The Austrian Revolution

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In the following pages Dr. Otto Bauer's classic work *Die Oesterreichische Revolution* has been so abridged as to present a connected narrative of events most interesting to English readers.

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CHAPTER I

THE SOUTH SLAVS AND THE WAR

THE Austro-Hungarian ultimatum to Serbia provoked the World War, the immediate cause of which was the collision of Hapsburg Imperialism with the movement towards freedom and unity among the South Slav peoples.

In the course of the nineteenth century the South Slav bourgeoisie had evolved out of the South Slav peasant races. Under the leadership of their bourgeoisie, the South Slav races embarked upon a struggle against the conditions of alien rule and national dispersal which feudalism had established in Jugo Slavia. This struggle was the bourgeois revolution of the Jugo Slavs, and its aim was to break up the conditions of alien rule upon South Slav soil. This national movement of the Jugo Slavs was the starting point of the war. It ushered in the national revolution to which the Hapsburg Monarchy succumbed.

The mechanism of the Alliances extended the collision between the Hapsburg Monarchy and the Jugo Slav people into a world war of unprecedented dimensions. But whatever the war may have

signified elsewhere in the world, its meaning was plain to every peasant on Jugo Slav soil. On one side were the Germans, the Magyars, and the Turks, who for centuries had subjugated the South Slav people; on the other side was the Serbian peasant, who had but recently liberated the compatriots in Old Serbia from the alien rule of the Turkish feudal lords, and was now engaged in liberating the compatriots in the Hapsburg Empire from the alien rule of German and Magyar landlords. Thus the war connoted to the Jugo Slav people its national and social revolution.

The outbreak of the Russian Revolution in March, 1917, and the entry of the United States into the war in April, 1917, reinforced the unity movement among the South Slavs. The Russian Revolution strengthened the conviction that the war would be followed by great internal changes. Wilson's propaganda in favour of the right of peoples to self-determination found a mighty echo in the South Slav lands. After the Russian Revolution Hapsburg trembled for its throne and commenced secret peace negotiations with the Entente. The South Slavs believed the moment was near when Austria-Hungary would buy peace at the cost of internal reform.

When the Austrian Imperial Council met in May, 1917, for the first time since the beginning of the war, the attitude of the South Slav deputies left no doubt that their sympathies were with the Entente, and their hopes lay in the victory of the Entente. They would no longer be contented with autonomy within the limits of the dualistic constitution of the Monarchy, and the nation would be satisfied with nothing short of an independent Jugo Slav State.

As the summer of 1918 drew to a close, the Jugo

Slavs of Austria-Hungary saw the military collapse of the Central Powers approaching. In conjunction with the London *Jugoslovenski Odbor,* they drew up their revolutionary plan. First of all, the South Slav territory of the Monarchy would be carved into an independent state, and then negotiations would be opened with Serbia, on an equal footing, respecting the conditions for the unity of the two powers.

On the 16th August, 1918, the *Narodni svet,* composed of all Slovenian parties, was set up at Laibach. It openly announced that, as a part of the general Jugo Slav national council which would shortly assemble in Agram, its task was to prepare for the assumption of all the rights of political sovereignty.

The South Slavs were equipping themselves for the longed-for day of liberation.

CHAPTER II

THE CZECHS AND THE EMPIRE

THE Jugo Slav revolutionary movement drove Hapsburg into the war. The war fired the national aspirations of the Czechs. Among the revolutionary national movements of the Austrian nations which the war unchained, the movement of the Czechs was the most powerful and fraught with the greatest consequences. It decided the fate of the Hapsburg Monarchy.

The Declaration of the 6th January, 1918, subscribed to by all the Czech deputies, demanded a completely independent Czech State. By this act the Czechs at home placed themselves under the direction of the revolutionary Czech emigration.

From the beginning of the war the Czech colonies abroad had been very active, and in its first days the Czech colonies in Russia, France, England, Switzerland and America, had protested against the war, demanding a national State with a Slav king and inviting the formation of volunteer battalions to fight in the Entente armies against Hapsburg. But this movement only assumed great importance when it received from home its leader and its warriors; its leader in the person of Masaryk, the warriors in the multitudes of Czech prisoners of war who came in contact with the propaganda of the Czech foreign colonies in the prison camps of Russia and Siberia, Serbia and Italy.

Professor Masaryk went abroad in December, 1914. All his life he had combated the traditional Czech romanticism and the prejudices of the nation, and he was to continue these efforts among the emigration. To the restoration of the Crown of the sacred Wenceslaus he opposed the ideal of a democratic Czechoslovak republic, and to faith in Russian Czarism he opposed faith in the democracy of the West. At the same time his personality secured for the movement the sympathies of the intelligent classes of the West and enabled it to form attachments with the governments of the Entente Powers.

Masaryk's first task was to organize the Czech colonies abroad. In May, 1916, a national council was constituted, having its seat in Paris, and the leading members being Masaryk, Benes, and Stefanik.

As early as the autumn of 1914 a secret association of revolutionary politicians had been formed in Prague, and this body kept in touch with the revolutionary emigration. Until the year 1917 the activities of the Czech emigration were confined to propaganda. It first became a real power when it succeeded in having an army in its service in a part of the world which was at the moment of special importance to the course of the war.

In the autumn of 1914 the Czarist government had organized a Czech "druschina" from among the Czechs settled in Russia, but the "druschina" scarcely numbered one thousand men. But the Russian March Revolution filled with revolutionary martial ardour the Czech prisoners of war in the camps of Russia and Siberia. Within a few months a Czech army composed of forty-two thousand men was formed in the Ukraine. When the great Russian Army began to break up in the autumn of 1917, the Czech corps maintained its cohesion and discipline in

the midst of the general disintegration. The Russian Army was dissolved by the social revolution, but among the Czech corps it gave the idea of national revolution its greatest impetus. In the winter of 1917-8, during the weeks of Brest Litowsk, the Czech corps was the only orderly and disciplined military force throughout the wide extent of Russia.

After the Soviet Government had concluded peace with the Central Powers, one of the conditions of which was that no foreign armed force should be permitted on Russian soil, the representatives of the Paris National Council agreed with the Soviet Government that the Czech soldiers should surrender their arms to the Soviets and be conveyed across Siberia "as free citizens" in closed transports, in order to embark at Vladivostock for France.

But this plan could not be carried out. The deterioration of the Russian railways rendered the transport of the Czech legions an insoluble problem. For weeks and for months the Czech transports remained motionless at various railway stations. Only three regiments had reached Vladivostock by the month of May.

During these months of waiting a state of tension developed between the Czech battalions at the railway stations and the local soviets which ruled the neighbouring towns. The Russians regarded the Czech legionaries with great distrust. The fact that they had maintained military order and discipline and had remained under the command of their officers was sufficient to stamp them as counter-revolutionaries. The fact that they wanted to continue the war as the ally of French Imperialism, after the Russian people had revolted to obtain peace at any price, made them the enemies of the proletarian revolution.

On the other hand, the Czech legionaries regarded the Russian Communists as traitors. The Communists had sundered Slav Russia from the Entente and concluded peace with Germany, thereby shattering the hope of overthrowing the Central Powers, from which alone the Czech troops expected the liberation of the small Slav nations and the possibility of a safe return home for themselves.

In April, Japan landed troops in Vladivostock. The counter-revolutionary intervention of the Entente in the Far East had begun. The Soviet Government now decided to refuse to allow the further transport of the Czech legions to Vladivostock. They did not intend to make a present to the counter-revolution of a first-rate army. The Soviet Government arranged with the representative of the Paris "National Council" in Moscow that the Czech regiments still remaining in European Russia and in Western Siberia should be transported to Archangel instead of to Vladivostock. The regiments which in the course of months had managed, in the face of unspeakable difficulties, to proceed a part of the way to the East were suddenly ordered to turn round and proceed west. The legions refused to obey this command. They were conscious of their strength, and Russia had no army.

The tension led to a local encounter on the 14th May, and within a few days the entire Siberian track from Tscheljabinsk to Bajkal was in the hands of the Czechs. Then came the revolt of the regiments which still remained in European Russia. On the 6th June a connection was established between Samara and Tscheljabinsk. From the Volga to Bajkal the railway was now in the hands of the legions. The Czechs had overthrown the Soviets throughout this district.

The insurrection of the Czechs involved the Russian Revolution in the gravest danger. The Volga district, the Urals, and the whole of Siberia were separated from the Soviet Republic.

Although the effect of the Czech revolt in Russia was counter-revolutionary, it exercised a revolutionary influence in Austria-Hungary. The position of the Czech people in the world was completely altered at one stroke. The Paris National Council was no longer a mere propaganda committee. At one stroke it had become a war-making power, with an army at its service in a place which was extremely important to the general course of the war.

The peace of Brest-Litowsk had imposed on the Soviet Republic the obligation to hand over to the Central Powers the millions of German, Austro-Hungarian, and Turkish prisoners of war who were interned in Siberia. This was equivalent to the raising of many new armies against the Entente. The Peace of Brest-Litowsk rendered it possible for the Central Powers to get access to the foodstuffs and raw materials of Asia by way of Russia. This meant breaking the blockade. It was a question of life and death for the Entente to separate the Soviet Republic from Siberia, and this separation was effected by the Czech legions. Their revolt sealed Siberia against Russia and assured control of the Siberian railway to the Entente. It was justly said that the Czech revolt signified nothing less than the restoration of the Eastern Front against Germany. The fifty thousand men who composed this army obeyed the decisions of the Paris National Council, which henceforth figured as an ally of the Entente Powers, with which it negotiated on equal terms. It must be remembered that the Russian Army had melted away, while the Red Army was not yet in existence.

The sense of unity of the Czech nation was powerfully stimulated by these events.

In the Czech lands the national movement now assumed a revolutionary character. On the 13th July, the *Narodni Vybor* was formed in Prague. Its first act was a declaration which left scarcely any doubt that it regarded itself as the nucleus of the future revolutionary government. In fact, it proceeded without delay to draw up plans for the assumption of political power in the Czech countries.

The May insurrection of the Czech army on the Volga and in Siberia not only completed the process of transforming the outlook of the masses of the Czech people; it also wrought a complete change in the attitude of the Entente to the Czech revolution.

As late as the year 1917, the dismemberment of Austria-Hungary was by no means one of the war aims of the Entente. In the peace negotiations conducted by Prince Sixtus of Parma between the Viennese Court and the French Government in the spring of 1917, and in Wilson's Fourteen Points of January, 1918, no mention was made of the establishment of a sovereign Czech State.

On the 4th June, under the immediate influence of the May insurrection, the Entente Governments informed the Soviet Government that they regarded the Czechoslovak bands as an allied war-making power, and any attempt to disarm them would be considered a hostile act.

On the 29th June, the French Government recognized the right of the Czech nation to independence, and the Paris National Council as the supreme authority of the Czech people. On the 9th August, England subscribed to this declaration; on the 9th August, both England and Japan recognized the Czech Army as an allied military power. On the

2nd August, the United States had made a similar declaration, in which the Paris National Council was recognized as a *de facto* government. On the 3rd October, after the Czech legion had distinguished itself on the Italian front in the battle of Doss Alto, Orlando intimated that Italy recognized the Paris National Council as a *de facto* government.

Thus the establishment of the Czechoslovak State, as well as the dismemberment of the Austro-Hungarian Empire, became a war aim of the Entente.

And the realization of this aim drew perceptibly near when the German Army was defeated in France in August. So long as Germany remained strong, the saying, that if Austria did not exist she would have to be invented, applied to the Czechs. The defeat of Germany removed the danger that she would annex the Sudetic districts after the dissolution of the Hapsburg Empire. Consequently, the Czech people lost all interest in the existence of the Hapsburg Empire, and awaited the inevitable capitulation of the Hapsburg Monarchy.

CHAPTER III

THE POLES AND THE CENTRAL POWERS

WHEN the war began, a large section of the Polish nation in Galicia cheered the Imperial Armies which were marching against Russia, and thousands of Polish students, intellectuals and workers, offered to fight as volunteers in the Polish legions against Russia.

While South Slavs and Czechs were in opposition to Hapsburg, it seemed that one of the Slav peoples of the Empire was supporting Hapsburg and setting its hopes on Hapsburg's victory. When the war ended, the Poles, no less than the Jugo Slavs and the Czechs, were on the side of the Entente and expected their liberation to come from Hapsburg's downfall.

The most active and energetic section of Galician Poland had declared for the Central Powers. Strange allies these! Hapsburg and Hohenzollern as the allies of legions organized by revolutionary conspirators and filled with the ideas of the democratic revolution of the nineteenth century! Austria, which had embarked upon the war to smash the revolutionary principle of nationality in the South, as the champion of the principle of revolutionary nationalism in the North! And behind Austria was

Prussian-Germany, which was bound to regard the rise of an independent Poland as a threat to its rule over Posen and East Prussia.

In fact, friction occurred immediately between the military authorities and the Polish legions, but it did not assume importance until the great offensive of 1915 brought Russian Poland under the heel of the Central Powers. Then the divergency of sentiment between Galicia and Russian Poland became plain to all the world. Warsaw received Pilsudsi's Polish legions in grim silence.

Only one action could turn the feeling in Russian Poland in favour of the Central Powers, but the latter were incapable of performing this action. It was agreed at the Viennese Court that Russian Poland, in conjunction with Galicia, should form an autonomous part of the Austrian State.

On the 15th March, 1917, the revolution triumphed in Russia. On the 30th March, the Russian Revolutionary Government issued a proclamation to the Poles, which recognized their right to self-determination and promised them the support of revolutionary Russia in the establishment of a Polish State. The Western Powers now declared the establishment of an independent Polish State, comprising the three fractions of Poland, to be one of their war aims.

Poland seemed lost to Austria. The Hapsburg Monarchy thought that Poland could only be utilized as an object of barter. War-weary and (since the Russian Revolution) fearing the revolution more than ever, Hapsburg in the spring of 1917 offered the German Empire the whole of Poland, including Galicia, upon the condition that Germany should declare her readiness to cede Alsace Lorraine to France, and thereby facilitate the termination of the

war. In August, 1917, Michaelis declared the cession of Alsace Lorraine to be out of the question.

A few weeks later the October Revolution broke out in Russia, and the complete dissolution of the Russian military power seemed to revive the chances of the Austrian solution of the Polish difficulty.

In the course of the Brest-Litowsk peace negotiations it became clear that this solution meant in the West annexation to Prussia, in the North annexation to a Germanized Lithuania, and in the East annexation to Ukraine, the remainder to be a miserable vassal State of Germany. A storm of indignation swept through Poland. The Polish Club in the Vienna Parliament went over to the Opposition and the Vienna Government was no longer able to muster a majority. At the front the Polish auxiliary corps, the scanty remnant of Pilsudsi's legions, mutinied. One section of the mutineers managed to reach the coast and embark for France, where they fought against the Germans on the Western Front. Another section of the mutineers was captured by the Austro-Hungarian troops and court-martialled. Pilsudsi a prisoner in Magdeburg; his most trusted supporters amongst the legions either interned in German camps or awaiting trial by Austrian courts-martial; Haller and his followers fighting on French soil against the Central Powers—this was the end of the attempt of a section of the Polish people to conquer freedom for Poland through alliance with Austria.

Hapsburg had lost the Poles. It might hope to win the Ukraine, but in this it deceived itself.

Lower middle-class opinion in the Ukraine set its hopes on Germany and Austria, whose victory was expected to liberate the Ukraine from Moscow domination. This anticipation lost all meaning when,

after the Russian March Revolution, the Rada was able to form the government of an autonomous Ukraine in Kiev. The Austrian tendency gained the upper hand once more when, after the Russian October Revolution, Moscow proceeded to crush the autonomous Ukraine. The Peace of Brest-Litowsk, by virtue of which the Central Powers recognized the Ukraine as a sovereign State, was the greatest triumph for the Austrian tendency.

But the picture altered very quickly. German and Austro-Hungarian troops were employed to drive the Bolshevists out of the Ukraine. They occupied the country. But they occupied it in order to rob the Ukrainian peasants of their stores of grain, to give back to Russian and Polish landlords the land which the Ukrainian peasants had seized. What lower middle-class opinion had expected to be an act of national liberation turned out to be a campaign of plundering, of counter-revolution, and of alien rule. Those who had been deceived were filled with anger. Hapsburg had lost the Poles, but in return had not won over the Ukraine.

Thus the ring was closed. Hapsburg began the war against the Jugo Slavs, and thereby antagonized the Czechs. In the course of the war it lost Poland without winning the Ukraine. All the subject races set their hopes on the victory of the Entente. Austria-Hungary was waging war not only against external enemies, but also against two-thirds of its own citizens. The fate of the Hapsburg Monarchy was sealed.

CHAPTER IV

GERMAN-AUSTRIA IN THE WAR

THE whole modern history of German-Austria is coloured by the opposition between German and Austrian sympathies.

The Austro-German middle-class came into existence during the century between 1750 and 1850. The young intellectuals, who were reared in hatred of the Absolutism of Metternich and who absorbed the ideas of aspiring European Liberalism, fell under the German influences of their time. Ever since that time German and Austrian influences have struggled for mastery in the soul of the Austrian bourgeoisie.

The great European crisis, which had ranged a world of enemies against the German Empire and Austria-Hungary since 1908, had the effect of neutralizing this antagonism. German nationalism and Austrian patriotism now joined forces. Austrian patriotism saw its Empire threatened. Since 1897 the State had been convulsed by the struggle between Czechs and Germans; since 1903 the agitation in the Slav South had assumed menacing proportions; Austrian patriotism looked to Franz Ferdinand, the heir apparent, to crush external foes and to rejuvenate the Empire at home. German nationalism saw Germany threatened. Since 1908, since the meeting at Reval, Germany had been confronted by the formidable alliance of the Western Powers with Russia. German nationalism based its

hopes on a war which would defeat the foe before the growth of Russian population and the construction of the Russian railways increased the danger. During the annexation crisis of 1908 and during the Balkan War of 1912, war was urged by the leading circles of Christian Socialists as well as by German Nationalists. For the one it would be a war to assert Austrian authority and renew the life of the State. For the other it would be a war to extend Germany's power and greatness. Both greeted the war when it came; both supported the absolute government of the first war years. Both regarded the struggle of the Slav peoples for their freedom as high treason to be put down with an iron hand. The antagonism between German and Austrian tendencies among the Austrian bourgeoisie seemed to be overcome.

This antagonism assumed quite a different form in the history of Austrian Social Democracy.

The idea that an epoch of social revolution would involve the break up of Austria into free national States and the union of German-Austria with the rest of Germany, had been part of the political tradition of Social Democracy in Austria since its inception.

At the beginning of the war, Austria-Hungary stood alone against Russia. The German Army invaded Belgium and France. Austria-Hungary had to bear the brunt of the Russian attack. An empire with fifty-two millions of inhabitants against one with one hundred and sixty millions. Half a million men versus one and a-half million. At the end of the first great battle Galicia was lost; the Russians were before Crackow and and in front of the Carpathian passes. One more effort and the Russians would break through Moravia and reach Vienna, which the military authorities had already fortified. One more

effort and Nicholas could proclaim a Bohemian kingdom on Czech soil under the sceptre of a Romanoff. Fear of the gigantic armies of the Czar dominated Austria-Hungary. The defeat of the Hapsburg armies now signified the devastation of Austria by the Russian troops, the erection of Slav vassal States of the Czar right up to the doors of Vienna, of Nuremberg, of Dresden, and the subjugation of the whole of Eastern Europe from Petrograd to Zarigrad by the Russian despotism. Fear of a Czarist victory seized hold of all classes of the Austrian people, including the workers. Their thoughts were not of Serbia nor of Belgium, not of Hapsburg nor of Hohenzollern. In the first months of the war their prayers were for the Imperial Army, which with unequalled sacrifice had defended the homeland against overwhelming odds. In the first months of the war Austrian Social Democracy fully shared this popular sentiment. Without reserve it took its stand by the side of the Central Powers. Without reserve it used its influence to assist the conduct of the war.

But the Central Powers had to reckon with the propaganda of the Entente, which in the name of democracy contested the Hapsburg Monarchy's right to existence. The Hapsburg Monarchy had to contend with the hostility of the Slav peoples, who felt it an intolerable servitude and a moral outrage to be obliged to fight for a cause which was alien to them. The Hapsburg Monarchy was involved in a war against its own citizens and could only force its peoples to fight the external foe by employing the coercive agencies of war-time Absolutism. Thus from the first days of the war, Austrian Social Democracy was confronted with the Austrian political problem.

In the further course of the war this Austrian

patriotic ideology was bound to come into ever sharper antagonism with popular sentiment. The blockade of the Entente had affected Austria much more severely than Germany. Galicia was devastated by the Russian Armies; Hungary set up a barrier against Austria; thus Austria suffered from a severe shortage of food which bureaucratic war socialism could only slightly alleviate. The fearful losses of the Army in the first war months necessitated a continuous calling up of new classes; militarism fetched children off the school benches, and old men marched with their sons. By brute force it was sought to drive the hungry workers in the war industries to work; the factories were militarized; workers were court-martialled; and military managers commanded in the factories. The Constitution was suspended, Parliament closed, the Press muzzled, and the civil population made amenable to the summary justice of military courts. The masses meekly submitted to this appalling regime of oppression so long as they were dominated by fear of the Russian invasion. After the break through at Gorlice, after the Russian armies had been pressed a long way back, this fear of foreign invasion no longer served to check the popular anger at the continuance of the war. The resentment of the masses now grew apace.

The man who gave expression to this popular sentiment was Friedrich Adler. "In this war," he contended, "it is our duty to behave as Social Democrats and to cherish our social democratic convictions." The individual comrade, whether German or French, Austrian or Russian, might fulfil his duty as a soldier on the battlefield, but the party cannot "give its intellectual assent; it cannot become a pawn in the waging of war by the ruling classes;

it cannot identify its cause either with the Central Powers or with the Entente."

Towards the Austrian political problem, Adler maintained an attitude of strict neutrality. He did not identify the cause of the proletariat with the cause of the revolutionary national movements of the Slav nations. But he also refused to defend the existence of Austria against these movements. Above the confusion of the struggles between States and nations, it remained to Social Democracy to accomplish its special task of waging a struggle on its own front, a struggle against war despotism in the factories on behalf of the workers' freedom; against war-time Absolutism in the State on behalf of democracy; against the war itself on behalf of a peace without annexations and indemnities; against war passion on behalf of the international solidarity of the proletariat. Social Democracy ought not to use its influence over the masses to assist the prosecution of the war, but should exploit the situation created by the war in order to preach revolution to the masses.

Adler gathered around him a small group of comrades who were organized in the "Karl Marx Association," and championed their views against the overwhelming majority of the party.

But insurmountable difficulties stood in the way of the progress of Friedrich Adler's left wing. The chief thing lacking was the parliamentary arena upon which the party disputes in the German Empire were fought out. The censor placed close restrictions upon agitation in the Press. Thus wide circles of the people could not be reached. Friedrich Adler recognized more and more clearly that, inasmuch as Absolutism had robbed the Opposition of all possibility of legal propaganda among the masses, only an extraordinary individual act could stir the people

and transform the latent energy of their dumb anger into conscious political action. In the autumn of 1916 all hopes of an early peace had disappeared. Want of food had become so unbearable that in September, in spite of the harshness of military law, a movement in the militarized war industries broke out, which forced the military authorities to create a special organization to supply food to the workers engaged in these industries. Resentment at the absolutism of the Sturgkh government filled all classes. Aristocratic members of the House of Lords demanded the summoning of Parliament. Sturgkh refused. The German National President of the Chamber of Deputies summoned the leaders of the parties. University professors convened a meeting at which the Presidents of the Chamber of Deputies were to speak ; Sturgkh forbade the meeting. There was no longer any possibility of a legal Opposition. Friedrich Adler therefore resolved to act. On the 24th October, 1916, he shot the Prime Minister.

