"NORMALCY": EUROPE IN THE 1920s

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Only in the mid-1920s could Europeans begin to feel "the full sunshine of peace."[1] Then tensions relaxed, and a period of calm and prosperity followed in the late 1920s. Internationally, the bitter confrontations of the early years of the decade, such as the French occupation of the Ruhr, were replaced by the Locarno spirit. In domestic politics, the surges of both revolution and counterrevolution subsided, and the parliamentary states settled down into the alternation of more moderate left and right. Wartime controls were disbanded, and reconstruction began to cover up the outward signs of war. In Western Europe, at least, booming prosperity carried production figures higher than anything known up to 1914. The war's loosening of social restraints, compounded by the indulgence of deferred desires, lent these boom years of the late 1920s a glitter of brash vulgarity.

[1]Robert Graves and Alan Hodge, *The Long Week-End: A Social History of Great Britain, 1918–39* (London, 1940), p. 113.

A RETURN TO "NORMALCY"

United States President Warren Harding's term for this period was a "return to normalcy." But what was "normal" for Europe after four years of total war, followed by another four years of postwar turmoil? In the late 1920s, the moderate center-left and center-right coalitions that dominated public life in Western European parliamentary regimes revived the values of late–nineteenth-century liberalism: broadened parliamentary democracy, individual liberties, and a market economy based on private enterprise and operating under a bare minimum of state intervention. Since the liberal Western states, Britain and France, had won the war, had restrained revolution, and had then recovered the highest living standards in Europe, those values tended to seem "normal" to many Europeans in the late 1920s. The question still to be answered was how adequately these "normal" nineteenth-century liberal values fit the postwar world.

Neoliberal Economics: Dismantling War Government

No one expected to maintain the fever-pitch effort or the stringent controls of war government indefinitely. Once military demobilization had been completed and internal order was assured, the various war boards and regulations began to be dissolved. By 1922, wartime agencies had been almost entirely dismantled, outside the Soviet Union. Liberal values held that economic and social decisions are best made in a free market, and "normalcy" meant the fullest possible return to that state of affairs. European liberals thought of wartime economic management as distasteful emergency expedients. "We want to get on with our business," said the British Tory Lord Inchcape, and

> not spend our time arguing with Government clerks, dancing attendance at the Board of Trade, appearing before committees, wheedling Consuls for permission to import what we need, throwing open our books, bills, and invoices to inspectors from Whitehall, and going through all the worry and expense to justify every transaction . . . to some official inquisitor.[2]

Even in states with the least tradition of state intervention, however, it was clear that the old world could not be fully restored. One small but revealing example was the passport. In 1914, Europeans had traveled freely throughout the Continent except in the Russian and Ottoman empires. After 1918, all European states required travelers to carry passports.

Restoring a pure laissez-faire economy would have been even more

[2]Paul Barton Johnson, *Land Fit for Heroes: The Planning of British Reconstruction, 1916–19* (Chicago, 1968), p. 451.

difficult than restoring unrestricted travel, for no European economy had been left to the free play of market forces even before 1914. All European states except that preeminent trading nation, Britain, had protected domestic industry by tariffs or other trade restrictions after the 1880s. Internally, governments had intervened to protect firms against their workers, and had been far more vigilant against combinations of workers than against combinations of employers. Virtually all governments had begun to supervise working hours and conditions and to support health- and retirement-insurance plans. In Britain, Lloyd George had promised a postwar "land fit for heroes." How could this promise be kept by letting everything seek its own level?

In fact, no European liberal proposed to restore a mythical pure laissez-faire economy in Europe, nor would either businessmen or organized labor have accepted such aims. The liberals hoped to restore as much as possible of the economic freedom that businessmen had enjoyed before the war within a world financial, trading, and banking system resembling that of 1914. The clearest sign of these intentions was the reestablishment of the international gold standard, first in England in 1925 and subsequently in most European states outside the Soviet Union.

But even in its most booming prosperity the European economy of the late 1920s could only be a distorted imitation of that of 1914. For one thing, the war had vastly increased the scale and power of organizations in the economy. Business cartels, already present before the war, had emerged vastly strengthened by war government, especially on the Continent. In the 1920s, international cartels regulated the sales of iron, steel, oil, chemicals, and other major industrial products in Europe. At the same time, labor unions enrolled a higher proportion of industrial workers than before the war, and they had participated in centralized economic decisions under war government. Under such conditions, a liberal economic policy amounted to arbitrating among powerful organized interests.

The international economy was also permanently changed by the effects of war. The reinstitution of the gold standard did not restore a smoothly functioning medium of international trade. Postwar inflation had made currencies fluctuate wildly in relation to one another, and speculators stood ready to profit by these swings and to accentuate them by large purchases and sales of currency. Above all, the burden of reparations and war debts interfered with international trade and exchange. Germany owed money to Britain and France; France owed money to Britain and the United States; Britain owed money to the United States. United States loans to Germany in the late 1920s made the whole circuit possible. If anything happened to the economy of the United States, the whole delicate structure of the neoliberal international payments system would come tumbling down.

Neoliberal Politics: Broadening Parliamentary Democracy

Normalcy in politics meant a hastening of the late–nineteenth-century march toward universal suffrage, parliamentary regimes, and republics.

For the first time in Europe, republics became the rule rather than the exception. Before the war, only one Great Power, France, had been a republic. War and revolution swept away three great hereditary thrones (the Hohenzollern, the Habsburg, and the Romanov) as well as some minor ones, such as the royal families of Bavaria and Greece. After the war, only Great Britain and Italy, among major states, remained monarchies. Most monarchies were now small states, as in the Low Countries and Scandinavia. Only one of the new Eastern European successor states was a monarchy: Yugoslavia.

The creation of new regimes provided a field day for constitution-makers. New constitutions drew heavily on the examples of the Allied powers; they often combined French parliamentary structures with a popularly elected president on the American model. The most important state to draft a new parliamentary constitution was Germany. The Weimar Constitution of August 1919 was supposed to distill the best legal scholarship and experience in the workings of parliamentary systems. Drafted by a liberal Berlin law professor, Hugo Preuss, assisted by sociologist Max Weber and others, the Weimar Constitution was meant to move German politics firmly onto a democratic path and at the same time strengthen the central power over the individual German states. A president, popularly elected to serve seven years, designated the chancellor, whose cabinet must have the support of a majority in the popularly elected chamber (*Reichstag*). An upper house (*Reichsrat*) of delegates of the states could delay but not block legislation. In order to provide the most mathematically equal weighting to each citizen's vote, the Weimar drafters experimented with proportional representation, by which every political party received seats in the legislature in proportion to its popular vote.

The vote was significantly widened in the postwar constitutions. Wartime pressures had forced even the German Empire to promise in 1917 to end the Prussian three-class voting system. More women received voting rights in Europe just after the First World War than in any other comparable period until the next wave of new constitutions in 1946. Before the war, women in Europe had been permitted to vote only in Finland (1906) and Norway (1913).[3] In 1918, Britain introduced virtually universal manhood suffrage and the vote for women over thirty; other women were enfranchised in 1928. In the same postwar period, women got the vote in Weimar Germany, three successor states (Poland, Czechoslovakia, and Austria), the Low Countries, and Scandinavia.

[3]Women could also vote in New Zealand (1893), Australia (1902), and twelve western states of the United States before 1914. See M. N. Duffy, *The Emancipation of Women* (Oxford, 1967), pp. 44–45.

Women could not yet vote in Italy, Switzerland, France, or Spain. And women occupied important political roles between the wars only in Britain and the Soviet Union.

The leveling effects of the war were apparent in postwar politics. Socialist parties, including some members of genuine working-class background, shared power in the parliamentary democracies. The new president of Weimar Germany, Social Democrat Friedrich Ebert, had been a saddlemaker's apprentice. The first British Labour government members of 1924 debated heatedly among themselves about the proper clothing to wear for the ritual call on King George V. Eventually they decided on the traditional tailcoats. One war later, the Labour leaders of 1945 were to call on George VI in street clothes.

The three major parliamentary democracies of Western Europe—Britain, France, and Germany—settled into centrist coalitions by the mid-1920s. During the late 1920s, these regimes gave an outward impression of governmental stability and consensus.

Postwar normalcy meant not only the attempt to restore liberal politics and economics in northern and Western Europe but the urge to spread them to the rest of the Continent. Parliamentary institutions could not be effectively transplanted to Eastern and southern European areas, however, where large parts of the population were illiterate peasants and where nationalities clashed.

BRITAIN

The highly personal government of wartime leader David Lloyd George had continued after the armistice, fortified by the "khaki election" of December 1918. But in late 1922, Conservative party leaders, confident of their strength in the country and chafing under Lloyd George's one-man rule and taste for governmental activism, withdrew from the six-year-old coalition. The collapse of Lloyd George's personal majority marked a return to more traditional party politics in Britain.

A Three-Way Party System

As the election of November 1922 showed, however, British party politics no longer resembled the nineteenth-century alternation of Liberals and Conservatives. While the Conservatives won their largest majority in this century, the balance of power shifted within the opposition, and Labour emerged as the second most powerful party of the kingdom. The Liberal party, the proud successor of eighteenth-century Whigs and nineteenth-century reformers like Grey, Peel, and Gladstone, slipped to third place.[1] For the moment, since many British voters were doubtful of

[1]Electoral results, November 1922: Conservative—345 seats; Labour—142 seats; Liberal—117 seats.

Labour's capacity to govern, the Liberal party held on to a balancing share of the electorate. The British parliamentary system, which had evolved in the rivalry of two parties, functioned as a three-party system throughout the interwar period.

On one level, the Liberal decline could be attributed to the vagaries of politics. The Liberal party had split twice in two generations: once in the 1890s over the question of Irish independence, and again between followers of Asquith and Lloyd George during the First World War. On a more profound level, however, the Liberal decline suggested that the party's values of political democracy and economic laissez faire offered a diminishing prospect of coping with the social and economic challenges Britain had confronted since 1914. The British economy's nineteenth-century staples, coal and textiles, were no longer very profitable, and much of its cushion of foreign investment had been liquidated during the war. Social expectations had been raised by the experiment of war government, while the British capacity to earn had been deeply eroded. The Liberal party was destined to shrink to a mere splinter by the 1940s, one war later.

