

TOPICS OF THE DAY

PULL DEVIL, PULL BAKER: RHETORIC AND REACTION: THE
N R A AND THE ALL: BEES FROM THE BUSINESS MAN'S
BONNET: RETURN TO GENEVA.

CYNICAL observers, with a penchant for prophecy, have indulged, ever since the Versailles Treaty was signed, in a guessing contest as to probable date of the next great war. Nevertheless, many of them must have been startled during the last week in July as they watched the course of events that seemed likely to give substance to some of their most unpleasant dreams. Engelbert Dollfuss had been assassinated in his own Chancellery. Civil war was in progress in Styria, and "that man in Rome" had sent his army corps northward toward the Italo-Austrian border. There were angry mutterings in Belgrade, and a great fluttering of the diplomatic doves in Paris, London, Berlin and Praha.

For Austria, as so often before during the past two centuries, is the focal point of nearly all Europe's post-war stresses and strains. The absorption of Austria by Hitler's Reich would be the first important step towards the realization of the Nazi vision of a Europe dominated by a huge Pan-German State. And there is little doubt that after the first difficult step the others would be relatively easy. German *Anschluss* would probably mean the dissolution and disappearance of Czechoslovakia, because its considerable German minority would undoubtedly be inclined to cast in their lot with their fatherland. Even should this not take place, Czechoslovakia would find itself practically surrounded by German territory—and there are more comfortable neighbours these days than a Germany ruled by Hitler. It would also mean that the German Fascist State and the Italian Fascist State would be brought face to face at the Brenner Pass. Germany would have her long-desired port on the Adriatic within sight. The Balkans might expect to dance to tunes called in Berlin; and though those tunes might be every bit as gay as the Parisian ones to which Balkan statesmen have become used, there remains a certain uneasiness about them.

Ever since 1918, there has been a Pan-German party in Austria, and its spokesmen have been able to present convincing reasons for *Anschluss*. Some of the reasons are more convincing than valid, but the fact remained that having sowed the wind at Versailles, the Great Powers of Europe have struggled ever since to avoid

reaping the whirlwind at Vienna. France and Italy will not have Austro-German union at any price, and Great Britain is scarcely less opposed to it.

The assassinated chancellor, Dollfuss, was once favourably inclined toward *Anschluss*, but turned his back on it shortly after assuming office. From that time until his death he was the chief stumbling-block in the path by which Hitler hoped to reach his dream-empire. Whether he was really a convert to the idea of a permanently independent Austria, or whether events got beyond his control and carried him with them, are questions that must remain, for the present, unanswered. Possibly he was seeking a middle path. At all events he lost the confidence and the support of the Socialists, and formed an alliance with Mussolini's friend, Prince von Starhemberg. Opposed to the Austrian Nazis, and, therefore, to their German patrons, he found himself opposed, though probably not irreconcilably, to their bitter enemies, the Social Democrats. Austria under his leadership drifted steadily into Italy's orbit. The temporary breach with the Social Democrats became a permanent one last February when, using von Starhemberg's private army as a weapon, his Government attacked the Socialist strongholds throughout Austria.

It is difficult to understand just what Dollfuss stood to gain by "liquidating" the Socialists. One wonders what forces moved behind the scenes to bring the action about, for at one stroke he deprived himself of possible allies, drove numbers of workmen into the Nazi ranks, and left himself at the mercy of von Starhemberg and the Italians. From that time Austria has been Mussolini's pawn. Dollfuss died a wretched death at Nazi hands on July 25; but a successor was soon found for him, while Prince von Starhemberg still is Italy's friend, still occupies a subordinate Government post and still has the men, the munitions and the money—the eternal triangle that encloses political power in Central Europe.

It is inconceivable that the death of Dollfuss can be much more than an incident in the Austrian nightmare. The present status of the country is an impossible one. As an alternative to *Anschluss*, its opponents are looking with increasing favour on the possibility of a Hapsburg restoration. The typical Hapsburg method of securing political advantage by means of a "fortunate" marriage will almost certainly be used again if a suitable opportunity presents itself. But a Hapsburg marriage and a Hapsburg restoration will not solve Central Europe's problems. It will merely alter them.