Adler's action was the turning point in the history of the Labour Movement. To the masses, who had lived in hopeless and inactive despair, he became a hero who had offered his life to avenge their sufferings. The influence of the deed became all the stronger as its immediate success was palpable. The policy of Koerber, who followed Sturgkh, relaxed the war-time absolutism and offered stronger opposition to Tisza's dictatorship in the Empire. There was hope that Parliament would be summoned. The conference of the 5th November, 1916, convened by the Party and the Trade Unions, was able to reveal the cruelties of military despotism in the war industries. The Russian March Revolution, which followed a few weeks later, revolutionized popular sentiment in Austria. The fear of Russian Czardom

was now dispelled by enthusiasm for the Russian Revolution. Resistance had been offered to the Czar, but nobody wanted to make war on the Revolution. And with the struggle for peace was associated the struggle for democracy. Now the Central Powers were confronted with democratic communities on the East as well as in the West ; their war was nothing less than the war of semi-feudal military monarchies against democracy. The movement amongst the masses found expression in increasingly frequent strikes in the war industries, which militarism with all its coercive machinery was no longer able to prevent. The ordinance of the 18th March, 1917, which revised the regulations governing labour conditions in the war industries and relaxed war-time absolutism, was the first capitulation of coercive government to the popular movement. On the 18th and 19th May, 1917, the trial of Friedrich Adler took place. The bold revolutionary speech which Adler was at last able to make awoke a passionate echo amongst the masses, and its effect extended far beyond the ranks of the working class.

A few days later, on the 30th May, 1917, Parliament met again after an interruption of more than three years. It immediately threw itself into the struggle against the terrorism of the military power. The majority, composed of Social Democrats and representatives of the Slav nations, by refusing assent to the ordinance which sought to place the civil population under military jurisdiction, deprived militarism of its most formidable weapon.

With the restoration of the Constitution, the opportunity for mass propaganda and mass action was regained.

Friedrich Adler's deed, the outbreak of the Russian Revolution, the May Declaration of the

Czechs and the South Slavs in Parliament, had cowed the Viennese Court. After the Russian Revolution the Court saw the movement to secede from the Empire daily increasing in strength among Czechs, Poles, and South Slavs. It saw the growth of the revolutionary agitation among the Austrian working class, and perceived that only the rapid conclusion of peace could save the Empire.

In the autumn of 1917 it was clear to us that if peace did not soon come, the war would end with revolution. And the character of this revolution could be forecasted by everyone who watched the inner development of the national movements of the Czechs, the Poles, and the South Slavs. If the revolution broke the machinery of domination which held the ten nations in obedience, then Czechs, Poles, and South Slavs would break away from Austria-Hungary, which would crumble to pieces. The question was not whether or not the Austrian working class desired the downfall of the Empire, but rather what should our attitude be when Czechs, Poles, and South Slavs overthrew the Empire.

Since 1899 we had advocated the transformation of Austria into a Federal State of free nations. In the course of the war it became clear that Czechs, Poles, and South Slavs would no longer rest content with this solution of their national problem when revolution broke out. They would fight for complete national independence.

Austrian Social Democracy had to consider whether it could offer effective opposition to the national revolution of the Slav peoples. Once the revolution came, was Social Democracy to attempt to compel the nations which demanded their full liberty to satisfy themselves with autonomy within the limits of Austria?

The upshot of all the discussions of the problem was that Social Democracy felt bound to recognize the unfettered right of the Slav nations to self-determination. From this it followed that the right of the German-Austrian people to self-determination should also be conceded. If the Slav nations realized their unity and freedom in new national States, then the unity and freedom of the German people must be realized through the union of German-Austria with Germany.

If the national revolution should split the Empire, Social Democracy would have to utilize the revolutionary crisis to overthrow the dynasty, establish a democratic republic, and begin the struggle for Socialism upon the basis of democratic institutions.

In Brest-Litowsk the representatives of the Central Powers met the delegation of the Soviet Republic to negotiate the terms of peace. Against the annexationist projects of German and Austrian Imperialism, Trotsky championed the right of Poland, Lithuania and Courland to self-determination. On the 12th January, General Hoffmann made a threatening gesture by striking the table with his fist. The protest meetings which the Party arranged in Vienna on the following day showed the passionate resentment of the masses at the imperialistic menace of the German Supreme Army Command against the Soviet Republic. The bitterness over the procrastination of the peace negotiations was accentuated by a severe crisis in the food service. When rations were cut down by half on the 14th January, 1918, the workers in Wiener Neustadt came out on strike. On the following day the strike spread to Ternitz, Wimpassing, Neukirchen, the Triestingtal, and St. Polten. The movement spread spontaneously from industry to industry and from place to place. The party execu-

tive resolved to co-ordinate the movement and give it a political object. On the 16th January the *Arbeiter Zeitung* published an official manifesto of the Party, which declared that the people would not continue the war against Russia in order that the Emperor of Austria should be chosen King of Poland, and the King of Prussia should exercise economic and military control over Courland and Lithuania. The manifesto concluded by exhorting the workers to fight for the most speedy termination of the war, for peace without open or veiled conquests, for peace on the basis of the unfettered right of peoples to self-determination.

It testified to the profound change which had already come over the scene that the party representatives should publish this manifesto and that the Censor did not dare to suppress it.

On the 16th January the whole working-class of Vienna came out on strike, and on the 18th January Hungarian Labour joined the revolt. The gigantic numbers of the strikers, the wild revolutionary fervour of their mass meetings, the election of the first workers' councils at the strike meetings—all this gave the movement a grandiose revolutionary character and aroused among the masses the hope that the immediate outcome of the strike would be a revolution which would enable them to seize power and enforce peace.

Nevertheless, this was an illusion. The military authorities managed to throw forces into the strike areas very quickly, composed of Roumanian, Ruthenian, and Bosnian troops who could not speak the language of the striking workers, and young recruits who were firmly controlled by their leaders. There was no doubt that these troops were strong and reliable enough to put down any attempt among

the masses to transform the strike into an act of revolution.

Even if Austrian militarism had no longer had at its command sufficient force to repel a revolutionary insurrection, what was possible in October, 1918, would not have been possible in January, 1918. For at the latter period, in the days of Brest-Litowsk, German Imperialism was at the zenith of its power. The Russian Army had entirely melted away since the October Revolution. The gigantic army of the German Eastern Front had become available. In the following weeks German militarism was able to transfer a million men from East to West. At the moment when German Imperialism disposed of a larger reserve army than at any other time during the whole war, an Austrian revolution could have had no other result than an invasion of Austria by the German armies. German armies would have occupied Austria in the same way as they shortly afterwards occupied an incomparably larger territory in Russia and the Ukraine. And as a revolution would simultaneously have broken up the Southern Front, the Entente armies advancing from the South would have encountered on Austrian soil the German armies breaking through from the North, and Austria would have become a theatre of war.

We realized how serious was the danger of a German invasion. It was known to us that only the fear of a German invasion kept the Viennese Court from making a separate peace. We were aware that even the Czech revolutionaries feared a German invasion. During the January strike no symptom was more important to us than the attitude of the Czech working-class. The whole extent of Czech territory, in which Czech Social Democracy played a leading part, remained unaffected by the strike.

Czechoslovak Social Democracy had long been under the influence of the Czech revolutionary leaders, who were preparing the national revolution of the Czechs and receiving their directions from the National Council of the Czech emigration. Obviously the leaders of the Czech national revolution did not desire the participation of Czech workers in the strike. As allies of the Entente, they could not desire the strike as a demonstration in favour of peace with Soviet Russia, whom the Entente had just repudiated because she had resolved to make peace with the Central Powers. Even less could they desire the strike to be converted into a revolution, for their tactics during the whole war were determined by the conviction that, so long as German Imperialism remained undefeated, a Czech revolution could only lead to the occupation of Bohemia and Moravia by troops of the German Empire.

Our decisions had to be guided by these considerations. We had wanted the strike as a great revolutionary demonstration. We did not want to intensify the strike until it merged into revolution. It was incumbent on us to see that the strike was ended before the strikers were compelled by hunger to capitulate. On the 16th January, the first day of the strike in Vienna, the party executive drew up a list of demands to be presented to the Government. The workers' councils chosen at the strike meetings approved these demands at their first sitting on the 18th January. The Government gave way. On the 19th January the Prime Minister handed a deputation of the workers' councils a declaration by the Foreign Minister Czernin, in which the latter solemnly pledged himself that the peace negotiations should not be allowed to fail in consequence of any territorial questions; and that he unreservedly recognized the

Poles' right to self-determination. In addition, he promised various reforms. After a series of stormy debates, the workers' council accepted the recommendation of the party executive that work should be resumed.

A small irreconcileable group refused to accept this decision and proceeded to conduct an extremist agitation. At a later date this group formed the nucleus of the Communist Party.

The January strike could not lead immediately to revolution, but it was a revolutionary demonstration of great historical significance, which everywhere assisted the creation of the preliminary conditions for the October and November Revolution.

The influence of Social Democracy was augmented; our freedom of movement was extended, and martial law in the factories was considerably relaxed.

More momentous still was the effect of the strike upon the Army. The struggle of the workers for peace found a loud echo among the war-weary and hungry soldiers. The agitation among the troops found expression in a series of mutinies which followed the January strike. Slovene troops mutinied in Judenberg; Serbian troops in Funfkirchen; Czech troops in Rumburg; and Magyar troops in Budapest.

Early in February a strike of the arsenal workers in Cattaro speedily spread to the Navy. The crews of the warships hoisted red flags and demanded peace on the basis of Wilson's fourteen points. When naval reinforcements arrived, the mutiny was suppressed, but so great had become the influence of the social democratic deputies that their intercession averted the execution of most of the mutineers.

The spread of revolutionary ideas among the troops received a further impetus when, after the

conclusion of peace with Soviet Russia, ten thousand prisoners of war who had witnessed the revolution in Russia returned home and were distributed among the troops.

At the same time the revolutionary idea itself assumed a more definite shape. The January strike had associated the demand for peace with the demand for the recognition of the rights of peoples to self-determination. During the strike the German-Austrian workers became convinced that only an unreserved recognition of the rights of nations to self-determination would bring the war to an end.

On the 20th January a number of representatives of the Left met a few Czechs, Poles, and Slovenes, in order to discuss the situation. We were convinced that the moment of revolution had not yet come, but not less convinced that it was near. The result of our discussions was the Nationality programme of the Left.

This programme was drawn up upon the assumption that the Slav nations of the Monarchy had reached a stage of development at which they would no longer tolerate alien rule and dispersal. The programme therefore demanded the establishment of a sovereign constituent assembly for every local area in which a specific language was spoken, the settlement of boundary disputes by means of a plebiscite, and the right of each nation to form whatever political ties it desired.

The historical significance of the Nationality Programme of the Left consisted in the fact that it prepared the Party for the tasks of the future. At first the programme aroused violent opposition inside the Party. As the defeats of the Central Powers and the internal dissolution of Austria during the summer of 1918 became manifest to the party members, the

Party as a whole was disposed to adopt the ideas which the Left had embodied in its programme. On the 3rd October the group of social democratic deputies passed a resolution incorporating the principles of the Nationality Programme of the Left. We shall hear of this resolution again, for it was the signal for the outbreak of the October Revolution. The differences within the Party were by this means completely composed. The Party regained a unanimous conception of its immediate task.

The Left was the driving force behind the great inner development through which the Party passed in the course of the war, and by virtue of which it was ready to perform its specific tasks in the revolution. It is equally creditable to both sections within the Party, the Right as well as the Left, that the internecine strife was not allowed to harden into a split, but was cancelled out by the evolution of the Party as a whole. Under the leadership of Victor Adler, Seitz, and Austerlitz, the majority of the Party gradually altered their ideas in face of the changing historical situation and gradually modified their attitude to suit the changing sentiments of the masses, thus gradually dissolving the antagonism which had sundered the Left from the Right.

Part II

THE OVERTHROW OF THE EMPIRE

CHAPTER V

THE FORMATION OF THE NATIONAL STATES

FOUR years of war had almost broken the Imperial Army, the once powerful instrument of domination which had held in obedience the recalcitrant nations of Hapsburg. It still held out on the Piave, and in Poland, in the Ukraine, in Serbia, in Roumania, in Montenegro, and in Albania it still occupied extensive territory. But month by month its strength was waning.

The troops could no longer be fed, and their equipment and clothing were in a parlous state. Multitudes of deserters were hidden in the mountains and in peasant farms.

In June the authorities risked yet another great offensive with this army. At the cost of terrible sacrifice, all that it proved was the existence of a rapidly advancing process of disintegration. Now everyone knew that the end was near.

On the 15th September, French infantry, under General Franchet d'Esperey, broke through the Bulgarian front. The Bulgarian Army, even more demoralized than the Austro-Hungarian, melted away. The defeated troops stormed the headquarters at Kustendil and marched threateningly against Sofia. On the 29th September, Bulgaria signed the armistice agreement.

On the same day Ludendorff demanded that the Central Powers should immediately apply to the

Entente for an armistice. The Prussian authoritarian State collapsed and a parliamentary government, under the leadership of Prince Max of Baden and with the co-operation of Social Democracy, was formed.

The Central Powers accepted Wilson's fourteen points as the basis for peace negotiations. The tenth point postulated the greatest possible autonomous development for the peoples of Austria-Hungary. The Entente had solemnly promised freedom to the Czechs, the Poles, and the Jugo Slavs. It was clear that peace could not be obtained without freedom for the Slav peoples. But Hapsburg still hoped to be able to satisfy the nations with autonomy within its Empire.

But it was too late. Czechs, Jugo Slavs, and Poles answered that nothing short of complete independence would satisfy them.

The attitude of the German-Austrian bourgeoisie was as supine as that of the Government. At the last hour they hoped that the German predominance over Austria would be maintained and even strengthened.

The antagonism between the German bourgeois parties and the German-Austrian Social Democracy had never been so acute as during the last year of the war. Now, when their whole policy had come to grief, the bourgeois parties turned to Social Democracy. As a condition of co-operation with them, we demanded a complete breach with all the German-Austrian policies that had hitherto been pursued, and recognition of the absolute right to self-determination of the non-German nations. On the day that a group of social democratic deputies came to this decision, the first parliamentary government was formed in Berlin, and Ferdinand of Bulgaria

renounced the throne in Sofia. No other way remained open to German-Austria than that to which Social Democracy pointed. On the 4th October the German national parties decided to accept the general principles of the resolution of the Austrian Social Democratic Party as the basis for further negotiations.

The verbal negotiations between the German parties now commenced. The bourgeois parties were at first anxious to form a common party association within the Austrian Chamber of Deputies, but we insisted that the Chamber of Deputies was doomed and that the immediate task was the establishment of a German-Austrian State. The whole of the deputies of German-Austrian constituencies should proclaim a German-Austrian State, constitute themselves a provisional national assembly of this State, and proceed to set up a government.

We proposed a parliamentary revolution. The bourgeois parties hesitated, but the events of the following days forced them along our road.

In the South the Army of Franchet d'Esperey was rapidly advancing. The weak German and Austro-Hungarian forces were obliged to retire before superior numbers. The Serbian troops approached the borders of Bosnia and Croatia. The South Slav lands prepared to welcome them. On the 5th October a meeting of the deputies of all parties and from all parts of the Slav South had taken place at Agram. In the following days the organization of the nascent Jugo Slav State was begun.

On the 7th October the Polish Regency Council in Warsaw had proclaimed the establishment of an independent Polish State, comprising the three sections of Poland. On the 15th October the gathering of Polish deputies in Crackow had issued a procla-

mation to the Polish people: "Free, independent, and united Poland has commenced its own political life. We regard ourselves as citizens of the Polish State to which we owe obedience and fidelity."

On the 14th October the Czech *Narodni Vybor* decided to forbid the exportation of foodstuffs and coals from Czech territory. The Socialist Council of Prague resolved to associate this embargo with a demonstration in favour of the Republic. This was the first unmistakable republican intimation. Throughout the whole of Czech territory work ceased, and the demonstrating workers demanded an independent Czech Republic. But this was more than a powerful demonstration. The masses demonstrated against the export of foodstuffs from the Sudetic region to German-Austria and to the Front. Within a few days this blockade of German-Austria and of the Front began to be felt.

On the same 14th October, when the general strike of the Czech workers announced the upheaval in the Czech lands, Dr. Benes informed the Entente governments that "in agreement with the political leaders in our lands," the first Czech government had been formed in Paris, Masaryk being appointed President; Benes, Foreign Minister, and Stefanik, War Minister. On the following day this government was recognized by France.

At the Baden Headquarters it was known that the Italian Chief Command was preparing a powerful offensive against the hungry and demoralized Imperial Army in Venetia. But Wilson continued to ignore Hapsburg's request for an armistice. He exchanged notes with the German Empire concerning the armistice conditions, but to Austria-Hungary he vouchsafed no answer at all. The Court became intensely anxious.

The Emperor made an attempt to negotiate with the nations himself. On the 12th October he received in Baden thirty-two deputies belonging to all nations. What he had in mind was a people's ministry. But the Czechs and South Slavs answered that they would have nothing more to do with an Austrian government. The Court saw Bohemia, Croatia, and Galicia preparing for open insurrection. But even if there had still been sufficient force to put down an insurrection, everything depended upon whether the Entente would grant an armistice before the commencement of the threatened Italian offensive. Could this favour be hoped for from the Entente when the peoples whom the Entente had recognized as its allies were being suppressed? Hapsburg was thus obliged to abandon any idea of offering resistance.

It was now obvious to the German bourgeois parties that the German-Austrian people was not clinging to the sinking Empire and would have to take its fate into its own hands. They endorsed our demand that the German-Austrian deputies should constitute themselves a provisional national assembly of the German-Austrian State. No alternative was left the Empire but to preserve a semblance of power by formally permitting what had already been decided upon and was in course of fulfilment without its permission.

Thus the Emperor decided to issue his manifesto of the 16th October: "Austria shall be a federal State in which every race shall form its own separate political community in the district where it is settled. The peoples shall participate in this transformation through national councils to be formed from the deputies of each nation." So far as the manifesto recommended the formation of these councils, it was

only giving legal sanction to a process which was already going on. At the same time the manifesto showed once more how impossible it was to reconcile the recalcitrant nations with the Monarchy. This manifesto was rejected with scorn by the Slav peoples.

At last Austria was faced with the national revolution. On the 21st October, in the Chamber of the Lower Austrian Diet, the deputies of all the German constituencies assembled. In the terms of the resolution adopted, the meeting of deputies constituted itself a provisional national assembly and elected an executive committee as the nucleus of the German-Austrian government which would be created.

In the name of Social Democracy, Victor Adler urged that German-Austria should become a democratic Republic. The immediate tasks should be the formation of a government, the actual assumption of governmental power, and union with Germany. But the bourgeois parties had not progressed as far as this. They intimated that they still adhered to the idea of a constitutional monarchy.

At last, on the 18th October, Wilson replied to Austria's request for an armistice, on the same day as Masaryk had handed the State Department at Washington the Declaration of Czech independence. Wilson's answer, which was not known in Vienna until the 21st October, the day the provisional national assembly was constituted, robbed Hapsburg of its last hope. The President declared that there could be no peace unless complete liberty were granted to the Czechs and the Jugo Slavs. And the Czechs and the Jugo Slavs had all along declared that nothing short of complete independence would satisfy them. The complete independence of the

Czechs and Jugo Slavs had become a condition of the armistice.

But Hapsburg could wait no longer for an armistice. It was faced with the imminent commencement of the great Italian offensive. On the 24th October this offensive was actually begun. It was obvious that the hungry and ill-equipped army would not be able to withstand the attack. It was imperative that Hapsburg should attempt to terminate the struggle on the Italian Front, which was certain to lead to the complete destruction of the Army, and to obtain an armistice at any cost, in order to save at least a portion of the Army.

Meanwhile, the exchange of notes between Wilson and the German Government was proceeding. On the 24th October, the day of the commencement of the Italian offensive, a new Wilson note to the German Empire became known. Wilson declared that if the United States had to deal with military rulers and monarchical autocrats, they would require not peace negotiations, but surrender. Thus the question of a republican political form for Germany was raised. At the same time it became clear that Austria-Hungary could not hope to obtain an immediate armistice by the side of Germany. Hapsburg now decided to separate its cause from the cause of Germany. By suing for a separate peace, Hapsburg hoped to obtain an immediate armistice, and, by separating Hapsburg's fate from that of Hohenzollern, to save the remnant which would be left to Austria-Hungary, to the Monarchy.

The Magyar oligarchy had urged a separate peace, as by this means it was hoped that Hungary could still be saved. As their representative, Count Julius Andrassy was appointed Foreign Minister on the 24th October. At the same time the Emperor

entrusted to Professor Lammasch the task of reconstructing the Austro-Hungarian Government. On the evening of the 27th October, Andrassy sent his reply to Wilson, and at the same time General von Weber was instructed to proceed to the Italian Headquarters with a request for an immediate armistice.

Andrassy's answer to Wilson was the death knell of the Monarchy. The Austro-Hungarian Government declared that it agreed with the interpretation of the rights of the peoples of Austria-Hungary, and especially those of the Czechoslovaks and Jugo Slavs, contained in the President's latest note. Thus the independence of Czechoslovakia and of the Jugo Slavs was actually recognized. At the same time Austria-Hungary declared its readiness, without waiting for the results of other negotiations, to enter into negotiations for peace between Austria-Hungary and the enemy States.

On the 28th October, Andrassy's note became known in Prague. The rejoicing masses streamed into the streets. Houses were bedecked with the national flag. The representatives of the *Narodni Vybor* proceeded to the various public institutions to take over authority in the name of the *Narodni Vybor*. On the following day the Czechoslovak State was proclaimed, and all power passed into the hands of the new government.

Events in Croatia moved as quickly. The movement had been started by a mutiny of the Croatian troops in Fiume on the 23rd October. On the 29th October the *Sabor* met in Agram, and the kingdom of Croatia was proclaimed as an independent State. The *Sabor* recognized the *Narodno Vyece* as the supreme government.

At the same time the republican movement was

gathering strength in Austria. The republican demonstration of the Czech workers on the 14th October gave it an impetus. When the events in Prague became known, the movement approached its consummation. On the 29th October the workers of many Vienna industries sent a deputation to Parliament, to urge that a mass demonstration in favour of the Republic should at once be organized.

Enormous crowds responded to our call on the 30th October. The Republic and the release of Friedrich Adler were the demands of the day. Great numbers of soldiers were among the demonstrators. In the evening disorderly crowds of soldiers and young people marched through the town. They tore the Imperial Eagle from the houses. The soldiers tore the rosettes bearing the Imperial letters from their caps and compelled the officers who accompanied them to do the same.

Meanwhile, what the masses were noisily demanding was being debated by the Provisional National Assembly. It is true that the Republic was not yet formally proclaimed. The bourgeois parties were still insisting that only the Constituent National Assembly could decide the political form of the State. But the Provisional National Assembly drew up what was in effect a republican constitution.

On the following day the Revolution spread through the whole of Austria. On the 31st October the *Narodni Svet* took over governmental power in Laibach and set up a government. In Trieste, power passed into the hands of a welfare committee. On the 1st November the governmental power in Bosnia was transferred to the *Narodno Vyece*.

Nowhere did Hapsburg offer any resistance to the movement. And yet Hapsburg, its generals and diplomats, still believed that their cause was by no

means lost. If only a portion of the defeated army could be saved from the general dissolution, there was hope that in Austria and Hungary at least the revolution could be put down. The fate of the Empire was decided not by the cheap victories of the Revolution at home, but by the fortunes of the armies fighting on the Italian Front.

CHAPTER VI

THE GERMAN-AUSTRIAN REPUBLIC

In the four days between the 28th and the 31st October the dissolution of the Hapsburg Monarchy was completed. In these four days the armies at the Front had crumbled, and new national governments had seized power at home. It was a national and democratic revolution that was carried out. National popular governments composed of the leaders of the parties of the bourgeoisie, the peasantry, and the workers supplanted the dynasty, its supranational bureaucracy, its generals and its diplomats, in German-Austria, in Bohemia, in Galicia, and in South Slav territory. But the collapse of the old system also liberated the working-classes which hitherto had been kept in check by the power of militarism.

In the tumultuous soldiers' demonstrations, which were held daily in Vienna after the gigantic mass meeting of the 30th October, it became plain enough that the National and Democratic Revolution had awakened the Social Revolution, and that the transfer of governmental power from the dynasty to the people had set in motion the class struggle within the nation. The unfolding of this threefold revolutionary process of the Democratic, the National, and the Social Revolution constitutes the history of the nascent Austrian State from the 30th October to the 12th November.