The Conservative ministers who succeeded Lloyd George from 1922 to 1924 wanted Britain to "get on with its own work, with the minimum of interference at home and of disturbance abroad."[5] This was a reasonable program for normalcy. The major innovation of the postwar Conservatives was their full commitment as a party to protective tariffs, in recognition of British industry's diminished competitive advantage in the postwar world. Some individual Conservatives had advocated special trade privileges for the empire before 1914, and wartime trade controls had set a precedent. But when Conservatives chose to fight the elections of 1923 on the issue of tariff protection, it was the first time since 1846 that a major British party had advocated peacetime tariffs in an election. In the hostile economic jungle of the postwar world, Conservatives had abandoned the trade principles of most nineteenth-century British leaders. Both Liberals and Labour supported free trade, however, and their combined majority in the elections of December 1923 provided an unambiguous mandate for it.[6] A return to free trade could also be considered a vote for normalcy, since Britain's nineteenth-century economic supremacy had been bound up with it.

The First Labour Government, 1924

Although Labour had reinforced its position as the largest party of the opposition, neither the Liberal party nor Labour enjoyed a majority of its own after the election. Instead of joining in a coalition, the Liberal

[5]Electoral program of Prime Minister Bonar Law, 1922, quoted in A. J. P. Taylor, *English History, 1914–45* (Oxford, 1965), p. 196.

[6]Electoral results, December 1923: Conservative—258; Labour—191; Liberal—158.

party leader, former Prime Minister Asquith, decided to allow the Labour party its first taste of governing responsibility—and perhaps enough leeway to discredit itself. Thus, with Liberal party support, the Labour leader Ramsay MacDonald was able to form the first nominally socialist government in Britain in January 1924.

Some Englishmen feared the nationalization of "everything including women"[7] from a Labour government. Some hoped for a revolutionary socialist regime. MacDonald's government fulfilled neither the fears nor the hopes aroused at its beginning. Although MacDonald had helped found the more radical Independent Labour party in the 1890s and had been among the handful of outspoken British pacifists during the First World War, he had no intention of trying to impose socialism on Britain. Nor had he the power to do so. His government depended on Liberal votes for its majority. His cabinet included a number of recruits from the Liberal party, but only one of the wartime radicals from the Clydeside industrial area, John Wheatley. The Wheatley Housing Act, which launched the construction of municipal housing at controlled rents, was the one genuine domestic innovation of the period. Aside from that first peacetime experiment in business–government cooperation and social planning, the MacDonald government did more to adapt politicians of genuine working-class background (MacDonald himself was the son of a Scottish sharecropper) to the mainstream of British politics than vice versa. "It's a lum hat (top hat) government like a' the rest," one disillusioned British workman is supposed to have said.

The MacDonald government was more a reaffirmation of economic liberalism and the continued dismantling of wartime controls than a turn to the left. No doubt this was what most of the electorate wanted, and MacDonald effectively established the legitimacy of Labour as a governing party and enormously widened access to the British political elite. That was no mean achievement.

In any event, the first Labour government was brief. It fell ten months later over personal matters: "Gentleman Mac" had been accused of accepting an expensive limousine and of shelving the prosecution of a communist newspaper. In the ensuing election of October 1924, the Conservatives focused on the alleged dangerous radicalism of MacDonald's foreign policy, including the government's recognition of the Soviet Union. The conservative press produced a letter from Comintern Chairman Gregory Zinoviev advising British Communists on ways to undermine British capitalism. MacDonald was accused of being dangerously "soft" on subversive activities. The Zinoviev Letter is now known to have been forged by a Polish anti-Bolshevik, although the British editors who used it probably thought it was genuine. It was enough to help defeat Labour, although the Liberal party suffered even more heavily in the climate of political polarization that the letter created.

[7]Graves and Hodge, p. 76.

Return to Conservative "Normalcy"

The election of 1924 brought back to power the Conservative leader Stanley Baldwin, who personified the British version of normalcy in the late 1920s. Baldwin was a cabinet member from 1924 to 1937, except for the period of the second Labour government (1929–31), and was prime minister during 1923, 1924 to 1929, and 1935 to 1937, one of the longest spans of political power in modern British history.

Stanley Baldwin went to some pains to present himself as moderate rather than conservative. Photographers and cartoonists pictured him as a prosperous yeoman of Old England, a ruddy-faced taciturn man walking the fields and admiring his pigs, puffing a pipe, waving aside intellectuals, and speaking a bluff, frank common sense. He was the first British prime minister to address cabinet members by their first names, and the first to make effective political use of the radio. He prided himself on good relations with Labour. He helped establish a pragmatic, middle-class style in the British Conservative party that supplanted forever the aristocratic manner of the previous generation of Tory leaders such as Lord Salisbury and Lord Curzon, who is said to have called Baldwin "a man of the utmost insignificance." On closer inspection, Baldwin turns out to have been a shrewd parliamentary tactician and a man of quite fixed economic orthodoxy. The wealthy son of a steel manufacturer, he helped steer England back to a hollow reconstruction of pre-1914 financial and business arrangements.

The most noteworthy single step in British neoliberalism was the return to the international gold standard. The two fixed poles of nineteenth-century world trade had been the free interchangeability of all major currencies with gold and the role of London as world financial capital. But the gold standard had been suspended by wartime currency controls, while London had been separated from part of its clientele, disrupted by the war effort, and permanently weakened by the loss of British investment overseas during the war. To the economically orthodox, return to the gold standard and the revival of London went hand in hand.

Winston Churchill, Baldwin's Chancellor of the Exchequer, announced the end of the wartime suspension of the gold standard in his budget speech of April 1925. Henceforth, the pound was freely convertible anywhere in the world to gold. It was not a classic gold standard, for gold coins no longer circulated freely in domestic transactions in England. But it gave the illusion that the old world was restored and that the last of the war's effects had vanished.

Britain's return to the gold standard probably hampered the nation's search for renewed prosperity in the late 1920s. For one thing, it made British goods more expensive on the world market, since Churchill had insisted on returning to 1914 exchange rates, which overvalued the

pound in relation to the dollar.[8] A more fundamental criticism was that whereas the prewar free exchange of pounds for gold had rested on a large British surplus in international accounts and large gold holdings, the postwar London gold market rested on a weakened economy. Gold was supplemented by holdings of reserves in foreign exchange, such as marks or dollars, which could be quickly withdrawn in case of trouble. That fragile system came crashing down from 1929 to 1931, damaging the British economy far more severely than a less grandiose financial restoration in 1925 would have.

Normalcy did nothing for the British workingman's standard of living in the 1920s, or for the very high level of chronic unemployment that persisted between the wars. The basic adjustments that Britain had to make to a changed place in the world economy were made more difficult by the high price of British goods abroad on the gold standard. The mainstays of the British export trade were stagnating industries like coal and textiles. British exports never made up for the wartime loss of overseas investments, and unemployment in Britain never dropped below a shocking 10 percent throughout the interwar period, even in the most prosperous years of the late 1920s. Stanley Baldwin's solution to Britian's economic troubles was nothing if not frank. "All the workers in this country," he said in a speech on July 30, 1925, "have got to take reductions in wages to help put industry on its feet."[9]

The coal industry provided the most serious challenge to Baldwin's hope for Britain's return to normalcy. Rich coal mines close to the sea had been a major stimulus to British commercial and industrial preeminence in the nineteenth century, and the mines were still the largest single employer in Britain. In the 1920s, however, there was a world glut of coal. The British mines competed especially poorly, for their markets had been interrupted during the war, their equipment was outdated, and their management was fragmented among many marginal companies. The mineowners believed that wage cuts were their only way back to the world market; the miners adamantly refused to work for less than they had been receiving.[10] A government-appointed commission, headed by Herbert Samuel, tried unsuccessfully to persuade the mineowners to rationalize, consolidate, and modernize their mines in return for government assistance in negotiating lower wages. When negotiations deadlocked, the miners went out on strike at the beginning of May 1926.

[8]In *The Economic Consequences of Mr. Churchill* (1925), John Maynard Keynes charged that the pound was overvalued by 10 percent as compared with 1914. Indeed, British exports never returned to the 1914 level in the 1920s.

[9]Quoted in Taylor, p. 239.

[10]The least skilled mineworkers in the hardest hit region were asked to accept a wage cut from 78s per week to 45s 10d (from about $19 to about $12 at current exchange rates), with hours cut to six per day.

The miners' grievances were the principal fuel for the General Strike of 1926, the tensest moment of class conflict in modern Britain between the "hands off Russia" strikes of 1919 and 1920 and the energy crisis of the winter of 1973/74. The striking miners were joined by very nearly all organized labor in the fullest demonstration of union solidarity in British history. Close to 4 million workers were out on the peak day, May 13. The general council of the Trades Union Congress (TUC) accepted a compromise after nine days (government enforcement of the modernization advocated in the Samuel report in exchange for any lowering of wages), but some of the rank and file continued the strike. Many miners were starved back to work, at lower wages, only six months later.

The British General Strike of 1926, in retrospect, seems an end rather than a beginning. Its leaders had intended all along to use the strike as a lever for negotiation, not as a revolutionary step. The TUC even used the term *national strike* rather than the old syndicalist term *general strike,* with its intimations of replacing the state by workers' associations. Unlike the strikes in the Clydeside area just after the war, there was no mention during the 1926 strike of soviets or strike committees assuming governmental functions. Although there were some acts of violence on both

Opponents of the General Strike of May 1926 in England organized makeshift transportation to get to work.

sides as well as organized strikebreaking by the government and by university students, there were no deaths. All this gives the lie to hysterical fears of "microbes of Bolshevism" published in the conservative press at the time, and to dire predictions by hard-liner Winston Churchill that the strike could "only end in the overthrow of Parliamentary Government or its decisive victory."[11]

The results of the General Strike, on the government side, were a new law in 1927 outlawing sympathy strikes and the rupture of trade and diplomatic relations with the Soviet Union, which some Conservatives accused of having contributed relief funds to the miners. On the Trade Union Congress side, the British union movement eventually recovered its losses in funds and membership; its commitment to collective bargaining within the existing British social system was actually strengthened. At the level of the individual miners and their families, the bitterness and suffering had no chronicler.