THE events that have occurred in Germany during the past few months have continued to shock and mystify the world. As the Nazi adventure develops, one startling phase is succeeded so rapidly by the next that the predominant feeling is one of bewilderment.

At the end of June there came the savage crushing of what was declared to be an abortive "second revolution". Certain left-wing tendencies in the Nazi Party itself were ended or driven underground; and a number of the leading critics of the régime were executed with such appearances of panic and haste that the idea still persists that the complete tale remains to be told. Hitler's failure to implement the anti-capitalist, anti-Junker portion of his National Socialist programme is supposed to have been the cause of discontent. Had Germany had a longer experience of democracy, Roehm, Strasser and the others might have learned that free access to the spoils of office is presumed to be ample compensation for any pangs occasioned by broken promises or sacrificed principles. But they were not familiar with the dictum of a late great Canadian statesman, that "A platform is something to get in on".

Less than a month after the "purging" came the murder of Dollfuss, with the apparent connivance of German Nazi authorities. Jubilation in Munich and Berlin was short-lived when Mussolini moved with such rapidity that Hitler was completely out-generalled. The rapid collapse of the Austrian Nazis was still another blow to Hitler's hopes. Austria had failed to profit by Germany's example, and the Nazi cause there had grown weaker rather than more powerful. German prestige abroad, never very high since the formation of the Third Reich, sank lower still.

Before the effect of these defeats could be felt widely in Germany, the attention of the German people was caught and held by disturbing news of the Reichspräsident's health. Hindenburg's death, so long feared, took place on August 2, and Germany awoke to find Hitler a new Augustus, combining in his own person the offices of Reichspräsident and Chancellor. The action was later ratified by the German people in a plebiscite in which more than thirty-nine million people gave their approval of his seizure of power, and only about four and a half million cast negative ballots.

The result of the plebiscite appears to have pleased everyone. Nazi followers of Hitler pointed with pride to the overwhelming support given *Der Fuhrer*, while foreign critics, particularly the French, took comfort in the fact that the opposition vote was twice that given at the time of Germany's withdrawal from the League, and cited the parallel successes of Louis Napoleon in elections of

the kind. From one side came boasts that Nazi rule would last a thousand years and, from the other, prophecies that Hitler's race would prove almost run. A psychologist would probably classify both statements as examples of "wish-fulfilment thinking". There is little reason to believe that the doubling of the negative vote means a decline in Hitler's popularity. The earlier plebiscite involved the popularity not of Hitler but of the League of Nations and the Disarmament Conference.

Now that he has assumed supreme control of the State, and must, therefore, also assume responsibility for its welfare—Hitler's difficulties are just beginning. Financially, Germany totters on the brink of disaster; and with trade drying up and disastrous crop failures reported, the régime will face its most severe trial this winter. The only weapon of which he is complete master, his gift for florid and verbose rhetoric, is not likely to avail him much in a contest against economic laws, and his government by incantation tempered by political murder may find the task beyond its capacity.

A CASUAL glance at the daily press gives the impression that recovery in the United States is finding its course a rough and uncertain one. There are movements afoot that cannot be entirely explained by the approach of elections; and though some of the disturbing rumours and charges may be largely discounted because of their politically partisan origin, there are others to which too serious attention cannot be given.

The N R A, in spite of the claims of the most zealous of its supporters, has not been an unqualified success. In July, the American Federation of Labour announced that more than ten million employables were still without gainful occupation. The U. S. Chamber of Commerce estimated that about half this number were still out of work. The true figure probably lay about midway between these extremes. Possibly this would not matter so much if the employment index was rising, but the contrary is true, and the decline is more than seasonal.

The attempts of the Administration to raise prices have been successful, but the unexpected assistance given the upward trend by the great drought in the Middle West has upset a number of calculations. Drought also gave unwelcome aid to those engaged in restricting production, so that, instead of starving as formerly because their country contained too much food, there are prospects that a number of people may shortly have more reasonable grounds for going hungry.