On the 30th October, the Provisional National Assembly instructed the Political Council to take over the reins of government in Austria. In these days Austria, in common with all the other emergent national States, was faced with the problem of forming a government. It was not a question of the transference of an existing political power from one group to another, as is usually the case when new governments are formed, but of the creation of new States and the organization of administrative machinery *de novo*. The governments formed at this juncture were at first entirely without the customary material instruments, such as machinery of administration and a military force. Only through their moral authority could they assert themselves, exercise control over the administrative machinery of the fallen Monarchy, and create a national defence force. If the moral authority of the new governments was to be strong enough to grapple with these tasks, if they were to assert themselves in the large town as well as in the village, in the industrial centres as well as on the countryside, in the offices as well as in the barracks, it was essential that the new governments should be composed of representatives of all sections of the people.

This explains why the governments of the new national States at that time were inevitably composed of representatives of all the great political parties of the nations concerned.

The Austrian State too was fundamentally the product of a *contrat social*, an agreement to found a State, arrived at between the various classes of the Austrian people, as represented by the political parties. On the basis of a compact between the parties, the whole of the Austria deputies constituted themselves a provisional national assembly and pro-

claimed the establishment of the Austrian State. The reins of power could now only be taken over by this body of deputies. The Political Council, chosen from the Provisional National Assembly, composed of representatives of all parties, formed the proper government. As its nominees, the State Secretaries appointed by the Political Council, took over the direction of the various State departments. It was not the Secretaries but the Political Council itself that was invested with legislative power by the Provisional Constitution of the 30th October. Just as the Political Council was composed of all parties represented in the Provisional National Assembly, so the State Secretaries which it appointed were drawn from all parties. Thus for the first time Social Democrats were put in charge of State departments. In view of the national character which the revolution assumed in its initial stages, the Social Democrats were slow to claim more than a modest share in the government. Victor Adler was chosen Secretary for Foreign Affairs, as only a Social Democrat could embark upon the new foreign policy of Austria, based upon the right of peoples to self-determination. Ferdinand Hanusch became Secretary for Social Welfare, but the remaining offices were at first left to the bourgeois parties. Dr. Karl Renner became the Chancellor. Social-democratic Under-Secretaries were appointed to the Home Office and the War Ministry. Socialist influence in the Government was strengthened by the events of the following days, which tended to transform the National Revolution into a Social Revolution. In the two most important departments, the Home Office, which controlled internal administration, the police and the gendarmerie, and the War Office, which had to commence the work of demobilization and to organize a new defence force,

the Socialist Under-Secretaries came to the fore. This re-distribution of power was accomplished by the events themselves in which the progress of the Revolution was expressed.

The social revolution which arose out of the war proceeded from the barracks rather than from the factories. When large numbers of soldiers and officers took part in the mass demonstration of the 30th October, when on this day the soldiers tore the imperial rosettes from their caps and forced the officers to do likewise, it was clear that military discipline in the Vienna barracks was completely undermined. The awful omnipotence with which the military organization had invested the officers during the war was transformed at one blow into absolute impotence. The four years' suppression of the dignity of the soldiers now revenged itself in a wild outburst of hatred of the man for the officer. Where blind obedience had hitherto reigned, an elemental, instinctive, anarchical revolutionary movement now set in. Crowds of soldiers, brought home from Russia, assembled near the Rossauer barracks and indulged in fiery speeches. They attempted to form a "Red Guard"; they marched with rifles through the town; they seized ammunition waggons, and confiscated food stores. The officers themselves were caught up by the movement. Reserve officers recruited from the ranks of the intellectuals, infected with the revolutionary romanticism of Bolshevism, participated in the formation of the Red Guard, while German National officers held session in the Parliament Buildings as soldiers' councils. But the overwhelming majority of the soldiers were dominated by an irresistible desire to return home to wives and children. The Slav soldiers hastened home in disorderly fashion as soon as they had heard of the

creation of national States in their countries. Their example immediately caused the German soldiers to join the desertion movement. The most important dépôts and magazines were left unguarded. Plundering began. The camps in which prisoners of war were interned were no longer guarded. For a few hours defenceless Vienna trembled at the imminent invasion of Italian prisoners of war from the Sigmundsherberg camp, who, after the desertion of the Austrian guards, had seized a magazine and proceeded to march against Vienna. No less great was the danger on the railways. There every train brought hungry and undisciplined armed soldiers returning from the Front. Shootings occurred daily at the railways stations, and the danger of the towns being plundered by Slav and Magyar soldiers, who were returning to their homes through Austrian territory, daily increased. Complete anarchy could only be obviated by the organization of a new defence force.

The Political Council tried first of all to enlist in its service what was left of the garrisons of the old army. And as the restoration of the authority of the officers seemed hopeless for the moment, the Political Council invited the men themselves to form soldiers' councils which would create order and discipline in the barracks. But these first efforts were unsuccessful. The soldiers took the oath and then rushed away to their wives and children. It was impossible to retain the reservists by the colours. There was only one thing to do: to recruit and organize a paid voluntary army. On the 3rd November, the day of the conclusion of the Armistice, the Political Council ordered that recruiting for the *Volkswehr*[1] should commence. At this juncture

[1] Militia.

Social Democracy made an effective use of its influence.

It was impossible to prevent the rapid demobilization of the old Army. The peasants' sons hastened back to their villages, to gorge themselves after four hungry years of war service. The *Volkswehr* was not calculated to attract the sons of the bourgeoisie. But the case was different with the industrial workers. The war industries had come to a standstill. Tens of thousands of men returning from the Front found no employment. Thus it came about that the battalions of the *Volkswehr* consisted almost exclusively of industrial workers. It must be admitted that most of these men were politically untrained, bestialized by the war, and ready for all kinds of political adventures. To place this force under strict discipline and protect it from the abuse of its political simplicity was now the task of Social Democracy.

Even during the war the ties between the comrades in the barracks and the party organization had never been quite severed. Comrades on leave consorted in labour institutes and brought their complaints to the party secretariat. In the summer of 1918, this loose connexion with the Vienna barracks was strengthened. Certain comrades were deputed to act as representatives in each body of troops. During the war this system kept us informed of everything that happened in the barracks. Now we were able to make use of these representatives to influence the organization of the *Volkswehr*. At the same time the party embarked upon an agitation in favour of this *Volkswehr*, which it sought to persuade old and reliable comrades to enter. Thus within the new battalions were formed *cadres* of organized Social Democrats, who imposed their leadership, and consequently that of the Party, upon the *Volkswehr*,

inspiring it with socialist ideals, and restraining lawless and criminal tendencies.

The creation of the *Volkswehr* averted the threatened danger of anarchy from the country. The *Volkswehr* took over the guarding of dépôts and magazines. Battalions of the *Volkswehr* beat off attacks of Czech and Magyar troops who were being transported home through Austrian territory. The *Volkswehr* absorbed the Red Guard and compelled it to submit to its discipline and command. The force that was now deputed to guard the security of the country was a body of troops led by Social Democrats, marching with red flags to the strains of the *Marseillaise*.

The creation of the *Volkswehr* was a revolutionary act, indeed, the first act of the proletarian revolution which was beginning to overshadow the national revolution.

In the classic revolutions of the past, events were decided by the struggles at the barricades. By victory at the barricades the Revolution disarmed the powers of the old régime and called its own armed forces into existence. What used to be accomplished at one blow in a barricade fight was divided into two acts in the Austrian Revolution. The disarming of the old régime was carried out by the spontaneous dissolution of the Imperial armies. The armed power of the new régime took its rise in the *Volkswehr*. While in other revolutions the transference of power from the hands of the old to those of the new régime could never be effected without bloody civil war, we were here able to carry out this change, after the dissolution of the Army, as a mere work of organization through the creation of the *Volkswehr*. The Imperial Army was replaced by the Republican Militia, and this Republican force

was a proletarian army inspired by the ideal of Socialism.

This revolution in the barracks immediately provoked a revolution in the factories. During the war, industrial enterprise had placed the workers under the immediate control of the military power ; military managers had commanded in the factories, and military guards had kept the workers in awe. Now the whole authority of private enterprise and its organs crumbled to pieces with the collapse of the military power. The self-consciousness and the self-reliance of the workers were powerfully reinforced. The menacing agitation in the centres of labour intimidated the bourgeois parties and procured their submission to the will of Social Democracy. Thus the revolution proceeded on its course.

An actual Republican constitution had already been given to Austria on the 30th October, but the Emperor still remained in Vienna without renouncing the Throne. Early in November, the State secretaries appointed by the Political Council, had taken over those branches of the Imperial Ministries which were concerned with the administration of Austrian territory. But the departments which administered the institutions and domains of the Empire continued to exist by their side as "liquidating" ministries. In all the central offices, an Austrian State secretary appointed by the Political Council sat beside an Austrian minister appointed by the Emperor. This duality of republican and monarchical administration in the same building was anomalous. It became intolerable when the Empire in neighbouring Germany collapsed. When Germany became a republic on the 9th November, the republican movement among the Austrian workers pressed for the removal of the last vestiges of the monarchical order. On the fol-

lowing day the representatives of Social Democracy in the Political Council intimated to the bourgeois that an armed rising of the workers and soldiers was inevitable if the proclamation of the Republic was delayed any longer. The bourgeois parties impressed by the strength of the movement in the barracks and in the factories, abandoned their opposition on the 11th November, when a decision of the Tyrolese National Council in favour of the Republic and reports from Upper Austria and from Carinthia indicated that a powerful republican movement was sweeping through the peasantry in these districts. The majority of the Political Council decided to convene the Provisional National Assembly to meet on the 12th November, and to submit to it the draft proclamation of the Republic. Advised by Lammasch, the Emperor now abandoned all opposition. On the 11th November, the last Hapsburg formally laid down the government.

"Now, as always," so ran the Emperor's proclamation, "filled with unchanging love for my peoples, I will not place my person in the way of their free development. The people through their representatives have taken over the government. I renounce any further share in the business of the State."

During this month of October, the idea of the Republic had been associated with the idea of union with Germany.

With the collapse of its rule over the other nations, German-Austria's historical mission was ended, for the sake of which she had hitherto willingly borne the separation from the German Motherland. The Germans in Bohemia, Silesia, Northern Moravia, and the German Alpine lands, separated by Czech

territory, had no other choice than that between Czech alien rule, and union with Germany. How helpless Austria was on her own legs when faced with the new national States, was discovered in the first stages of the Revolution. Austria was overtaken by hunger immediately the Czechs suspended the export of foodstuffs and coal. The first step which the nascent Austrian State was obliged to take was to request the Berlin Government to furnish assistance in the form of cereals.

Standing alone Austria could not possibly maintain her economic position in face of the hostility of the new national States. The economic losses caused by these national and territorial defections could only be compensated by the support of the economically stronger Empire. During October large sections of the middle classes, especially the intellectual classes, began to hope that union with Germany would offer some compensation for the collapse of their own edifice of domination.

On the other hand, the workers at that time received the idea of union somewhat coldly, although Social Democrats were its first sponsors. The workers had hated the German Empire during the war too thoroughly to be able to muster any enthusiasm for unity with this same Germany. Not until the 9th November did the unity movement capture the masses of workers. Not until the Empire in Germany was overthrown and a Socialist government, based on workers' and soldiers' councils, had seized power, when the German Revolution seemed with one powerful blow to have eclipsed ours, did it become patent to the workers that the great, highly-developed industrial Empire offered far more favourable conditions for the struggle to realize Socialism than the small territory of German-Austria, in help-

less dependence upon neighbouring agrarian countries and half-agrarian itself.

The quarrel between Hapsburg and Hohenzollern had estranged Austria from Germany. Now that the rule of Hapsburg and Hohenzollern had simultaneously collapsed, the union of the race into one community seemed the natural consequence of the overthrow of the dynasties.

The Armistice on the basis of Wilson's fourteen points, which promised all peoples the right of self-determination, had just been concluded. If Austria was to attempt to effect a union with Germany, equipped with no other weapon than the appeal to the promised right, then unity could not remain the dream of individuals or the programme of parties: the Austrian nation had to demonstrate that at the same time as it demanded its freedom and took its fate into its own hands, it was also unanimous in setting the goal of unity before it.

Therefore, the representatives of Social Democracy in the Political Council proposed that the project of unity should be announced at the same time as the Republic. This proposal was accepted on the 11th November. On the following day the Provisional National Assembly held its third sitting. The legislative enactments of this day comprehended the salient features of the great transformation. Austria was declared a Republic. All the rights of the Empire were transferred to the Political Council; all the privileges of the House of Hapsburg were abolished; all associations based upon political privileges—the delegations, the House of Lords, the diets and municipalities elected by a census suffrage—were dissolved. Elections to the Constituent National Assembly and new elections to the diets and municipalities based upon the equal suffrage of citi-

zens, without distinction of sex, and proportional representation, were ordered to be held. The Republic, the abolition of political franchise privileges in the provinces and municipalities, female suffrage, and proportional representation were the achievements of the Democratic Revolution. This same legislative enactment also pushed the National Revolution to its logical conclusion. "German-Austria," declared article 2, "is a constituent part of the German Republic."

This closing chapter of the democratic and national revolution was the first phase of the social revolution, the change in the relative position of the classes, that had taken place. For it was the will of the working classes which had imposed the Republic upon the possessing classes. On the 21st October, at the first sitting of the Provisional National Assembly, the two great bourgeois parties had declared in favour of a constitutional monarchy; on the 12th November at the third sitting of the Provisional National Assembly, trembling at the threatened rising of the proletariat, they both accepted the Republic.

On the 12th November the working classes suspended work. While the Provisional National Assembly was holding session in the hall of the House of Lords, the Vienna working classes assembled in front of the Parliament buildings. This gigantic demonstration revealed the powerful social agitation among the masses.

In April, 1919, the Republican Government declared the 12th November, the day when the democratic and national revolution was completed, to be a public festival. But the middle classes have never participated in this public festival, which they regard as the anniversary of their capitulation to the

proletariat. On the other hand, the working classes celebrate this day every year as the anniversary of their victory. This fact has a deep historical meaning. When the national policy of the bourgeoisie, the aim of which was the maintenance and strengthening of its rule over the other nations, was shattered, the leadership of the nation passed to the proletariat. The Austrian State was established under the intellectual guidance of Social Democracy. Yielding to the pressure of the working classes, it broke away from the Hapsburg Empire, and renouncing all endeavours to effect union with the young and emancipated nations, embraced the idea of union with Germany. The national revolution became the cause of the proletariat, and the proletarian revolution became the custodian of the national revolution.

On the 12th November we had reached the point which the Left had indicated in January, 1918, as the first essential stages of the approaching Austrian Revolution, the point which the whole party, whose ranks closed up in face of the turn in world affairs, set before it in the first days of October as the immediate object to be achieved

This object had been accomplished in the course of six weeks without street fighting and civil war, without using force or shedding blood. To be sure, like every other revolution, this one was a work of force. But the force which rendered the revolution possible was not expended in the streets of Vienna. On the battlefields, in the Balkans, and in Venetia, it smashed the obsolete mechanism which stood in the way of the revolution. Consequently, we were able to carry out the revolution at home without force. We were able to carry out the revolution because, during those decisive weeks from the 3rd October to the 12th November, we only demanded each day

what was already ripe for the plucking, and only executed what could be accomplished without heavy sacrifice.

Thus, proceeding step by step, we finally achieved the whole of what we had set before us as our object. During these weeks, Victor Adler led the Party for the last time. His incomparable practical sense told him day by day what had become possible and, indeed, inevitable. His sense of responsibility would not allow us to try to take to-day at the cost of severe sacrifice what was bound to fall into our lap as ripe fruit to-morrow. His reputation, his humane understanding for the prostrate foe, facilitated the retirement of the vanquished. He died on the 11th November in sight of the accomplished task. He died at the moment when the education, the organization, and the strength of the Austrian working class, which were the results of his life's work, celebrated their greatest triumph; when the victory of the Party which he had united in his youth, which in manhood he had led to power, which he had preserved from disruption during his last years, was assured; when the national dream of his youth was coupled with the social work of his manhood, and he had bequeathed to the working class the great heritage of a revolutionary victory, not won with hand grenades or machine guns, but accomplished as an intellectual act, as the result of tactical and organizing skill, which enabled the revolution gradually to establish its empire over the minds of the people.

The revolution, in fact, embraced ever larger sections of society and spread over an ever larger area.

It was the democratic revolution in the Alpine districts and the national revolution in the Sudetic

districts which had brought about the substitution of authoritarian government in these countries by self-government. But these consequences of the democratic and the national revolutions were fated to have immediate social significance. The State Government was under the powerful influence of the proletariat of Vienna and of the industrial districts. The local governments of the agrarian Alpine districts were bound to fall under the determining influence of the peasantry and the provincial middle class. The beginnings of this development were perceptible in the stormy days of the revolution. The first district which adopted a threatening attitude towards the State was the Tyrol. Under the influence of the panic which arose in the Tyrol in the days of the dissolution of the old army, the Tyrolese National Council at first requested the German Empire to occupy the Brenner with Imperial German troops, in order to prevent the devastation of Northern Tyrol by the returning troops. But when the Germans really crossed the frontier of the Tyrol, the Tyrolese National Council feared that the Tyrol would become a theatre of war of the Germans and the Entente. Now the Tyrolese National Council protested against the invasion of the Germans, whom it had itself invited, and turned round to seek help from the Entente. The Political Council was obliged to protest against this attempt on the part of the Tyrol to embark upon an independent foreign policy. The conflict quickly developed. The conflict between provincial interests and the general national interest was accentuated by a class antagonism. During the war the Tyrolese peasantry had learned to hate militarism, and they were the first to be infected by the republican idea. On the 11th November, the Tyrolese National Council demanded the proclama-

tion of the Republic. But the fact that the Republic in Vienna was beginning to assume a proletarian character, was not at all to its taste.

Consequently, on the 21st November, the Tyrolese local assembly decided upon a formal declaration of independence. The connexion of the Tyrol with the other Austrian lands was based upon the Pragmatic Sanction. With the dethronement of Hapsburg this tie disappeared. The example of the Tyrol influenced other Alpine districts. Everywhere the majority of the peasants and the lower middle class defended the independence of the district against proletarian Vienna.

While the Alpine districts were beginning to rebel against the political unity of Austria, the young Czech Republic laid claim to German lands in Bohemia and the Sudetic district. The German-Bohemian local government endeavoured to effect an arrangement with the Czech Government, which would ensure the peaceful co-operation of both administrations pending the decisions of the Peace Conference. But the Czech minister answered: "We do not treat with rebels." The Czech bourgeoisie, until recently accused of high treason in Austria for fighting for the right of their people to self-determination, now regarded the German Bohemians, who were struggling for *their* right to self-determination, as traitors.

Although the national revolution in Vienna and the industrial districts had merged into a proletarian revolution, the limits to the development of the proletarian revolution were soon apparent. They became visible in the opposition of the peasantry and the bourgeoisie of the agrarian Alpine districts, who set their faces against any extension of the revolution beyond the limits of bourgeois democracy, and in

the threat of the bourgeoisie of the liberated neighbouring people, who sought to bring under their rule German-Bohemia and the Sudetic lands—the great industrial centres of German-Austria and the strongholds of the Austrian proletariat. The Republic was soon threatened by the particularism of the Alpine peasantry at home and by the imperialism of the Czech and the Jugo Slav bourgeoisie abroad. The 12th November only saw the proclamation of the Republic. It needed the labour and the struggles of years to create and safeguard it.

CHAPTER VII

NATIONAL AND SOCIAL REVOLUTION

THE antagonism between the world powers had extended into a world conflict the war which had arisen out of the collision between the Hapsburg Monarchy and the movement for unity and freedom among the Jugo Slavs. As it proceeded, the character of the war itself was altered. Originally nothing more than a struggle of powerful imperialistic groups, it became a struggle between two political systems, from the time of the collapse of Russian Czardom in March, 1917, and the intervention of the United States.

On the one hand were England, France, Italy, the United States—countries with parliamentary governments and ruled by the bourgeoisie under the forms of democracy. On the other hand were the German Empire, governed by the dynasty and the Junkers, under the forms of a militarist and bureaucratic authoritarian State, only admitting the upper section of the bourgeoisie, high finance, and the heavy metals industry to an actual share in the government; Austria-Hungary, ruled by the dynasty, the generals, the bureaucracy and the clergy, in which the Magyar gentry, Bohemian feudal lords, Polish barons, and the German-Austrian bourgeoisie were only admitted to an indirect share of government. On the one hand was the rule of the bourgeoisie; on the other the predominance of the dynasties, of the generals, and of the nobles—such was the actual social antagonism.

Democracy *versus* the authoritarian State—such was the antagonism of the prevailing ideologies.

The Western Powers were obliged to mobilize the whole strength of their peoples in order to achieve triumph. Their victory depended upon the will and the strength of the masses; the masses in the field and the masses in the war industries. They exploited the vitality of the democratic ideology, the great traditions of the bourgeois revolution, in order to steel the will to victory of their masses. From the time that Czardom ceased to fight by their side, they were able to represent their war as the war of democracies against militarism, absolutism, and feudalism.

The victory of the bourgeoisie over the dynasties, the nobles, the military caste; the victory of democracy over the authoritarian State is the essence of all bourgeois revolutions. This victory, which is won on the barricades in all bourgeois revolutions, was once more gained on the French battlefields in the year 1918. The victory of the Western Powers over the Central Powers was the victory of bourgeois democracy over the oligarchical, military monarchies. It was the greatest and the bloodiest bourgeois revolution in the history of the world.

The Austrian Revolution was accomplished during the war within the frame of this general bourgeois revolution. In essence and origin, the Austrian Revolution was a revolution of the Jugo Slav, the Czech, and the Polish bourgeoisie.

The accentuation of national antagonisms during the years preceding the war shook the Empire to its foundations. The Monarchy attempted to overcome the permanent crisis at home through war abroad. Consequently, it plunged into the war, but this act made its existence dependent upon the outcome of the war.

The terrible sacrifices of blood and treasure which the war exacted hit the Slav peoples doubly hard; they seemed to them to be sacrifices for an alien State and for a hostile cause. The longer the war lasted the more the national revolutionary movement against Austria gathered strength in the Slav lands. At first the object was national autonomy within a federation of States under Hapsburg's sceptre. But two events of historical importance, which the war evoked, enabled the Slav peoples to aim at complete national sovereignty and complete destruction of the Hapsburg Empire.

The first of these events was the Russian Revolution. So long as Russian Czardom remained intact, the existence of the Austro-Hungarian Empire was a historical necessity. Had it been overthrown, the Slav States which would have emerged from it would inevitably have become vassal States of Russia. Its downfall would therefore have established the domination of Czardom over Europe.

The Russian Revolution effected a complete change in the sentiments of the peoples of the Hapsburg Monarchy. It united against the Central Powers the Poles, who had hitherto fluctuated between a pro-Austrian and a pro-Russian policy. It afforded the Czechs an opportunity, through their independent intervention on the Volga and in Siberia, to extort from the Western Powers recognition of them as a war-making power. It therefore decided the fate of the Hapsburg Monarchy.

The victory of the Russian Revolution drove forward the national revolution of the Czechs, the Poles, and the Jugo Slavs, until it became a struggle for complete political independence and the complete destruction of the Hapsburg Monarchy. The defeat of the German Empire assured the victory of this

revolution. So long as the German Empire remained intact, the Slav peoples themselves could not desire the downfall of the Monarchy. Only when the power of the German Empire on the Western Front was broken by superior forces could the revolution of the Czechs, the South Slavs and the Poles, be crowned with complete victory.

Thus the national revolution of the three Slav peoples presupposed the victory of the Western Powers.