In the later 1920s, Britain appeared peaceful and prosperous. But the external trappings of normalcy barely concealed the inadequate adjustment Britain had made to its diminished world economic position.

FRANCE

After the Poincaré government's hard line toward Germany had been discredited by the occupation of the Ruhr, the French electorate gave a majority to a moderate left coalition in the elections of May 1924. The *cartel des gauches* was an electoral alliance of the two main parliamentary left parties in France, Radicals and reformist Socialists.

The *Cartel des Gauches*

This coalition warrants close examination, for it provides the key to the apparent labyrinth of Third Republic politics in interwar France. American readers, used to a more cautious political vocabulary, are likely to be misled by the flaming labels given Latin parties. The French Radical party was the lineal descendant of genuine radicals of the 1860s Second Empire: partisans of universal suffrage, parliamentary primacy over the executive, free universal secondary education, the disestablishment of the Catholic Church, and the replacement of professional armies by militia. Although some Radicals had favored an income tax in the 1890s, the party generally disapproved of state intervention in the economy. By 1905, with the separation of Church and state in France, the Radical program had been virtually fulfilled. The Radical party remained as the main political expression of the "little man" in France: anticlerical, egalitarian in political terms, laissez faire in economic terms, sentimental

[11]Quoted in Charles L. Mowat, *Britain Between the Wars, 1918–40* (London, 1955), p. 319.

about the French Revolution, ready to rally to the defense of the republic threatened by bishops, generals, or aristocrats. (All European Catholic countries had similar anticlerical, democratic, small-property parties.)

The other half of the *cartel des gauches* was the French Socialist party (SFIO, or French Section of the [Second] Workers' International). This was the remnant of French parliamentary socialism left when a majority of Socialists voted in 1920 to join the Third International (Comintern). The SFIO was well on its way back to becoming the other main parliamentary party on the French left by 1924. Although nominally committed to Marxist socialism and the eventual workers' revolution, the SFIO placed a high value on the survival of the parliamentary republic as a first step toward these goals. French Socialists were willing to cooperate at election time with the Radicals in order to prevent a split in the moderate left vote, but they were unwilling to take part in a "bourgeois" government until they had an electoral majority of their own and could enact socialist laws.

The basis of the alliance, then, was defense of the Third Republic against clerical or monarchist enemies on the right, not a common social policy. It was a 1924 reincarnation of the Radical–Socialist alliance that had formed at the turn of the century (1899–1905) over the Dreyfus Affair, when it seemed that clericals and army officers were willing to violate the constitution rather than admit that a military court had erred in sentencing the Jewish Captain Alfred Dreyfus on a trumped-up charge of treason. Such an alliance worked best at election time, when the danger of splitting the left vote was uppermost in the politicians' minds. Both Radicals and Socialists promised to support whichever of their candidates was ahead in a run-off.[12] This practice of "republican discipline" returned reformist left majorities to parliament in three of the five French elections between the wars (1924, 1932, and 1936).

Once elected, however, Radical and SFIO deputies had trouble cooperating in a positive governmental program. They could agree on political liberties, freer education, anticlericalism, and antimilitarism. But if economic issues arose, the Radicals' small-property bias clashed fundamentally with the SFIO's Marxism. Between elections, therefore, the pivotal Radical party tended to turn back toward center coalitions. The resulting incoherency of majorities was a major ingredient of what the American political scientist Stanley Hoffmann has called the "stalemate" of the Third Republic, an immobile political system that was the counterpart of the cautious economy and low birth rate that prevailed in France.

The election of the *cartel des gauches* in May 1924 permits us to see this political stalemate at work. The new prime minister was Edouard Herriot, leader of the Radical party between the wars and the personification

[12]French electoral practice, as is proper in a multiparty political system, provides for a run-off in the likely event that no candidate gets 50 percent or more of the votes in the first election.

of the nonsocialist left in the later Third Republic. Herriot was a man of good qualities, a humanist *littérateur* (he wrote a number of books, including biographies of Beethoven and Madame De Staël), active in providing municipal social services when he was mayor of Lyons, genuinely concerned about political liberties, a consummate parliamentary bargainer; his enormous physical bulk testified to his pleasure in the cafés and restaurants of Lyons and Paris.

Herriot's accomplishments as French premier (June 1924–April 1925) are a guide to the areas in which the *cartel des gauches* was capable of decisive action. We have already seen Herriot's contribution to international conciliation, along with Ramsay MacDonald and Gustav Stresemann in 1924.[13] He extended diplomatic recognition to the Soviet Union and began to withdraw it from the Holy See. French laws removing clerical influence from the public schools were extended to Alsace-Lorraine (which had not been part of France when those laws were passed in the 1880s). Steps were taken toward democratizing the elitist French public high schools. Antimilitarism, anticlericalism, enlargement of individual opportunity through education: that was the common ground on which French Radicals and Socialists felt happy.[14]

Unfortunately, the major problems faced by the *cartel des gauches* were economic and financial. France had expected to pay its war debts with German reparations. German reparations were also expected to cover the enormous costs of postwar reconstruction, which were causing the French budget to continue to run at a deficit. Herriot's liquidation of the Ruhr occupation, however, showed that France was probably never going to squeeze much money out of Germany. Inflation had run rampant since the end of wartime economic controls. French conservatives, distrustful of Herriot, lost confidence in the international value of the franc. Holders of francs began selling them for gold and other currencies, creating a "run on the franc." At the same time, the financial community and the Bank of France put pressure on Herriot to balance the budget. Eventually the Bank of France refused to lend current operating sums to the government.

Herriot and the Radical party always claimed that conservative financiers had erected a "wall of money" against the republic. It was typical Radical rhetoric, the "little man's" suspicion of great economic powers. There is no doubt that conservative hostility to Herriot contributed to the run on the franc. But the real problem lay in the French people's years of refusal to support the expenses of war and reconstruction by taxation, and in the Radicals' horror of state regulation. As in Britain in 1924, the move to the left meant less governmental intervention, not more. Wartime controls were an unpleasant memory. Aside from creating steeper income taxes, the French Socialists had no interest in govern-

[13]See Chapter 8, pp. 231–34.

[14]The SFIO did not hold cabinet positions in this "bourgeois" government but contributed essential votes to its parliamentary majority.

ment intervention within capitalism. The Radicals preferred to let the economy regulate itself. So Herriot held back from the higher taxes and currency control that might have helped stabilize the franc.

Following Herriot's fall in April 1925, there were seven ministries within fifteen months. While the Radicals felt their way toward a more centrist coalition without the Socialists, inflation soared, and the franc declined on the world's money markets to about one-tenth of its prewar value.

Poincaré: Return to "Normalcy"

France finally found its normalcy of the late 1920s in the austere person of Raymond Poincaré. Poincaré, repudiated in 1924 for occupying the Ruhr, returned in 1926 as a kind of national financial savior. His personal probity and dour legalism provided a kind of emotional reassurance to a people frightened at seeing their savings evaporate in a never-ending inflationary spiral. Even before Poincaré did anything, investors began buying francs back, and the recovery began. Mostly by that emotional reassurance, and in part by the traditional conservative remedies of governmental parsimony and careful management, Poincaré was able to nurse the franc back to one-fifth of its prewar international value in 1928. At that point he returned to the international gold standard. The "Napoleon franc" had endured unchanged from 1807 to 1914 as a firm economic rock on which the French middle class built in serenity. Then it had been shaken by the war and destroyed by postwar inflation. Now that it was replaced by the "Poincaré franc" in 1928, the middle class could begin to glimpse the revival of a stable world. The war had been paid for out of their savings, however, and even during the historic high level of prosperity reached in 1929, there remained tender spots on French middle-class consciousness. The franc must never be touched again. And France must never again embark on another war, so costly in gold and blood.

The Poincaré government, one of the longest "reigns" of any Third Republic premier (July 1926–July 1929), embodied the French version of the late 1920s normalcy. The presence of Aristide Briand, the man of Locarno, at the Foreign Ministry assured that Poincaré's hard line of 1922 to 1924 had been replaced by conciliation and the end of dangerous foreign confrontations. At home, the return to the gold standard and balanced budgets seemed a reassuring reappearance of the economic verities. Wartime controls and scarcities and postwar turmoil seemed things of the past.

WEIMAR GERMANY

The Weimar Republic was, outwardly, a dramatic departure for Germany. The very decision to draft the new constitution during the sum-

mer of 1919 in Weimar, the town of Goethe, rather than in Berlin, was itself a powerful symbolic gesture. Berlin had been the garrison city of the Hohenzollern kings of Prussia; it had become the Red city of Rosa Luxemburg, Karl Liebknecht, and the Spartacists. At Weimar, the liberal ideals of the nineteenth century seemed to reach belated fulfillment. These ideals had been deflected in Germany during the 1860s and 1870s, when a majority of German liberals managed to overlook Bismarck's subversion of the parliamentary system in their enthusiasm for German unification and military victories. A German liberal like the historian Friedrich Meinecke could now hope that in the regime created at Weimar the German "men of culture" (*Kulturmenschen*) had won the upper hand over the German "men of power" (*Machtmenschen*) at long last.[15]

Burdens of the Weimar Republic

The Weimar Republic was burdened from the beginning by almost crushing liabilities. The constitution no doubt had its faults; the proportional representation system, for example, magnified the country's divisions in a multiparty parliament. But a reasonably harmonious national community can govern itself well, despite all sorts of flawed constitutional arrangements. The Weimar regime faced far more fundamental problems. It was indelibly imprinted for many Germans with the stain of defeat, for it was the regime that had accepted the *Diktat* of Versailles in the summer of 1919. It was the product of a revolution in which (in the eyes of many German nationalists) the left had first stabbed the German Army in the back by undermining it with revolution in November 1918, and had then been rewarded with political power. At the same time, the incomplete character of the German revolution of 1918 and 1919[16] had left most of the Weimar Republic's enemies intact: the officer corps, the aristocracy, leaders of powerful business cartels, nationalist and monarchist movements unreconciled to the overthrow of the Imperial regime.