President Roosevelt recently stated that his New Deal "seeks to cement rich and poor, manual worker and brain worker, into a brotherhood of freemen standing together, striving together, for the common good of all". It appears that there are many people in the United States who disagree with the President in practice, however assiduously they may pay lip service to his theories. For wages, as usual, have lagged behind a rising cost of living, and an epidemic of strikes has spread and given no sign of abatement. Rich and poor, at least Capital and Labour, may be said to be "striving together", but hardly in the sense meant by the President. As we have been taught to expect of things originating in the United States, these strikes have been notable for their size, their threatened and actual violence, and for the publicity they have obtained. Whether their results for good or evil have been commensurate is, perhaps, doubtful; but their existence proves that, whatever else it has done, the Recovery Programme has brought neither peace nor prosperity to industry. Perhaps it is too much to expect that it should have done so in the time that has passed since its beginning.

Distress present or foreseen, as well as a growing interest in the coming elections, has produced an odd collection of phenomena to add colour to a scene never remarkable for dullness. What could be more delicious than the spectacle of Mr. Hoover and other prominent Republicans standing forth as the champions of Liberty? American ingenuity, however, possesses to a singular degree the faculty of outdoing itself. It has shown itself capable of reconciling the irreconcilable in the formation of an organization to be known as the American Liberty League, or, in the modern manner, as ALL. ALL's purposes are somewhat ambiguously stated. It is not professedly anti-Roosevelt; but it is against extreme radicalism—and it will probably define both "extreme" and "radicalism" to suit itself. It has pious hopes of teaching "the necessity of respect for the rights of persons and property as fundamental to every successful form of government". It also aims to "foster the right to work, earn, save and acquire property". Is this touching concern for "the right to work" and "respect for the rights of property" evidence that the Great Heart of America still acts as of yore? Or does it indicate a tendency for die-hards of both political parties to be driven into one camp by Rooseveltian policies, and thus to give credence to the anonymous report that a new party, to be led by President Roosevelt, is in process of formation in the United States? Perhaps Mr. Roosevelt shares the belief of Mr. Woodsworth, M.P., that there is no necessity for a country to have two Conservative Parties.

THE times are admittedly difficult ones for politicians. For a Government to face an election has become almost equivalent to its resignation. Haunted by political sins and indiscretions of the past, bedevilled by the promises so blithely given in the irresponsible pre-election days, nagged and exhorted on every side by theorists and axe-grinders, the life of a politician resembles that of the Gilbertian policeman. But if the politician has been deprived of his favourite rôle as the saviour of society, a self appointed understudy—the business man—professes a readiness to take his place.

We are, says one, in danger of indulging in over-industrialization. There are too many lead pencil factories in Canada. Competition, it appears, is losing its vitalizing properties on the condition of trade. Another points a warning finger at the increasing ratio of bank deposits being lent to municipalities and Governments. A whole chorus of business men demand the balancing of governmental budgets by economy measures, and without increasing taxation. Business men are critical of planned economies, and draw their togas closely about them when an advocate of more governmental control of industry chances to pass. Their slogan appears to be "More business in government and less government in business".

One can imagine the pain this attitude occasions the politician. The people for whose benefit he created expensive trade commissions and flung them to the far corners of the world are asking him to economize by cutting down the size of Cabinets and of representative bodies generally. The owners of those perennially infant industries for the protection of which he erected and maintained such nice, high tariff walls are telling him with portentous solemnity that it is unwise to tamper with the free play of economic laws. He wonders if it really was healthier for bank deposits to be invested in highly inflated industrial stocks than, as is the present fashion, increasingly in government and municipal bonds.

It is a situation not without humour. The shrill cries for economy in government are a trifle late in the day to be very effective. Were they uttered, one wonders, as frequently and as stridently during those expansive days of railway construction, or in the years when war profits were mounting? There is undoubtedly room for certain economies in governmental expenditure. Some of the representatives elected to seats in one or other of our various legislatures do not earn their stipends. But the amount saved in salaries by reducing the number of Cabinet posts and the number

of legislators generally is scarcely large enough to cause so much heart-burning.