The destruction of the Hapsburg Monarchy was by no means one of the war aims of the Western Powers during the first three and a half years of the war. Not until the negotiations of Austria-Hungary for a separate peace had broken down; not until the dictated peace of the Central Powers at Brest-Litowsk and Czernin's attack on Clemenceau on the 2nd April, 1918, had made the resumption of these negotiations impossible; not until the Czechs had "restored the Eastern Front" in a vital theatre of war for the Western Powers; not until then did the revolutionary emigration succeed in winning the support of the Entente Powers for the complete disruption of the Danube Monarchy. Now the object of the bourgeois revolution of the Czechs, the Poles, and the Slavs became one of the objects of that incomparably greater bourgeois revolution which the war of the Western Powers against the Central Powers had become.

The great old Empire, the great old economic unity was not destroyed by the social revolution of the German-Austrian and the Magyar proletariat, but by the national revolution of the Czech, the Polish, and the Jugo Slav bourgeoisie. So long as the Empire retained any vitality, the Austrian proletariat did not threaten its overthrow, but agitated

for its transformation into a federal State of free peoples, the only solution, if any solution there was, which would have saved the Empire's existence. Only when the Slav nations broke away from the Empire, only when the collapse of the Empire had become inevitable and was imminent, did the proletariat in Austria and in Hungary revolt. The Empire was not disrupted by the proletarian revolution, but the disruption of the Empire awakened and unchained the proletarian revolution. But precisely because the proletarian revolution in Austria was only released by the victory of the national revolution of the Slav peoples, which destroyed the Empire, the national and the social problems of the revolution remained closely associated in the further course which it took.

German-Austria is not an organism which has followed the laws of historical growth. It is nothing but the remnant of what remained to the old Empire after the other nations had broken away from it. It remained as a loose bundle of divergent lands, whose political solidarity and economic basis of existence had been destroyed by the disintegration of the old Empire and of the old economic sphere of influence. In the old Empire the German-Austrians were the political rulers and the captains of industry. Vienna was not only the seat of the bureaucracy, but the centre of the banking business and of trade in the old Empire. The dissolution of the Empire therefore deprived a large number of the Austrian people of their occupations. German-Austria was the centre of influence of the Hapsburg Monarchy, which was for the most part agrarian. Its industries were based on access to sources of raw materials and to markets. Its industrial population was fed by the agriculture and the cattle-rearing industry of the other countries

of the Monarchy. The disruption of the Old Empire inevitably dealt a heavy blow to German-Austrian industry, and imposed a severe handicap upon the feeding of the industrial population of Austria. At the time of the Revolution nobody believed that this remnant of the old Monarchy, torn out of its economic body by a forcible operation, would be able to stand on its own legs. Old Austria tried at the eleventh hour to save the connexion of the nations to the Danube Monarchy by means of a new federation. This attempt was made by the Lammasch government. It was fated to fail after the revolution in Russia and the defeat of Germany had raised the liberation struggle of the Slav nations to the plane of complete and unrestricted sovereignty. The alternative of returning to the Motherland, of union with Germany, was distasteful to French imperialism, then enjoying its hour of triumph. Independence, Danubian federation, or union—these were the alternatives. In what political or federal relationship could Austria find a new basis of life, after the old forms of its existence were destroyed by the national revolution of the Slav peoples? With this national problem the social, proletarian revolution was closely connected. After the complete collapse of the political and economic hegemony of the Austrian bourgeoisie, the leadership of the Austrian people inevitably fell into the hands of the proletariat. At this juncture the national revolution became a proletarian revolution. But the proletarian revolution was accomplished at a moment when the bourgeois revolution was proceeding all around us. The latter revolution only overthrew dynasties and aristocracies in order to place the bourgeoisie in power. It shattered the preponderance of Hohenzollern and of the Prussian Junkers in

Europe; in their place it set the absolute rule of the West European bourgeoisie over the whole of Western and Central Europe. The victory of the Czechs, the Poles, and the Slavs, was a bourgeois revolution; it broke the power of the Hapsburgs, the German-Austrian bureaucracy, the Magyar gentry; it set up in its place the rule of the Czech, the Polish, and the Jugo Slav bourgeoisie, organized in the new national States, and the triumphant national spirit also captured the proletariat in these lands. But in the same moment as the Western bourgeoisie subjugated the whole of Central Europe and protected the Slav bourgeoisie in establishing its rule on the soil of the old Austrian Empire, the authority of the bourgeoisie in German-Austria and in Hungary completely collapsed. In the year of the greatest international victory of the bourgeoisie, the proletariat in German-Austria and in Hungary revolted. It was inevitable that the proletarian revolution in German-Austria and in Hungary should fall into conflict with the bourgeois revolution that was going on around us. Could the German-Austrian proletariat capture and maintain power in Austria, while Austria itself was a hapless victim of the militarist and economic power of the triumphant bourgeoisie of Western Europe, and surrounded by nascent Slav national States, which were founded by and subservient to the bourgeoisie of Western Europe? That was the social problem of the Austrian Revolution. The development of this national and social problem—the struggle for its solution—forms the history of the German-Austrian Revolution which we are about to describe.

Part III

THE PREDOMINANCE OF THE WORKING CLASS

CHAPTER VIII

REVOLUTIONARY AND COUNTER-REVOLUTIONARY FORCES

HAPSBURG and Hohenzollern succumbed on the battlefields to the armies of the Western Powers, and at home to the Revolution. When the two dynasties were cleared out of the way by defeat and by revolution, the two victors stood face to face : on the one hand, the imperialism of the Western Powers, and on the other hand, the Central European Revolution.

As in all bourgeois revolutions, the bourgeoisie, once it has destroyed feudalism and absolutism, turns against the proletariat which had risen behind its back, so on the morrow of their victory over the Central European dynasties, the triumphant bourgeoisie of the Western Powers turned against the Central European Revolution which this victory had engendered.

Even while at war with Hapsburg and Hohenzollern, the Western Powers has embarked upon war against the Soviet Republic. After their victory over Hapsburg and Hohenzollern, they immediately regarded war against Bolshevism as their most important task. To prevent the spread of the proletarian revolution beyond the confines of Russia and the development of the Central European revolution beyond the limits of a bourgeois revolution became the dominant object of their policy at the moment

when the victory of their arms had placed Central Europe at their mercy.

The Armistice of Villa Giusti maintained the blockade of Austria by the Entente. Immediately after the Armistice, the Austrian Government had addressed a petition to Wilson, to facilitate the import of foreign foodstuffs into the starving country. On the 24th November, Wilson's answer reached us. It promised the import of foodstuffs upon one condition: that "peace and order" were maintained. Wilson's Note of the 18th October had unchained the national revolution. Wilson's Note of the 24th November demanded the closure of the social revolution. The Western Powers now confronted the proletarian revolution in Austria as the protectors of bourgeois peace and order.

The spontaneous dissolution of the Imperial armies unchained the proletarian revolution. The army whose bayonets had repressed the proletariat and protected bourgeois order no longer existed. What of armed force there was in the country was in the hands of the proletariat. But the dissolution of the Imperial armies at the same time rendered Austria completely defenceless against the Powers whose victory had made them the masters of Central Europe.

The great economic sphere of Austria-Hungary was dissolved at a time of the direst necessity. After four years of war and of blockade, all the young national states suffered from a severe shortage of food, clothing, footwear, linen, coal, and raw materials. Each State strove to keep what was within its boundaries. As soon as they came into existence, the new national States raised barriers against each other and prohibited any exportation. Austria was blockaded not only by the Entente, but by the new

States. Czech territory shut off Austria from German-Bohemia and the Sudetic lands.

Inner Austria had no coal. Our monthly requirements of coal amounted to 1,150,000 tons. But the native mines could only furnish at the most 155,000 tons of inferior coal. Hitherto we had drawn our coal from the Ostrau-Karwiner valley, from Upper Silesia, and from North-Western Bohemia. A fearful coal famine now broke out. Tremendous efforts were necessary to cover even a small part of our coal requirements. On the 4th December, 1918, I reported to the Provisional National Assembly that we were obliged to conduct five diplomatic negotiations with the Czech Government in order to procure the passage of a single truckload of coal through Czech territory. Eventually we could only make sure of some provision of coal through the assumption by an inter-Allied Commission of the task of distributing Silesian coal and regulating its transport. Even this could not assure us a sufficient supply. Our railway traffic had to be drastically cut down. In Vienna the street trams were frequently suspended, altogether for fourteen days in one year, because the electricity works could not be supplied with coal. The factories were obliged to suspend production because the electricity works no longer supplied them with electric current.

The freezing people went into the woods, and oblivious of the rights of property, cut down trees and carried home wood. But even our scanty supply of coal could only be maintained with the help of the inter-Allied commission. Had this assistance been withheld, the whole of the railway traffic and of industrial production would have come to a standstill. Thus the coal famine placed us in abject dependence upon the victorious powers.

The position with regard to food was just as bad. The district of Inner Austria has always been sustained by Hungarian wheat, Bohemian and Galician potatoes, Hungarian cattle, and Bohemian sugar. After four years of war, it was less than ever in a position to feed itself. Our stock of cattle was destroyed by the war. Owing to the lack of manure and of labour, our agricultural production was thrown a long way back. The harvest of 1918 yielded in wheat only 48 per cent.; in rye only 45 per cent.; in potatoes only 39 per cent. of the quantities of 1913. Our native production upon the most favourable assumptions could only cover a quarter of our cereal requirements; a fifth of our potato requirements; a third of our meat requirements; a twentieth of our fat requirements and a fourteenth of our sugar requirements. In the first week after the revolution we lived upon what remained in the military dépôts and supplies sent us by the German Empire, in spite of its own necessity. But with all this, our requirements were only covered for a few weeks. Eventually, as a result of our efforts, we succeeded in obtaining the assistance of the victors. Herbert Hoover, the American Food Controller, organized a systematic importation of foodstuffs into Austria. Even this provision was very scanty. The rations remained far below the physiological minimum of existence. Underfeeding lowered the intensity of labour and raised the death rate far above its normal level. Of 186,000 Viennese schoolchildren who were medically examined, 96,000 were classified as very underfed; 63,000 as underfed; 19,000 as less underfed, and only 6,732 as not underfed. Stores of food no longer existed. What came into the country to-day was consumed to-morrow. If Hoover had suspended his food trains for only a few

days, we should have been without food. Thus we were quite in Hoover's hands.

Like our economic need, our military impotence delivered us entirely into the hands of the Entente. The Armistice agreement conferred on the Allies the right to occupy our towns and our railway lines. An inter-Allied commission resided in Vienna, at the head of which was the Italian general Segre. From the first days of the revolution the Austrian bourgeoisie, trembling before the proletariat, was urging the Italian general to occupy Vienna with Italian troops. Fear of the working class dispelled their hostility to the hereditary enemy. During the first months which succeeded the Armistice, scarcely a week passed without our receiving an ultimatum from General Segre. Under threats of stopping the importation of food or sending Italian troops to Vienna, he extorted from us the surrender of war materials, of railway material, of paintings, and even of cash payments as compensation for a slight to an Italian messenger. Thus the threat of occupation by Italian troops hung constantly over our heads. We knew that its execution would have meant the defeat of the proletariat with the assistance of foreign bayonets.

The proletarian revolution in Austria was confronted by Entente Imperialism. And the Entente could cut off supplies of food and coal, occupy our country with its troops, or expose us to the attacks of neighbouring States. Thus the power of the victors set most definite limits upon the proletarian revolution in Austria.

In sharp contradistinction to this objective situation of the proletarian revolution were the subjective illusions with which the revolution had filled large sections of the working class.

The war brought about a fundamental change in

the position and the mentality of the proletariat. It tore the workers away from the factories and places of work. In the trenches they suffered unspeakable things. In the trenches their souls were filled with hatred of the oppressors and the profiteers who had coined money out of popular necessity at home, while they looked death in the face every hour, and of the generals and officers who fared luxuriously while they starved. In the trenches they drank in greedily the narratives of returning soldiers who, as prisoners in Russia, had witnessed the first phase of the Russian Revolution, the phase of civil war, of bloody terrorism against officers, capitalists, and peasants, the phase of expropriations, requisitions, and nationalization. The years in the trenches had dulled their habits of work and accustomed them to requisitions and plundering, filling them with a belief in the efficacy of force. Now came the Revolution, and the day of returning home. But at home they found hunger, cold, and unemployment. The four years' accumulation of hatred and anger had to find an outlet. Now they would be revenged on those who had ill-treated them for four years. Now they would demand that the Revolution, which had expelled the Emperor, should pull down the mighty from their seats. Now they would see what the promised gratitude of the Fatherland to its heroes amounted to. And as they met with no other response than privation and misery, they believed that a few thousand resolute armed men would be able with one powerful blow to make an end of the social order which had brought war and need and misery upon them.

For four years military managers had commanded in the factories of the war industries. As labour discipline in the factories was based upon the military power, it dissolved when the latter collapsed. The

industries lapsed into a state of chaos. All at once war orders ceased. The coal famine, lack of raw materials, the breakdown of labour discipline, disinclination for work on the part of a working class exhausted by the overwork of war-time and reduced by hunger and stirred to its inmost being by the events of the Revolution—all these were so many obstacles to the adaptation of production to peace-time conditions. The factories were transformed into debating forums. General industry was not able to absorb the workers who streamed out of the munition factories or returned home from the Front. The number of the unemployed mounted month by month. It reached its highest point in May, 1919. At that date there were 186,030 workless, of which 131,500 were in Vienna alone.

Wild excitement prevailed in the barracks of the *Volkswehr*. The *Volkswehr* was conscious of being the chief support of the Revolution. In the discussions within the soldiers' councils Social Democrats and Communists fought out their hardest battles. The *Volkswehr* thought that with its weapons in its hands, it could forthwith decide the victory of the proletariat. And among the wildly excited home-comers, among the despairing workless, among the militiamen filled with revolutionary romanticism, were disabled soldiers who wanted to avenge their personal injuries upon the guilty social order, were neurotic women whose husbands had languished in war captivity for years; were intellectuals and literary men of all kinds who, suddenly converted to Socialism, were filled with the Utopian radicalism of the neophyte; were Bolshevist agitators sent home from Russia. Every edition of the newspaper brought news of the struggles of Spartacus in Germany. Every speech announced the glory of the great

Russian Revolution, which with one stroke had abolished exploitation for ever. The masses, who had just seen the overthrow of the once so powerful Empire, recked nothing of the strength of Entente Capitalism ; they believed that the Revolution would now wing its way to the victorious countries. "Dictatorship of the proletariat." "All power to the councils." These were the cries that now resounded through the streets.

The workers' councils in Austria arose out of the January Strike. When the Revolution came, the young institution rapidly spread. The heightened consciousness of power, the awakened impulse to activity of the liberated masses sought and found in this institution their first field of activity. Economic necessity provided the direction to this active impulse. The workers' councils joined with the soldiers' councils and the peasants' councils which were coming into existence, to form local and district economic commissions. They controlled the garnering of the harvest and the rearing of cattle, the requests for and the allocation of dwellings. They attempted to terrorize the profiteer. They prevented the exportation of food from their districts. As a rule they co-operated with the legal authorities ; in theory the authorities used the workers' councils as their organs of control ; in reality the authorities were dictated to by the councils. At times, however, the councils acted independently and in opposition to the authorities.

In the first months of the revolution the movement was elemental and unorganized. As yet there was no cohesion between the workers' councils of the various districts. The movement was most widely spread in Upper Austria, where the workers' councils were instrumental in prohibiting external trade and defending the extremely rich stores of wheat and

cattle from the activities of the illicit traders of Vienna.

It was not alone the urban and industrial workers who were revolutionized by the war. There was a great upheaval among the masses of peasants. But from the beginning this movement was of an ambiguous character. The peasants also had returned home from the trenches filled with hatred of war and militarism, bureaucracy and plutocracy. They, too, hailed the new-found freedom, the Republic, and the overthrow of militarism. It was a real democratic movement which at that time surged through the peasantry. But the peasant democracy is not identical with the proletarian democracy.

In the mind of the peasant the new-found freedom, which he as well as the worker wanted to employ, shaped into a determination which was in diametrical opposition to the needs of the proletariat.

During the war the enormous military requisitioning apparatus had weighed upon the peasantry with terrible force. It had destroyed the most valuable property of the Alpine peasantry, their cattle. The peasants' hatred of this requisition system made them revolutionaries. Compulsion to sell the products of their labour below the market price seemed to them a form of plunder which the revolution must abolish. The freedom which the peasants expected from the revolution which had destroyed militarism was first and foremost freedom from the oppressive war administration.

But the revolution was bound to disappoint this expectation. At a time of the direst need, it could not dispense with the centralized system of requisitioning and distributing food. The feeding of the towns and the industrial centres, above all the feeding of Vienna, could not have been effected without

State regulation and control. The peasant saw that the revolution denied him what he understood by freedom. He saw that the military requisition detachments had been supplanted by workers' councils which enforced the delivery of supplies, hunted down illicit trade, and combated the infraction of the maximum price regulations. The peasant saw in the proletariat the enemy who refused to allow him the free disposal of the products of his labour. The peasant now began to hate the proletariat as formerly he had hated militarism.

The hostile sentiments of the peasantry towards the proletariat were encouraged by the urban middle class and the priesthood. The urban trading class was a natural ally of the peasantry against the central system of regulating food distribution. The urban bourgeoisie looked to the peasant masses for support against the proletariat. The priests reinforced and organized the peasant movement as the strongest bulwark against the proletarian revolution. Newspapers and sermons told the peasant that his corn, his cattle, and his wood were requisitioned for the purpose of allowing a hundred thousand workless men in Vienna to be kept in idleness by the State; that the central system of control which oppressed the peasant was maintained by an alliance of Jewish profiteers in the centres with the Jewish Labour leaders in the Government; that the revolution aimed at socializing his property and destroying his church.

The peasant proceeded to adopt a defiant attitude. He placed obstacles in the way of delivering supplies. Peasants' councils struggled with workers' councils for mastery of the administrative machinery. And the peasant knew that he was stronger. He had plenty of food in his cupboard, and he could blockade the town. If it came to civil war, it was not the

peasant, but the worker who would starve. The peasant did not lack arms. When the army had melted away, the returning soldiers had sold their rifles to the peasants or left them to the peasants as booty.

With the antagonism of the peasantry to the working class, the antagonism of the countryside to Vienna was closely associated.

Prior to the revolution, Vienna was chiefly dependent upon the supplies drawn from the Sudetic district, Galicia, and Hungary. When these sources of supply were cut off, Vienna was obliged to draw far more food, fuel, and raw materials than formerly from the districts of Inner Austria, and this at a time when the production of Vienna had almost stopped owing to the lack of coal and raw materials, when Vienna was unable to offer any return to the districts whose agricultural produce it required. These districts, which were themselves suffering from a shortage of all necessary commodities, opposed the demands which Vienna made upon them. The initiative in this opposition was taken by the workers themselves. Workers' councils prevented foodstuffs from leaving the localities. Their organs of control guarded the railway lines. This policy was supported by the peasantry, to whom the detested system of control which the Republic maintained seemed a requisition system designed to plunder the countryside for the benefit of Vienna.

The new autonomous local governments which had emerged from the revolution became the centres of this economic particularism.

As the State government was compelled to combat the economic separation of the provinces, it came into sharp conflict with the local governments. The latter refused to obey the directions which came from

Vienna. The bourgeoisie encouraged the opposition of the provinces to the State government. In the provinces where industry was weak, they found among the peasant majority a firm bulwark against the State government, which was dominated by the Vienna proletariat. If the elemental action of the workers' councils themselves had consolidated the economic exclusiveness of the provinces, it was now this provincial exclusiveness which enabled the bourgeoisie, supported by the peasantry, to commence to entrench itself against the concentrated strength of the proletarian revolution in Vienna.

Austria is divided into two areas nearly equal in population. On the one hand is the great industrial district, which comprises Vienna and a quarter of the Wienerwald and Upper Styria; on the other hand is the great agrarian region which includes all the other provinces. In the great industrial district all actual power was in the hands of the proletariat. In the great agrarian region, in which only a few populous towns and industrial centres are scattered over the countryside, the proletariat was not quite powerless, but the peasantry formed the strongest power and could not be suppressed. It was impossible to govern the great industrial district in opposition to the workers, but it was equally impossible to govern the great agrarian district in opposition to the peasants. The economic structure of the country therefore created an equilibrium between the strength of classes, which could only have been abolished by force in bloody civil war. Large sections of the proletariat were eager for such a civil war. The proletariat in Vienna, in Wiener-Neustadt, and in Donawitz, could not see beyond its powerful position in the industrial region. It was oblivious to the unshakeable power of the peasantry in the agrarian

region, and was equally blind to the menacing power of Entente imperialism outside. Consequently, it considered the establishment of the dictatorship of the proletariat to be possible.

But the establishment of such dictatorship would have been nothing less than the suicide of the revolution. In the great industrial district the proletariat could have set up its dictatorship without encountering insuperable opposition. In the great agrarian region this attempt would have failed. The provinces would have answered the proclamation of dictatorship by separating from Vienna, by breaking away from the State. The struggle against the counter-revolution in the provinces would then have inevitably led to bloody civil war. But civil war would have provoked the intervention of the Entente. The Entente Powers could not have tolerated the interruption by civil war of communications in a country which provided their passage from the Adriatic to Czechoslovakia and Poland. They were determined not to allow the revolution to develop beyond the limits of democracy. Had the "peace and order" which they desiderated been destroyed, they would have stopped the food trains and the coal trains and thus brought famine upon the whole industrial district; they would have given permission to the Czechs and the Jugo Slavs to march and thus have involved us in war; they would have caused the most important railway junctions and towns to be occupied by Italian troops and thus made an end of the revolution. The dictatorship of the proletariat would have ended with the dictatorship of foreign commanders.

Large sections of the proletariat did not realize these dangers. It was the duty of Social Democracy to see them. Thus a double task devolved upon Social Democracy; on the one hand, by taking

advantage of the powerful revolutionary agitation among the masses and the severe shocks which the capitalist social order had suffered, to capture for the proletariat the strongest and most permanent positions in the State and in the workshop, in the barracks and in the schools ; but on the other hand, to prevent this revolutionary agitation from developing into civil war and open collision with the superior forces of Entente imperialism, which would have opened the gates to famine, invasion, and counter-revolution.

If the struggle of the classes for power was not to be conducted and decided by force of arms, it had to be fought out under the forms of democracy. Consequently, our first task was to organize the elections to the Constituent National Assembly. The elections took place on the 16th February, 1919. As a matter of fact, they could only be held in Inner Austria, as the German districts of the Sudetic provinces had already been occupied by the Czechs. For the Social Democrats 1,211,814 votes were cast ; for the Christian Socialists 1,068,382, and for the German National Parties 545,938. Of the 159 seats, 69 fell to the Social Democrats, 63 to the Christian Socialists, and 24 to the German National Parties, which henceforth called themselves Pan-Germans. The German Nationalists, who were the strongest party in the Provisional National Assembly, became the weakest party in the Constituent National Assembly ; the Social Democrats, the weakest of the three great parties in the Provisional National Assembly, became the strongest party in the Constituent National Assembly. To be sure we lacked an absolute majority in the newly-elected parliament. We should have been able to capture a majority, if industrial German Bohemia could have voted with us ; the Czech occupation of German Bohemia saved

to the bourgeoisie and the peasantry the majority in the Austrian National Assembly. But if we did not have the majority, we were still the strongest party, and the direction of the new parliament devolved on us.

In the first place the elections were a popular pronouncement upon Monarchy *versus* Republic. The verdict was unequivocal. In its first enactment the newly elected National Assembly solemnly repeated the decisions of the 12th November : the proclamation of Austria as a democratic Republic and union with Germany. On the 11th November, Karl Hapsburg had promised to submit to the decision of the Austrian people as to their political constitution. Renner intimated to the ex-Emperor that he could only remain in Austria if he fulfilled his promise to renounce the throne for himself and his House. Karl Hapsburg demurred to the abdication demanded of him, and on the 23rd March departed, under English protection, for Switzerland. The National Assembly replied to this gesture by passing the law of the 2nd April, 1919, which banished all members of the House of Hapsburg from the country and confiscated their family possessions for the benefit of disabled soldiers.