Organizations had grown larger and more influential at all levels of public life in Germany during the war. The cartels of German heavy industry, while not in agreement among themselves on everything, worked together against Weimar labor policies. Trade unions, with increased membership, dealt directly with business. The traditional two legislative houses and cabinet of ministers set up by the Weimar Constitution could never adequately control these organizations. Moreover, the Weimar Republic lacked deeply rooted values on which to build, since it had not germinated naturally out of a successful middle-class

[15]Friedrich Meinecke, *The German Catastrophe*, trans. Sidney B. Fay (Cambridge, Mass., 1950), pp. 27–29.

[16]See Chapter 5, pp. 147–50.

resistance to authority during the previous generations. "The authoritarian state had fallen into eclipse, but the wonted traditions, attitudes, and institutions that had been formed in reference to it gradually resumed their accustomed sway."[17]

To make matters worse, the Weimar Republic was forced to assume responsibility for allocating the material burdens of a lost war. Even the victorious nations had trouble taxing their populations for the costs of reconstruction and of increased social services. Efforts of the Weimar Republic to institute broader progressive income taxes were doubly resented because, as nationalists charged, some of the money went to pay hated reparations to the Allies.

The Weimar Republic, then, passed through exceptional turmoil and class antagonism up through 1923. Even after it had crushed its own revolutionary left in January through May 1919, accepted the Treaty of Versailles unconditionally under threat of invasion in June 1919, and survived the occupation of Berlin by *Freikorps* in the Kapp *Putsch* of March 1920,[18] the new German republic had to face still more conflicts. The details of the peace settlement, applied under duress, continually opened raw wounds. French troops occupied Ruhr cities in the spring of 1919 and again in March 1921 to enforce their interpretation of the treaties; meanwhile conflict over implementation of the border settlements in Silesia and Schleswig-Holstein continued until 1922. Workers in the Ruhr, with the support of Spartacists, went out on insurrectionary strikes in the spring of 1920. The purchasing power of the German mark lost ground steadily. The nationalist state government of Bavaria went its own way, protecting and encouraging the remnants of the *Freikorps* and militant nationalist groups like Hitler's German National Socialist Workers' party. Assassinations punctuated political life. Mathias Erzberger, leader of the Catholic Center party, who had proposed the Peace Resolution of 1917, had taken part in accepting the Versailles settlement, and had proposed progressive income taxation, was murdered by a nationalist in August 1921. Walther Rathenau, who as foreign minister in 1922 had tried to negotiate a compromise reparations settlement, was murdered in June 1922. At this point, the worst was still to come—the occupation of the Ruhr in 1923, and total collapse of the mark.

Eventually, in the late 1920s, the Weimar Republic settled into relatively stable years. Even then, however, parliamentary government never had the wide acceptance it enjoyed in England or France, nor did the Weimar institutions work in the ways their creators had expected. Weimar Germany was a nation in which military and economic organizations held vast power outside parliamentary control and in which liberal values had no deep historical legitimacy.

[17]Leonard Krieger, *The German Idea of Freedom* (Boston, 1957), p. 465.
[18]See Chapter 7, p. 206.

The "Weimar Coalition"

No coherent political majority emerged to deal with these manifold problems within the Weimar constitutional machinery. The "Weimar Coalition" of Social Democrats, Democrats, and Center party members that had written the constitution might have been expected to run the government. These parties had received about two-thirds of the votes when the constituent assembly was elected in January 1919, and that assembly had prudently extended its life as the first parliament of the Weimar Republic after the constitution had been adopted. Social Democrat Friedrich Ebert had been named first president of the republic (1919–25) by the constitutional assembly. When the "Weimar Coalition" was tested in the first parliamentary elections in June 1920, however, its popular vote fell to about 40 percent.

Each party of the "Weimar Coalition" was precluded in some fundamental way from serving as the basis of a broad parliamentary majority. The Social Democrats proclaimed themselves a Marxist workers' party, but they had been stained with workers' blood when they prevented the constitutional revolution of 1918 and 1919 from turning into a social revolution. The Democratic party remained a small group of liberal intellectuals around Hugo Preuss, the drafter of the Weimar Constitution, most of whose potential middle-class following still preferred nationalist success to liberal principle. The Center party was a Catholic confessional group rather than either a class party or an ideological party; its following ranged from constitutionalists like Mathias Erzberger to conservatives. Although the "Weimar Coalition" parties came close to winning an electoral majority in 1928, they never again after the election of June 1920 could run by themselves the machinery they had created.

Every Weimar government after 1920 was able to form a majority only by drawing some support from elements of the center and right that were at best provisionally tolerant of the Weimar Constitution. The new People's party, based on former National Liberals with close ties to business and led by Gustav Stresemann, captured about 15 percent of the electorate in 1920. So did the German National People's party (DNVP), a regrouping of nationalists and monarchists. The People's party accepted the parliamentary republic as Germany's most feasible instrument for regaining world power. The DNVP's acceptance of parliamentary participation was far more conditional than that of the People's party. They participated only in order to work for a more authoritarian system. In times of crisis, the Communists and Nationalists (DNVP) drew even more support away from the fragmented center. At such times, the Weimar center resembled a candle burning at both ends.

President Ebert, nothing if not a scrupulous observer of the constitution, made no attempt to assure the continued power of his Social

President Friedrich Ebert of Germany reviews police forces on the fifth anniversary of the Weimar Constitution, August 1924.

Democrats in the face of the poor electoral results but instead chose new chancellors from the moderate center of the legislature. Even so, the trend was not so much toward the middle parties as it was toward nonparty rule by technicians. After two brief ministries of the Catholic Center party had failed either to reach a more satisfactory settlement with the Versailles powers or to stop the galloping inflation that was reducing the mark to worthless paper, the head of the Hamburg-America shipping line, Wilhelm Cuno, was asked to form a government of nonparty technical experts in November 1922. Cuno was not even a member of the *Reichstag*. The pattern was established of turning to presidential authority and technical expertise to fill the void of a parliamentary majority.

Another pattern was set in that the chief preoccupations of the regime were foreign and economic. The possibility of internal changes that would liberalize German social institutions like the Army, the civil service, and universities to match the new democratic constitution had vanished with the election of June 1920, if not earlier. German governments henceforth succeeded or failed according to their success in coping with foreign affairs and the economy.

These two issues came to the crisis point in 1923, the year of the French occupation of the Ruhr and the collapse of the mark. In that year the Weimar Republic faced its gravest challenge of the decade. Chancellor Cuno's policy of passive resistance against the French in the Ruhr only helped bring the economy to a standstill. Both Communists and

nationalists battled the French and made a hero of Leo Schlageter, a young *Freikorps* veteran executed by the French for having sabotaged a rail line near Düsseldorf. Encouraged by rising strike activity and widespread dissatisfaction with the soaring cost of living, the German Communist party attempted a revolutionary uprising in October. Popular militia, or "proletarian hundreds," were recruited in the states of Saxony and Thuringia where dissident Social Democrats brought Communists into the state government. At the other extreme, Adolf Hitler, taking a lesson from Mussolini, attempted to launch a nationalist revolution in Munich with the beer hall *Putsch*. German central authority was imperiled at the same time as the mark lost its power to buy anything; the very fabric of life seemed to be coming apart.

The "Great Coalition"

In March 1920, the Kapp *Putsch* had been thwarted by a general strike of the trade unions, and political authority had been restored by the "Weimar Coalition." In late 1923, by contrast, the republic was saved by three conservatives, who worked principally outside the parliamentary framework and who remained dominant figures in the stable Weimar regime of the later 1920s: the political leader Gustav Stresemann, the German Army commander General Hans von Seeckt, and the financial expert Hjalmar Schacht.

The dominant political figure was Gustav Stresemann. Stresemann was a saloonkeeper's son who had succeeded in business and in centrist politics under the empire. A supporter of German expansion during the war, Stresemann was deeply shocked by the revolution of 1918 and skeptical of the new republic. But his humble origins, his realism, and his taste for stability made him even more hostile to the aristocrats and officers of the intransigent right. Offended by the nationalist follies of the Kapp *Putsch* and the assassinations of Erzberger and Rathenau, Stresemann gradually brought his People's party into positive support of the Weimar Constitution as a lesser evil. Contemporaries called him a *Vernunftrepublikaner*, a republican of the mind but not of the heart.

In the crisis of August 1923, Stresemann was able to piece together a parliamentary majority committed to saving the Weimar Republic from both the right and the left. He joined the People's party to the "Weimar Coalition" of Social Democrats, Democrats, and Center party to form the "Great Coalition."[19] Stresemann's Great Coalition (August–November 1923) was as decisive to preserving the Weimar Constitution within Germany as his subsequent career as foreign minister was decisive in establishing a climate of international conciliation.[20] But the inclusion of such contradictory parties in the Great Coalition was a source of weakness as well as strength. When Stresemann proved far more resolute in

[19]See Chapter 8, p. 232.

[20]See Chapter 8, pp. 233–37.

expelling the Communist ministers from the state governments of Saxony and Thuringia than in forcing the nationalist state government of Bavaria to apply the law to the far right, at least until Hitler's beer hall *Putsch* on November 8, the Social Democrats went into opposition for the first time. Centrist coalitions governed Germany for the next four years without them. Stresemann had saved the republic, but he had helped take it permanently out of th. hands of the "Weimar Coalition."

