

THE LIVING AGE

Founded by E. Littell

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The World Over

LAVAL'S CONVERSATIONS with Mussolini and Flandin's visit to London had a direct bearing on the decision of the Soviet Union to double its standing army. From the signing of the Rapallo Treaty in 1922 until the advent of Hitler in 1933, Germany and Russia had been bound together by a virtual alliance, and the Kremlin had always assumed that German heavy industry would never permit the National Socialists to seize power. Soviet foreign policy therefore faced a new and unexpected situation in 1933, but the fact that Herriot, who had always advocated closer Franco-Russian relations, was in the saddle in France led to a happy solution. Already in November, 1932, the two countries had signed a non-aggression treaty, which Herriot, Pierre Cot, the Air Minister, and later Barthou tried to expand into a general military alliance. Pressure from France forced Bulgaria, Rumania, and Czechoslovakia to recognize the Soviet Union while the Little Entente enthusiastically supported the East European security pact, from which only Poland and Germany held aloof. Even the upset of the Radical Socialists a year ago did not interrupt the gradual Franco-Russian rapprochement; indeed, the activities of Barthou, the new Foreign Minister, hastened the process.

Doumergue, however, and Tardieu had always doubted the desirability of a Franco-Russian alliance, and the assassination of Barthou gave them their chance to destroy his work. Laval, Barthou's devout Catholic successor in the Foreign Office, looked askance at Russia and

wanted to reach an understanding with Germany instead of continuing Barthou's policy of encirclement. And Flandin, who succeeded Doumergue, felt the same way—no doubt because of his close connections with Théodore Laurent of the Comité des Forges. Finally, the French General Staff, whether for political or tactical reasons, did not have a very high opinion of the ability of the Red Army to come to the aid of France against Germany since it would have to subdue Poland first. The advocates of Franco-Russian understanding then played their last card in November, 1934, when Archimbaud, the reporter on the military budget, informed the Chamber of Deputies that the Soviet Union had offered to put its army at the disposition of France. His speech created a strong impression and might have saved the day had not the British Government suddenly demanded explanations on the ground that the East European security pact did not permit any further alliances between two or more of its parties. The French Government had to issue a public denial that any such understanding existed, and in December Laval gave Sir John Simon additional assurances in Geneva.

Franco-Russian relations—indeed, the whole attitude of the Soviet Union toward Europe—therefore depend on what happens to the Anglo-French offer to Germany. England favors equality of status for Germany, and Flandin and Laval are prepared to make more concessions than any of their predecessors. As we go to press, Hitler's decision on the Anglo-French offer is still hanging fire, and, whatever his answer may be, it will probably take months for England, France, Germany, and Italy to reach a final agreement. Meanwhile, the Soviet Union faces two dangerous possibilities—either a united front of the major European Powers or improved relations between England and Germany. The latter eventuality might lead to a resumption of the rapprochement with France, but only a willful act of self-isolation by Germany can entirely relieve the Kremlin of its fears on the western frontier.

TWO MONTHS AGO in this department we quoted General Smuts's plea for equality of status for Germany and his attack on the Versailles system in Europe. Since then still another important spokesman of British foreign policy has also taken up the cudgels for the Third Reich. Lord Allen of Hurtwood,—formerly Clifford Allen, Socialist,—who earned his title by fastening himself to Ramsay MacDonald's coat-tails in the fall of 1931, has been interviewing Hitler, Goebbels, von Neurath, and other German leaders and has returned to England 'convinced' that Hitler 'genuinely desires peace.' He has given this warning to a representative of the Conservative *Daily Telegraph*:—

Now the keynote of Germany's attitude is her desire to be afforded equal sovereign status with other Great Powers. She is in an intensely emotional mood to-day

on account of her resentment at being the only nation of first-class importance that is treated differently from other countries.

Germany accepted temporary inequality of status during the years she spent in international negotiations. If other countries continue to inflict further humiliations upon her new post-war population, which they do not inflict on any other Great Power, there will again grow up a warlike spirit, which will cause her to hurl herself to destruction for a second time, even though she may know that all the odds are against her.

Significantly enough, Lord Allen went out of his way to emphasize the prestige that England enjoys in Germany to-day:—

Britain's prestige in Germany at present is tremendous. Mr. Eden has created an impression of great integrity as far as Britain is concerned, and, if direct negotiations with France fail, Germany hopes that Britain might declare, much more clearly than we have hitherto, precisely what we feel as to the rights and wrongs of her armament position. In this way, the Germans hope, great moral pressure might be brought to bear on other nations to recognize her point of view.