At the same time the National Assembly proceeded to consolidate the Republic. In November the Provisional National Assembly had itself taken over the burden of power ; its executive organ, the Political Council chosen from all parties, had been the proper government, the State Secretaries being merely its organs. This constitution, which provided for the governing Political Council through the selection of members of the parties on the principle of proportional representation, was adapted to the needs of the time of State-building, which required the

co-operation of all parties, of "bourgeois, peasant, and worker." It was no longer appropriate at a time when the class antagonisms had developed further and had divided parliament into governing majority and Opposition upon the basis of the State already constituted. Consequently, the Political Council was abolished by the enactment of the 14th March. Some of its functions were transferred to the President of the National Assembly, who at the same time assumed the duties of President of the Republic. Seitz was chosen as first President. But the proper powers of government were transferred to the State Government, which was henceforth directly chosen by Parliament. With this the period of the co-operation of all parties was over. Henceforth, it was a question of forming a majority inside Parliament which would elect and support the Government.

At that time the Government was still confronted with the passionate demonstrations of the returned soldiers, the workless, and the war invalids. It was confronted with a *Volkswehr* filled with the spirit of the proletarian revolution. It was daily confronted with serious and menacing conflicts in the factories and on the railways. And the Government had no coercive agencies at its command. Armed force was not an instrument to use against proletarian masses filled with revolutionary ardour. Only by daily appeals to the intelligence, the proper feelings of responsibility of hungry and freezing masses stirred by war and revolution, could the Government prevent the revolutionary movement from culminating in a civil war which would destroy the revolution. No bourgeois government could have grappled with this task. It would have been defenceless against the mistrust and hatred of the proletarian masses. It would have been overthrown in a week by street

insurrection, and imprisoned by its own soldiers. Only Social Democrats could grapple with this unprecedentedly difficult task. Only they were trusted by the proletarian masses. Only they could convince the masses that the terrible privations of this first winter after the war were not the fault of the Government, but the unavoidable consequence of the world-wide transformation; that they could not be evaded by a forcible upheaval, but only gradually be overcome. Only Social Democrats could procure the ending of wildly excited demonstrations by negotiations and discussions, only Social Democrats could pacify the unemployed, direct the *Volkswehr,* and restrain the workers from the temptation to embark upon revolutionary enterprises which would have been fatal to the revolution. The functions which at that time were the most important functions of the Government could only be fulfilled by Social Democrats. The severe blows which had been dealt to the bourgeois social order found their most striking expression in the fact that a bourgeois government, a government without Social Democrats, was downright impossible.

But a purely social democratic government was just as impossible as a purely bourgeois government. Little as the great industrial district of Vienna, Wiener-Neustadt and Upper Styria would have tolerated a purely bourgeois government, just as little would the great agrarian district of the provinces have tolerated a purely social-democratic government. A purely social-democratic government would have lost all influence upon the provincial governments; it would not have been able to prevent the breaking away of the provinces; it would have been powerless in face of the open resistance of the peasantry. Without a majority in Parliament, it would have had

recourse to dictatorial methods, and would thereby have inevitably provoked civil war, in which the revolution would have been submerged.

No government was possible without the representatives of the workers. No government was possible without the representatives of the peasants. A common government of the workers and the peasants was the only possible solution. It was incumbent upon the workers and peasants to come to an understanding in the government and to endeavour to rule together, if they were not within a short time to face each other in open civil war.

In the country the Christian Socialists were the mass party of the peasants. The peasant representatives, who formed the overwhelming majority of the Christian Socialist deputies, were under the influence of the powerful agitation that was surging through the peasantry. The divergent character of this movement determined the policy of the Christian Socialist representatives. Against the dictatorship of the proletariat they would have summoned the peasantry to civil war. Upon the basis of a radical, republican, anti-militarist and anti-plutocratic democracy they desired to co-operate with the proletariat. Quite different were the sentiments of the Christian Socialist deputies of the urban, especially the Viennese, bourgeoisie. To the bourgeoisie the revolution signified nothing else than the collapse of its domination in municipality and factory, and its subjection to the might of the workers. Consequently, its sentiments were openly of a counter-revolutionary character, and it was quite under the influence of monarchical circles : of the high clergy, the clerical nobility, the counter-revolutionary officers. While the Christian Socialist peasant representatives, in common with the Social Democrats, advocated the punishment of the

war crimes of generals and officers, the urban Christian Socialists adopted the rôle of protectors and defenders of these officers. In the debates upon the laws concerning the banishment of the Hapsburgs, the confiscation of their property, and the abolition of titles of nobility, peasant and urban Christian Socialists were often found in opposite camps. The influence of the Church was strong enough to prevent the split in the Christian Socialist Party which had been threatening for a time, but the division in the Christian Socialist Party was sufficiently marked to enable us to come to an understanding with its peasant Wing. The co-operation of the workers and the peasants found its parliamentary expression in the coalition of Social Democrats with the Christian Socialist Party dominated by its peasant majority.

But within this coalition the forces were by no means of equal strength. The powerful revolutionary movement among the workers put the peasantry on the defensive ; thus, within the proletarian-peasant coalition, the party of the proletariat was by far the stronger partner. This distribution of power within the coalition was reflected in the composition of the coalition Government which was formed on the 15th March, 1919. All the State offices which were concerned with the administration of the State were allotted to Social Democrats : Renner became Chancellor and Home Secretary ; Deutsch was Minister for War, and I was Foreign Secretary. Hanusch became Secretary for Social Welfare. I took charge of the Socialization Commission which was set up. With the formation of the first coalition Government the working class captured not indeed supreme power, but predominant power in the Republic.

CHAPTER IX

BETWEEN IMPERIALISM AND BOLSHEVISM

THE World War originated from the national struggles in the Hapsburg Monarchy. Even during the war the soldiers of Hapsburg fought each other in the Urals and in Siberia : Germans and Magyars under the Red, and Czechs and Jugo Slavs under the White Flag. When in October, 1918, the chains which had bound together the ten nations under Hapsburg's domination were broken, the greatest of all dangers was that the liberated nations would fight each other for the heritage of the Hapsburg Monarchy.

The old hatred of the Slav nations formerly concentrated on Vienna as the seat and centre of alien rule was now turned against the young Republic. The innocent Austrian proletariat received the legacy of the hatred of the neighbouring peoples which the guilt of the Austrian bourgeoisie had saddled upon the Austrian people. Not only in the autumn of 1918 but throughout the first half of the year 1919, we were constantly menaced with the danger of military embroilments with the Czechs and the South Slavs. Any of these military complications would have signified economic death, military collapse, and the disappearance of our independence. Economic death because the supplies of coal and foodstuffs would have stopped ; military disaster because our war-weary and disheartened people would have been confronted by

seasoned Czech legions and the Serbian armies elated with victory ; the disappearance of our independence because the war would have ended with the occupation of our country by foreign armies. To maintain peace with the neighbouring peoples was our most important task.

The old Empire had fallen. But its administrative apparatus had survived it. In Vienna there still existed central authorities and institutions which had to conduct business affecting the economic, legal, and military interests of the succession States. If we were to avoid conflict with the succession States, it was imperative to devise machinery which would assure the transaction of what common business remained with a minimum of friction. This was not effected without considerable trouble and heavy sacrifice. The Viennese Ambassadors of all the succession States were invited to a conference at the Foreign Office which lasted a week and which took over the direction of the common business that was left to be performed. The conference set up an international liquidation commission and appointed international plenipotentiaries for the individual liquidation ministries. This was a circumlocutory and expensive mechanism. But only this machinery made it possible to conduct the common administrative tasks without dangerous conflicts with the succession States and gradually to transfer the business to the administration of the national States.

The most serious conflicts arose out of the disputes over the boundaries of the new States. We claimed all territory containing a German majority in the population. We demanded that these districts should remain under our administration until the peace treaty had decided their political allegiance. We urged that

the question of disputed districts should be decided by a popular plebiscite under neutral supervision. These demands were rejected by the Czechs and Slavs. They attempted to take over by force the districts claimed before the signing of the Peace Treaty. First of all the Czechs proceeded to attack German Bohemia and the Sudetic district. Both of these districts were completely cut off from us. We could render them no assistance whatever, while the German Empire, upon which they might naturally have relied, was too severely harassed on its own account to intervene. Czech troops occupied German Bohemia and the Sudetic district between the 28th November and the 16th December, and had no difficulty in overcoming the resistance which was offered.

In spite of our complaisant attitude, the occupation of German Bohemia and the Sudetic region involved us in a series of grave conflicts with Czechoslovakia. Twice, at the beginning of December and again at the beginning of March, these conflicts nearly came to a head, and there were hours when we had serious reason to fear the danger of war. Thanks to the confidential personal relations, which had been formed during years of comradeship, between the Czech Ambassador Tusar and myself, and thanks to the support of the English and the American representatives in Vienna, we managed to avert these dangers.

But the heavy sacrifice we were compelled to make in the north and in the south in order to avoid the danger of war with the Slavonic neighbours did not suffice to preserve our peace. For the most serious danger of war did not proceed from the disputes about our boundaries in north and south, but from the effects ot the Hungarian Revolution upon our in-

ternal conditions—effects which threatened to implicate us in Hungary's war with her neighbour.

In Hungary as in Austria the October Revolution had established the predominance of the working class. But with much greater energy than in Austria the proletariat in Hungary strove to convert this predominance into supreme rule, into dictatorship. Austria could not exist without the supplies of coal and food from the Entente; Hungary had coal and food from within her own borders. Consequently, the Hungarian proletariat feared a conflict with the Entente much less than the Austrian proletariat did. In Austria the proletariat was confronted with a peasantry that was trained and organized by decades of political experience. In Hungary the peasantry was politically untrained and apathetic. The Austrian proletariat comprehended that it must share power with the peasants. The Hungarian proletariat believed it could without difficulty impose its dictatorship upon the peasants. In Austria the national revolution was the culmination of decades of national struggles; the Austrian revolution recognised the rights of neighbouring peoples to self determination. The Hungarian revolution, on the contrary, regarded the occupation of Slovakia by the Czechs, Transylvania by the Rumanians, the Bacska and the Banat by the Jugo Slavs, as annexations of a foreign conqueror, against whom it defended the integrity of historical Hungary. The fight for integrity was associated with the struggle for the dictatorship of the proletariat. In October, Hungary had hoped to save her integrity by overthrowing the ruling classes which had been the supporters of the alliance with Germany and summoning to power the democracy which was friendly with the Entente. But when the Entente promised Hungarian territory

to the Czechs, to the Rumanians, and to the Jugo Slavs, this faith in democracy was severely shaken. Hungary now threw herself into the arms of the communistic dictatorship in order, in alliance with Soviet Russia, to defend its integrity against the Entente. When on the 20th March, 1919, the French Captain Vyz handed to the Karolyi Government a note which pushed the line of demarcation far into Magyar territory, the Karolyi Government abdicated, and Social Democracy, conscious of its inability to withstand the communist onslaught, submitted to communist leadership. On the 21st March the Hungarian Soviet Republic was established.

In consequence of the boundary dispute, the Soviet Republic was immediately involved in war with Rumania and Czechoslovakia. Hungary needed war material and munition factories, and thought that she would find in Austria what she needed for the prosecution of the war. The Hungarian Soviet Government attempted therefore to enforce the establishment of a Soviet Republic in Austria, which, in alliance with the Hungarian Soviet Government, was to furnish war equipment.

But it was clear from the start that the proclamation of the Soviet Republic in Vienna would have meant an alliance of Austria with Hungary; the alliance with Hungary would have meant war with Czechoslovakia, the cessation of supplies of food and coal, and the march of Czech legions against Vienna.

Immediately after the March Revolution, the Hungarian Soviet Government turned to us. We did not refuse our support to the proletarian revolution in Hungary. While all the other States blockaded the Hungarian Soviet Republic, we made a trading agreement with it, which enabled Hungary to obtain a large quantity of the industrial products of Austria.

Without departing from our neutrality towards the Czecho-Hungarian War, we could not officially supply Hungary with war material, but many social democratic workers smuggled large quantities of arms over the Hungarian frontier. But all the assistance we were able to render the Hungarian proletariat was limited by the fact that we could not allow ourselves to be drawn into armed conflict with our other neighbours. We could support the Hungarian Soviet Republic, but we were obliged to prevent the proclamation of the Soviet Republic in Austria.

At first Bela Kun expected that Austrian Social Democracy would follow the example of Hungarian Social Democracy: unite with the communists and themselves proclaim the Soviet Dictatorship in Austria. As soon as he realized that we had no intention of doing so, he embarked upon a campaign against us. The Hungarian Embassy in Vienna became a centre of agitation. Large supplies of money came from Hungary to the Communist Party of Austria, which not only served to strengthen its propaganda, but which was also expended for the purpose of bribing trusted individuals among the workers and soldiers. The communist propaganda sought to persuade the workers that there were large supplies of food in Hungary which were sufficient to meet all the requirements of Austria, and that the armies of the Russian Soviet Republic had already penetrated into Galicia and would shortly cross the Carpathians to unite with the Hungarian Red Army. The fearful shortage which existed in Austria, the unemployment which reached its highest point in May, assured a fruitful soil to the communist propaganda, which gained in strength when the Soviet Republic was also proclaimed in Munich on the 7th April and when the Hungarian Red Army won an

important victory in May over the Czech troops in Slovakia.

The war of defence against communism was conducted within the workers' councils. During the first weeks which followed the October revolution the local workers' councils operated independently of each other, and their activities were concentrated upon controlling the deliveries of foodstuffs. Not until the spring of 1919 were the local workers' councils co-ordinated into a unified organization, which became the theatre of the decisive political struggles within the ranks of the proletariat and the instrument of its most important political decisions. The prime movers in this direction were the workers' councils of Upper Austria. In Upper Austria, the only district of Austria which contained abundant corn supplies, the economic activities of the workers' councils had attained their widest extension, and consequently the workers' councils in that province had gained considerable influence. The workers' council of Linz now took the initiative to effect the co-ordination of all local workers' councils.

A national conference of workers' councils was held on the 14th March, which drew up a uniform constitution for the councils and made arrangements for new elections to be held. These new elections, in which workers and employees and a large number of public officials took part, brought the councils increased authority and at the same time provided them with a political direction. This direction fell into the hands of Friedrich Adler, whose revolutionary attitude during the War had assured him the unbounded confidence of the revolutionary workers. It was under his leadership that the difficult struggle against communist enterprises was fought out in the workers' councils. Under his guidance, the workers'

councils came to perceive that an attempt to establish a Soviet dictatorship in Austria under existing circumstances would have signified nothing less than the suicide of the Austrian revolution. The Soviet dictatorship was impracticable because the Soviets, that is, the councils, themselves repudiated dictatorship.

The struggle in the soldiers' councils was even more severe than the contest in the workers' councils. The communist propaganda exercised a strong influence upon the battalions of the *Volkswehr*. But here the issue was decided by the revolutionary authority of the workers' councils. The soldiers' councils resolved that the *Volkswehr* should regard itself as the armed power of the working class, and consequently submit to the political direction of the workers' councils.

Our activities in the workers' and soldiers' councils kept the masses away from the communists. The communists then attempted to stir up the more unstable among the unemployed and the demobilized and disabled soldiers to armed collision with the State power, in order to incense the masses against the Government of the Republic. On the 18th April, a few days after the establishment of the communist dictatorship in Munich, the communists provoked a few hundred hungry, ignorant, and despairing unemployed and disabled men to make an attack on the parliament buildings.

The demonstrators attempted to set the parliament buildings on fire, and when the police proceeded to obstruct them, shots were exchanged. The *Volkswehr* was called out. It did its duty in spite of the communistic agitation. It occupied the parliament buildings and ejected the demonstrators. About fifty persons were killed and wounded in the affray. At

the same time the incident threw a ghastly light upon the terrible privation which existed in Vienna. The demonstrators threw themselves upon the fallen horses of the police, tore out pieces of flesh from the still warm bodies of the dead animals, and carried them home as delicacies which had not been enjoyed for a long time. The most important lesson of the day, however, was the attitude of the *Volkswehr*. It was demonstrated that the communist agitation in the *Volkswehr* barracks had been ineffective.

The communist agitation was now more vigorously than ever directed to the *Volkswehr*. A welcome opportunity to this end was provided by the Entente. The inter-Allied Armistice Commission demanded the reduction of the *Volkswehr*, as the number of our soldiers was above the maximum prescribed in the Armistice agreement. At this time of widespread unemployment, the soldiers feared dismissal from the *Volkswehr*, and the communists endeavoured to utilize their resentment to gain their support for an attempted insurrection. In the last fortnight in May, Ernst Bettelheim came to Vienna as an emissary of the Hungarian Soviet Government, and as a representative of the Communist International, in whose name he removed the party executive and set up in its place a directory which was to organize the insurrection. As the inter-Allied Commission demanded that the reduction of the *Volkswehr* should take effect on the 15th June, Bettelheim fixed this day for the insurrection. Communist leaflets urged the militiamen to come armed to the street demonstration which was to be held on the 15th June. The communist "revolutionary soldiers' committee" gave instructions for street fighting and the occupation of public buildings to the "initiative committee" of the battalions. At the same time the Communist Directory

received an intimation from Bela Kun that the Hungarian Transdanubian corps would occupy the Austrian frontier on the 14th June, and that several detachments would cross that frontier on the following day.

We were aware of these preparations, and on our guard. On the 12th June I informed the military mission of the Entente that we were not in a position to carry out the required reduction in the strength of the *Volkswehr*. The Entente, which feared the spread of Bolshevism to Vienna, acquiesced in this refusal of its demands; consequently the militiamen were saved from the danger of dismissal which was driving them into the arms of the communists. On the 13th June, the newly elected Vienna district workers' council met for the first time. After hearing a report from Friedrich Adler, the district workers' council resolved that only itself was justified in directing the action of the Vienna workers: the projected insurrection of the communists was therefore declared to be an infraction of the revolutionary powers of the workers' council.

Impressed by our precautions, the communists themselves were irresolute on the 14th June. A section of the communist leaders opposed the projected rebellion. But on the 14th June, Bela Kun telegraphed to the Vienna Directory: "I have everything ready: the success of the affair is a matter of life and death." As all indications pointed to the fact that the contemplated insurrection was not abandoned, the communist leaders were arrested on the evening of the 14th June.

On the 15th June a crowd of several thousand communists made its way to the prison in order to release the leaders. Passage was barred to the demonstrators by detachments of police. When the

demonstrators attempted to break through the ranks of the police, the latter made use of their rifles. Twenty dead and eighty wounded were left lying on the ground. The demonstrators streamed back; several battalions of the *Volkswehr* which had occupied the Ring Strasse maintained order and prevented any further collisions. In the meantime, the communists tried to bring into action the communist battalion No. 41 of the *Volkswehr*. The soldiers' councils offered strenuous opposition to this step, and with revolvers in their hands, prevented the communist militiamen from leaving the barracks. In this way, the danger of an armed collision in the streets was averted. The imprisoned communist leaders could now be set free, and order was restored in the barracks. The attempted insurrection was nipped in the bud.

At first the communists believed that they would be able to repeat the attempt. The second national conference of workers' councils which was held on the 30th June was the occasion of a great debate with the communists. But in the meantime, the strength of Hungarian communism had begun to ebb. In deference to an ultimatum from Clemenceau, Bela Kun had withdrawn the Red Army in Slovakia to the line of demarcation. In Inner Hungary increasing economic difficulties, increasing discontent among the workers, and increasing resistance on the part of the peasants showed themselves. On the Theiss, Roumania was preparing to attack. The unmistakable decay of the Hungarian Revolution weakened its outposts in Austria. The incidents of the 15th June accentuated the antagonisms within the Communist Party. It dared not make a second attempt. When the Hungarian Soviet dictatorship collapsed on the 1st August, and was followed by bloody counter-

revolution, the Austrian workers had a clear vision of the fate from which Social Democracy had saved them.

The campaign of resistance to Bolshevism in Austria was not a class struggle between the bourgeoisie and the proletariat, but a struggle within the working class. The bourgeoisie tried later to twist the course of events so as to make it appear that the police had saved Vienna from communism. This is a foolish legend. On the 15th June it was not the police, but the *Volkswehr* which restored order.

If the workers' and soldiers' councils had declared for dictatorship, we should have had control over the organized and armed forces of the working class, to which the bourgeoisie could have offered no resistance, and in face of which the police would have been completely impotent. It was only during the struggle within the workers' and soldiers' councils that the onslaught of Bolshevism was beaten off. And this struggle within the working class was decided not by arms, but by the clash of minds. But this victory over Bolshevism meant that the Austrian Revolution was asserting itself. Had Bolshevism been triumphant even for a day, the inevitable consequences would have been famine, war, and the occupation of the country by foreign troops.

The entire history of the Austrian Revolution from October, 1918, until July, 1919, is the story of its struggle to preserve peace. We were obliged so to conduct our discussions with Czech and Yugo Slav nationalism as to avoid war with either of the neighbouring peoples. We had to repel the onslaught of Hungarian Bolshevism that we might not be involved in war with the neighbouring peoples. The imperative necessity of maintaining peace imposed heavy sacrifices upon the national and social revolution.

It was our business not merely to avoid the outbreak of new wars, but to liquidate the Great War. The period of our contests with Slav nationalism and Magyar Bolshevism was also the period of our peace negotiations with Entente imperialism. The maintenance of peace with the neighbouring peoples saved our national existence; thanks only to the maintenance of peace we were able to conduct the peace negotiations with the Entente as an independent State. But the sacrifices which we were obliged to make to purchase peace with the neighbouring peoples and the appalling misery of our existence as an independent State in this first year after the Armistice, had demonstrated that Austria could only survive in a condition of bitter distress, in abject dependence upon foreign countries, and in impotence before the neighbouring peoples. This experience was bound to determine the trend of our negotiations with Entente imperialism.

Our most important aim in the peace negotiations had to be the assertion of our right to union with Germany.

When the Provisional National Assembly, on the 12th November, proclaimed Austria to be a constituent part of the German Republic, we had hoped that it might be possible actually to effect our union with Germany without waiting for the peace negotiations, and thus confront the Peace Conference with a *fait accompli*. But we were soon made aware of the opposition we should have to encounter. France immediately raised an energetic and menacing protest. In Germany itself fears were entertained that the incorporation of Austria would jeopardize large slices of German territory in the West and in the East of the *Reich*. France wanted the Rhine frontier, Poland wanted Dantzig, West Prussia, and Upper

Silicia. As it was improbable that the lost war would be allowed to end with a substantial increase in the population of the German *Reich*, Germany feared she would have to pay for the incorporation of Austria with the loss of the territories coveted by France and Poland.

In our own country it was apprehended that at the moment we actually attempted to effect union, France would instigate the Czechs and the Yugo Slavs to occupy Austrian territory. Thus it seemed much too risky to carry out union at one stroke.

I concluded with Count Brockdorff-Rantzau, the German Foreign Minister, an agreement as to the conditions upon which the incorporation of Austria into the *Reich* would be effected, in the event of the Peace Treaty not placing any obstacle in the way. This agreement was extremely favourable to Austria. Had it been possible to publish it, the provisions would have had the effect of giving a powerful impetus to the unity movement in Austria. But publication did not seem advisable at the time, because it might have unfavourably influenced the peace negotiations.

The decision about union had to be left to the Peace Conference and the Peace Treaties. Consequently, our most important duty was to influence the Peace Conference in such a manner that it would place no obstacle in the path to unity.

In the last years of the war the Austrian problem had been discussed with some animation in the Allied countries. The Conservative parties were mostly of opinion that the Hapsburg Monarchy should not be destroyed, but should be transformed internally. Placed under Slav leadership, it could become a link in the iron ring which the Entente desired to place around Germany. On the other hand, the democratic

tendencies favoured the recognition of the rights to self-determination of the Czechs, the Poles, and the Jugo Slavs. The idea that the dissolution of the Hapsburg Monarchy would be followed by the union of Austria with Germany was by no means foreign to the public opinion of the Entente countries. In our struggle for unity we might therefore count upon the support of an influential body of opinion in the victorious countries.

On the 21st September, 1918, and therefore before the collapse of the Central Powers, Robert Lansing, the American Foreign Secretary, drew up a memorandum upon the peace problems for the private use of the American Government. It provided for the dissolution of the Hapsburg Monarchy, the establishment of independent national States of Czechs, Jugo Slavs, and Poles, and contained the following proposal concerning the remainder of Austria :

" The reduction of Austria to its old frontiers and the status of a Grand-Duchy. The incorporation of the Grand-Duchy within the Federal State of the German Empire."

