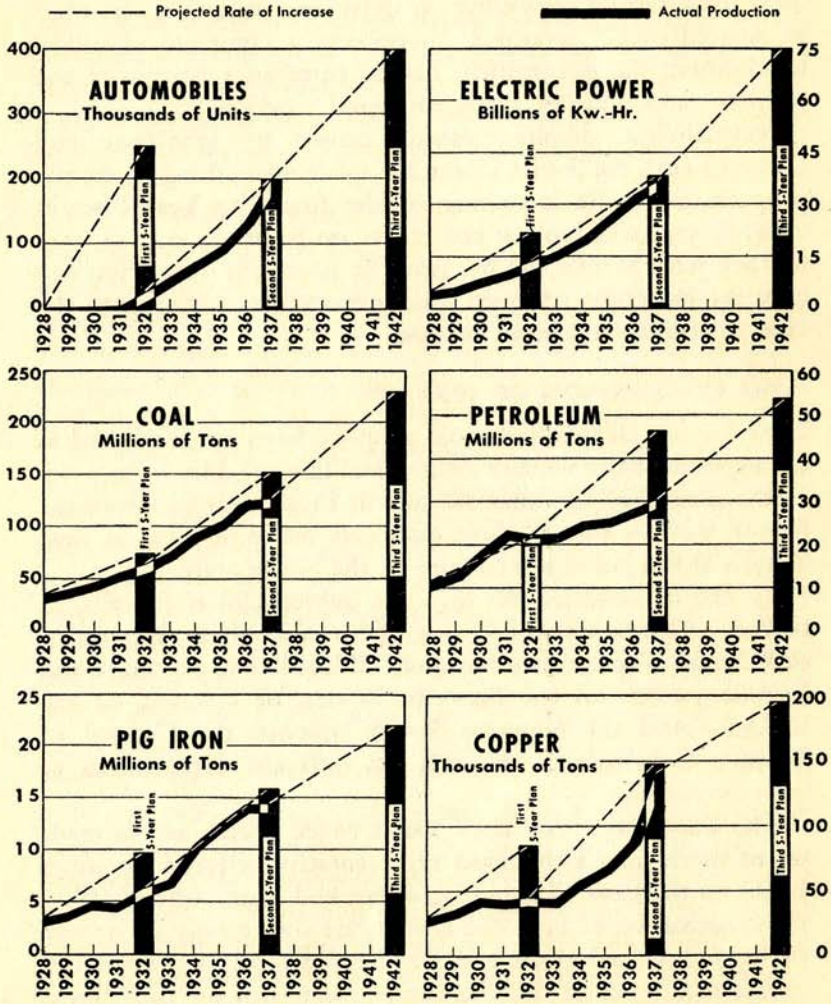
Soviet leaders give three reasons for their failure to achieve complete success under the second Five-Year Plan. One is that Japan's threat on the East and Germany's on the West have compelled them to rearrange production plans to favor defense industries at the expense of consumer industries. Another is that with rising wages the demand for such goods as shoes and textiles has far outrun the supply. The third reason is that "wreckers," primed either by personal enmity toward the Soviet state or by foreign money, interfered with production.

THE "PURGE"

The official drive against "wreckers," however, led to a fantastic situation. Following the "purges" of spies and "wreckers" which began in the winter of 1936-37, hundreds of minor officials seized the opportunity to "purge" subordinates against whom they held grudges, or who were merely inefficient but

THE SOVIET UNION

A RECORD OF PLANS—AND ACCOMPLISHMENTS



Reprinted by permission from Business Week

HARRISON HIGH SCHOOL

not malicious. Other officials indulged in an orgy of "purging" merely to enhance their reputation for vigilance. Even school children were "purged." And countless workers, fearing for their lives, ceased altogether to show any initiative, lest they be singled out. Thereupon, to prevent a complete industrial breakdown, the government had to threaten a "purge of the purgers" and reinstate many dismissed workers.