Thus England's support of Germany, which began when she refused to enter the Ruhr with France in 1923 and was interrupted only by the early excesses of the Hitler régime, continues unabated.

THE HOSTILITY that the Labor and Liberal press of England has consistently shown toward Hitler has distracted attention from the attitude of the Foreign Office. Yet only the more radical British journals take their Government to task for aiding and abetting a régime of which they disapprove. The *New Statesman and Nation*, for instance, prints a long and highly critical dispatch from its correspondent in Germany, describing the condition of the country after two years of Nazi rule and lets it go at that. Here is the way the dispatch concludes:—

On the whole, National Socialism has become more pernicious because it has improved its technique. An example of this is the increasing hardship to which German Jews are subjected without the publicity that formerly did something to protect them. The English public is, at most, aware of the Frankfurt incident in the organized boycott of Jewish shops, which had been proceeding all through December in many provincial towns in preparation for the 'purely German' festival of Christmas. Though Jews are supposed to be allowed commercial, if no cultural, functions, one finds that a stockbroker has just been forbidden the Bourse or that to sell newspapers has become a cultural activity. The pressure has been increasing steadily since Hess's strongly anti-Jewish order to the Nazi Party issued in Munich on August 8. But what is done now is effectively and quietly done. So the anti-Semitic orientalism of the Third Reich may be said to have achieved nothing certain but the military efficiency of the Hohenzollern kings at the cost of the religious and racial tolerance for which they were famous.

WHEN PREMIER FLANDIN announced, 'Deflation is at an end,' he did not mean that the franc was about to be devaluated or quit the gold

standard. What he had in view was a policy of credit—not currency—inflation. Clément Moret promptly resigned the post of governor of the Bank of France that he has held for the past four years, but Finance Minister Germain-Martin, who holds the same job that he did under Doumergue, remains unperturbed, for he feels that complete financial orthodoxy must be abandoned. The new governor of the Bank of France, Jean Tannery, has for the past nine years headed the Caisse des Dépôts et Consignations, and, although he supports the gold standard, it has been his function to get as much short-time credit as possible for the Treasury from the Bank. Moret, remembering that the post-war inflation of the franc was accompanied by a steady increase of the floating debt through huge loans from the Bank to the Treasury, has consistently refused to revert to a policy that had fatal consequences before and has upheld the Stabilization Law of 1928, whereby the Bank put 3,200 million francs at the disposition of the State but would not let it have a centime more. Under the new dispensation Treasury bills to the amount of ten billion francs are to be issued to cover this year's budget deficit. The Bank of France will advance credit on these and, at the same time, allow private banks to borrow on securities that it refused to accept in the past. The Stock Exchange greeted the new deal—for that is what it amounts to—with a boom, and even such conservative newspapers as the *Journal des Débats*—organ of the Comité des Forges—hailed the prospect with enthusiasm. In short, Flandin appears to be doing for France just what Roosevelt is doing for the United States and saving the industrialist at the expense of the banker.

CONTRADICTIONARY REPORTS emanate from Spain. A press censorship prevents the local newspapers from throwing much light on the strength of the present semi-Republican, semi-Fascist régime, and the foreign newspapers report only what they wish to see. Thus, the *Neues Wiener Tagblatt*, conservative Vienna daily and exponent of Catholic Fascism, praises Gil Robles and asserts that nationalism is rampant in Spain and that the army is the most popular organization in the land. 'Marching troops,' reports its Madrid correspondent, 'are covered with flowers and greeted with shouts of "*Viva el ejército! Viva la Guardia! Viva España!*" And not once was the cry "*Viva la República*" to be heard.' The Laborite *Daily Herald* of London, on the other hand, quotes Julio Alvarez del Vayo, former Spanish ambassador to Mexico and chairman of the League Committee to the Chaco, as saying that the conservative parties are split whereas the radical groups are uniting. He describes the high spirits of the jailed Asturian miners and quotes from a pamphlet by Professor Fernando de los Rios, former Republican Foreign Minister, that is being circulated through underground channels

and that exposes the brutality of the present régime. Here are some of the tortures that were described to him when he visited Oviedo:—

The first consists in tying a bar below the bend of the knees and tying the arms to it. This torture was, on occasions, carried out by Comandante Doval himself.