Of course, this memorandum was not known to us at the time, as Lansing only published it in 1920. But we could appeal to the United States not only upon the ground that Wilson's declarations, upon the basis of which the Armistice had been concluded, promised us the right to self-determination ; we knew also that before Austria had adopted unity as its aim, influential statesmen of the United States had recognized the union of Austria with Germany to be a necessary consequence of the dissolution of the Hapsburg Monarchy.

Nor did we anticipate any opposition to union from Italy. Italy regarded the dissolution of the Hapsburg Monarchy as the proper achievement of her

victory. She feared nothing more than its restoration under the title of a "Danubian Federation." The more Italian antagonisms towards Yugo Slavia and towards France developed in the course of the Paris Peace Conference, the stronger the body of opinion in Italy became which regarded our union with Germany as an Italian interest.

In England there was much less support for the idea of unity. The idea that Germany's defeat should end with an increase of the population of the *Reich,* was distasteful to English policy. The obscure projects for a federation of the succession States found most supporters in England. Nevertheless it did not seem inconceivable that England would eventually refuse the French demand to insert in the Peace Treaty a provision which forbade union. In March and April, the antagonism between England and France at the Paris Peace Conference was at its height.

The Hungarian March Revolution had made a strong impression on Lloyd George; he feared that Germany too, threatened by an unacceptable peace, would throw herself in the arms of Bolshevism. On the 25th March, 1919, Lloyd George handed the Paris Conference a memorandum, later published by Nitti, which gave warning of the danger of "Spartacism from the Urals to the Rhine." "Yet the news which came from Hungary yesterday," wrote Lloyd George, "shows only too clearly that this danger is no fantasy. And what are the reasons alleged for this decision? They are mainly the belief that large numbers of Magyars are to be handed over to the control of others." For this reason Lloyd George protested against "more Germans than was absolutely necessary" being handed over to the Czech and the Polish States. Were we not justified

in hoping that England at least would support the union of German-Bohemia with Germany? "If we are wise," wrote Lloyd George, "we shall offer Germany a peace which, while just, will be preferable for all sensible men to the alternative of Bolshevism."

At that time the Entente feared the spread of Bolshevism from Hungary to Austria; was it inconceivable that Lloyd George was trying to arrange for us a peace which would allow us to effect union, so that we should prefer this peace to a national Bolshevist rebellion against the Entente? "Our terms," wrote Lloyd George, "may be severe, they may be stern and even ruthless, but at the same time they can be so just that the country on which they are imposed will feel in its heart that it has no right to complain." Was it inconceivable that England, even if unable to rebut the claims of French and Polish imperialism, would at least endeavour to offer Germany some compensation in the South?

For the above reasons, we did not regard it as hopeless to induce the United States, Italy, and Great Britain, to refuse their assent to the insertion in the Peace Treaty of a provision against union. That our appraisal of the policy of the three Great Powers was not inaccurate has not only been proved by the subsequent publication of Lansing's and Lloyd George's memoranda, but by Tardieu's *History of the Peace Negotiations*. "France," relates Tardieu, who was Clemenceau's most confidential minister at the Peace Conference, "France insisted that Austria must remain apart from Germany. Great Britain and the United States hesitated and discussed this question for three months."

Three months! What could we do in these three months during which the fate of Austria was being

decided, in order to influence the decision? We were excluded from the conference of the victorious powers which was meeting at Paris. We had only one weapon: that of propaganda. We had to convince the statesmen of the Entente powers that Austria, thrown back on herself, was incapable of life; that a federation of the succession States was bound to break down over the opposition of Czechoslovakia and Yugo Slavia; and that, consequently, union with Germany was the only possible way to avert the complete economic collapse of Austria and severe social convulsions and serious danger of war in Central Europe.

But our attempt to convince the victorious powers of the economic necessity of union and of the unanimous desire of the Austrian people was defeated by the opposition of the Austrian bourgeoisie.

The severe social convulsions which Germany had experienced in the winter of 1918-1919 frightened our bourgeoisie. The latter feared that Germany would fall a prey to Spartacism. This general fear of social revolution entertained by the bourgeoisie was bound up with the special interests of the capital. The chief anxiety of the great banks was to safeguard their property in the succession States. They believed that Vienna would remain the centre of banking and of exchange for the succession States, if Austria stood alone; that the Entente would liquidate their branches and properties in the succession States, if Austria went over to Germany. Similar fears were entertained by the great industrial magnates.

With the economic class interests of the capitalists were allied the political class interests of the dethroned aristocracy, the high clergy, the officers' corps robbed of their privileges and their vocation. These classes still hoped for a restoration of the

Monarchy. Union with Germany would have meant the burial of their hopes for Hapsburg's return.

The economic opposition of the capitalistic class and the political opposition of the monarchists awoke the old Austrian traditions to new life. The old Viennese patriciat and the Viennese lower middle class would not believe that the great Austria of old had gone for ever. They began to agitate against our foreign policy.

The provinces made their own foreign policy. The Christian Socialist deputies of the Tyrolese Diet protested against the reaffirmation of the unity resolve. In Vorarlberg a plebiscite was taken which resulted in the casting of 47,208 votes in favour of union with Switzerland, against 11,248 votes in favour of union with Germany.

The opposition to our foreign policy offered by the forces above described was utilized by French imperialism for its own ends. French propaganda sought systematically to create the impression that if only Austria renounced the project of union with Germany, she would be allowed to retain the disputed districts in the Tyrol, Carinthia and Lower Styria, in South Bohemia and South Moravia, and would be offered peace conditions of a far more favourable economic character than would be offered to Germany.

Our propaganda, which was directed to win the support of the United States, Italy and Great Britain for union, was paralyzed by this internal opposition. The French statesmen were able to answer us that the leading men of Austria, the bankers and the industrial magnates, daily assured the Entente diplomats at Vienna that Austria did not need union, and could get along pretty well by herself, provided the peace conditions were relatively favourable.

On the 7th May the draft peace treaty which the Entente proposed to dictate to the German Empire was handed to the German Peace Delegation. Its terribly harsh peace conditions immediately became a weapon in the hands of our native opponents of union. If union were carried out, Austria would be obliged to pay a portion of the terrific war indemnity which the victors were imposing upon Germany. At the same time the Versailles draft treaty shattered the hopes of the advocates of unity. Article 80 of the draft treaty imposed on Germany the obligation to recognize the independence of Austria, and to regard it as unalterable, unless the Council of the League of Nations assented to an alteration. The inclusion of this provision in the draft treaty seemed to indicate that the time of hesitation and discussion within the Entente was over. As Keynes relates, the discussion ended with one of those characteristic compromises between Clemenceau and Wilson, between the coercive policy of France and the democratic ideology represented by the American President, in which a victory for imperialism was couched in democratic phraseology. Union was not summarily prohibited, because such a prohibition would have infringed the principle of the right of peoples to self-determination, but the exercise of the right to self-determination was bound up with the consent of the Council of the League of Nations, and thereby made actually impossible. "And who knows," opines Keynes, "but that the President forgot that another part of the Treaty provides that for this purpose the Council of the League must be unanimous."

Under the influence of this decision, our delegation, led by Renner, travelled to Saint Germain for the peace negotiations. On the 2nd June the first draft of the Peace Treaty was handed to the dele-

gates. It was a terrible document. The Entente promised German-Bohemia, the Sudetic region, the Bohmerwaldgau, the Znaimer Kreis and the frontier district of Lower Austria to the Czechs, German-Tyrol to the Italians, the greater part of Carinthia, including its capital of Klagenfurt and the German towns of Lower Styria, to the Yugo Slavs. Equally harsh were the economic provisions of the draft. They were simply a copy of the German Peace Treaty; the property of Austrian citizens in the succession States was sequestrated in the same way as the property of Germans in England, and the debts of Austrian citizens to citizens of the succession States were to be appraised in the same manner as our debts to France or Italy.

These fearful conditions created in Vienna a sentiment in favour of capitulation. A clamour arose that we ought expressly to renounce union in order to purchase less onerous peace terms. I had to fight against this sentiment. For in the draft of the 2nd June there was no mention of union at all. This gave room for the hope that the victors, in deference to the objections of the German Peace Delegation, might omit clause 80, or at least modify it by substituting a majority decision of the Council of the League for an unanimous decision. In the course of my speech in Parliament, with which I answered the draft treaty of peace, I said: "The draft treaty dispels the melancholy illusions of those who seek salvation in separation from Germany. Our people are more firmly convinced than ever that only in the framework of the great German Republic can they find a tolerable future."

French diplomacy perceived that the bourgeois parties and the bourgeois press were dominated by the idea of capitulation, and that I had set my face

against such an idea. It therefore commenced a personal campaign against me. This campaign was conducted not only in the Parisian press but also in the bourgeois press of Vienna. I was not only Foreign Secretary, but also President of the Socialization Commission. The bourgeois press aimed at the Foreign Secretary in order to hit the President of the Socialization Commission. Thus it lent itself completely to the purposes of the campaign organized by the French Mission.

Our conflict with French diplomacy was rendered more acute through the intervention of other factors. Since the Hungarian March Revolution, France had endeavoured to unite all of Hungary's neighbours in a campaign against the Hungarian Soviet Republic. She mobilized not only Rumania, Czechoslovakia and Yugo Slavia against Hungary, but also sought to draw us into this coalition. It was our duty to resist this demand. If we had to prevent the Austrian proletariat from being contaminated by Hungarian Communism, this was a struggle within the ranks of the proletariat; against the capitalist powers Red Hungary had claims to our support. The Austrian proletariat would not have tolerated any other policy. Hostility on the part of Austria to Soviet Hungary would have had no other result than an insurrection of the Austrian workers and an invasion of the Hungarian Red Army. Austria could not link up with the hostile ring with which the Entente was surrounding Red Hungary.

Since the March Revolution we had rendered various forms of economic assistance to Hungary. This had already led to friction with the Western Powers. But this conflict did not become serious until the Hungarian Red Army defeated the Czech troops in Slovakia in May and reconquered a great

part of Slovakia. Czechoslovakia was in dire straits. She could not equip the new formations which she despatched against the Red Army. France demanded that we should assist the Czechs with arms and ammunition from our depôts. This we declined to do. Then France presented us with an ultimatum; if the deliveries of munitions were not commenced by the 6th June, the coal trains from Czechoslovakia would be stopped. We were not intimidated by this threat; at that time the Entente was so afraid of the invasion of Bolshevism into Austria that it would not have dared to provoke an economic catastrophe in Vienna. The war material was not delivered.

In Vienna a certain jealousy existed between France and Italy. In our conflict with France we sought Italy's support. Italy was not so hostile to our union policy as was France. Italy, too, had no objection to our Hungarian policy. Dominated by her antagonism to Jugo-Slavia, Italy had always regarded the Magyars as future allies against the Jugo-Slavs. First of all we attempted to interest Italy in our frontier dispute with the Jugo-Slavs. In this we were successful. Italy supported our claims to Carinthia, Marburg, and Radkersburg. All that stood between Italy and ourselves was Italy's claim to German South Tyrol. We had to try to bridge this antagonism in order to secure for ourselves the support of at least one of the great powers at the Peace Conference.

In the London Agreement of the 26th April, 1915, Great Britain and France promised to the Kingdom of Italy the South Tyrol as far as Brenner, provided Italy came into the war against the Central Powers. But the United States was not a party to this agreement. And, after the war, Italy herself brushed the

London Agreement on one side by demanding Fiume, which the London Agreement had allotted to the Jugo-Slavs. It was not too much to hope that the London Agreement might be revised, especially when the quarrel over Fiume led to an open breach between Italy and the other allies. But when the Italians returned to Paris on the 5th May, it was manifest that the Tyrol could no longer hope to be saved through the Western Powers. The only hope lay in direct negotiations with Italy.

This was what we attempted to do in May. Italy based the annexation of German South Tyrol upon strategical arguments. We therefore proposed to the Italian Government that German South Tyrol, while remaining with Austria, should be demilitarized. We offered economic concessions to Italy as the price for renouncing German South Tyrol. The Italian Government kept us waiting a long time for an answer. Not until July were we informed that our offer was rejected. Italy had been worsted at the Peace Conference in the struggle over the Adriatic and the Levant, and could not resolve to forego another portion of the war booty promised her at Paris.

Our position then became very difficult. We were at loggerheads with France. We could not reach an understanding with Italy. Our union policy was opposed by a great section of the Christian Socialist Party, which was sharing the government with us, and the whole of public opinion represented by the capitalist press.

And yet that period in our foreign policy so beset with difficulties and conflicts was crowned with the greatest success. On the 20th July our peace delegation at St. Germains was handed the second draft of the Peace Treaty. This second draft represented

considerable progress in comparison with the draft of the 2nd June. The first draft treaty had promised the largest part of Carinthia, including its capital, to the Jugo-Slavs. The second draft revised this decision. The Carinthian people were now by a free vote to decide upon their political allegiance, as we had advocated from the first. Thus the greatest part of Carinthia was saved to Austria. On the 31st July, 1919, Klagenfurt was evacuated by the Jugo-Slavs at the behest of the Supreme Council at Paris. On the 10th October, the Carinthian people voted in favour of the Austrian Republic. This great success was the result, on the one hand, of the brave struggle of resistance of the Carinthian people, and, on the other hand, of the support given by Italy at the Peace Conference.

The second draft also brought liberation to the Burgenland. The national States of the Czechs and the Jugo-Slavs had put forward a demand that the Hungarian districts of Odenburg, Wieselburg, and Eisenstaat, inhabited chiefly by Germans, should form a corridor between the Czechoslovak and the Yugo-Slav States. While the victorious powers rejected our proposal that the fate of Western Hungary should be decided by a plebiscite, the draft of the 20th July allotted the greater part of this district to us, and the smaller part to Hungary. At a time when large German districts in the West, the North, and the South were being put under alien rule, we succeeded here in liberating a German race from alien rule. The Entente came to this decision in the weeks when the Austrian working class was repelling the onslaught of the Bolshevist forces mobilized by Hungary. The Entente desired to strengthen our position against Bolshevism by holding out the prospect of compensation in the East, at

the cost of Bolshevist Hungary, for our great losses in the North and South.

Finally, the second draft treaty brought us a substantial improvement upon the economic conditions contained in the first draft. This very important success was one of the fruits of our campaign for union. In opposition to our contention that Austria, thrown back upon herself, was incapable of living, French imperialism had constantly promised that Austria would be given a chance to live through more favourable economic provisions in the Peace Treaty.

But important as this progress was, it went without saying that the efforts we were making to effect improvements had to be continued.

To this end a change in tactics now appeared necessary. We were in conflict with France for two reasons : firstly, owing to our adherence to the idea of union, and, secondly, owing to our refusal to be drawn into the coalition against the Hungarian Soviet Republic. The march of events had cleared both causes of conflict out of the way. French enmity could be far more dangerous to us when Bolshevism had collapsed in Hungary than it could be so long as the fear that Bolshevism might invade Austria had set definite limits to French hostility. Thus we had now to make an attempt to incline France more favourably towards us. After the second peace treaty was handed to our delegation, Renner and I met in Feldkirch, where we arranged the change in tactics. Of course, I could not be the medium of this endeavour to effect a *rapprochement* with France, as my personal conflict with French diplomacy had been too acute, so I tendered my resignation, and on the 26th July the National Assembly entrusted the direction of the Foreign Office to Renner, whose uniformly skilful conduct at St. Germains had considerably

strengthened his position in Austria, and also gained sympathy for him in France.

The success of this change in tactics was shown when the third and definitive text of the Peace Treaty was handed us on the 2nd September. To be sure, the third draft contained fewer improvements of far-reaching importance than the second. Our approach to France yielded us less than we had attained at the time of our conflict with France. But this did not impugn the necessity of our July change of tactics. It only proved that after the signing of the Peace of Versailles and the collapse of the Hungarian Soviet Dictatorship, there was less to be gained than formerly. Nevertheless, the third draft gave us back Radkersburg, and brought us a not inconsiderable improvement in many of the economic stipulations of the Peace Treaty. On the other hand, the Entente inserted in the third draft article 188, which required us to consider our independence as inalienable, so long as the Council of the League withheld from us permission to effect union with Germany.

Thus in our struggle for union with Germany we were worsted. Nevertheless, this struggle was by no means ineffectual. At the moment when old Austria crumbled to pieces, it afforded the new Republic a new national ideal, which gave soul, purpose, and will to the body of the Austrian people, bleeding from a thousand wounds. This national ideal powerfully consolidated the young Republic. Union would have made the restoration of the Hapsburgs impossible; the national ideal won large sections of the middle class to the republican idea. This national ideal reconciled the Austrian bourgeoisie to the downfall of its old empire, and gained its support for the principle of the right of peoples to self-determination. This principle did not merely signify to the bourgeoisie the

collapse of its rule over other peoples, but also the claim to effect union with its own people. Thus this national ideal made it possible to base the entire foreign policy of the young Republic upon the absolute recognition of the right of the neighbouring peoples to self-determination, and thereby steer clear of all those confusions in the struggle for "integrity" which had driven the Hungarian Revolution into such fatal courses. Above all, our campaign for union was our most potent weapon against Entente imperialism. The fear that our contention might prove true that Austria, thrown back on herself, could not live, impelled the Entente to grant us milder peace conditions and economic assistance. But, however fruitful was the campaign for union, in spite of its eventual defeat, it must not be forgotten that this defeat was a serious matter. Forcibly torn out of the great economic sphere whose centre Austria had formed, without sufficient strength to effect with its own resources adaptation to the new conditions of life, the young Republic was doomed to lead an independent life that could only be a life of bitter need, of abject dependence upon the foreigner.

The Peace Treaty of St. Germains was the result, on the one hand, of the bourgeois national revolution of the Slav nations, and, on the other hand, of the victory of Entente imperialism. As a result of the national revolution, it freed Czechs, Jugo Slavs, and Poles from alien rule, and established bourgeois democracy upon the ruins of the machinery of domination transmitted from the epoch of feudalism and absolutism. But as a consequence of the victory of Entente imperialism, it falsified and distorted all the results of the national revolution. Instead of a Czechoslovak national State, it created a nationality State in which millions of Germans, Magyars, Poles,

and Carpatho-Russians were subjected to the rule of the Czech bourgeoisie.

It was the fear of the Entente bourgeoisie at the spread of the social revolution that was responsible for the Czech State overflowing the national frontiers of the Czech people. As it had millions of citizens whom it can only rule by force, it was compelled to assimilate all the vices of a militarist State, and its power, although directed against the subject nationalities, served also to repress the working class of the dominant nation. The saying that used to apply to the Germans now applies to the Czechs. They cannot become free themselves so long as they refuse freedom to the neighbouring peoples. And what applies to the Czechs also applies to Poland, which sprawls far beyond the national frontiers of the Polish people. Aggrandized at the expense of Russia and Germany, thereby incurring the enmity of both these great neighbouring peoples, Poland is forced to become a tool of French imperialism against the German Republic and the Russian Revolution. It applies also to Jugo Slavia, where Serbian militarism reigns instead of the free federation of the South Slav races.

But Austria is the victim of this violation of the national revolution by imperialism. The Peace Treaty robbed the Republic even of its name. In the October days, in the days of the triumph of the right of peoples to self-determination, we adopted the name of German-Austria. The name was intended to convey our desire to unite the German districts of the Hapsburg Monarchy into a free community. The Peace Treaty compelled us to rechristen the Republic with the old name of Austria. The Peace Treaty robbed our Republic of districts inhabited by more than three millions of Germans; a third of the German-Austrian people fell under

alien rule. As for the remainder, the Peace Treaty not only refused them the right to self-determination, the right to union; it imposed on them economic burdens which must make an involuntary political independence doubly hard to support.

This violation of the revolution by imperialism determined the further course of the revolution in Austria. The victory of the Entente armies in October had unchained the peoples of the Hapsburg Monarchy and thus cleared the way for the predominance of the working class in Austria. During the first months after the victories of the Entente armies, this predominance was not only a reflection of the strength of the classes inside the country, but a necessity of foreign politics. Not the bourgeois parties, which up to the last hour had clung to the system of domination of the Hapsburg Monarchy, but only Social Democracy, which had championed the right of peoples to self-determination against this system of domination, could, after the fall of Hapsburg, lead Austria along the paths of her new foreign policy, based on the right of peoples to self-determination. Nor could the bourgeois parties, after hailing the ultimatum to Serbia at the beginning of the war and calling for the brutal suppression of Czech traitors during the war, gradually disarm the hatred of the neighbouring peoples and gain their confidence in the young Republic. Again, it was Social Democracy alone which was able to repel the onslaught of Hungarian Bolshevism. The overriding necessity of maintaining peace with the neighbouring peoples rendered the leadership of Social Democracy imperative during the first months after the October Revolution. But this leadership was undermined in the course of 1919 by the progress and the incidents of the peace negotiations with the Western Powers.

When French imperialism sought to draw Austria into the iron ring around the Hungarian Soviet Republic, Social Democracy was the obstacle to this design, while the reactionary elements among the bourgeoisie promised to become a pliant tool. When French imperialism wanted to crush Austria's desire for union with Germany, Social Democracy put up a fight, while the Christian Socialists and the liberal bourgeoisie did the work of imperialism. The entire influence of French imperialism in Vienna now began to operate in favour of the bourgeois reaction against Social Democracy. When French Imperialism with the weapons of its Rumanian vassals, overthrew the Hungarian Soviet Republic, and the counter-revolution was set up in Hungary under the protection of its Budapest missions, the Austrian bourgeoisie was freed from its fear of the social revolution, and its self-confidence and powers of resistance were rapidly strengthened. When French imperialism triumphed in the Paris peace negotiations over the democratic ideas which the Entente had used as a weapon in the war, when Entente imperialism dictated a brutal peace of force to Germany and Austria, many intellectuals, officials, and members of the lower middle class in Austria turned away from Social Democracy. In the autumn of 1918, in the days of the greatest triumph of Entente democracy, they were attracted by the democratic idea and by Wilson's principles and flocked into the ranks of Social Democracy. Now, when Wilson proved to be ambiguous and impotent, when Entente democracy proved to be the concealing mask of Entente imperialism, their faith in democracy was shattered, and they quickly relapsed into their old reactionary ideas. When, finally, the economic menace contained in the draft treaties depressed the

krone from week to week, when this depreciation of our currency was reflected in dear living in Austria, which pauperized the little *rentiers*, the officials, and the intellectuals, while affording an opportunity to boundless profiteering, the discontent of the economically untrained masses did not turn against Entente imperialism, which had caused this currency depreciation, but against the government led by Social Democracy, which was unable to prevent the consequences of the currency depreciation. In this manner was the predominance of the working class in Austria undermined by Entente imperialism. If the victory of the Entente armies in the autumn of 1918 unchained the revolution, the victory of Entente imperialism over Entente democracy at the Paris Conference of 1919 set immovable limits to the further development of the national and social revolution in Central Europe, thus breaking the power of the revolution and preparing the way for the bourgeois reaction.

On the 17th October, 1919, the Constituent National Assembly had to ratify the Peace Treaty of St. Germains. On the same day the first coalition government resigned and the second coalition Government was appointed. The second coalition Government was of quite a different character from the first. The day on which the Treaty of St. Germains had to be ratified was the day when the proletarian predominance in Austria ended.

CHAPTER X

THE REVOLUTION IN THE FACTORIES

THE revolution inflicted a severe blow upon the capitalist mode of production. Industry had been organized to satisfy the requirements of war. When the war was over, the machines suddenly came to a stop. Industry had drawn its dynamic energy from the coal mines of Silesia, Moravia, and Bohemia; when supplies of coal ceased to come from Czecho-slovakia, the furnace fires died out. Labour discipline in the war industries had been based upon military obedience. When the revolution ejected the military foreman from the factories, all the bonds of factory discipline were loosened. For four years the war-power had exacted boundless overwork from under-nourished workers. When the war-power was broken, the exhausted and over-tired nerves and muscles refused to function.

The condition of disintegration into which the whole of capitalist production had fallen undermined belief in capitalism. In Russia the whole of industry had been nationalized and the great agrarian transformation completed in the course of the year 1918.