It was to General Hans von Seeckt, rather than to parliament, that Stresemann had to turn to beat back the insurrectionary movements on the political extremes. Seeckt, commander of the German Army from 1920 to 1926, had worked more or less within the Versailles limitations to make his 100,000-man force a unified, high-quality body of potential future leaders, even more socially conservative and insulated from government control than the old Imperial Army.[21] Seeckt's highest values were the unity of the German state and the unity of the Army. He was willing to use the Army to defend the republic as long as the republic promoted those two values. The Communist–Social Democrat state governments formed in October in Saxony and Thuringia threatened central government authority as well as property. The local army commander acted to defend both when he occupied the two state capitals (Dresden and Weimar) and deposed the state governments in October and November. To meet the threat of Bavarian separatism posed by Hitler's Munich *Putsch,* Seeckt was entrusted with full dictatorial power on November 8 under Article 48 of the constitution, the emergency presidential power article. Fortunately for Seeckt, the local Bavarian conservatives crushed the *Putsch* without the need for using federal army force against Hitler's most famous accomplice, the world war hero General Ludendorff. At the same time, police and navy units crushed the last Communist uprising of Weimar Germany, in the port city of Hamburg, on October 23. The republic had been saved but at the price of greater centralization and a more autonomous Army.

The other emergency that Stresemann had to deal with was runaway inflation. On November 12, Stresemann appointed the banker and economist Hjalmar Horace Greeley Schacht as currency commissioner. Schacht simply started over with a new currency, the *Rentenmark,* each of which was worth 1 trillion marks. The "miracle of the *Rentenmark,*" for which Schacht took full credit, consisted in two achievements that were as much psychological as economic. Because not enough gold and foreign exchange were deposited in German banks to back the new currency, Schacht backed it with an unexchangeable medium, a mortgage on all the land, industries, and commerce of Germany. Then he kept

[21]Almost every other officer in the Weimar officer corps was the son of an officer, compared with every fourth in the Imperial Officer Corps; one officer in five was a nobleman in 1920, one in four in 1932. There were fewer Social Democrats in the small Weimar Army than there had been in the Imperial Army. (Hajo Holborn, *A History of Modern Germany, 1840–1945* [New York, 1969], pp. 586–87.)

the new currency stable by stringently limiting the amount available for the government to spend and for firms to borrow. When the Dawes Plan loans began to flow into Germany in 1924, Schacht was able to shift to a gold-based currency, the *Reichsmark*, which remained stable until the Great Depression.

It was been said that "the Inflation was the real German Revolution."[22] Unlike the political revolution of 1918 and 1919, it changed economic and social relationships. It reduced many middle-class people to scrubbing their own floors. Such people would follow any savior in the event of another economic crisis. Schacht's tight new deflationary economy forced marginal enterprises out of business. Only large firms that rationalized and modernized production profited by the German economic boom of the late 1920s. New cartels and trusts were formed. The United Steel combine (*Vereinigte Stahlwerke*, 1926), which grouped many of the coal, iron, and steel interests, produced about one-half of German steel. The great Krupp empire produced most of the rest. The chemical and dye trust (*Interessengemeinschaft Farbenindustrie A. G.*, or I. G. Farben, 1925) was the largest corporation on the European Continent.

Thus the Weimar Republic emerged from the brink of destruction in 1923 into a period of calm. Politically, it continued to move to the right. When President Ebert died in 1925, the old Social Democrat was replaced by the Prussian war hero Field Marshal Paul von Hindenburg. Other presidential candidates together received more than a majority of votes, but the Communist candidate, Ernst Thälmann, drew off decisive votes from the centrist republican candidate, Wilhelm Marx, a striking instance of the consequences of a divided left. Government majorities stepped one more notch to the right in 1927 by including members of the German Nationalist party (DNVP), whose press and local leaders continued to call for the replacement of the republic by either a king or a dictator. The left gained in the 1928 elections, but the new Social Democratic chancellor, Hermann Müller, could govern only with a "Great Coalition."

With the economy booming, the political fever chart did fall. The assassinations of the early period now ceased, and the paramilitary street gangs of angry veterans and authoritarians were less conspicuous. Following his failed *Putsch*, Hitler sat in Landsberg prison writing his political credo, *Mein Kampf* (1925). Individual liberties were more or less assured, and Berlin rivaled Paris as a cosmopolitan center of artistic experimentation. The Weimar Republic was surviving, but its parliamentary façade barely concealed an autonomous, authoritarian officer corps, dominant big business combines, and a technocratic civil service with no real commitment to political liberties. If the parliamentary regime failed in either foreign or economic affairs, these powerful bodies would shove it aside in favor of something more effective.

[22]Godfrey Scheele, *The Weimar Republic* (London, 1946), p. 77.

EASTERN EUROPE

The new states of Eastern Europe, like Germany, were the scene of constitutionmaking on the liberal model after the First World War. Strong liberal influence was only to be expected. The new regimes were the product of three simultaneous liberal victories: the victory of the Western parliamentary powers—Great Britain and France—over the autocratic Central Powers; the victory of national patriotic movements over the multinational dynasties of Germany, Austria-Hungary, and Russia; and the victory of middle- and upper-class interests over the Bolshevik movement in Eastern Europe in 1919 and 1920.

National independence went hand in hand with parliamentary democracy in the political climate of the 1920s. The new states (Austria, Poland, Czechoslovakia) were republics, with the exception of Yugoslavia, or the Kingdom of Serbs, Croats, and Slovenes as it was known until 1929. The preexisting kingdoms of Romania and Bulgaria adopted new parliamentary constitutions in the early 1920s, while Hungary remained a regency without a king, and Greece became a republic in 1924. The new constitutions drew largely on French, British, and American political practice. Manhood suffrage was far more widespread than before; the limited suffrage of Hungary was the major exception.

It seemed, on paper at least, that the decade of the 1920s was the high point of political democracy in Eastern Europe. Liberal politics and economics, however, were being transplanted into alien soil. Western parliamentary systems had evolved gradually through long and painful conflicts between divine right monarchy and the alliance of gentry with a large, growing middle class. In Eastern Europe, by contrast, liberal values had been espoused by nationalist intellectuals without a broad social base. There was no substantial middle class in Eastern Europe. The region was overwhelmingly rural almost everywhere. Commercial and professional people in many parts of Eastern Europe, such as Poland, Hungary, and Romania, were often German or Jewish and hence on uneasy terms with the national movements that had created the successor states. Only among the Czechs was there a large, national middle class with liberal traditions.

The problems of new states further complicated matters for the infant parliamentary systems of Eastern Europe. Indigenous leadership was inexperienced, and the great majority of the rural population had never been drawn into sustained involvement in national political life. As much as three-quarters of the population were still illiterate in parts of the Balkans. Under these conditions, politics was bound to remain the preserve of a few. The inclusion of obligatory voting in some new Eastern European constitutions was less an expression of advanced ideas of political participation than of fears of a passive citizenry.

Economic dislocation imposed another severe burden. New frontiers abruptly cut off many Eastern Europeans from the cities with which they

had customarily traded. There was massive demand for land reform and for the development of basic transportation resources. Inflation was nearly as disastrous as in Germany. Under such conditions, laissez-faire economics made no sense.

The liberal experiments in Eastern Europe had to come to terms with two fundamental features of the region: rural predominance and ethnic diversity. Regimes stood or fell in Eastern Europe during much of the first half of the twentieth century by their handling of the issues of agriculture and nationality.

The Problem of Rural Predominance

Most Eastern Europeans still worked on the land at the end of the war. The proportion of the total population engaged directly in farming or herding reached almost 80 percent in Bulgaria and Yugoslavia; it was over 60 percent in Romania, Poland, and Hungary. The agrarian proportion fell only to half in the region's most industrialized state, Czechoslovakia. (At the same time, by contrast, that proportion was less than 20 percent in Britain.) Moreover, as has been noted, much of the land was owned by great landlords. Latifundia (huge estates) dominated the countryside in Poland, Hungary, and Romania to a degree matched only in southern Spain in the Europe of 1920. Since there were few urban or industrial outlets for a growing population, massive underemployment and land hunger festered among the mounting number of day laborers and subsistence farmers on small holdings.

Direct, violent peasant action seemed likely. An assault by Romanian peasants on manor houses and Jewish moneylenders in 1907, the bloodiest peasant uprising in modern European history, had been a first warning. Its suppression had cost 10,000 peasant lives. The massive land seizures of the Russian peasantry in 1917 and 1918 set an almost irresistible example nearby. Eastern European rulers knew that some form of land redistribution was almost inevitable in the early 1920s; the main question was what form it would take.

Béla Kun's Budapest Soviet had proposed revolutionary land redistribution in the spring of 1919, but Kun's orthodox insistence on land collectivization had less appeal to the Eastern European peasantry than Lenin's more flexible acquiescence in land redistribution among individual peasants. In any event, a revolutionary solution had been blocked by the crushing of Béla Kun's regime in the summer of 1919. Henceforth, Eastern European land reform was in the hands of the middle- and upper-class leaders of the successor states. Their approach to land reform, supported by liberal intellectuals and a few progressive landlords as well as many peasants, aimed at a substantial increase in the number of independent family farms. This would be accomplished by redistributing to family farmers expropriated crown lands, foreign estates, and excess land purchased from estates above a maximum permissible size.

Every Eastern European successor state redistributed some land in this fashion in the early 1920s. The change was fairly substantial in Czechoslovakia and Romania, where the landlords were mostly foreign. In Romania, by 1930, only 7.4 percent of the land, compared with 40 percent in 1920, remained in estates over 1250 acres.[23] Bulgaria was unique in having widespread small holdings and almost no aristocracy to begin with, but it broadened its family farm base still further under the agrarian regime of Alexander Stamboliski (1919–23).[24] Stamboliski set an upper limit of seventy-five acres on Bulgarian rural property holdings, and by 1934 only 1 percent of the country's farms and 6 percent of its total land area were in units larger than seventy-five acres.[25] Elsewhere, land reform was much more grudging. It many cases, newly independent peasants, heavily mortgaged and suffering declining agricultural prices in the later 1920s, sold out again to larger landlords. The Radziwill estates in Poland still amounted to 200,000 acres in 1937. Nor did mere redistribution solve basic rural problems of overpopulation and inefficient farming methods.

Manhood suffrage in predominantly rural countries opened up political opportunities for farmers' parties. Agrarian, peasant, or smallholders' parties (to use the most common names), dedicated to serving the interests of the small landowner, held a major position in the parliaments of Eastern Europe, whereas they were largely absent from Western European party systems. A Smallholders' party emerged in the first Hungarian elections in 1919 as the largest single party, although it was eventually overshadowed by the counterrevolutionary elements discussed in Chapter 7. The Peasant party of Wincenty Witos dominated Polish ministries between 1923 and 1926. Stepan Radič of the Croatian Peasant party was a powerful politician of the Yugoslav region of Croatia during the 1920s. But the most striking peasant leader was Alexander Stamboliski, head of the Bulgarian Peasant Union.

