

A French pamphleteer makes out an impressive case against the armament industry in every country as the most powerful existing threat to world peace.

Steel *against* PEACE

By GEORGES HOOG

Translated from *L'Acier contre la Paix*
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DURING the last half century many monarchies have collapsed, but monarchy itself is not dead. It has simply changed its name. We are now living under a capitalist monarchy which, like all others, has its kings and dynasties. It even has its princes of the blood, cannon merchants, the purpose of whose industry is to fill the charnel houses of all nations impartially by means of war. They are the real aristocrats of modern times. Before the War they included four principal dynasties, Vickers and Armstrong in England, Schneider in France, Krupp and Stumm in Germany, and Putilov in Russia. Naturally, the governments treated such powerful families like aristocrats. In fact, all governments did them honor, no matter what the nationality of these princes of the blood might happen to be. For princely families demand international courtesy.

Thus Napoleon III made the head of the Krupp dynasty an officer in the French Legion of Honor. And, of course, the German Emperor had to treat the Krupps at least as well as the French Emperor did, so that William II offered one of the Krupps the title of prince. But, since Krupp was more accustomed to financial activity than to court titles, he refused the honor. However, he accepted for his daughter what he had refused for himself and William II married Bertha Krupp to a member of the German nobility.

All great princely dynasties are connected by marriage. It is therefore not surprising that the cannon merchants have followed the example of national dynasties and made international connections. They did this before the War; they have been doing it since; and they even kept it up during the conflict, strange as that may seem.

For one might suppose that the German, Krupp, would sell his war materials only to Germany and her allies. One might also suppose that the Frenchman, Schneider, would patriotically reserve his products for France and her friends. One might imagine that each would guard his manufacturing secrets jealously, since these secrets are supposed to be of the highest importance to the defense of the nation.

But not at all. Most of the national war industries had international connections. Their interests were linked up together, even their personnel overlapped, and they shared their manufacturing secrets in common. There existed and there still exists a real capitalist international of cannon. What, then, are we to think of the 'patriotic' attacks that certain newspapers, more or less in the service of this international, have launched and still launch on pacifists who in their eyes are guilty of trying to understand each other across frontiers? Well, it would be scandalous if pacifists united internationally to establish peace through good will and intelligent comprehension. It would be a crime against their countries. But when cannon merchants unite internationally to prepare for future wars from which their profits will run into billions they are worthy of praise and are performing an act of the highest patriotism. Such hypocrisy must be denounced.

II

Before the War, the international armament business possessed considerable importance. Of course, it slowed down a little during the War, but it did not cease completely even

between enemy countries, and after the War it naturally assumed greater intensity than ever. Such is the illogicality, one might well say hypocrisy, of the present international situation. People want to set up a new international order based on law and not on brute force. A League of Nations has been established whose Covenant tries to eliminate recourse to arms as much as possible. The Kellogg-Briand Pact outlawing war has been signed. But at the same time the international armament business enjoys complete liberty. In other words, we are pretending to prevent war without preventing unrestrained commerce in war materials.

When fighting breaks out anywhere we see the cannon merchants rushing to the scene of action to sell their merchandise, which means arming one of the belligerents and often both without regard to nationality. Again we are witnessing the scandalous anomaly that we already saw during the Great War. When Abd-el-Krim raised the flag of insurrection and independence in the Moroccan Rif in 1925 some people pretended to be surprised when they discovered that he was armed by Europeans. In the words of M. Jules Prudhommeaux, writing in *L'Émancipation* of December 25, 1929, 'There were discovered in Morocco machine guns, ammunition, and even aeroplanes that had been abandoned or surrendered by Abd-el-Krim's troops and that were obviously of French origin. But a discreet silence stifled this discovery, and the same mystery obscures the origin of the machine guns that were seized in the Hungarian railway station of Saint-Gotthard.'

Is Japan planning to invade Man-

churia? Again the cannon merchants are lying in wait, and here is some quite suggestive information. On November 19, 1931, in the House of Commons, the Labor M. P. Logan from Liverpool asked the British Government the following question: 'Is it true that, during these last six months, permits were issued authorizing the export of arms and munitions to the Chinese and Japanese Governments?'

A very indiscreet question, one might say; at least it would have been judged so in France. But in England, not at all. 'Of course,' replied Major Colville, secretary for oversea trade, 'authorization was given to furnish war supplies to those two governments during the period in question.' It seems that the reply aroused a certain amount of emotion. We quite understand. According to statements made before the House of Commons on February 4, 1932, by Walter Runciman, president of the Board of Trade, the equivalent of 5,075,000 francs' worth of armaments had been provided to China and the equivalent of 18,375,000 to Japan.