In November, 1918, the Socialization Commission commenced its work in Germany. In the stormy winter of 1918-1919, the German Government continued to announce officially that socialization was "on the march."

In the spring of 1919 the Hungarian Soviet Republic socialized the whole of industry. In an elemental and stormy movement the Austrian workers also demanded the right of self-determination in industry. In isolated cases—such as the Donawitz Works of the Alpine *Montangesellschaft* on the 7th April, 1919—the workers deposed the managers and elected a committee to run the undertaking.

The faith of capitalist society in itself was undermined. During the war capitalist production had been organized in compulsory associations under the power of the State. Was it not now incumbent upon the working class to enter into the heritage of the military power, in order to develop upon socialist lines the great structures of organization which had served the purpose of the war? The finances of the vanquished States had fallen into a condition of decay, which it did not seem possible to overcome by the ordinary means of taxation. Was it not inevitable that the State should sequestrate a great portion of accumulated private property, to enable it to put its house in order? Even the bourgeois world perceived the advent of a "new economic order." University professors wrote treatises upon socialization as the task of the hour. In Vienna as in Berlin, in Leipzig as in Munich, they placed themselves at the disposal of the socialization commissions, elaborated socialization projects, and not seldom taunted Social Democracy with its lack of ardour in tackling this great task. Within a few months a whole literature about socialization sprang up. It was the ideological reflection of the profound economic shock which the capitalistic social order had suffered during the war and the revolution. Although very little was realized of the manifold projects which competed with each other in the socialization literature of

the first months of the revolution, yet that severe economic concussion reflected in the socialization literature created practical needs urgently requiring satisfaction, which actually transformed in a most essential degree the capitalist mode of production and introduced in it quite new elements, the nucleus of the socialist organization of the future.

In the period of the October Revolution, Ferdinand Hanusch took over the direction of the State department for social welfare. Working in the closest co-operation with the Trade Union Commission, he transformed the State department into an executive organ of the trade unions. With equal circumspection and energy, he proceeded to satisfy the practical needs of the time.

The first problem to be attacked was the question of demobilization. The shattered industry could not absorb the masses of workers returning home from the Front or thrown on the streets by the idle war industries. The immediate task was to facilitate the return of the unemployed to the factories. On the 4th November, 1918, the Political Council issued two executive instructions, one of which regulated the organization of labour exchanges, while the other created district industrial committees, composed of an equal number of labour and employers' representatives, which were to organize and supervise the labour exchanges.

In the industrial district committees Hanusch created local agencies of social administration, which were able very soon to extend their sphere of influence far beyond their original mandate. Two days later, on the 6th November, followed the executive instruction regarding unemployment benefit. Hitherto the State had left the support of the unemployed to the trade unions and the Poor-Law.

Now it guaranteed each unemployed person assistance from State resources. But it soon became apparent that at a time when capitalist production was seriously disorganized, labour exchanges and assistance to the unemployed did not suffice.

Many employers, discouraged by the collapse of the ordinary conditions of production and by the resistance of the workers, made no effort to adapt their undertakings to peace production, to seek raw materials for their industries and markets for their products; they preferred to withdraw their capital from the enterprise and turn it into foreign securities. We had therefore to compel the employer to fulfil his functions as such. In May, 1919, at a time when, on the one hand, unemployment reached its highest point, and on the other hand, the menace from Hungarian Bolshevism had weakened to the utmost extent the resistance of the bourgeois parties, Hanusch carried out a far-reaching encroachment upon the rights of private enterprise. On the 14th May, Hanusch ordered that every proprietor of a business which on the 26th April had employed at least fifteen workers or employees, should engage at least a fifth more workers or employees in his undertaking, and this number of employees might not be reduced without permission from the district industrial committee. By this means we did in fact succeed in absorbing a portion of the unemployed into industry. To be sure the district industrial committees could not refuse permission for the number of workers to be reduced in cases where it proved to be impossible to employ productively the increased number of workers. But as a reduction in staff henceforth required the sanction of the district industrial committee, the dismissal of workers was removed from the province of the employer, unemployment was

stemmed, even at the cost of working short-time, limits were set to the recalcitration of the employers, and the exercise of the employer's functions was placed under dual control. The excellent results of this bold attack upon the rights of private enterprise is shown by the fact that Hanusch's ordinance, originally conceived as an emergency regulation for a few months, has been in operation to this day.

Our social legislation was confronted by a second problem in the form of the physical condition of the working class at the end of the war. The constitutions of the workers had been terribly weakened by four years of underfeeding. The blockade which the newly arisen national States raised against us immediately worsened our food conditions. Compliance with the old demand of the workers for an eight-hour day became a physiological necessity. There were urgent economic reasons for the eight-hour day. To allow the power machines to be run and the workplaces to be lighted and heated during a long day is a wastage of coal, if the weakened bodies of the workers cannot intensively utilize the long working time.

There were important sociological reasons for the eight-hour day.

In works which operated continuously, the introduction of the eight-hour day, the transition from two twelve-hour to three eight-hour shifts, necessitated an increase in the staff of fifty per cent., and therefore rendered possible the absorption of a portion of the unemployed in these industries. In the first months after the Revolution there was little opposition on the part of the employers to the eight-hour day.

The head factory inspector wrote in his report for the year 1919 :

"The desperate situation in which industry found itself at the end of the war, and which has become increasingly critical in consequence of the progressive accentuation of the shortage of fuel and raw materials, compelled almost all undertakings to impose far-reaching restrictions upon production. Consequently, in most enterprises the workers could only be employed during a much shorter working day or for a few days in each week. It is therefore understandable that at a time when industry was at such a low ebb, the introduction of an eight-hour day or a forty-eight hour week was possible without inflicting any serious disturbance upon industry." And a Vienna factory inspector remarked: "The legal enactment of an eight-hour day could scarcely have come at a more opportune time than during those weeks when opportunities of work and the life of industry sank so rapidly."

On the other hand we had to take into consideration the fact that a permanent regulation of the working-day must be adapted to the conditions of competition between Austrian industry and the most important competing industries abroad. For this reason Hanusch proceeded very cautiously when introducing the eight-hour day. The Act of the 19th December, 1918, established the eight-hour day in the factories only, and this law was to expire with the conclusion of peace. Not until after several months experience did we venture to go further. On the one hand, it transpired that in the course of the first months after the revolution the eight-hour day was actually enforced in nearly all enterprises, including those which were not subject to the law. On the other hand, in the course of this year the eight-hour day was put into operation, partly by legislative enactment, partly by trade union action, in all the

States that had been caught by the revolutionary contagion, and also in the neutral and the victorious countries. Thus we were able to go far beyond the first eight-hour law. The Act of the 17th December, 1919, established the eight-hour day generally and permanently.

The eight-hour day law was supplemented by the Act of the 30th July, 1919, which guaranteed to each worker an annual holiday. The length of the holiday was one or two weeks, according to the length of time the worker had been engaged in the enterprise, while a month's holiday was guaranteed to apprentices and young workers in the year 1919, in order to afford the youths who had grown up during the war a measure of protection against the tuberculosis which threatened them with special severity.

After the eight-hour day, the Holiday Act is mainly responsible for the fact that the general conditions of health so astonishingly improved during the first three years after the War. The educational significance of these two laws is not less important than their hygienic aspect. Only the shortening of the working-day could give the worker leisure for that rich cultural, social and economic activity about which we shall have something to say later. The introduction of the workers' holiday made possible the unsuspected development of workers' tours, which have afforded them finer opportunities of physical and mental recuperation than they have ever known before.

It was not merely in these laws that the newly conquered position of the working class was reflected. The working class had rather to utilize their predominant position in the Republic, for which they had to thank the revolution, in order to adapt the whole system of our social legislation to the new conditions.

Thus the whole first year of the Republic was filled with fruitful labour of social legislation. Labour protection legislation was extended by prohibiting night work for women and young persons, by the regulation of child labour and of home work, by special laws for bakers, for miners, and for clerks.

But, however important this work of social reform was, the mere extension of the transmitted social legislation of a past historical epoch would not suffice to meet the pressing needs of the time. The workers agitated for the transformation of the entire mode of production. Socialization was the watchword of the day. But this watchword in the mouths of the workers signified something entirely different from its meaning in the mouth of the bureaucrat. To the bureaucrats trained in the school of war mobilization, socialization was the State organization and regulation of national activities. The worker did not want to be a living tool of the employer any longer. He wished to take part in the control of the industry where he was engaged.

In order to proceed with socialization upon these lines, it was necessary first of all to form the staff of each undertaking into a community, to be equipped with proper organs which would participate in the control and direction of the enterprise. The working class everywhere agitated to this end.

In Russia the Bolshevists, immediately after the October Revolution, had created works councils as organs of "labour control in the businesses." In Germany workers' committees had come into existence during the war. In England the Whitley Committee of the Ministry of Reconstruction had drawn up a great project for the organization of industry, the basis of which was to be the works' committees. When the Socialization Commission was appointed in

Austria after the February Elections, and I was chosen as its president, the first task to which it addressed itself was the elaboration of a bill governing works' committees. After careful preparations, in which the trade unions took an active part, the bill was introduced in the National Assembly on the 24th April, and passed by that body on the 15th May, 1919.

Apart from Soviet Russia, Austria was the first State which set up works' committees, which were not established in Germany until 1920, and in Czechoslovakia until 1921. We in Austria utilized the period of the flood tide of the Central European Revolution, the month when Soviet dictatorship prevailed in Budapest and in Munich, to impose the works' committees enactment upon private enterprise. Consequently, our works' committees law made greater inroads into the capitalist system than the subsequent legislation of Germany and of Czechoslovakia, which was passed when the tide of revolution was ebbing. Our law invested the works' committees with the right, without any restriction, to look after the economic, social, and educational interests of the workers and employees. The particular duties of works' committees were only enumerated by way of illustration, but the works' committees were not confined to the specified branches of activity. Thus the manner in which the workers would be able to utilize the new institution depended upon their own strength and the efficiency of their works' committee.

In fact the works' committees developed very differently in the various undertakings. In those industries where an old and stable trade union organization existed, the experienced representatives of the trade unions took over the functions of the works' committees. They soon understood how to make use of

the law. The significance of the law in this respect consisted in the fact that it compelled the employers to recognize the workers' representatives, protected the representatives from any steps taken against them on account of their activity, and extended the sphere of influence of the representatives far beyond the immediate trade union tasks. Works' committees were set up not only in industrial and trade undertakings, but in every description of enterprise. In hospitals, in theatres, and in hotels, works' committees were elected. Thus the new institution penetrated into enterprises where no trade union organization, or only a very weak one, had previously existed. Here the new institution became a fulcrum for the development and extension of trade unions. On the other hand, these enterprises lacked in the first place a staff of trained representatives who would have been able to make proper use of the new institution; in such cases many abuses and mishaps occurred, which could only gradually be overcome by the self-education of the masses in the practice of the new institution.

The development of works' committees was determined to a large extent by the peculiarity of the time in which they originated. It was a period of rapid currency depreciation, which required a constant adjustment of wages to the falling value of money. The wage movements which quickly followed each other claimed the attention and energy of the works' committees, and therefore made it difficult for them to make much progress in their other branches of activity. In this respect the period of the development and training of the works' committees was very unfavourable. On the other hand, it was just that time of severe economic convulsions which furnished the works' committees with special tasks, the per-

formance of which rapidly and appreciably raised their prestige in the industry and their authority over both the employers and the workers.

Above all it was necessary to restore the impaired labour discipline. The old autocratic workshop discipline was destroyed ; if production was to get going again, a new, democratic labour discipline had to be put in its place. Thus the works' committees became organs for the restoration of labour discipline.

The factory inspectors reported that the managements of some undertakings took steps to have works' committees formed before the law came into force, because they could only restore the relaxed labour discipline with the help of works' committees. Osswald, the factory inspector for Vienna, observed in his report for the year 1919 that many works' committees had done splendid work in directing their attention to the improvement of labour discipline. Another Vienna factory inspector, Hauck, wrote in his report for the year 1920 : " In many large undertakings the works' committees maintain strict discipline among the staff, and in this respect assist the management of the enterprise. In many factories the works' committees have introduced a system of fines for breaches of discipline."

It goes without saying that discipline could only be gradually restored. Its restoration proceeded in the measure that the workers recovered from the state of exhaustion and weariness in which they were left at the end of the war, and from the condition of passionate excitement into which they were plunged by the revolution, and also in the degree that better supplies of coal and raw materials rendered possible systematic and uninterrupted work. But if the restoration of discipline was only possible with the gradual restoration of its physiological, psychological,

and technical prerequisites, this possibility could only be utilized by and through the works' committees. It was just these functions of the works' committees which made them indispensable adjuncts of production, and thereby assured them a strong position in the factories. The more the employers recognized that only the influence of the works' committees made the restoration of discipline possible, the stronger was the influence which they were obliged to concede to the works' committees. Thus the anarchy into which the revolution had plunged industry was gradually overcome; but one of the results of this improvement is a new industrial constitution, within which the position of the workers is substantially strengthened, the workers as a whole participating in the management through their elected works' committee, and every single worker finding the guarantee of his personal freedom, dignity, and welfare within the industry through the strengthened position of the whole staff.

The necessities of the time in which the works' committees originated, confronted them with other problems. Above all, they organized, frequently in connection with the co-operative societies, the supply of food, fuel, and clothing to the workers. The works' committees of the factories induced the miners to work overtime and on Sundays, in order to supply coal to the factories or the schools in the industrial centres. The works' committees of the miners were able to make sure that the coal required of them by working overtime was really utilized for the specified purposes. In many cases works' committees went to Vienna and approached comrades who were engaged in State departments, in order to secure for their undertakings a larger supply of coal, a larger supply of food for their districts, or import or export

licences. There is no doubt that inexperienced works' committees were often exposed in the performance of their economic functions to abuse on the part of the employers. Nevertheless, this form of activity achieved great importance, inasmuch as, on the one hand, it rendered the works' committees indispensable to the employers, and thus strengthened their position ; while on the other hand, it trained the works' committees in questions of economic and technical management, and thus taught them gradually to extend their activities from mere trade union problems to the management of industry.

It is true that when later the food and coal shortage was gradually overcome and the central system of regulation was gradually abolished, this function of the works' committees became less important. In compensation, ever fresh spheres of activity were opened up to the works' committees. In the large undertakings the works' committees developed into large administrative organisms, with their own offices and frequently a complicated division of labour within the works' committee. The Vienna factory inspector Ehrenhofer was able to mention in his report for the year 1919, that the works' committees in the big undertakings were commencing to divide into sub-committees, each of which exercised special functions.

The industrial constitution of the jointly controlled undertakings[1] prescribes that every works' committee shall appoint a referee for technical questions, for labour protection, for questions of wages and agreements, and for fiscal questions ; and shall set up sub-committees for organization and accountancy, for welfare institutions, and for educational purposes. Even this sub-division by no means exhausts the sphere of influence of works' committees. For

[1] *Gemeinwirtschaftliche Anstalten.*

example, many works' committees have installed workshop libraries and organized courses of instruction. The works' committee of the jointly controlled undertaking, the *Oesterreichische Werke,* has even undertaken the direction of a technical school for engineering.

It goes without saying that the works' committees could only gradually acquire the experience and knowledge necessary to fulfil their manifold functions with success. The reports of the factory inspectors furnish examples of the way in which the works' committees have gradually risen to the height of their tasks. The reports for the year 1919 contain frequent complaints that the works' committees are ignorant in questions of factory hygiene and the prevention of accidents. On the other hand, the Vienna factory inspector Naske wrote in 1920: "The valuable assistance rendered by the works' committees in the work of inspection deserves special recognition; it is not only that the presence of works' committees during inspections appears to increase the feeling of responsibility of the factory owner, and effectively establishes the obligation of the employers towards their workers, but the labour representatives present at the same time provide the guarantee that the measures recommended by the factory inspector are really carried out, without its being necessary to put any official pressure upon the factory owner. The works' committees also form a valuable support for the travelling factory inspector, because they are well acquainted with local conditions, and are able to call attention to dangers which might easily escape the inspector's notice."

The development of the works' committees depends to a very large extent upon the development of the relations between the manual and the brain

workers. Differences of education, of standards of living, of political opinions, and the fact that non-manual workers exercise supervisory functions, renders difficult that close co-operation between the works' committees of manual and brain workers which is essential to assure the brain workers the strong support of the manual workers, and to put the higher technical and commercial knowledge of brain workers at the service of the manual workers. These difficulties, too, can only gradually be overcome, through the self-education of the works' committees in the course of their activity.

Thus the works' committees are still in their infancy. The revolution was able to create the works' committees, but the development of these institutions requires time and experience. Only in gradual development, gradual self-instruction in the practice of works' committees activity, will the workers be able to produce from their ranks a staff of trained representatives, able to take the fullest advantage of the new institution. It is only this self-education of the workers in and through the practice of works' committees which will create the prerequisites of a socialistic mode of production. The example of Russia, where the democratic organization of industry which was attempted immediately after the October Revolution had quickly to give way to bureaucratic State capitalism, demonstrates that only bureaucratic State socialism, which merely replaces the despotism of the employer by the despotism of the bureaucrat, is possible so long as the workers are without the capacity for self-government in their labour process. Democratic socialism, the socialism which the workers want and strive for, the socialism which realizes the right of the workers to self-determination in the labour process, is only possible when the workers are

able to control production without disturbing it. As an agency of proletarian self-government in the processes of production, the works' committees form a preliminary stage to the socialistic mode of production. Consequently, their origin and development is a more important preparation for a socialistic system of society than any forcible act of expropriation, if its results were nothing more than State or municipal undertakings administered on bureaucratic lines.

The necessities of war placed the capitalistic undertakings under bureaucratic control, and this compulsory bureaucratic-capitalistic syndicate became a requisitioning machine for the needs of the Army. It militarized the individual capitalistic undertakings, placing the coercive power of the military bureaucracy at the service of capitalist domination and the latter at the service of the coercive military organization. In both forms the capitalist employer and the State bureaucrat were allied against the working class. The resistance of the working class was directed against both forces, against the capitalist employer as well as against the official bureaucrats. While the first result of resistance to the domination of the capitalist employer was the institution of works' committees, the first result of resistance to the rule of the State bureaucracy was the institution of personal representation, which was immediately created in the State transport undertakings and everywhere gained a strong influence over the administration of these undertakings. But these two institutions did not satisfy the working class, which pressed for the socialization of industry. Socialization was to liberate industry from the domination of the capitalist employer, without subjecting it to the domination of the State bureaucrat. A constitution for industry had to

be found which was neither capitalistic nor bureaucratic. This was the problem which I at once attempted to solve in a series of newspaper articles, which first appeared in the *Arbeiter-Zeitung* and was later published in book-form under the title of *The Path to Socialism.*

The plan of organization which I sketched in these newspaper articles was inspired, on the one hand by English Guild Socialism, the fundamental ideas of which I had become acquainted with before the war from G. D. H. Cole's *The World of Labour* (London, 1913), on the other hand by the original project of organization of Russian Bolshevism, as explained to the Congress of economic committees in May, 1918. Both sought to base the administration of socialized industry upon the co-operation of the State, as representative of the community, and of the trade union, as representative of the special interests of the workers and employees engaged in the branch of socialized industry. My plan of organization introduced the organization of consumers as a third partner, with equal rights, in this co-operative process. I proposed that every branch of socialized industry should be governed by a special administrative body, composed of representatives of the workers and employees who were engaged in the branch of industry; representatives of the consumers for whom the products of the industry were destined; and representatives of the State as arbitrator between the conflicting interests of producers and consumers. At that time similar proposals were put forward wherever the working class was engaged in a campaign of socialization. I need only mention the project of a German coal association elaborated by the German Socialization Commission, the recommendations of Mr. Justice Sankey for the British coal mines; the " Plum

Plan " for the organization of the American railways, the proposal of the *Confédération Générale du Travail* for the socialization of the French railways, and later the proposals advocated by Sidney and Beatrice Webb in their *Constitution for the Socialist Commonwealth*. If everywhere else these proposals remained in the stage of advocacy, we in Austria were able to proceed to put them into practice, although only tentatively at first.

When I became chairman of the Socialization Commission, the first task to which I addressed myself was the creation of the legal form for the new style of enterprise which I had proposed. I submitted to the National Assembly a bill for the establishment of jointly-controlled undertakings at the same time as the bill for the creation of works' committees was before it. The bill was carefully remodelled by the Socialization Committee of the National Assembly and passed by that body on the 29th July, 1919. As soon as the legal basis was created, we proceeded to test the new type of enterprise.

The new form of undertaking was required to satisfy the pressing needs which arose in consequence of the dismantling of the war organization. The Republic had inherited many large concerns which had been the property of the Army administration and had been operated under military control to satisfy the needs of the Army. After the Armistice, these concerns were taken over by a civil administration : the managing body for State concerns.

But the bureaucratic management did not know how to adapt the war industries to the needs of peace. A large portion of valuable raw material which had been accumulated in the factories was surrendered to profiteers. The management refrained from dismissing the workers, who would have

gone to swell the ranks of the unemployed, but it did not attempt to employ them productively. Thus the concerns became a heavy burden to the State. The lease or sale of the concerns to private capital was inadvisable. At a time when the spirit of private enterprise was paralysed and concerns were burdened with gigantic deficits, and in view of the rapid currency depreciation, it was impossible to value the expensive plant properly. The alienation of the concerns would have meant the dissipation of valuable State property. It was equally impossible to leave the concerns in the hands of the technically and commercially incompetent bureaucrats. Thus the sorry state into which the State war enterprises had fallen required a new form of organization, which would maintain the concern as public property, while giving it a flexible commercial management and releasing it from the bureaucratic strait jacket. And the staff of the war enterprises must have an important share in this management. After the general upheaval, the workers in the war industries, concerned for their situations, had defended the industries from the plundering of profiteers who were working hand in glove with the bureaucracy. The staff saved the industrial plant and the stocks of raw material for the State. As the bureaucratic administration showed itself incapable of running the concerns and restoring order in them, the staff of workers gained ever more control over the concerns. It was therefore manifest that conditions of orderly production could only be restored to these industries by means of the active participation of the works' committees. Thus practical necessity here dictated the introduction of the new form of jointly-controlled undertakings.[1]

[1] *Gemeinwirtschaftliche Anstalten.*

We made the first attempt upon a small scale. The first jointly-controlled establishment which we established was the United Leather and Shoe Factories. They were founded by the State in conjunction with the Austrian Co-operative Wholesale Society, representing working class consumers, and the Agricultural Trading Centre, representing the peasant consumers. The State brought into the concern its shoe factory at Brunn, while the two consumers' organizations provided the working capital and undertook the marketing of the products. The supreme committee of the undertaking was composed of representatives of the State, representatives of the two consumers' organizations, and representatives of the works' committee and of the trade unions of the workers employed in the establishment. This first experiment met with a striking success. Within a short time production was in full swing and work was being speeded up. The first annual balance sheet showed a substantial net profit. Equally encouraging was the success of the second experiment which immediately followed: the Austrian Central Dispensary, which was founded by the State in conjunction with the clinic funds and sick clubs of Vienna, and which took over the conduct of the former army dispensing authority. It organized the supply of medical requisites to public institutions, and reformed the public health service. The success of these first two jointly-controlled undertakings encouraged the continuance of the work.

Several war-time industries were transferred bodily to jointly-controlled enterprises. Other jointly-controlled enterprises came into existence in order to satisfy new needs that had arisen.