Nevertheless, despite mistakes caused by ignorance and excess of zeal, the Soviet Union has made astonishing economic progress since the launching of the first Five-Year Plan in 1928. If you will look at the charts on pages 47 and 51, you will see what strides she has made in six major industries, and how she has come up from small pre-war beginnings into the class of leading industrial nations.

THE CONSTITUTION OF 1936

How far has all this economic progress been accomplished at the expense of the worker's individual liberty? Has he any say in the planning? Or must he submit to an iron dictatorship? Before we can answer these questions we must look, at least briefly, at the political structure of the Soviet state.

By the constitution of 1936 the Soviet Union remains, as before, a federation—the Union of Socialist Soviet Republics, or U.S.S.R. The constitution gives all legislative, executive and judicial powers to the Supreme Soviet, or Council, of the U.S.S.R. And the Supreme Soviet appoints the Council of People's Commissars, who run the different departments of the government.

The Supreme Soviet itself meets twice a year and is made up of more than a thousand representatives elected by secret ballot on the basis of universal, direct and equal suffrage. Now the constitution of 1924 had authorized voting only by a show of hands and had given wider and more direct representation to the city workers than to the peasants. But by 1936 Soviet

leaders felt that, without running the risk of having socialism voted down, they could give the peasants more say in the affairs of the government and allow secrecy in voting. Though many people hailed these provisions as a step toward greater democracy in the Soviet Union, we must remember that only those whom the Communist party approves may run for office. This brings us to the question of the power the party wields in the Soviet government.

THE COMMUNIST PARTY

The Soviet constitution permits only one political party—the Communist party. Stalin regards political parties as vanguard fighters for the rights of social classes. And since, he argues, the Soviet Union has only two classes—the workers and the peasants—whose interests in the Communist view are identical, there can obviously be only one political party.

This is not to say that every one must belong to the Communist party. Today the party has only about 2,000,000 members in a country with 170,000,000 people, although there are over 11,000,000 members of the Communist youth organizations. The relatively small number of official Communists is chiefly due to the fact that the Communists themselves wish to limit their membership. They regard the party as a training ground for political leaders rather than a channel through which one group of citizens can seek a voice in the government. And theoretically the party and the government are entirely separate.

In practice, however, the party controls the government. Party "cells" all over the Soviet Union elect delegates to a number of central Communist party organs. Most powerful of these central organs is the *Politbureau*, which consists of nine members. Almost all the members of the *Politbureau* have important positions in the Soviet government except Stalin. Curiously enough, although Stalin is now accepted as the

supreme leader of the Soviet Union, he wields his power, as it were, in the background. As secretary-general of the Communist party and as a member of the *Politbureau*, he steers all major party decisions, which are then translated into decrees countersigned by Soviet government officials.