III

The question of the Labor M. P. from Liverpool applied to English industrialists. Here is something about French industrialists. 'We bring back from Geneva,' wrote the deputy, Pierre Cot, in the *République* for February 21, 1932, 'a piece of information that stands in no danger of being denied. Here it is: the House of Schneider has received orders for heavy artillery from Japan.'

If we did not know what the international armament business really amounted to we should consider it in-

jurious to the good name of France that an important French concern should be providing the Japanese aggressors with heavy artillery. But there is a further circumstance that makes the case still worse. 'Japan has no need for the material ordered,' added Pierre Cot, 'but she needs the influence of the Schneider house.' At once we ask why. Alas. If we study this question further we shall perhaps find the answer. Is n't there something disturbing about the sympathy that has been organized by certain French newspapers in behalf of Japanese aggression? But the case is even worse, for Pierre Cot finally inquired whether, as he believed, 'the same French firm that was delivering munitions for Japan to use against China was also furnishing China with munitions to use against Japan, whether, in other words, it was making a double profit from the war. If so, it was making money wherever blood might flow.'

And American industry has been no less disinterested than English or French. A Reuters dispatch from Washington dated February 24, 1932, stated that Paul Linebarger, 'a general legal adviser to the Chinese National Government,' had appeared before the Committee of Foreign Affairs of the House of Representatives and 'accused the American bankers and munition makers of aiding Japan in its dispute with China.' According to Mr. Linebarger, American deliveries of munitions to Japan amounted to \$181,000,000.

But it seems that Europe provided the Far Eastern belligerents more abundantly. The *Populaire* for March 5, 1932, listed a certain number of shipments destined for Japan that

left Hamburg between the 4th and 7th of February. Germany was the chief provider of chemical products, France of Hotchkiss machine guns and Creusot tanks, Czechoslovakia of grenades and cartridges from the Skoda factories, and England of general war materials. Certain crates containing acids for the manufacture of explosives were labeled pianos.

If we are to believe certain documents, the industrialists of France and Germany worked together to arm Japan more adequately, a form of Franco-German collaboration that does not seem to frighten our extreme nationalists. On the 11th of February, 1932, speaking before the Chamber of Deputies, Paul Faure read a document emanating from the house of Schneider, and the following statements were not denied: 'One thousand kilogrammes of powder B. G. 4 for Mauser gun cartridges to be sent to the Mauser factory in Leipzig. Order, Japan 6,907.' In other words, Schneider was furnishing powder to be used in cartridges that Germany was furnishing to Japan. But here is another still more suggestive document. It was read by the same deputy the same day in the same place. 'We, the undersigned, Schneider and Company, masters of the Creusot works, solicit authorization to ship to Paul Capit, at Palmrain, Baden, the powder designated below coming from the Pont-de-Buis powder works: 2,200 kilogrammes of powder B. M. 11, 200 kilogrammes of powder B. M. 13. Our shipment will include sixty-six cases.' Was this also to be sent to Japan? We do not know. Paul Faure added, in any case, that one of his colleagues, Burtin, had asked the war minister about this powder and had been told 'that it was

a powder for artillery, evidently a secret powder.'

IV

Make no mistake about it. The profits of the cannon international, which is so eager for gain, are considerable. Invoking M. Boris as an authority, M. Chabrun declared to the Chamber of Deputies on February 23, 1932, that 'the munition makers had made profits of about eight hundred million francs from the armament expenditures in the French budget of 1930.' In regard to cannon merchants, there is no need to ask where their money comes from. We know that only too well. What would be much more interesting would be to know where it goes. Is it true, for instance, that some of the profits of the cannon international are subsidizing the nationalist movement in Germany in its most demagogic form? Such a question naturally arises when we read, in an organ so little open to suspicion of prejudice against heavy industry as *Le Journal*, a report on the German election of September 1930: 'People are almost fighting to be allowed to contribute to the Hitler treasury, which is receiving 300,000 gold francs from Switzerland, which is benefiting from contributions solicited in Holland by a university professor named Von Bissing, which is gladly receiving thousands of dollars from America, and which has no hesitations about accepting funds that are being provided, for some unaccountable reason, by great Czechoslovakian industrialists of German origin.'

That German nationalist propaganda is subsidized by German heavy industry and industrialists of German origin is only one feature of contem-

porary capitalism, and we have no reason to be surprised, for is n't the same thing being done in every country?