Stamboliski ran Bulgaria as a virtual agrarian dictatorship from 1919 until his assassination in 1923. He loathed the urban middle-class "parasites" who kept the peasants in debt, and he had contempt for industrial workers who, he believed, were narrowed by repetitious mechanical work.

> I don't like these workers with the narrow ideas of the West; they have little culture. . . . With peasants it is different—In the peasant are the seeds of a fully developed human personality. . . . The experience of the peasant assures him an incontestable advantage over the worker for nature, who is his master, took it upon herself to round off his education.[26]

[23]Robert Lee Wolff, *The Balkans in Our Time* (New York, 1967), p. 163.
[24]See below, p. 270–71.
[25]Joseph Rothschild, *The Communist Party of Bulgaria* (New York, 1959), p. 90.
[26]Quoted in *Ibid.*, p. 87.

Convinced that productivity, virtue, and wisdom reside close to the soil, Stamboliski looked forward to a peasant democracy in which bankers and bureaucrats would disappear.

Stamboliski was the only Eastern European peasant politician who almost had the power to bring such a democracy about. The Bulgarian rural mass gave him close to an absolute majority—112 seats out of 236 in the *Sobranie,* or Bulgarian parliament. The Communist party, also strong in the villages, was second with 50 seats. In addition to imposing an upper limit of seventy-five acres on rural property holdings and making it difficult for city dwellers to own rural property, Stamboliski slanted taxation heavily against urban middle-class taxpayers and placed tight controls on law and banking. His private army of Orange Guards beat up his enemies and broke strikes. He founded a "Green International" to unify individual peasant interests throughout Eastern Europe against the collectivist "Red International."

Stamboliski came to a brutal end in the style of his own Orange Guards' forays. He had frightened the urban middle class, offended both nationalists and Communists by siding with the Allies in international matters, and antagonized the Macedonian minority by accepting good neighborly relations with Yugoslavia. While the Communists stood aside, Stamboliski was overthrown by a reserve officers' *coup* in 1923. He was then captured by a Macedonian terrorist band, who cut off his hands before beheading him.

The Bulgarian experience suggested that even the most uniform peasant population in Eastern Europe could not govern a state in opposition to the towns and the Army. The peasant parties had sufficient numbers to complicate parliamentary life, but not enough strength to provide a coherent political program. They were unified only by a vague antiurban populism, the notion that cities corrupt and that peasants should liberate themselves from the domination of bankers and merchants. Beyond that, they were pulled in contradictory directions. Some peasant leaders, like the Croatian populist Stepan Radič, favored radical agrarian reform and joined the Third International. Others, like Stamboliski, defended small landholders against Marxist collectivists. This lack of political cohesiveness reflected the conflicting interests of rural populations, divided among landless laborers, owners of dwarf plots, family farmers, and landlords. Moreover, peasant politicians were often inexperienced; they were soon tempted to conform with the style of urban politicians, for which their constituents then despised them. The peasant parties of Eastern Europe deprived urban liberal politicians of a governing majority without providing a workable alternative.

Even more fundamentally, the strength of Eastern European peasant parties, it could be argued, made it more difficult to overcome social backwardness. In the long run, one could imagine a prosperous Eastern

Europe built either on efficient, highly productive agriculture, as in Denmark, or on the absorption of excess rural population in growing industry. What Eastern Europe got in the 1920s was a dense population that remained on the land, a plethora of inefficient small farms, and slow industrialization. All the Eastern European countries were especially vulnerable later, during the Great Depression, when world farm prices dropped, and their main livelihood was destroyed.

The Problem of National Minorities

The other major problem in governing the successor states in the 1920s was unresolved national aspirations. The defeated states, especially Hungary, chafed in resentment. The victor states contained large unassimilated ethnic minorities, the price paid for the construction of a large Czechoslovakia, Romania, and Poland in 1918 and 1919.

The South Slavs are a striking example of the fate of new parliamentary regimes confronted with intractable nationality divisions. None of the component parts of the Kingdom of Serbs, Croats, and Slovenes was large enough to dominate the others, nor could they cooperate without friction. After the defeat of their common Habsburg enemy, the Serbs (Orthodox religion, Serbo-Croatian language, Cyrillic alphabet), Croats (Catholic religion, Serbo-Croation language, Roman alphabet), and Slovenes (Catholic religion, Slovenian language, Roman alphabet) found little to unite them. The new kingdom's decentralized federal system exaggerated the divisions. Since the Croatian leader Stepan Radić had turned to the Third International, separatism was overlaid with a Bolshevik threat. King Alexander abolished the constitution in January 1929, replaced the ethnically based federal districts with a centralized authority, and renamed the kingdom Yugoslavia, thereby "solving" in one blow the problems of revolution, local separatism, and governmental instability.

Many other Eastern European states had already gone the same authoritarian route. King Boris of Bulgaria named a conservative politician to run that country by police power after the murder of Stamboliski in 1923. Prince Carol of Romania, who had lived in voluntary exile since 1925, returned in 1930 to resume the throne and active rule. Most striking of all was the military *coup* by which Marshal Josef Pilsudski took over the Polish government from the agrarian Prime Minister Witos in May 1926.

The Polish constitution of 1921 had vested power in a cabinet responsible to a parliamentary majority. But that majority was so fragmented among no less than fifty-nine parties (including thirty-three groups representing ethnic minorities) that fourteen ministries succeeded one another in the eight years between November 1918 and May 1926. Witos' agrarians and the urban liberal groups, who had the most to gain by the success of a parliamentary regime, could form no coherent

center. Without effective administration, the Polish economy had difficulty adjusting to unity. Silesians who had traded with Berlin, Galicians who had traded with Vienna, and eastern Poles who had been oriented toward Russian economic life, all redirected their economic activities slowly and painfully around Warsaw.

The parliamentary regime gradually fell into popular contempt. Marshal Pilsudski, an old patriot-socialist who had led Polish legions against the Russians in the First World War, had the support of both the trade unions and the Army in his *coup* in May 1926. After assuming power, Pilsudski founded a single national movement, the Nonpartisan Bloc for Cooperation with the Government. Its function was to promote the national "moral renovation" (*sanacja*) that had been so lacking in the squabbling of parties.

In new nations that desperately needed unity and administrative stability, the parliamentary regimes of the 1920s had won a reputation for inefficiency, corruption, and factious divisiveness. Parliamentary institutions that survived the 1920s were replaced by authoritarian regimes during the 1930s. Only Czechoslovakia functioned smoothly as a parliamentary republic throughout the interwar period. The Czechs, alone among Eastern European peoples, had a substantial indigenous middle class and a highly developed liberal tradition. Having inherited an important part of the industrial base of the old Austrian Empire, Czechoslovakia experienced less maladjustment and inflation while establishing economic life within the new borders than did the other successor states. The Czechs had managed to sidetrack the grievances of the Slovak and German minorities within a centralized administration. Above it all presided the person of Thomas Masaryk. Until his death in 1935, Masaryk held together a parliamentary center of reformist socialists, agrarians, and Catholics by the sheer force of his character, in what the French historian Maurice Baumont has called a "dictatorship of respect."[27]

THE IBERIAN PENINSULA

As in Eastern Europe, lackluster parliamentary regimes in both Spain and Portugal could not survive the 1920s. Like Eastern Europeans, the Iberian populations were overwhelmingly rural, predominantly illiterate, still deeply anchored in traditional village routines, and powerfully influenced by local landlords and clergy. Agriculture was inefficient as well. For example, although three-quarters of the Portuguese people lived in the countryside, Portugal had trouble producing a sufficient basic bread supply.

The Iberian countries differed in important ways from Eastern Europe, of course, but not in ways conducive to the success of liberal

[27]Maurice Baumont, *La Faillite de la paix: de Rethondes à Stresa* (Paris, 1951), p. 439.

institutions. Instead of being new successor states struggling to launch an administration and an economy within new frontiers, Spain and Portugal were old decayed empires struggling with entrenched political clienteles and a top-heavy bureaucracy. The Catholic Church was far more pervasive in Spain and Portugal than was any one clergy in Eastern Europe outside of Catholic Poland, but the Iberian populations were not thereby any more homogeneous. Urban–rural antagonisms, conflicts of interest between a small landholding north and a latifundist south, and especially bitter cultural divisions among Basques, Catalans, and the dominant Aragon-Castille heartland of Spain, obstructed formation of the basic consensus necessary for functioning electoral politics. Finally, neither the parliamentary monarchy of Spain nor the Portuguese Republic of 1910 enjoyed even the brief euphoria of nation-building with which the successor states began. Liberal institutions had been implanted in the Iberian Peninsula in the late nineteenth century on the model of dominant northwestern Europe. They bore the blame for wartime and postwar dislocations, whether the regime remained neutral in the war, as did Spain, or participated in it, as did Portugal on the Allied side after 1916. During the 1920s, both countries slipped back into the nineteenth-century tradition of military *pronunciamientos* (revolts). Officer groups took over both governments with promises of social order and regeneration.

In Spain, the industrial boom and inflation accompanying the First World War had magnified social tensions in the principal industrial areas, culturally distinct Catalonia (Barcelona), and the Basque region. The strikes that began in 1917 and continued from 1919 to 1923 combined familiar ingredients of church-burning, calls for Catalan autonomy, and the rhetoric of revolutionary general strikes, which talked more of obtaining power than ameliorating working conditions. Their scale, however, was unprecedented, and they were accompanied by anarchist peasant risings in the south. Soviet influence was much in evidence; one peasant leader in Andalusia changed his name from Cordon to Cordoniev. Colonial defeats in 1921 by Moroccan guerrillas were simply the last straw for Spain, long haunted by the decline of its empire. With the approval of King Alfonso XIII, General Miguel Primo de Rivera led a military *coup* in September 1923.