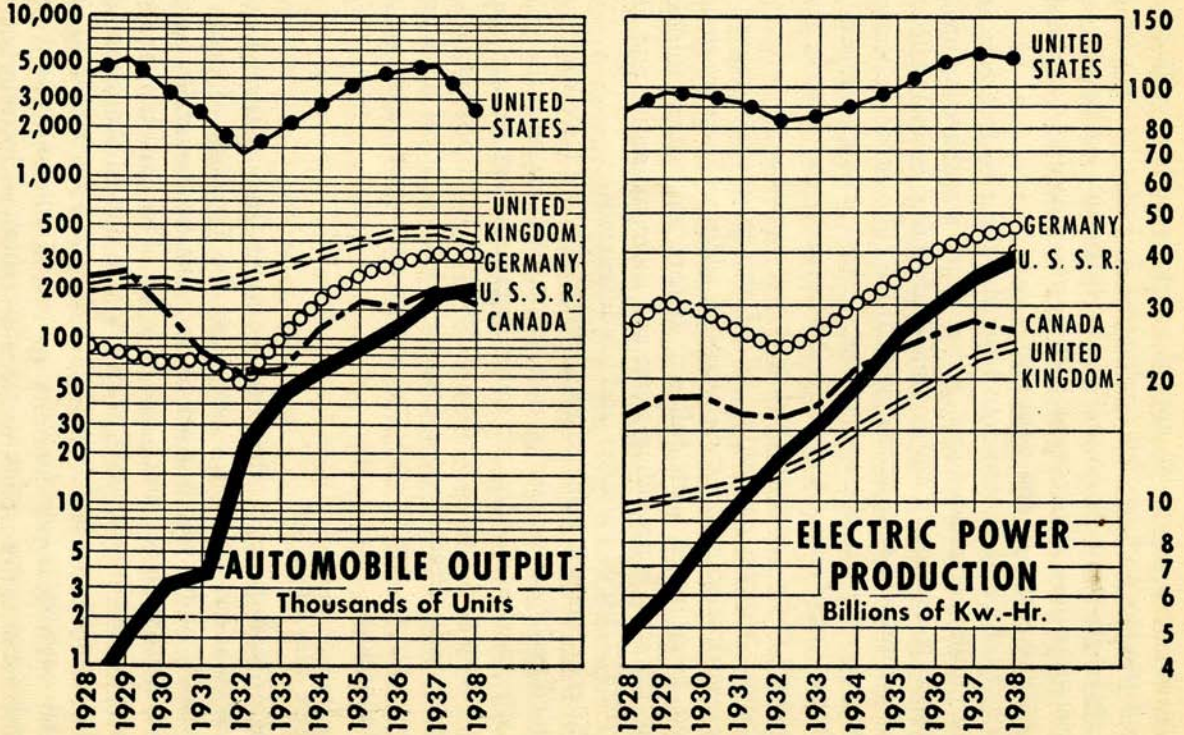
THE SOVIET CITIZEN

The ordinary citizen in the Soviet Union, then, hasn't the full political freedom implicit in Western forms of democracy. But, though he may grumble at shortages of this or that kind of consumers' goods, his standard of living is slowly rising. Let us look for a moment at what life in the Soviet Union means for the average citizen.

The average citizen has the right, under the 1936 constitution, to a job. So far he has had such a wide choice of employment that he has been apt to throw up his job too frequently for the good of the production schedule. Consequently the government is now seeking to regulate labor turnover through work-books, or records of each man's employment. And, because of housing shortages, it has closed certain cities to workers from other parts of the country. The citizen's freedom is also curtailed if he is convicted of sabotage, for he will then, like some German workers, have to do forced labor. But in any case he has the right to be paid according to the amount and quality of his work.

Though he cannot own land or factories or mines or railways, or exploit the labor of others, the Soviet citizen can, if he works hard and well enough, open a savings account in a state bank, buy government bonds for his children to inherit, own a town house or a country villa, an automobile, books, clothes and furniture. Because of the state system of social insurance, his old age is secure, and he need not fear destitution through sickness, disability or unemployment. If his job is a routine one, the citizen works a seven-hour day, rests every

RUSSIA AMONG THE INDUSTRIAL LEADERS



Reprinted by permission from Business Week

sixth day and enjoys an annual vacation with pay. If he is a good worker and gets his application in early, he may be able to spend his vacation in one of the workers' rest homes, sanatoria or seaside resorts which the government has established in various parts of the country.

Lastly, he and his children have the right to free education up to high school level and, if they want it and are sufficiently capable, to university and technical education as well. Although the Communist educational system has, like other educational systems, its own particular bias, it has almost stamped out illiteracy in Russia. And the enrollment in the schools today is almost three times as great as it was in 1914.

Soviet women can enjoy all of the privileges granted by the constitution equally with men. In addition, they are granted leave from work with full pay before and after childbirth. And the state is providing more and more maternity and child welfare stations, nurseries and kindergartens.