The second consists in hanging the prisoner by the arms from a pole, leaving him suspended in the air and, by means of whipping, making him swing in the air.

The third consists in making the prisoner pass through a file of guards, who strike with their rifles, some at the shoulders, others at the feet, and some even at the head.

Finally, what is called the 'concert hall' has an indefinite field of varied tortures. It is called the 'concert hall' because everybody 'sings,' meaning that the sufferings are so horrible that the prisoners make the desired declarations.

He also reports that the tales about priests being cut to pieces and sold as 'pork' have been exploded by the appearance of the alleged victims unscathed on the streets of the city.

THE CONFUSION that prevails in Rumanian domestic politics foreshadows trouble for the Little Entente. Since December, 1933, the country has been governed by the Liberal Party. This political arm of the feudal aristocracy does not command the support of the majority of the people. It gained control of Parliament over a year ago in an unusually corrupt election, which was followed by the murder of Premier Duca at the hands of an organization affiliated with the Nazis. Although Dinu Brătianu is the power behind the scenes in the Liberal Party, a younger man, Tatarescu, succeeded Duca as Premier and has held the job ever since. He has tried to focus the attention of Parliament on the scandal that destroyed the National Peasant Government and that had to do with the bribery of certain high officials by the Skoda munitions factory in Czechoslovakia. Iulius Maniu, leader of the National Peasant Party, had no part in the affair, but his followers suffered, and a split developed between Maniu, a Puritanical champion of the peasants, and former Premier Vaida-Voevod, who is an intimate friend of Herriot's. The Liberals are still harping on the Skoda affair and trying to create a domestic arms industry that will make Rumania independent of foreign supplies, but the people have little interest in such a long-range project, especially as their living conditions are going from bad to worse. Maniu therefore jumped into the spotlight in December when he took advantage of the celebration of his sixty-first birthday to urge a New Deal for Rumania similar to Jevtič's plans for Yugoslavia. He stated that 80 per cent of the people are undernourished and urged currency reform, nationalization of the big industries, and increased expenditures on public works. These proposals have thrown the Liberals, who believe in laissez-faire capitalism, into a panic because Maniu seriously intends to carry out his programme. The handful of feudal families that support the al-

liance with France and the Little Entente will not be likely to surrender without a struggle, and, whatever the outcome may be, Rumanian foreign policy will be weakened by the threatened domestic disorders.

BULGARIA HAD its second palace revolution in less than a year when Premier Georgieff had to resign because the men who had organized the coup d'état that placed him in power last May turned more and more against King Boris. Although Georgieff had ridden into office on Boris's popularity and had proved himself a capable Premier to boot, the King was confined to his palace, a virtual prisoner, for several months, and the country was governed by a military dictatorship. But Colonel Damian Veltcheff and Petar Todoroff, the ringleaders of the coup d'état, were suspected of planning to incorporate Bulgaria with Yugoslavia, and at the same time their Fascist movement, led by a hodgepodge of professors, journalists, intellectuals, and army men failed to create the new apparatus of government they had promised. As a result of their overthrow the press censorship has been relaxed, and the newspapers freely discuss what type of government should be established next. Georgieff smashed the Inner Macedonian Revolutionary Organization, drove the powerful Communist Party underground, and recognized the Soviet Union, and the present Government, headed by General Zlatteff, will pursue the same general pro-French policy. According to the semi-official *Temps* of Paris, it will not, however, resist the influence that Russia is again exercising in the Slavic world. 'A considerable change has come over Europe since the return of Russia, in spite of its Soviet régime, to the ranks of the Great Powers. It is a fact that must be allowed for by anyone who wants to understand the scope of the rapprochement between the Little Entente nations, the Balkan Entente, and Russia.' The *Neue Zürcher Zeitung* emphasizes the same paradox of a Fascist state drawing close to the Soviet Union, and it points out that the Bulgarian Government 'has banned the Communist movement so completely that it can even establish diplomatic relations with the Soviet Union.'