Primo de Rivera swept away the "old politicians," whom he blamed with simplistic military bluntness for Spain's decline, and set up a one-man rule that lasted until 1930. Primo was no mere Spanish reactionary, however. He established arbitration committees of labor and management, in which some reformist trade unions took part. He surrounded himself with technical experts committed to economic modernization and he greatly expanded Spanish road and electrical systems. *La Dictadura* was a modernizing dictatorship, determined to bring labor into peaceful participation with the more progressive sectors of the economy. But Primo de Rivera made enemies among reactionaries and big busi-

ness as well as among republicans and the intransigent left. When the Spanish economy began to suffer from the depression in 1930, King Alfonso XIII withdrew his confidence rather than go down with a failing military junta. Primo went into exile in France in January 1930 and died there shortly thereafter.

The Portuguese Republic of 1910 had never achieved either political stability or financial probity. Since its political base was a relatively narrow stratum of free-thinking commercial and professional people in the cities of Lisbon and Porto, and since its chief accomplishment was anticlericalism (separation of Church and state, legalization of divorce, an end to the educational monopoly of the Catholic University of Coimbra), the republic depended on the passivity of the rural population and the acquiescence of the bureaucracy and the Army. Participation in the First World War on the British side (where most of Portugal's trade was transacted), ran the country deeply into debt, setting off a disastrous inflation that damaged the republic's own supporters the most. General strikes were declared in 1919, 1920, and 1921, but by the mid-1920s an eight-hour day was widespread, and workers' purchasing power was no lower than it had been in 1914. By then, bitterness was most widespread in the middle classes. Upper civil servants (including army officers) found that inflation and government economies had eroded their real purchasing power to half what it had been in 1914.

These conditions were easy to blame on the republic's constitution of 1911, which gave primacy to a parliament whose inner circle of liberal politicians traded cabinet seats among themselves. Portugal had no less than forty-five ministries during the sixteen years following the overthrow of the monarchy in 1910, and fifteen elections (in which nearly half the electorate did not bother to participate).

Opposition to the republic was centered in the Army and among Catholic professors at Coimbra, who were deeply influenced by the "integral nationalism" of the French publicist Charles Maurras.[28] In 1926, the countryside remained passive while a group of officers seized power. By the year 1928, an ascetic professor of economics at Coimbra, Antonio de Oliveira Salazar, had emerged as the strong man of the regime; he was the only person capable of balancing Portugal's precarious finances. First as Minister of Finance and after 1932 as premier, Salazar dominated the government until he was incapacitated by a stroke in 1968. His dictatorship was the most hermetically closed and longest-lived clerical authoritarian regime of modern Europe.

FASCIST ITALY

In his rebound from momentary immobility after the murder of Matteotti, Mussolini had gone on in 1925 and 1926 to lay the basis for a one-party dictatorship in Italy. There were two ways open to him. He

[28]See Chapter 1, p. 35.

could initiate the "second revolution" called for by the more radical Fascists; or he could make his peace with the principal nonparliamentary institutions of conservative Italy—monarchy, Church, and Army. The first route involved an ill-defined program of sweeping away all the worn-out institutions of pre-Fascist Italy, including the monarchy. The old governing elites of Italy would be replaced wholesale with *squadristi*, the angry young anticlerical, antisocialist veterans who had ejected the town governments from northern cities in 1922. When Roberto Farinacci, an ex-socialist railwayman and toughest of the *squadristi*, who had become boss (*ras*) of Cremona when the Fascists took the town over in 1922, became Fascist party secretary in February 1925, it looked as though Mussolini was headed down that route.

In April 1926, however, Mussolini removed Farinacci from office. Thereafter, he quietly reduced the power of the party which had helped bring him to power, and he made his peace with the *status quo*. The most striking step was his pact with the Catholic Church. The Church had never recognized united Italy after that secular state had seized papal lands in the 1860s. In the Lateran Pact of 1929 Mussolini's Italy recognized papal sovereignty in miniature in Vatican City and made other concessions (such as agreeing to abolish divorce except under the most stringent conditions) that not even the most conservative leader of pre-Fascist Italy could have made. In return, the papacy declared its differences with the Italian state at an end and urged the faithful to support

Mussolini and Cardinal Gasparri, Papal Secretary of State (third from right), sign the Lateran Pact on February 11, 1929, making peace after fifty-nine years of conflict between the papacy and the Italian state and establishing the pope as temporal ruler of Vatican City.

the regime. The Pact endured until February 1984, when the first socialist premier of the postwar republic abrogated most of Mussolini's concessions.

In the late 1920s, Fascist Italy slipped into a normalcy of its own. The state continued to be a one-party dictatorship, but it ruled in partnership with the institutions and groups that had brought the Fascists to power in 1922. Non-Fascist elements—the monarchy, the Church, the Army—retained their autonomous authority. Big business achieved a form of unofficial self-regulation under the developing corporatist system.[29] All these elements accepted Mussolini's political rule, and the Fascist stage effects that went with it, as long as Mussolini was able to assure internal order and prosperity.

REVOLUTIONARY RUSSIA IN A STABILIZED WORLD

The civil war was over in Russia by the end of 1920, when Trotsky's Red Army defeated the last two counterrevolutionary offensives: the Polish campaign (October 1920), and the campaign of Baron Peter Wrangel in the Crimea (November 1920). Sheer survival in the face of internal and external opposition had been an extraordinary achievement for the Bolshevik regime. The country was in desperate straits, however.

Challenges to the Bolshevik Regime

Industrial output in 1921 was down to about one-fifth of what it had been in 1913. The temporary expedient of War Communism, which had called for full collectivization of productive capacity, could not help get production started again amidst the wreckage of war. The most important obstacles were lack of raw materials, transportation chaos, and the absence of technical and managerial skills. War Communism even made conditions far worse in the countryside. Forced requisitions had provoked the age-old peasant reactions of hoarding, consuming at home, and the willful destruction of livestock. Drought was added to these problems. Between 1913 and 1921, Russia had been transformed from a major exporter of grain to a country that could not feed itself.

The cities stood half-empty in 1921. Massive starvation, epidemics of typhus, and fighting took more lives between 1918 and 1921—perhaps 20 million—than losses in the First World War and the relatively bloodless 1917 revolution put together. One Bolshevik declared in 1921 that the economic collapse was "unparalleled in the history of humanity."[30]

Most alarming for the Bolsheviks was the massive disaffection that began to spread among their most enthusiastic supporters. Peasant bands defied authority. There were 118 peasant disorders in February 1921 alone. At the end of February, a strike wave swept Petrograd.

[29]See Chapter 11, pp. 342–44 for a fuller discussion of corporatism in practice.
[30]Quoted in Paul Avrich, *Kronstadt 1921* (Princeton, N.J., 1970), p. 8.

Opposition came to a head on March 1 with an uprising of sailors at the Kronstadt naval base in Petrograd harbor; this was the very unit whose guns had covered the Bolshevik seizure of the Winter Palace in October 1917. The Kronstadt sailors proclaimed a "third revolution"[31] of "freely elected soviets" against the "commissarocracy" of Lenin's War Communism. The Kronstadt rising was crushed by a 35,000-man Red Army force, but at the cost of immense loss of life. Moreover, the danger signals could not be ignored. The revolt had been spontaneous, even though some anti-Bolshevik exiles had tried unsuccessfully to aid it once it had broken out. Similar resentments were expressed in the underground Workers' Truth movement. As a leading Bolshevik, Nikolai Bukharin, said in March 1921, "Now the Republic hangs by a hair."[32]

Lenin responded to these challenges in March 1921 by replacing War Communism with the New Economic Policy (NEP). Under NEP, grain requisitions were replaced by fixed payments to the state, and peasants were eventually allowed to market their surpluses freely. About 75 percent of retail trade, as well as a large number of small craft enterprises, slipped back into private hands. The state, however, retained what Lenin called the "commanding heights" of the economy: heavy industry, wholesale commerce, banking, and transport. During 1922, the revived market and a good growing season produced enough food, and normal life became possible in Russia.

It was at this point, in May 1922, that Lenin suffered the first of a series of strokes; in January 1924 he died. No clear line of succession had been provided for. The ensuing struggle for power was not merely a personal rivalry for ascendancy over party and country. The most fundamental and vital issues of how to build the first socialist regime in history were at stake. What would the new regime be like and what would be its first normal steps, now that the crisis out of which it had been born had lost its immediacy?

The situation facing the Russian Bolsheviks at Lenin's death was one for which neither Marxist theory nor practical experience had prepared them. There was no sign of the workers' revolution in more advanced countries, which all Russian Marxists deemed essential for the survival of socialism in backward Russia. The last spark of postwar disorder in Europe flickered out with the crushing of the Hamburg uprising of October 1923. The Russian Bolshevik regime would have to adapt to a world in which capitalism had stabilized itself (around liberal institutions in advanced northern and Western Europe and under authoritarian regimes in more agrarian Eastern and southern Europe). Under these conditions, could the Russian Bolsheviks progress toward "socialism in one country," and in a largely preindustrial country at that?

[31]The "bourgeois" revolution of February 1917 had been the first, and the Bolshevik Revolution of October 1917 was the second.

[32]Stephen F. Cohen, *Bukharin and the Bolshevik Revolution* (New York, 1973), p. 106.