Every citizen is entitled to all the rights we have mentioned regardless of nationality or race. If he feels that he is the victim of any kind of national or racial discrimination, he can appeal to the law for redress. But of course this legal protection cannot be fully effective in a country where political discrimination may be freely used to cover up other kinds of discrimination.

THE SUMMING UP

Soviet leaders argue that the economic and cultural benefits their workers enjoy far outweigh the freedom of press and assembly with which workers in capitalist countries have to console themselves when out of a job. The hardships the Russian people have suffered, they say, are due to the tremendous effort they have had to make to change a backward agricultural country into a modern industrial one in twenty years. And when critics point to the differences in income between

technicians and unskilled workers, the Russian Communists retort that they do not oppose any worker's acquiring additional comforts and purely personal property for himself. What they have now, they admit, is not communism but socialism—a system of state ownership of the means of production which demands from each according to his ability and which today is able to reward each according not to his *need* but to his *work*. Only when socialism is general throughout the world and the threat of war has ceased, they say, will they be able to create communism, taking "from each according to his ability" and giving "to each according to his needs."

Though these boasted achievements do not as yet amount to an American standard of living for the majority of Russian workers, we should remember that the majority of Russian workers do not ask or even dream of an American standard of living. For them, the Soviet achievements *are* an advance. But we should remember, too, that these achievements have cost untold human lives and suffering; that the leaders maintain their power through a controlled press and a system of propaganda which has made even all forms of art toe the party line; and that Soviet citizens, though they may criticize minor aspects of the régime and lesser comrades, may not criticize communism or the supreme Communist leaders. Yet it is perhaps significant that democracy, though not yet achieved, is an avowed goal in Russia, whereas in Italy and Germany it is officially condemned as outworn.

Absorbed in the task of building the socialist state, the Soviet Union has stood firmly for peace. Since she has within her borders enormous supplies of raw materials which she has conveniently inherited from the Tsars, as well as a growing industrial establishment and an ample agricultural system, she has no motive for territorial expansion. But to secure herself against attack she has made herself strong. Her standing army (really two armies—one for her eastern and one for her western bor-

der) musters 2,500,000 men. And in 1938 she spent over five billion dollars on armaments—more than five times the amount the United States spent in the same year for the same purpose. But the constitution gives the Soviet government power to declare war only "in case of armed attack upon the U.S.S.R., or in case of the need of fulfilling international treaty obligations of mutual defense against aggression." So whether they are prompted by idealism or by self-interest, the peaceful intentions of the Soviet Union can hardly be questioned.

V. Cooperative Democracy in Denmark

Democracy has perhaps a stronger hold in the Scandinavian countries than in any other part of the world today. For the people of Norway, Sweden and Denmark are making determined efforts to solve pressing social and economic problems by thoroughly democratic means. Let us look, for example, at Denmark, where democracy is being put into practice in new ways through social legislation and the cooperative movement.

Denmark is a small but proud country with a glorious past. But like Germany she has suffered disastrous defeat in war. Moreover, the people of Denmark have had serious economic and social problems. Yet they have not turned their affairs over to a fascist or a communist dictator. Instead they have set their minds steadfastly to the task of solving their problems themselves, and by democratic methods.

A DEMOCRATIC PAST

It is important to note at the start that Danish democracy, like American and French democracy, dates back to the end of the eighteenth century, when progressive landowners in Denmark made up their minds to free the peasants from serfdom. About



that time, too, a series of land reform acts was passed and the government began dividing up the land among the peasants.

In the same period free trade was encouraged by the removal of duties on grain; the Negro slave traffic was prohibited; and a special act reformed the courts and legal procedure. The Danish press enjoyed greater freedom of speech than that of any other absolute monarchy in Europe.

Then in 1814 Denmark was defeated in war and lost Norway to Sweden. National bankruptcy followed. Trade and commerce stood still. The people were too discouraged to care what happened. And for ten years the entire country languished in a slough of despond.