But here is something more complicated. In the statement of the Banque de l'Union Parisienne for April 8, 1927, we read: 'In conjunction with Messrs. Schneider and Company of Creusot, the Banque de l'Union Parisienne founded in April 1920 the European Industrial and Financial Union, an establishment with a great future that is assured control of the most important Czechoslovak industries, notably the Skoda establishments.' Thus, the French firm of Schneider and Company controls financially the Czechoslovak Skoda establishment, which, if we are to believe the *Journal*, is subsidizing Hitler's propaganda. Now the Skoda factories are among the most important in Europe, for by the end of 1930 they had furnished 755,000 rifles, 72,000 submachine guns, 13,000 machine guns, 1,400 pieces of artillery, and considerable quantities of military airplanes and armored cars to Yugoslavia, Rumania, Poland, Switzerland, Greece, Turkey, Persia, China, Mexico, the Argentine, Spain, Bulgaria, and even Soviet Russia.

That is the cannon international at work. On the one hand, it subsidizes nationalist propaganda of the dangerous Hitler variety, the very propaganda in whose name the nationalists of every country pretend to justify their policy of overarmament. On the other hand, it provides indifferently to all who wish to buy—for business is business—the armament that this policy demands. We find ourselves asking how international public opinion can fail to react with a violent

gesture of disgust against such practices. Alas, it does not react because it is ignorant or deceived.

'Articles against peace are written with pens made of the same steel as cannon and shells.' It was Aristide Briand who pronounced these sadly suggestive words at Geneva. The facts are not lacking to prove that Briand spoke the truth. Here I shall simply cite a few typical instances. In the month of June 1913, Francis Delaisi wrote as follows: 'The campaigns for armaments ordinarily occur—as this one is occurring to-day—when private business is entering a period of depression. In short, the manufacture of war supplies is indispensable to the metal industry.'

V

These words were written twenty years ago but they still apply. Are they not being verified before our eyes? To-day we are again undergoing an economic crisis. We are witnessing an era of depression in private industry, and this is the moment when, in spite of the Disarmament Conference, or perhaps because of it, we are witnessing a new campaign for armaments. A financial article that appeared on March 7, 1931, in the *Lettres d'un Boursier* in behalf of the Hotchkiss house is particularly significant in this respect. The Hotchkiss concern manufactures both war materials and automobiles. The author of the article was showing the superiority of this type of enterprise, which, according to circumstances, can concentrate on peace or war products. 'Not only is it one of those splendid French industries run with French methods in which all interests repre-

sented, especially those of the stockholders, are considered, but such a powerful organization finds itself, because of the various products it makes, absolutely immune to the course of events.'

These statements are gallantly made, but the author thought it well to insist that, 'whether it is business or war, the company is assured of constant prosperity.' Do you doubt this statement? The author has no embarrassment in quoting certain facts to support his contention: 'I do not need to recall here what favor the machine gun that bears its [the Hotchkiss] mark has always enjoyed or how the company has constantly received abundant orders for it from all the Great Powers.'

But, you may reply, the War is over, and the author is boasting. Not at all. The house of Hotchkiss is in a good position, for 'its division devoted to the construction of war material, which naturally grew enormously between 1914 and 1918, has not been affected by unemployment since the Armistice, and I know from certain sources that it now has orders as large as those during the period of the great European conflict.' This statement will perhaps reassure capitalists looking for good investments, but it does not reassure the rest of us at all. Were those 'large orders' that he was talking about in March 1931 connected with the Sino-Japanese conflict that broke out six months later?

If we have any doubts, the *Journal du Crédit Public* of February 11, 1932, will almost finish them. There we find another article about the same Hotchkiss company, and we read: 'In the war-material branch results were

equally satisfactory, and, as the president foresaw at the last meeting, this division will soon be on a par with the automobile division. The company is now filling an order amounting to 200 million francs for Japan, nearly half of which is completed, and another order for 500 million francs' worth of machine guns for Brazil.' Are we to be surprised by a forthcoming conflict in South America?

Naturally, certain financial journals expressed profound satisfaction when the Sino-Japanese conflict began. In their eyes it was a kind of antidote to the economic and financial crisis. 'In certain quarters,' said *Capital* on November 9, 1931, 'the improvement on the Stock Exchange is attributed to the conflict in Manchuria, which is increasing the demand for metals.' The next day *Capital* described the situation as being still better. 'Prices are improving to-day. It is true that a declaration of war between China and Japan is considered likely.'