The "Industrialization Debate"

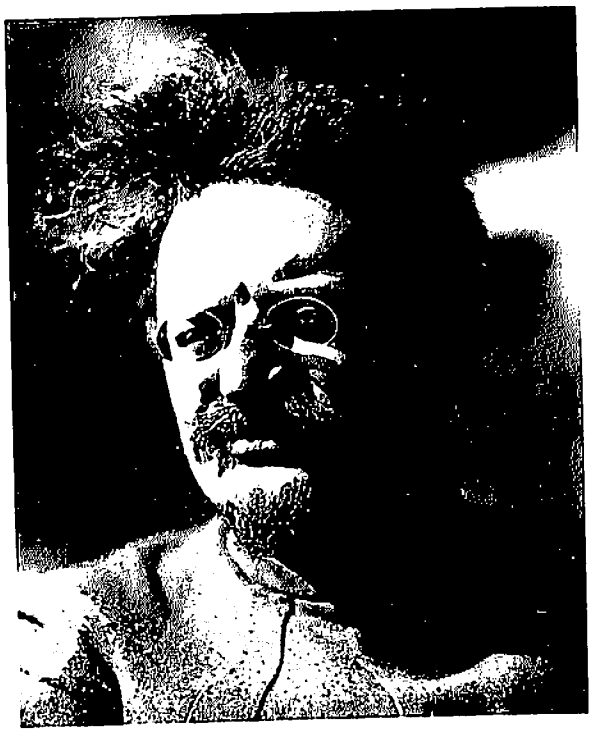
The Bolsheviks believed that progress toward socialism was possible only through the development of a large base of industrial workers in a country like Russia, or through the support of companion Communist regimes in countries that already had such a base. Since further revolution abroad seemed precluded after 1923, the problem was how to build a large industrial base in their own country.

A "left" group, led by War Commissar Leon Trotsky joined later by Comintern chairman Gregory Zinoviev and Lev Kamenev, chairman of the Moscow Soviet, proposed a return to the "heroic" stance of 1917 both at home and abroad. Abroad, the left group wanted to continue revolutionary pressures; they would carry these pressures into Asia if Europe proved totally unresponsive. At home, they held that the "dictatorship of industry" was the only possible route to socialism. This meant squeezing a maximum of development capital out of the one Russian group capable of producing excess wealth—the peasantry.

Before 1914, agricultural export had been the chief earner of foreign exchange, and Tsarist Russian industrial development had been built, in a sense, on peasant backs.[33] The left proposed to continue to pump the surplus productive capacity of the peasants into industrial growth by setting food prices low and the prices of manufactured goods high, spread apart like the blades of a scissors. During the early years of NEP, peasants had complained of a "scissors crisis" of just this sort; the Bolshevik left wanted to continue and even accentuate that pressure. The left strategy consisted of self-financing rapid industrialization by wringing wealth out of the great majority of Russians, the farmers who had benefited from the land redistribution of 1917 and 1918, especially the middle-class farmers, or "kulaks," who now threatened to create a powerful agrarian middle class.

A "right" group, led by Nikolai Bukharin, argued that socialist industrialization with the cooperation of a satisfied peasantry was not only possible but preferable. Like the left, Bukharin thought that Russia must industrialize to develop socialism and that the resources must come from within. Unlike the left, he thought that those resources would be generated much more quickly if peasants producing for the market were allowed to profit and thus swell their own purchasing power for industrial goods. After all, Bukharin argued, peasants were "the huge majority on our planet."[34] If Bolshevik Russia showed the way to cooperation between peasants and industrial workers, socialism could bypass the stabilized West and spread naturally through the rest of the world. Bukharin had endured exile like the others; nevertheless, he maintained an open manner and a preference for conciliation that his admirers believe could have produced a socialist but uncoercive state in Russia.

[33]Grain composed 62 percent of Russian exports in 1900.
[34]Cohen, p. 168.



Leon Trotsky, organizer of the Red Army, as he appeared in the early 1920s.

Neither side in the great "industrialization debate" of the 1920s advocated returning to a bourgeois regime and a multiparty government to await the inevitable ripening of a revolutionary proletariat in Russia or elsewhere. Both sides were determined to dig in and defend socialism in Russia from being reabsorbed into the prosperous liberal economic sphere of the West. Both saw the necessity of financing Russian industrialization from within. Those decisions made political dictatorship necessary, regardless of whether the Bolshevik left or right won the day.

The Consolidation of Political Dictatorship

In the 1920s even fewer Russians were urban wage earners than before the dislocations of the Revolution; only a minority of that minority were convinced and reliable Bolsheviks. For example, in the Smolensk District, a rural region in western Russia with a population of about 2.3 million, there were only 5416 Communist party members in 1924, mostly in the city of Smolensk itself.[35] Under such conditions, the regime could survive only through firm bureaucratic control, under the sole political direction of the Communist party. The "dictatorship of the

[35]Merle Fainsod, *Smolensk Under Soviet Rule* (Cambridge, Mass., 1958), pp. 17, 44.

proletariat" would have to be exercised on the proletariat's behalf by a minority party.

Lenin never had any doubts about the necessity for one-party rule during postrevolutionary consolidation. In 1919 he had written that the soviets, "which according to their program were organs of government by the workers, are in fact only organs of government for the workers by the most advanced sections of the proletariat, but not by the working masses themselves."[36] It could not be otherwise in Lenin's opinion, as long as the mass of workers had not acquired a communist culture. In the meantime, "the Party's proletarian policy is not made by the rank and file, but by the immense and undivided authority of the tiny section that might be called the Party's Old Guard."[37]

Up to 1921, civil war and revival of production had required the Bolshevik leaders to adopt a high degree of bureaucratic centralization. The loosening of market controls for small enterprises under NEP, however, did not lead to the loosening of political control. Lenin had made the decision in March and April 1921 to forbid the existence of factions in the party and to give the party's Central Committee the power to exclude those who publicly opposed the committee's policy. Thus the relaxations of NEP did nothing to restore any of the free communitarian self-government that the soviet movement had seemed to promise at the beginning.

Toward the end of his life Lenin began to worry about the nature of party rule. He spoke about the danger of that handful of "the best Communists" being submerged in the "alien culture" of a mass of short-sighted bureaucrats.

> Take the case of Moscow: 4,700 Communist leaders and an enormous mass of bureaucrats. Who is leading and who is being led? I very much doubt if it can be said that the Communists are leading. I think it can be said that they are being led.[38]

As long as Lenin lived, his personal ascendancy kept power in the hands of the Old Bolsheviks who made up the party's Central Committee. After his death, however, the full-time administrative personnel of the party—the Political Bureau (Politburo) of the Central Committee and its permanent Secretariat—gradually assumed more and more control over running the state.

The Rise of Stalin

This tendency favored the rise of Josef Stalin, the party secretary since 1922 and perhaps the only Old Bolshevik of truly lower-class origin.

[36] Moshe Lewin, *Lenin's Last Struggle* (New York, 1968), p. 6.
[37] *Ibid.*, p. 12.
[38] *Ibid.*, p. 10.

Stalin was born Josef Djugashvili, the son of a shoemaker and the grandson of serfs, in the trans-Caucasus province of Georgia. After dropping out of theological seminary, he was drawn into the Bolshevik movement around 1900 and undertook such clandestine activities as bank raids for party funds. It was then that he adopted his underground name, which means "man of steel." Hardened in tsarist prisons and Siberian exile, Stalin had none of the broader culture of his colleagues, most of whom had passed years of exile in Western Europe. There is no certain proof to the allegations that he had acted as a double agent for the tsarist secret police. What is certain is that Stalin's strategic position as party secretary, coupled with his toughness, coincided with the growing ascendancy of a hard new generation of officials who had been bred not in the exile movements of the Old Bolsheviks but in the struggles since 1917. Easily overriding the warnings against his "rudeness" and rigidity contained in Lenin's testament, Stalin seized the initiative.

Stalin sided firmly with Bukharin in the "industrialization debate." The NEP concessions to peasant trade were broadened, and agricultural production rose again toward 1913 levels. As the left Bolsheviks lost vote after vote in the Central Committee, they were expelled one by one from positions of power. Trotsky, who had created and exhorted the Red Army, was removed from the War Commissariat in 1925. Zinoviev was dismissed as Comintern chairman after the failure of a communist uprising in Bulgaria in 1925 whose main achievement was the dynamiting of Sofia Cathedral. The Old Bolsheviks' bases of independent authority, such as Kamenev's control of the Moscow party organization and Zinoviev's in Petrograd (renamed Leningrad after Lenin's death), were gradually replaced by centralized party control. The Fifteenth Party Congress, in December 1927, finally condemned all "deviation from the Party line" as decided by Stalin. In 1929 Trotsky was forced into exile, where he wrote about "the revolution betrayed" and the "substitution" of party for proletariat. Stalin had emerged as the preeminent leader of Soviet Russia. Russia had become, said one disgruntled Old Bolshevik, "the dictatorship of the Secretariat."[39]

The Soviet Union thus adjusted to a nonrevolutionary world in the late 1920s and stabilized around a combination of NEP economics and one-party bureaucratic political control. It was a period of some material improvement, although industrial production and livestock breeding remained below 1913 levels. The literacy rate rose rapidly, and the excitement of creating a new regime released powerful literary and artistic energies. Under Minister of Culture Anatole Lunacharsky, there was a brilliant period of expression in architecture, theater, and poetry. The great beneficiaries of the period were 100 million peasants, whose 25 million family farms were more numerous and freer than ever before

[39]Boris Souvarine, quoted in Cohen, p. 214.

or since in Russian history. The questions raised in the "industrialization debate" remained, however. Could the Soviet Union avoid stagnation if its economy continued to be dominated by small peasantry?

A FRAGILE STABILITY: NEOLIBERALISM ASSESSED

By comparison with the past and with what was to come, Europe in the late 1920s seemed stable and prosperous. Northern and Western Europe flourished, and even Eastern Europe's economies improved. When the British historian A. J. P. Taylor referred to the late 1920s in his country as "the years of gold,"[40] however, his definition was two-edged. The international gold standard had been restored, but the rest of the nineteenth-century liberal vision had not automatically returned with it. Unemployment, for example, never dropped below 10 percent. Much of the gold of those years was the dross of garish pleasure-seeking in the "roaring twenties."

The attempt to restore or expand liberal Europe on the Continent had been only a qualified success. Parliamentary systems had not worked in eastern and southern Europe, where agrarians predominated and nationalities clashed. Even the prosperous populations of France and Germany were scarred by their recent experiences with inflation: their loyalties to neoliberal regimes would last only as long as they assured economic stability.

For the moment, many Europeans could afford to sing and dance to the new American jazz and enjoy the novelties of movies and more widespread automobiles. It was a neoliberal illusion, however, to believe that the relative prosperity of the late 1920s could endure simply by letting things alone. The Great Depression was to bring that illusion to an end.

[40]Taylor, pp. 227ff.