Gradually, however, a new attitude of mind began to develop. Writers and poets retold stories of heroic Norsemen who had tilled the ground and sailed the seas in quest of high adventure. There was a rebirth of pride in Danish traditions, and the confidence of the people began to revive.

EDUCATION

Most important of all, perhaps, was the influence of Bishop Grundtvig, the famous teacher and founder of the Danish folk high schools. Today, as a result of the growth of the adult

education movement which Grundtvig launched, there are in Denmark fifty-nine folk high schools. Young men who work in the country districts may apply to these schools for admission to a five-months winter course in general cultural subjects, young women for a three-months summer course. And when a worker's turn comes for admission he is granted formal leave of absence from his job for the period of the course. If he is too poor to pay his way, he can get a state grant. For workers in the cities there are all kinds of evening courses. So many Danish workers have benefited from these adult education courses that they are now an exceptionally well informed people, able to pass intelligent judgments on affairs.

UNCONQUERED BY DEFEAT

It was because of the new national spirit that Denmark's second great defeat, in 1864, did not again bring despair, even though this defeat meant the loss of about two-fifths of the nation's territory to Prussia. What was the remedy for this loss? The building of an army to regain the lost land? Denmark was too small for that. No, the remedy was a more efficient use of what she had left.

So in 1866 a great reclamation project was begun. Waste lands were cultivated and planted with trees. The Danes remade 3,000 square miles of land—as much as they had lost—and in time this land served them as forest, pasture and arable farm land.

THE COOPERATIVE MOVEMENT

Another important element in the transformation of Danish peasants from ignorant serfs to alert and efficient farmers was the cooperative movement. This movement began in 1866. Through cooperative associations the Danes learned how to

work together to supply themselves with the goods and services they needed and to market their bacon, butter and milk. Here was practical training in economic self-government. And here, too, was emphasis on education. In fact the cooperatives and the education movement grew up side by side, one contributing to and serving the cause of the other.

In 1870 there were three cooperative associations in Danish towns and eighteen in the country. By 1919 there were 78 in the towns and 1,611 among the farmers.

THE SHIFT FROM WHEAT

During the nineteenth century Denmark's chief agricultural product was wheat. Gradually, however, the market for this product was affected by the increasing production of the United States and Canada. In the world depression at the end of the century prices dropped off sharply and Danish farmers suffered severely. But instead of trying to bolster up the wheat industry, the government, assisted by the cooperatives, initiated a plan whereby the entire agricultural economy was quietly shifted away from wheat to milk, eggs, bacon and butter, products which found a ready market in Britain and other countries.

A NEW CONSTITUTION

In 1849 a new constitution had changed Denmark from an absolute monarchy into a constitutional one, with a parliament of two houses and a ministry responsible to the parliament. But the defeat of 1864 brought in a conservative government which revised the constitution and abolished democratic election of the upper house, placing it in the hands of the landed aristocracy instead.

Gradually, however, farmers' and workers' education had its effect. By 1912 the people had regained complete political democracy through the adoption of a new liberal constitution with full and equal suffrage for men and women and the demo-

cratic election of both houses of Parliament. The privileged voting power of the wealthier classes had at last come to an end. And by 1924 the Social Democratic party, which is the workers' party, had won a majority and had taken over the ministry. Denmark has had a workers' and farmers' government ever since.

It is the policies of this government which have guided Denmark through the difficulties of the depression years. Let's see what Denmark's economic problems have been.

THE NATURE OF DANISH ECONOMY

Denmark is a small country—about twice the size of Massachusetts. It has about three and a half million people. A third of the workers are employed in industry, while another 35 per cent are engaged in agriculture. Agriculture, however, still remains the most important element in the national economy because it is with her export trade that Denmark pays in large part for the raw and half-finished materials needed to keep her 400,000 industrial workers employed. And in 1936 farm products—bacon, butter, eggs, lard, cheese, cattle, pigs—made up about seven-tenths of the Danish export trade.