IN JANUARY we pointed out that the marriage of the Duke of Kent and Princess Marina was not an unadulterated love match but that it was preparing the way for England to take a more active part in Balkan affairs. And now comes the report from Max Rudert, who exposed the Hitler-Thyssen tie-up months before Ernst Henri's *Hitler over Europe* appeared, that the Duke of Kent is being groomed as the next King of Greece. In 1921 and 1922 it was the Zaharoff-Venizelos-Lloyd George triumvirate that made possible the Greco-Turkish War, and, although Zaharoff's dream of a Grecian empire commanding the Bosphorus and much of Asia Minor went glimmering along with the schemes of the

Anglo-Persian Oil Company for a monopoly of the Iraq petroleum fields, enough water has now flown under the bridge for some of the same forces to emerge again. This time, according to a brief article by Max Rudert in *Europäische Hefte*, a German émigré weekly, the great merchant families of Greece, who lost valuable investments and trading opportunities in southern Russia after the Revolution, have gained the support of Zaharoff, Deterding, and the House of Windsor itself to supplant the present mildly pro-Russian, pro-Turkish republic with a pro-British monarchy. A Royalist paper in Athens, *Vradini*, has already announced that eight billion drachmas—some \$75,000,000—are to be spent on armaments during the next six years, supposedly with American firms but actually with Vickers. The money to pay for these deliveries, according to Herr Rudert, is being raised in London and Athens, and the accession of the Duke of Kent to the Greek throne will provide the finishing touch. Not only is this Zaharoff's last card, it is a skillful British diplomatic manoeuvre to prevent Russian influence from securing a foothold in southeastern Europe.

NOT LONDON, New York, or Berlin, but backward Abyssinia has become the scene of a highly complicated drama of imperialist intrigue. Elsewhere in this issue a German contributor describes Japan's incursions in that quarter, and they may indeed help to account for Europe's sudden interest in African affairs, but there are other reasons, too. For one thing, important concessions must be made to Italy in return for that country's support of the *status quo* in Central Europe, and, when Laval surrendered still more territory in the neighborhood of Abyssinia to Mussolini, he was hoping not only to placate but to occupy the Italian dictator. England also has reasons to give Italy a free hand in Abyssinia. Whether the Anglo-Japanese alliance is ultimately revived or whether it is replaced by an Anglo-American alliance, Japan at the present time is giving England dangerous competition on world markets, and, if Italy can be enlisted to thwart Japanese ambitions in Africa, so much the better. It is a tribute to the power of Hitler in Europe and to the power of Japan in the Orient that three of the chief European nations have buried their differences regarding a rich and unexploited area, over which they have been squabbling for more than thirty years.

THE FLIGHT of the Chinese Communists from the province of Kiangsi may not only prove a Pyrrhic victory for Chiang Kai-shek, it sets the stage for a renewal of the civil war between the Nanking and the Canton Governments. The spread of Communism in the eastern coastal cities has certainly been checked, but only at the expense of increased activity in the interior, especially in the rich province of Szechwan, which pos-

sesses valuable oil deposits that two American geologists are investigating in behalf of the Nanking Government. Meanwhile, Hu Han-min, the military leader of the southern faction with headquarters at Canton, which advocates more vigorous opposition to the Japanese, took advantage of Chiang Kai-shek's anti-Red campaign to visit North China and sound out some of the local generals and alarmed Chiang Kai-shek so much that he postponed indefinitely the November session of the Kuomintang convention, at which he had hoped to be named president as well as generalissimo. Furthermore, the Canton faction has taken a leaf out of Nanking's book and has acquired an air force two-thirds as large as Chiang Kai-shek's, so that it will not be wiped out as the Fukien rebellion of a year ago was by superior air strength.

OUR GROUP of three articles on Japan at home and abroad covers almost every aspect of Japanese economic activity to-day; all that we can add here is a little up-to-date information on the trade balance. During 1934 the unfavorable trade balance amounted to 130,000,000 yen as compared with 85,435,000 yen in 1933, but both imports and exports gained. For the first time in history exports of cotton textiles exceeded raw-silk exports, and rayon textiles again surpassed exports of silk textiles. But Japan's conquest of world markets has slowed down somewhat. In 1933 Japanese export trade showed an increase of 31 per cent over 1932; in 1934 the increase was only 16 per cent. To-day Japan is exporting 61 per cent of all the finished products it produces, as compared with 54 per cent last year, and exports of semi-finished goods have risen from 60 to 63 per cent. Imports of certain raw materials have increased by leaps and bounds. Japan is buying 60 per cent more tin than in 1933 and 50 per cent more copper than in 1932. It took nearly one-tenth of America's record export of 200,000,000 pounds of copper during the month of November. Imports of all raw materials have risen 21 per cent since 1933, while food imports fell by 6 per cent. The combined total of imports and exports exceeded that of any year except 1925, 1926, and 1929.

