

Hitler's Weapons Forged in Trade

By W. D. Hoffman

The challenge to the democracies throughout the world is more than a military one. Even though armed conflict be averted through further and further appeasement, the underlying warfare is on the economic front, its chief weapons trade and the management of natural resources. Even military struggle these days resolves itself into a test of national wealth behind the lines. Wars never have been fought with money, but with the inherent strength of the contestants as measured in both arms and natural resources. So long as man power and raw materials are adequate, finances become a matter of bookkeeping, with debt a minor factor. Thus the dictatorships remain a threat even though "bankrupt" to the degree they can marshal men, mechanized armament and, most important of all, available natural resources.

It is upon the latter Hitler is now

concentrating, and what he is doing in this regard offers a greater challenge to the democracies than even his armament. The Nazi drive to the east through Yugoslavia, Rumania and Hungary on the economic front is conceived to marshal the natural resources there under the German Reich. Trade and land are the primary factors. Without the annexation of another foot of territory, he may be able to break down trade barriers erected by the Treaty of Versailles through barter and also bring the land resources there under the Nazi sphere of influence by a program of land-use to which the democracies have given little heed. Thus his belligerent Nazi groups in eastern

Europe have embarked on a policy of land reform and land-use designed to increase wealth production. By trade the Reich will benefit immediately; by the friendship propaganda following in the wake of trade he will hope to bring those resources under the Germanic sun when the crisis comes.

The democracies will do well to take heed of this. They will do well to examine their own natural resources and their own programs of land-use. Whereas we in America have embarked on a policy of land-disuse, of reduced wealth production, Nazi Germany has set out to bring her domestic area under increasing cultivation and is now promoting a like policy in Yugoslavia, Rumania and Hungary. Even the powerful Junkers on their vast estates have been told to produce, and failure to do so has brought a horde of Nazi land-managers onto these estates to enforce the program. The watchword is "Produce, Produce, Produce."



Inevitably the national wealth must be augmented. Those democracies whose slogan is "Reduce, Reduce, Reduce" confront a real challenge here. If national wealth be important in national defense, then surely it is time that the democracies consider the problem of land-use in this regard.

In spite of stout anti-German sentiment in Yugoslavia the Nazi drive to the east is making itself felt there on the trade front. Germany absorbs nearly half of Yugoslavia's exports. The October *Foreign Policy Report* revealed "an abnormal economic dependence which some Yugoslavs denounce as a colonial relationship." Through barter and clearing agreements Germany obtains foodstuffs and raw materials without cash. Under this scheme Germany,



according to Yugoslav critics, offers high prices for agricultural products, contracts debts, forces the creditors to accept articles which the debtor finds it convenient to get rid of. By economic pressure Germany is in a position to influence the Yugoslav government's foreign and internal policies. Government leaders and commercial groups have already fallen under pro-German orientation. Friendship inevitably follows trade.

Like Yugoslavia, Rumania is a preponderantly agrarian country, thus the attractive prices for agricultural products offered by Germany in terms of manufactured goods are having influence there, in spite of Rumania's friendship for France since the World War. Its foreign policy has been wavering since 1933, when the Nazi drive began. Since more than 78% of the population are peasants, the majority live on small holdings representing a minimum for existence. On ideological issues this group has been violently anti-Nazi, advocating the "Peasant State" and democracy. To win over this group the Nazi-Fascist "Iron Guard" advocates "revolt against the servitude of indebtedness." Rumania is now dependent upon Germany for 27 per cent of its exports and 38

per cent of its imports. King Carol has several times expressed admiration for Hitler. As a result of the Munich agreement France is accused of breaking its pledge and a reorientation for Rumania's foreign policy toward Germany is advocated by twenty-nine newspapers.

The agrarian structure also prevails in Hungary, where 54 per cent of the population follow agriculture. Maldistribution of land remains the country's greatest problem. In 1934 there were 1228 big estates, as cited by the *Foreign Policy Report*, and 700,000 peasants were without any landed property of their own, a feudal system prevailing. The supremacy of the great landowners is secured by a public ballot for the peasants as against a secret vote. Count Esterhazy's estate alone spreads over 250,000 acres. The agrarian proletariat is unrepresented in parliament. Fertile ground here for Nazi propaganda, which has quickly been taken advantage of.

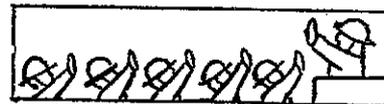
The followers of Adolf Hitler in Hungary have seized upon the popular slogan: "Redistribution of land." Thus they have been gaining strength. New Nazi parties have arisen in addition to those united under Count Festetics, wearing green shirts, using the Hitler salute, holding the symbol of the Arrow Cross. This group is active among the three million landless peasants. Major Szalasi's group, about 100,000 all military-trained men, have "cells" among state dignitaries and obtain support among the suffering lower class and the landless peasants, insisting upon "liberation from the servitude of indebtedness," revision of frontiers, elimination of Jews from finance and business, and redistribution of land.

The ruling great landowners, formerly pro-German, now fear a Nazi regime would bring the expropriation of large estates. Regent Horthy, closely connected with big landowners, admonished the Hungarian Nazis and condemned their agitation for radical land reform. Premier Imredy, after a visit to Germany, announced a program for "drastic land reform." Tibor Eckhardt, according to the *New York Times*, representing the Small Farmers' party, is pro-

German and like the Nazis favors land reform. Since the Anschluss with Austria, Germany has captured 41 per cent of Hungary's exports and 44 per cent of its imports.

Thus the Hitler drive to the east gains headway on a spearhead of trade and land development. German economic domination is largely due to the failure of France and Britain to recognize either trade or land-use as vital factors in the affairs of Europe. While making the world believe she was satisfied with self-containment alone, Germany has actually been expanding her trade and stimulating production of wealth outside her own borders as well as at home.

The struggle for foreign markets has always been a dominant cause of war. Freedom of trade among the nations would do more to uproot the



forces leading to war than pacts of appeasement. If trade were free a major irritant leading to hates and jealousies would be removed. Such an ideal seems far removed in a world where "Buy English," "Buy American," "Buy New York" and "Buy Sleepy Hollow" are the order of the day.

But more important even than trade is that of land-use, since the wealth of peoples is measured by the degree to which they fashion the raw materials of land into food, shelter, clothing and all material things for the satisfaction of human needs. It would be the highest patriotism of those interested in the preservation of democracy to stimulate production of wealth through a wider use of land in all its forms rather than continue in a blind policy of scarcity and increasing curtailment. Denunciation of Hitler by word of mouth would not be so effective to meet his threat of expanding dictatorship as a right-about-face, particularly in America, in the matter of domestic enrichment and production. To subsidize the owners of our natural resources to reduce or destroy wealth in the face of this challenge is the acme of folly, if not treason to democracy and self-defense.