A spokesman for Canadian business is reported recently to have "laid blame for depression squarely where it belongs, namely at the door of ward-making politicians who now seek to undo their mistakes by economic planning through new bureaucracies". For his own sake, it is to be hoped that he did nothing of the kind. Whatever a "ward-making politician" may be, he cannot be allowed to shoulder all the guilt. After all, were there no business men in politics before 1929? Who clamoured for the tariff systems which have so effectively choked international trade? Who built those unnecessary lead-pencil factories?

Having danced, business now betrays a reluctance to pay the piper. Surely there were lessons for the business man as well as for the politician in the events of the past five years. It is all very well for Canadian business to look with melancholy on those dear, dead days when individualism was an unchallenged creed. The politician, too, would, perhaps, just as gladly have them back. But they are gone beyond recall, indeed, and the trend towards "increasing governmental interference with the rights of individuals", that is, with business, will probably continue for some time. How rapidly it goes on increasing will depend, to a great extent, on the speed with which Canadian business men exchange regret and denunciation for the more fruitful policy of improving those conditions which make Government interference necessary.

THE recent admission of the U. S. S. R. to the League of Nations and its election to the League Council brings to a close a long period of crowded history. The Russians have returned in something like triumph to that Swiss city from which Lenin, the obscure revolutionary, set out nearly twenty years ago to establish the Bolshevik régime. Since that time mankind's two greatest political experiments, the League of Nations and the Communist State, have been begun and carried on with varying success amid a storm of controversy that even yet shows few signs of a lull. Each has been the object of great devotion and hope, the figure of hatred and fear.

Russia's election to the League is, perhaps, a greater victory for Russia than for the League. In any event, there will be many to deplore it. The welcome extended cannot be described as entirely whole-hearted. Portugal and Argentina opposed Russia's admission, but not, one supposes, because of any deep-rooted

objection to revolutionary origins or revolutionary methods. Mr. De Valera, with characteristic lack of humour, seized the opportunity to deliver a lecture on tolerance. That reactionary class which prefers, apparently, to put its trust "in reeking tube and iron shard", and which has despised the League from the beginning, will see in Russia's accession merely one more example of the League's depravity. The argument will be raised, too, in spite of the evidence to the contrary, that the Great Powers have once again neglected or over-ruled the wishes of small nations. Neither position is tenable. There is no longer reason to believe that Russia is any more unlikely to redeem its pledges than a frankly Imperialist state. Japan gave pledges to the League once upon a time. The League would not have been fulfilling its functions had it refused Russia candidacy, for a State boasting a population of 165,000,000 people cannot be ignored, however the peculiar faith of those people may be deprecated. Rather, the election of Russia is a great gain to the League in strength and prestige. If the Russian delegates indulge at all frequently in those flashes of commonsense, as on the occasion when one of them shocked the Disarmament Conference by suggesting that the way to disarm was, quite simply and in a word, to disarm, the League will be all the better for it. A glimpse of the obvious occasionally might improve the conduct of international affairs beyond measure. There remains to be considered that ill-assorted trio of non-conformists; the United States, Germany and Japan. One can only conjecture the feelings with which they regard the new development.

While coming as a shock to that not inconsiderable number of persons who believe that the hand of Russia, suitably blood-stained, is against every man's, the vision of that country a member-state of the League has its critics in the other camp as well. Revolutionists of the Trotsky school undoubtedly feel that Russia has compromised with the forces of evil. But Leftist opinion generally appears to be that it is amply proved that Russia sincerely desires continued peace, and that there is nothing inconsistent in her pursuit of her policy even in co-operation to that end with bourgeois States. This should be fairly obvious when one considers the immense task of internal development and organization that still remains to be done by those in control at Moscow. It is pointed out, too, that the two States most likely to make war on the U. S. S. R. are Germany and Japan, neither of which is a member of the League nor given to support it.

All shades of opinion are likely to agree that Maxim Litvinov has brought off another diplomatic coup of the first order. His

policy of securing Russia's western frontier, in order to have a free hand to deal with the long-anticipated Japanese attack, now requires only the "Eastern Locarno Agreement" to be complete. At the same time, he has placed Russia, as a League member, in a position of strength if Germany, and not Japan, is the attacker. War on an internationally isolated Russia would be one thing, while an attack on a member of the Council of the League of Nations by a non-member-State would be something quite different.

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