SOME INTERESTING new light on the mysterious Chaco War appears in the columns of the *Manchester Guardian*. A special correspondent not only draws some surprising parallels between the fighting in the Chaco and the fighting on the western front during the World War, but in doing so he gives more than an inkling of the forces at work behind the South American scene. The Bolivian army has followed German tactics under the leadership of German officers, whereas one of the two native commanders of the Paraguayan forces learned the art of war under Foch in France and the other served in the Belgian army. Their two ablest

foreign assistants are of British blood, and a number of their subordinates are White Russians. The fighting dates back to 1922 when a revolution broke out in Paraguay because the President was about to permit the Bolivians to build a pipe line from their rich oil fields across Paraguayan territory to the Paraguay River. Bolivia thereupon hired General Hans Kundt and the late Captain Ernst Röhm to prepare for action. Kundt had planned a sudden attack on Paraguay after the pattern of the famous Schlieffen Plan that the German high command followed when it invaded Belgium, but news of his project reached the enemy, and he was dismissed. A Spanish military mission replaced him, but the defeats it suffered when hostilities began in 1932 led to the return of Kundt, who lasted for about a year and was replaced first by a Chilean mission and then by General Payek of Czechoslovakia. But the heavy artillery and tanks of the Bolivians proved useless in the hot jungle wastes of the Chaco, where the Paraguayan soldiers were quite at home, and again, as in 1914, a highly mechanized mass attack failed.

DIVERSIFICATION OF CROPS, sustenance farming, and the creation of an agricultural middle class are proposed as most immediate solutions for the difficulties of Cuba by the Commission on Cuban Affairs selected by the Foreign Policy Association. This Commission, while unofficial in character, was organized following an invitation by President Carlos Mendieta, and its report, entitled *Problems of the New Cuba*, presents such complete evidence concerning the economic, political, and social aspects of the problem that it might well serve as a text book for those Americans who believe that economic expansion beyond our borders is a simple matter of investments and dividends.

While diversification of crops is a pressing need in a one-crop country like Cuba, sustenance gardening, however, has been proposed as a cure for low wages, seasonal work, and unemployment in such totally different situations—notably the automobile industry in Detroit—that it is somewhat disappointing to hear it as a solution for Cuba. The report might have emphasized more strongly that the United States has not seen fit to allow refining on the island to any great extent—only one-fifth of Cuba's sugar quota is allowed entry in a form ready for direct consumption—although this industry would provide all-year employment to a considerable number of workers, whereas the 'dead season,' when there is no grinding at the *centrales*, now lasts about nine or ten months. The failure of western nations to develop industries outside their own borders and their policy in forcing agricultural countries to serve as reservoirs of raw materials alone is a major factor in the impoverishment of these areas, including the Far East, and in the consequent loss of markets.

This trio of articles shows Japan penetrating two spheres of Britain's imperial interest—Abyssinia and Afghanistan. The third points out some weaknesses on the domestic agrarian front.

Enter JAPAN

AN INTERNATIONAL
SYMPOSIUM

I. JAPAN ENTERS ABYSSINIA

By A. DOHERR

Translated from the *Tat*, Jena National-Socialist Monthly

JAPAN'S policy of expansion goes forward under the pressure of a constantly growing population. It not only annexes and colonizes sources of foodstuffs and raw materials, but it tends more and more to export human beings as well as goods. In addition to the emigrants who have settled on the banks of the Pacific, in Lower California and South America, Japan's export industries are promoting a combined spiritual and economic imperialism. This sphere of Japanese influence extends farther every year thanks to complete rationalization of industry, lower wages, longer working

hours, cheap labor by women and children, and sixty-per-cent devaluation of the yen.

In addition to the markets of Europe, Japan is also turning to the growing and larger markets of South America, Oceania, and Africa. Thus it becomes not only an economic danger to the European exporting countries but to European political and intellectual concepts. For the colored races, who were once convinced of white superiority, are now undergoing a planless but none the less real awakening. This tremendous development takes form in the flaming na-