DECREASING EXPORTS

But in recent years this export trade has been badly affected by the trade policies of Denmark's two most important customers, Great Britain and Germany. The fall of London commodity prices which occurred in the years following 1929 was especially disastrous to Denmark. The price of Danish bacon fell from 144 shillings per hundredweight to about 59 shillings, while the price of butter tumbled from 206 shillings per hundredweight to 94 shillings. What was more, in order to aid domestic production Great Britain placed a duty on Danish dairy products and cut her quota of Danish bacon. As

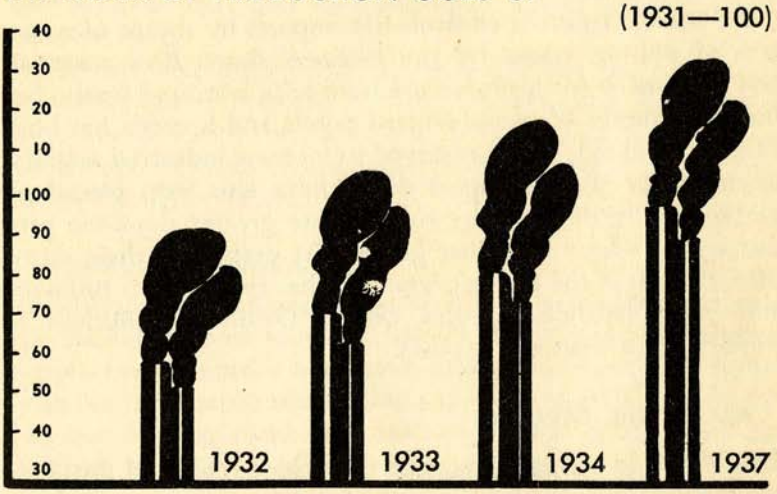
a result of these and similar commercial policies in other countries, particularly Germany, Denmark's export trade fell off sharply. The effect was soon evident both in agriculture and in industry.

Thus forces over which she had absolutely no control were threatening Denmark's economy with ruin. What was to be the solution? Again, as in 1864, the Danes sought a solution by using their ingenuity and the resources they had at hand.

The task has been difficult, and many problems remain to be solved. But since 1933 unemployment has decreased, as the chart on page 55 shows, exports have gradually increased in value and there has been some improvement in Danish economic conditions generally.

This improvement has been due to two factors, the policies of a liberal government and the ingenuity of both agriculture and industry in developing new fields of activity

THE INDEX OF PRODUCTION GOES UP



CONTROL OF IMPORTS

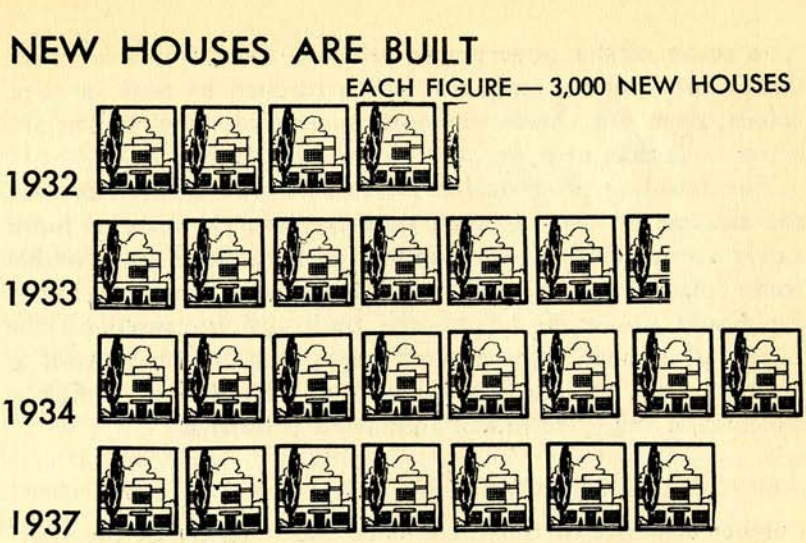
Of first importance, perhaps, among government policies is the establishment of rigid control over Denmark's imports. The purpose of this measure has been to stimulate domestic production and raise Denmark's exports to a higher level than her imports. Not only has the amount of imports been limited, but the government purchases goods by preference from those countries which buy Danish goods. In return for giving Denmark a share in the British market, for instance, Britain virtually obliged her to divert her purchases to Britain, so that by 1937 she had become Britain's third most important customer, buying only slightly less than Germany and France.