VI

Now suppose Japan were to enlarge its field of operations, as indeed it did. Even suppose Soviet Russia were to enter the struggle, which happily has not yet occurred. Business would get better and better. At any rate, that is what the *Situation Économique et Financière* for November 6, 1931, assures us: 'At the risk of being attacked by the peace-lovers, we shall state that a war in Manchuria, or even a considerable development of the Japanese occupation, which would undoubtedly involve parallel Soviet operations, would tend to raise the prices of raw materials. In every country a military campaign increases

consumption, and the men who are mobilized are removed from productive work. Everyone in France knows this from experience. Leaving aside all humanitarian sentiment and all political considerations, we must therefore admit, in so far as the economic field is concerned, that, if certain factors really develop, they will tend to use up stocks of raw materials, to decrease dumping, and to increase the demands for certain materials.' Figures will illustrate this theory. According to the very incomplete statistics that the League of Nations has been able to procure, private business in arms and munitions rose to \$48,438,000 in 1925, a year that witnessed no serious international conflict except the insurrection of Abd-el-Krim in the Rif. With the Japanese conflict in 1931-32, business ought to be a lot better.

In 1925, according to the League of Nations, 35 per cent of the war materials whose total cost we have indicated came from Great Britain, 22 per cent from the United States, 17 per cent from Germany, and 15 per cent from France. Germany may have to limit its armament expenditures, but it is not forbidden to arm other countries. What countries bought these enormous supplies of arms in 1925? The League of Nations tried to answer the question, but, if the statistics showing total armament exports are incomplete, the import statistics are still more so. Countries manufacturing munitions are shown to have exported \$48,000,000 worth but only \$27,000,000 worth of imports are admitted by the countries that did the purchasing. Of these \$27,000,000, \$13,000,000 were spent by Japan and China.

We may therefore assume that Japan was preparing for its Manchurian campaign even at that time. As for China, we know that before it was ravaged by foreign war it was cruelly torn asunder by civil war, and that this gave the Japanese a pretext to attack Manchuria. But was China alone responsible for this civil war?

In his pamphlet entitled *Industries of War and Industries of Peace*, Francis Delaisi has answered this question: 'For twenty years this immense country has been the prey of a dozen rascals, real fomenters of war who raise mercenary armies. These armies have European equipment, and if anyone wants to know where the equipment comes from he has only to follow in the newspapers the visits of their officers to Creusot, Saint-Étienne, Krupp, and Vickers. The big armament firms provide them abundantly with cannon, machine guns, and munition and are paid with the proceeds of the pillage of the provinces. Every general has his sleeping partner whose name can be found in the banks of Hong Kong, Paris, New York, Yokohama, or even Moscow. Simple shifts of capital determine the separation or fusion of armies. The sleeping partners change generals or the generals change sleeping partners. This system has unleashed all the horrors of the Thirty Years' War on this unfortunate country.'

Do we now understand why the financial organs, far from deploring the Sino-Japanese conflict, even welcome it? People used to say, 'When the edifice goes, everything goes.' If we are to believe certain soothsayers of international finance and the cannon international we must now say, 'When armaments go, everything goes.'

The editor of the organ of the Nazi intellectuals traces the realignment of Germany's political parties since the War and urges revolution from above.

Germany's Next Phase

By HANS ZEHRER

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EVERY process announces its approaching end by quickening its tempo. It rushes downhill like an automobile whose brakes do not hold and thunders to its end incapable of being halted or slowed down. Germany's development reached this phase in 1930 and since then the country has been rushing downhill at increasing speed. This year it has traveled most rapidly. We are now approaching the finish. The present development is over. We have come to the end of our road. This does not mean that all activity has ceased. We are about to set out in a new direction with new strength. What moved us yesterday is already vanishing and will be forgotten to-morrow. The great change in Germany has arrived.

It would take too much space to describe the human, psychological side of the process that has just been completed. The liberals, whose founda-

tions of security have been shattered, now lay the blame on others and have stopped arguing among themselves. They are looking desperately through their world, hoping somewhere to find a flaw on which they can blame the crisis that has knocked the ground out from under them. Tremendous energies are being devoted to this search, which at least seems more sensible than mutual recrimination. For it is a good thing to recognize that the old security can not be reestablished and that new foundations must be built.

Politically, these efforts are revealed in the growing political activity of the people, in their increasing radicalization, in surprising electoral landslides, and in the disappearance of previously secure political organizations. The high point of this development was reached in 1932, when election followed election. The one that