The Danes also made a trade agreement with Germany, increasing German purchases of cattle, butter, eggs and other products in exchange for increased Danish purchases of German goods. Similar agreements were made in 1935 with a number of other nations.

At home, Denmark controls her imports by means of a system of permits issued by the National Bank. Raw materials and machinery for manufacture have been admitted freely, but the importation of manufactured goods and luxuries has been carefully limited. This has served to increase industrial activity, as our chart shows. Import duties have also been placed on certain foodstuffs in order to stimulate greater domestic production of wheat and other grains. Yet despite all these measures, though in the last two years she has reduced her unfavorable trade balance to some extent, Denmark continues to import more than she exports.

AID TO THE FARMERS

In addition to trying to increase the export trade and thus help the farmer to market his crops, the Danish government declared a moratorium on farm mortgages, reduced interest rates and



cut taxes. As a result the number of foreclosures was cut in half between 1932 and 1934 and had dropped another 33 per cent by 1935.

Furthermore, during the depression, when the number of farm tenants, as opposed to farm owners, was going up in the United States, Denmark was actually able to lower her percentage of farm tenancy still further. Today 99 per cent of her farmers own their land.

A BUILDING PROGRAM

Finally, the government has granted loans at low interest rates for the building of homes. It launched this building program not so much to meet a housing shortage as to supply the people with new and better homes. Thus it grants loans to municipalities and housing societies up to 95 per cent of the total cost of their housing projects. And to private individuals it will lend up to 70 per cent of the total cost, or up to 80 per cent if a municipality will agree to guarantee interest on the loans.

As a result of this government program there was a boom in the Danish building industry which reached its peak in 1934 (chart, page 61). And even now many more new homes are being built than in 1930.

This building program has increased industrial activity, but the increase in turn has made necessary the purchase of more raw materials abroad, thus adding to Denmark's unfavorable trade balance. In 1933 and 1934, for instance, when the building boom was at its height, the trade deficit caused by the excess of imports over exports more than doubled. And, as we have seen, though it has since been reduced, this deficit is still one of the government's knottiest problems.

NEW FIELDS OF ACTIVITY

Further evidence of the intelligence and initiative of the Danish people may be found in the development of new kinds of activity, both agricultural and industrial.

Take, for instance, Denmark's great new cooperative poultry-packing plants. The farmers of Denmark used to keep poultry merely for the sake of the eggs. Chickens for stewing and roasting they had to import. In 1930 these imports cost the Danish people almost a million kroner—over $220,000. But by 1934 the Danes were not only producing enough for themselves but were exporting three and a half million kroner (nearly $770,000) worth of slaughtered poultry a year.

Other excellent examples of this tendency to turn to new activities are to be found in the fields of engineering and machine production. Here Danish engineers, like the Danish farmer, are gaining world-wide distinction for the quality and efficiency of their work. We Americans should be interested to know, for instance, that two great Danish pumps were installed at Boulder Dam, where they pumped four and a half million barrels of cement from railroad to mixing plants at the rate of five hundred barrels an hour.

Here, then, is a country where a truly representative government is concerned first of all with the needs and problems of its people. Through self-government, ingenuity and cooperative associations the Danes are trying to control their own destiny. A broad adult education movement and continuous practice in political as well as economic democracy have given them the confidence and intelligence to face problems resolutely and—in the words of Hamlet the Dane—"to take arms against a sea of troubles and by opposing end them."

Of course, the troubles of the Danes are not really ended, for they are tied in with the troubles of the world. In face of the growing tension in Europe, Denmark has had to turn her attention reluctantly to the question of national defense. She is now spending about 32,000,000 kroner ($6,700,000) a year on that item of her budget. Meanwhile, we hear rumors of Nazi penetration in Denmark, of Nazi censorship of Danish newspapers, exercised by threat of cutting down trade. Just how well founded these rumors are it is hard to tell. But the fact remains that Denmark has weathered the world depression without threat of revolution, either communist or fascist, and with her democratic institutions strengthened rather than weakened. The common sense and stability of her people will be one of her richest resources in whatever crises may lie ahead.

SUGGESTED READING

ASCOLI, MAX and FEILER, ARTHUR. *Fascism—for Whom?* New York. Norton. 1938.

CHAMBERLIN, W. H. *Russia's Iron Age.* Boston. Little Brown. 1934.

DEAN, V. M. "Industry and Agriculture in the U.S.S.R." *Foreign Policy Reports.* June 1, 1938. Foreign Policy Association.

DEAN, V. M. "Labor and Management in the U.S.S.R." *Foreign Policy Reports.* June 15, 1938. Foreign Policy Association.

DEWILDE, J. C. "Germany's Controlled Economy." *Foreign Policy Reports.* March 1, 1939. Foreign Policy Association.

FINER, HERMAN. *Mussolini's Italy.* New York. Holt. 1935.

GOLDMARK, JOSEPHINE and HOLLMAN, A. H. *Democracy in Denmark.* Washington, D. C. National Home Library Foundation. 1936.

ROBERTS, S. H. *The House that Hitler Built.* New York. Harper. 1938.

SCHMIDT, CARL T. *The Corporate State in Action.* New York. Oxford University Press. 1939.

STONE, SHEPARD. "Shadow Over Europe: The Challenge of Nazi Germany." *Headline Book No. 15.* New York. Foreign Policy Association. 1938.

WERTH, ALEXANDER. *Which Way France?* New York. Harper. 1937.

WILLIAMS, A. R.. *The Soviets.* New York. Harcourt Brace. 1937.

HARRISON HIGH SCHOOL

OTHER HEADLINE BOOKS

THE GOOD NEIGHBORS—The Story of the Two Americas—the Spanish and Portuguese colonies and how they gained independence, their relations with one another, the United States and the rest of the world, including the totalitarian states.

BRICKS WITHOUT MORTAR—The Story of International Cooperation—its early history, its successes and failures both in and out of the League, its future prospects in the light of the Munich Agreement.

SHADOW OVER EUROPE—The Challenge of Nazi Germany—The rise of the German nation; the advent of Adolf Hitler, his domestic policies and his plans for expansion.

THE PUZZLE OF PALESTINE*—A summary of Palestine's recent history, showing the causes of the present clash between Arab and Jew. Is the British Partition Plan the solution?

WAR IN CHINA*—A vivid story of the dismemberment of China since the 19th Century; includes an illuminating section on American policy during that period and in the present crisis.

PEACEFUL CHANGE—A survey of international economic problems which lead to nationalism and war, and their effect on democracy. Can their solution be found through international cooperation?

CHANGING GOVERNMENTS—An analysis of changes in government in Germany, Italy, Russia, France, and Denmark, and their effect on peace.

CHURCH AND STATE—A study of the bitter struggle between church and state in Germany, Spain, Italy, Mexico and Russia.

BILLIONS FOR DEFENSE—A challenging analysis of naval and military budgets and the national policies behind them.

COOPERATIVES—Highlights of the cooperative movement around the world.

AMERICA CONTRADICTS HERSELF—The story of our foreign policy from colonial times to the present.

Single Copies, Paper, 25¢ *Cloth Edition, 95¢

THE FOREIGN POLICY ASSOCIATION
8 West 40th Street New York, N. Y.