Thus the revolution brought into existence a new type of enterprise. Hitherto we had been familiar

with bureaucratically-managed State and municipal enterprise, on the one hand, and co-operative enterprise on the other. Now arose a combination of the two. The jointly-controlled enterprise was, as a rule, managed by the State or municipality in conjunction with consumers' co-operative societies. The State furnished the plant, the co-operative societies provided commercially trained managers and organized the marketing of the products. But into this co-operation of the State with the co-operative associations a third partner was introduced, *viz.* : the works' committees and trade unions of the workers and employees engaged in the jointly-controlled enterprises. As the workers are directly represented on the board of management, they possess a much greater influence over the conduct of business in these enterprises than in State or municipal undertakings, or the factories of co-operative societies. The idea of the direct control of industry by the workers and employees engaged therein has been realized here to an extent which goes far beyond the scope of the Works' Committees' Act. The distribution of power among the three partners in the association varies according to the type of enterprise. In the enterprises which work directly for the needs of public bodies—for example the Pharmaceutical Department, or the Vienna Wood and Coal Company—the influence of the public bodies, of the State or of the municipality predominates. In the enterprises which work directly for the needs of co-operative societies—for example the United Leather and Boot Factories and the Building Society—the influence of the co-operative societies predominates. In the enterprises which work for the open market in competition with capitalist concerns—such as the Austrian Works—the influence of the works' com-

mittees and the trade unions predominates. But in all cases the jointly-controlled enterprise has been the means of replacing the absolute rule of bureaucracy in public services by the participation of proletarian organizations, the co-operative societies, on the one hand, and the works' committees and trade unions on the other. Of course, proletarian organizations were not the only bodies concerned. For in all enterprises we find by the side of the Wholesale Buying Society of the Co-operative Union, the Produce Exchange Department, which is partly controlled by the agricultural co-operative societies. In this fact the idea of the co-operation of workers and peasants, which underlay the first coalition government, found its economic application, and by this means an attempt was made to interest the peasants in the "socialized" enterprises and thereby gain their support for the ideas of socialization.

The jointly-controlled enterprises had and have great difficulties to overcome everywhere. The industries which they have taken over were exclusively adapted to meet the requirements of the war. Only with great difficulty and at great expense can such industries be adapted for peace production. For instance, the Austrian Works took over a large cannon factory, which had to be adapted to all kinds of new purposes. The cannon factory was gradually transformed into a machine-tool factory, a sports gun factory, a manufactory of agricultural implements, an automobile factory, and a cabinet-making factory. Moreover, the enterprises lacked the capital to carry out this transformation rapidly, as they came into existence at a time of rapid currency depreciation. At such a time every industrial enterprise is obliged to increase its working capital. The capitalistic joint-stock companies did this by issuing new shares from

time to time and having recourse to larger bank credits. Both methods were impracticable for the jointly-controlled enterprises. Naturally they could not issue shares. The law regulating jointly-controlled enterprises granted them the power to issue obligations bearing a fixed rate of interest. But the issue of such securities is impossible at a time of rapid currency depreciation. The law conferred on the Chancellor of the Exchequer the right to compel banks to place such part of their foreign currency and reserve funds as the Chancellor should specify to the credit of the jointly-controlled enterprises. But the Government never decided to make use of this right. The jointly-controlled enterprises could not obtain sufficient bank credits by other methods. The banks granted credits to undertakings in which they were interested and which they controlled; they refused credit to the enterprises which were not subject to their control; the more so as the continuous hostile agitation of the capitalist press undermined confidence in these enterprises. Thus the jointly-controlled enterprises were constantly obliged to rely on State subsidies to provide their working capital. Owing to the necessity of increasing their working capital, they remained dependent on State subsidies, although their balance sheets even at the end of the first year of business revealed net profits that were not inconsiderable. But the State, in dire financial straits itself, could but inadequately satisfy the financial requirements of the enterprises. Consequently, their development was retarded, and delays arose in carrying out the alterations necessary for adapting the enterprises to peace production. The enterprises found themselves obliged to transfer a portion of their businesses, which owing to their financial poverty they could not operate themselves, to composite

undertakings which they founded in conjunction with private capital. In this way there arose manifold associated and intermediate types between the jointly-controlled enterprises and capitalistic undertakings. The financial difficulties will easily be overcome, if the currency depreciation is checked. But only experience will be able to show whether the infant enterprises will weather the dangers of the commercial crisis which has followed the stablization of the currency.

Although their initial difficulties have not yet been overcome, the jointly-controlled enterprises have already proved their superiority to bureaucratic management. The war industries underwent a transformation as soon as they passed out of the hands of the bureaucratic "General Direction of State Industries" into the hands of the jointly-controlled enterprises. The management became commercially flexible, production was speeded up. Labour and discipline were rapidly improved with the active co-operation of the works' committees and trade unions, the deficits which had everywhere been very large under bureaucratic management were very quickly reduced. If the enterprises manage to obtain sufficient working and establishment capital, there can be no doubt about their future prosperity.

The law regulating the jointly-controlled undertakings aimed at giving them the opportunity of extending their influence beyond their own businesses, by penetrating into capitalistic undertakings. Clause 37 of the law empowered the Government, in the case of the creation of joint stock companies or of increases in the capital of those already existing, to subscribe for a maximum of one half of the issued capital upon not less favourable conditions than those under which the new shares were allotted to the

founders of the new company or the holders of the old shares. At a time when the currency depreciation compelled all joint stock companies to increase their working capital continuously, this clause could be utilized to secure the participation of the State, or the jointly-controlled enterprises founded by it, in capitalistic undertakings. It is true that the State was precluded by its financial straits from making effective use of this clause immediately. But later on the Vienna municipality took advantage of Clause 37 in order to acquire shares in many industrial undertakings, and in a number of cases the jointly-controlled enterprises were enabled to acquire shares in joint stock companies on favourable terms. Thus, the United Leather and Boot Factories acquired shares in a big leather factory and a capitalistic boot factory. Once the financial position of the jointly-controlled enterprises is improved and the political power of the working class is directed to the systematic application of Clause 37, this provision can be made an instrument for subjecting capitalistic undertakings to the gradually tightening control of the jointly-controlled enterprises.

In many industries the nuclei of joint control have been implanted, which, when conditions favour their growth, will gradually expand at the expense of capitalistic industry. More than this, the jointly-controlled enterprises furnish an opportunity gradually to master the methods of administration and gradually to educate State officials, co-operators, and trade unionists in the joint control of these branches of industry. This is indeed the most important function of this system of joint-control in the transition to a socialistic order of society. So long as they themselves do not possess the capacity to administer the expropriated means of production, the workers can-

not expropriate the capitalists without disturbing production. To develop their capacities, to discover the best methods for the joint administration of industry, and to educate for this purpose a trained staff of representatives is the task of the jointly-controlled enterprise as it is developing in the womb of capitalistic society.

The troublous time in which the law governing jointly-controlled enterprises took its rise could not, of course, afford opportunity for such a protracted development of the elements of the socialistic future. In the winter and spring months of 1919, at the time of the great struggles for Soviet dictatorship and socialization in Germany, at the time of Soviet dictatorship in Hungary, the masses in Austria too clamoured for the socialization of private industry, and it was impossible for us to foretell whether the victory of the socialization movement in the neighbouring States would not render the socialization of particular branches of industry in our own country both possible and necessary. Projects for the socialization of particular branches of industry were drawn up by the Socialization Commission, under the direction of Professor Emil Lederer. First of all we directed our attention to the socialization of the big iron industry, the great forest domains, the coal mines, and the wholesale distribution of coal, and we formulated a scheme to organize water power in the form of a jointly-controlled enterprise. Thus the community should first of all assume control over the two most important raw materials, iron and wood, and the two most important sources of energy, coal and water. But in the course of the summer of 1919, it became increasingly plain that insurmountable obstacles stood in the way of carrying out this scheme.

In their opposition to the expropriation of a

number of branches of industry, the capitalists found a powerful ally in the particularism of the provinces. The provincial governments of Styria and of Carinthia demanded that the iron industry should not be socialized by the State, but apportioned among the provinces. All the provincial governments declared that every province should have sole control over its own water forces. To the socialization of the forest domains the provinces opposed a different plan altogether. Instead of socializing the forests, they proceeded to partition them among the peasants. This opposition of the provinces delayed the negotiations for socialization at the very time when conditions were most favourable for their success.

As a first step we contemplated the socialization of the iron industry, the starting point of which would be the socialization of the *Alpiner Montangesellschaft*. Conditions were favourable to this end. The shares were quoted very low; we could have secured possession of the undertaking very cheaply after fully compensating the shareholders. But our efforts in this direction were counteracted by the activities of a member of the Government. Professor Schumpeter, the Chancellor of the Exchequer of the first coalition government, had been a fervent apostle of socialization. He had even criticized the socialization policy of Social Democracy for its lack of vigour. But he very quickly changed his attitude. Schumpeter sought the assistance of the Vienna banker, Richard Kola, in his efforts to stabilize the Austrian krone. At Schumpeter's instigation, Kola went to Zurich, where he arranged a big deal. Kola commenced to buy the shares of the *Alpiner Montangesellschaft* for an Italian financial group. Schumpeter supported this action of his banker, because Kola handed the

lire which he received for the Alpine shares to the Treasury, which urgently needed foreign currency to pay for foodstuffs and coal. Schumpeter connived at this action, although he knew that we intended to socialize the *Alpiner Montangesellschaft*. We only learned of the transaction when it was too late to stop it. The result of Schumpeter's action was that we had to deal with foreign capital in the *Alpiner Montangesellschaft*. Now the Italian general who was stationed in Vienna at the head of the inter-Allied Armistice Commission came out quite openly as the advocate of the Italian shareholders of the *Alpiner Montangesellschaft*. When the Austrian Government claimed some of the new shares which the *Alpiner Montangesellschaft* had issued, by virtue of clause 37 of the law regulating jointly-controlled enterprises, the Italian general insisted that the shares in question should be sold to an Italian banking group. Thus the socialization of the *Alpiner Montangesellschaft* was out of the question after it had fallen into Italian hands. A State in such a weak position as ours was could not venture to expropriate foreign capitalists.

But our other socialization schemes also encountered obstacles which had their origin abroad. The socialization of the coal industry in Austria would have to commence not with our coal mines, which only covered a small portion of our requirements, but with the wholesale coal business. The coal organization which had been created in war-time would have to be taken over by a jointly-controlled enterprise. Moreover, the State coal organization at that time was not in a position to meet the coal requirements, while private merchants through their personal business relations with Czechoslovakia and Upper Silesia were able to obtain through illicit channels coal which

the State could not get hold of. In particular, the trading concerns in which Silesian wholesale coal merchants were interested could scarcely be dispensed with for our coal supply. Under these circumstances, a monopoly of the coal trade by a jointly-controlled enterprise could only have diminished our coal supply. Consequently, the idea had to be postponed.

The organization of water-power was impossible without the assistance of foreign capital. At first we thought it would be possible to transfer the whole of the electricity service to a jointly-controlled enterprise, which would form composite undertakings, with the participation of foreign capital, to organize and operate the various sources of water-power. But all negotiations with foreign capitalists proved that foreign capital was suspicious of such socialization. We therefore came to the conclusion that we could not socialize the sources of water-power without jeopardizing their development.

All these external hindrances to socialization were to be traced to a common cause. Since the raising of the blockade our imports of commodities from abroad had considerably increased. But the decay of our production made it impossible to export sufficient goods to pay for our imports. If we could not pay for imports with exports, the only alternative was to pay for them by selling our instruments of production. It was inevitable that Austrian shares and undertakings should be sold abroad, and that foreign capital should penetrate into our industry. It could not be expected that the foreigner would buy our shares and undertakings or invest his capital in our industry, if he had cause to fear expropriation. Thus the opposition of the native capitalists to socialization found strong support in the real needs

of a community which could not dispense with the influx of foreign capital. This resistance strengthened after the raising of the blockade, in the degree that this real need became more and more perceptible.

The necessity of importing capital was by no means an absolute impediment to any socialization of private industry. Had the powerful movement which followed in the wake of the war resulted in the socialization of particular branches of industry in other countries, the partial socialization of industry in Austria would not have stemmed the import of capital, if it had been accomplished in due legal form and against proper compensation, and restricted to a few branches of production specified beforehand, leaving all the others to the free movement of the market. But as soon as the Western Powers had weathered the storm of the first months of demobilization and the revolutionary movement among the workers of Germany had been put down, thus removing the question of socialization from the list of immediate political problems; as soon as Capitalism was again consolidated throughout Western and Central Europe and had repelled the onslaught of Bolshevism, any proposed socialization of particular branches of industry, even in due legal form and with compensation for the proprietors, was denounced as Bolshevism. Indeed, the European State most dependent upon capital subsidies from abroad could not venture upon any further acts of expropriation, if it did not want to shut off the necessary supplies of foreign capital to cover its requirements of coal, food, and raw materials. Therefore, in the summer of 1919 resistance to our endeavours in the direction of socialization everywhere stiffened; as soon as the Hungarian Soviet dictatorship collapsed it was mani-

fest that there was no longer any prospect of enforcing socialization.

In his *Class Struggles in France,* Marx criticizes the illusions of the Paris workers of 1848, who thought "they would be able to carry out a proletarian revolution within the national walls of France. But the French conditions of production are conditioned by the foreign trade of France, by her position in the world market, and the laws governing the latter." If it is true that the world market imposed its laws upon the productive conditions of the France of 1848, how much more so was it the case with the Austria of 1919 dependent upon foreign foodstuffs and foreign coal, upon foreign credit and the influx of foreign capital. Within the only too confined and too vulnerable "national walls" of Austria the social revolution could certainly not be consummated. But even so it was our duty to fight for socialization as long as the slightest hope existed that the Central European Revolution, born of the war, would overstep the limits of bourgeois private property and proceed to "expropriate the expropriators." As soon as it was certain that capitalism was holding its own not only in the victorious countries, but also in the revolutionized States of Central Europe, we were obliged to suspend our struggle for the expropriation of private industry and limit our socialization activities to the organization of joint control upon the narrow basis of the remnants of the State war industries.

Our struggle for socialization was not therefore futile. It is a law of every revolution that it must aim higher than what is immediately attainable in order to achieve merely what is practicable. Only the general attack which the working class levelled against the capitalist system, in pressing for the

expropriation of capital, could have damaged capitalism so severely as to compel it to make the most far-reaching concessions within the framework of the capitalist system. The powerfully entrenched position of the workers in industry, the revolution in labour rights and labour protection legislation, the new democratic constitution embodied in the works' committees and personal representation, the substitution of bureaucratic administration by the system of joint-control, such profound encroachments upon the sovereignty of capital as the compulsory drafting of the unemployed into industry—these are the real results of our fight for socialization. To be sure we could not break down the capitalist system itself. At the same time as our national revolution, in its conflict with French imperialism, was obliged to renounce the object of union with Germany, our social revolution, brought up against re-intrenched capitalism in the whole of Western and Central Europe, was obliged to forego the immediate expropriation of the expropriators. It was a bourgeois revolution which had been accomplished all around Austria; within the limits set by this bourgeois revolution we could not accomplish a social revolution in our small and weak country. But if our revolution could not break the capitalistic domination of production, it has implanted the nuclei of the socialistic system of the future within the capitalistic mode of production, which only need to be developed in order gradually to undermine the domination of capital and eventually to abolish it.

CHAPTER XI

THE STATE AND THE WORKING CLASS

THE revolution destroyed the instrument of military coercion which had held the working class in check. The working class became free. But at the same time the revolution broke up the old Austro-Hungarian economic sphere, thus plunging Austria into the direst misery and abject dependence upon abroad. This was the twofold inner contradiction of the Austrian Revolution: the contradiction between the great political power of the working class and its crushing economic poverty; the contradiction between the freedom of the working class at home and its abject dependence upon capitalism abroad.

It was therefore necessary that the working class, in the voluntary exercise of its freedom and power, should impose on itself the restraint necessary to avoid conflict with the foreigner, which would have brought famine, invasion, and the downfall of the newly-won liberties.

The railwaymen and the workers in vital industries could, by means of mass strikes, have compelled the State to concede all that they might have coveted. No power existed to compel them to perform their duties; there was no emergency staff which could have replaced their labour-power. No power except the force of their own intelligence could induce them to limit their demands to what the poor

State was able to perform without upsetting the balance of national economy.

In the barracks the actual power was not in the hands of the officers, but in the hands of the soldiers' committees. No coercive military agency placed the *Volkswehr* at the service of the coalition Government. Only so long as the soldiers' committees and the militiamen were convinced that the policy of the coalition Government was the only practicable one, did the *Volkswehr,* filled as it was with the revolutionary spirit and with proletarian class-consciousness, place its arms at the service of the Government.

The workers and soldiers could have established the dictatorship of the proletariat any day. There was nothing to hinder them. Only their own intelligence, which told them that the Red Terror under existing international conditions would inevitably be followed by a White Terror, could preserve them from this temptation.

Every revolution is obliged to defend its actions against the masses, which, filled with revolutionary illusions and passions, try to force the pace beyond what can be attained and retained under given historic and social conditions. But the coalition government of the Austrian Revolution possessed no coercive instrument to hold in check the masses which were driven by revolutionary passions. The Austrian Revolution would have been submerged by famine and invasion, if the revolutionary masses themselves had not been persuaded to remain content with what could be attained and retained under the existing distribution of international power.

The peculiar problem of the revolution consisted in endeavouring to persuade hungry and despairing workers, agitated by all the passions created by the war and the revolution, to resolve freely and of their

own knowledge not to overstep the limits which the economic poverty and the economic and military impotence of the country set to the revolution.

Unlike other governments, the coalition Government could not enforce obedience ; it could only rule by appealing to the intelligence of the masses, and explaining to them the position of the country.

In order to influence the masses, the Government had to act in close co-operation with the great social organizations. As nothing but the influence of the soldiers' committees upon the militiamen guaranteed obedience to the orders of the War Minister, the latter could not conduct his departmental business except in constant consultation with soldiers' committees. As nothing but the influence of the trade unions and the personal representatives of the railwaymen, the postmen, the telegraph and telephone employees guaranteed the undisturbed maintenance of communications, the Minister for Communications could not fulfil the functions of his office except in the closest co-operation with the trade unions and personal representatives. When supplies of food and coal ceased, when the workers here and there rebelled against the fearful economic conditions, it was only the works' committee that could pacify the excited masses ; consequently the Home Secretary could not transact the business of his office except upon the closest understanding with the works' committees. Similarly, the Social Welfare Ministry and the Food Ministry could only be administered in the closest co-operation with the trade unions and the co-operative societies respectively. In this way the organizations in question gained a decisive influence upon the whole of the State administration. The Government was compelled to act upon the principle that no legislation could be embarked upon except in

agreement with the organization of those immediately affected by it.

One effect of this was an alteration in the functions of the organizations. If the organizations were parties to decisions upon important activities of government, they were obliged to assume responsibility for these acts before their members. If the organizations in the course of their daily negotiations with the Government secured all the concessions that were possible, it was incumbent on them to resist impossible demands from their members. In this way Social Democracy, the trade unions, the works' committees and the soldiers' councils became partners in administration and organs of governmental power at the same time.

The structure of Social Democracy and of the trade unions was wholly transformed. The revolution brought them multitudes of recruits. In January, 1913, Social Democracy had 91,000 members in the German districts of Inner Austria. In January, 1919, the number was 332,391. In the year 1913 the trade unions had 253,137 members in the same area, but 772,146 members in the year 1919. Two-thirds of the party and trade union membership were new recruits. The apathetic workers who, prior to the war, had taken no part in the Labour Movement; the subservient workers who before the war had been forced into the yellow trade unions by the factory feudalism; the employees who before the war had kept themselves aloof from the workers—all of these now streamed into the party and the trade unions. The organizations were full of untrained and inexperienced members.

The alteration in structure produced a corresponding alteration in the functions of the party and the trade unions. Before and during the war our most

important task was to revolutionize the sentiments of the masses. During and after the revolution an entirely different task confronted us. Now it behoved us to teach the masses, whom the collapse of the old machinery of domination had flooded with a consciousness of their strength, to make cautious use of their power. We had now to prevent the workers, brutalized by four years of war, from being demoralized by the newly-won freedom and led into courses of unbridled violence. We had to save the masses from being seduced by the illusions created by the revolution into deeds which would have brought disaster upon them. The new task was easy where we had to deal with our old members, who were trained by a decade of struggles, and inspired by confidence in our leadership. It was incomparably more difficult where we had to deal with a multitude of new recruits lacking all political and trade union training.

The machinery of government functioned in the following manner: all important governmental actions were concerted by the social democratic members of the Government with the leaders of the great Labour organizations, with the directive organs of the party, of the trade unions, and of the workers' and soldiers' councils. Then it was the task of the social democratic members of the Government to pilot these decisions through the coalition Government and the National Assembly. The leaders of the Labour organizations had to gain the support of the masses for the policy which they had arranged with the members of the Government. First of all the leaders of the Labour organizations had to gain the assent and co-operation of the delegates of the party and the trade unions, and of the workers' and soldiers'

councils. Then these delegates had to perform the difficult and important task of enforcing the policy of the organizations in works and barracks meetings before the masses themselves. At such meetings the wildly excited masses were confronted with a party delegate, a works' committee, or a soldiers' committee upon the platform. The audience would be dissatisfied. They would demand more than the delegate could bring them. They would clamour for violent decisions. The delegate would speak of the economic necessities of the Republic, of its dependence upon foreign countries, of the superiority of the foreign capitalist powers. In the hall would be hunger, despair, passion. On the platform, appreciation of economic possibilities, perception of the international limits of the revolution, exhortation to caution, and appeals to the sense of responsibility. It was a severe struggle; a struggle which imposed on the delegates not merely the highest intellectual, but also the highest moral, demands. For the sake of the cause at stake, they had to face their own comrades fearlessly, to bear calumnies, complaints, and sometimes even threats and mishandling from the excited masses, and in the end carry out the policy that had been adopted as the only practical one. Friedrich Adler, whose revolutionary deed had gained him the greatest popularity, said at this time: "Popularity is capital which has only to be employed for this purpose to be consumed." Not merely a few dozen party and trade union delegates, but many thousands of modest delegates, works' committees, workers' and soldiers' councils have acted upon this high moral principle.

In works' meetings and barracks' meetings of this kind the great temptation of Bolshevism was repulsed, and the restoration of the relaxed labour

discipline was gradually accomplished. In such works' meetings irresponsible strikes were averted, and discipline and order restored, when hunger and excitement had led the masses into courses of violence and excess. The history of works' meetings and barracks' meetings is the inner, intellectual history of the Austrian Revolution, and its secret history so far as the bourgeoisie is concerned, which scarcely noticed, certainly never understood, this great process of the intellectual self-mastery of the working class.

In the American Declaration of Independence of 1776, democracy was defined as a system of government conducted with the assent of the governed. Never and nowhere has democracy in this sense been more completely realized than in this first phase of the Austrian Revolution. For its government, lacking all means of coercing the governed, could not govern at all except by laboriously procuring, daily and hourly, the assent of the governed. These methods of government were imposed on it by the weakness of the State power which emerged from the revolution. It was obliged to attempt to govern by these methods under the most unfavourable conditions imaginable: at a time of extraordinarily severe mass privations, at a time of extraordinarily great mass excitement, at a time when a large section of the masses was demoralized by four years of war. The attempt could only succeed at the cost of many heavy sacrifices, even many intellectual sacrifices. But it did succeed. The fact of its success is the measure of the human greatness of the Austrian Revolution.

It is important to investigate more closely the scope and purpose of the methods of government.

Parliamentary democracy seeks to secure agree-

ment between the governing and the governed by means of the vote. It believes this agreement to be secured if the electorate is summoned every third or fourth year to elect a parliament which will determine the composition of the government and control its activities. The working class has everywhere discovered that this belief is an illusion; that the power of the bourgeoisie over the press, over the Chancery, and over the electoral machinery enables it so to determine the results of elections that the government created by universal suffrage becomes a class government of the bourgeoisie, a government of a minority of the people. Consequently, the whole revolutionary movement brought into existence by the war is everywhere characterized by the struggle of the working class against mere parliamentary democracy. This struggle has given rise to the Russian idea of the Soviet State as well as to the British idea of the Guild State. Fundamentally different as these ideas are, they both testify to the search of the proletariat for a means of securing agreement between the governing and the governed more completely than it can be secured through formal parliamentary democracy.

In modern capitalist society by the side of political democracy, embodied in the democratic organization of the State and municipality, an industrial democracy is developing, which is embodied in the great democratically organized trade unions and co-operative societies of the workers, in the vocational organizations of the employees and officials, and in the peasants' co-operative societies. Political democracy only recognizes men as citizens; it takes no account of the economic position, occupation, or social function of the citizen; it summons all citizens without distinction to the ballot box; it groups

them according to geographical constituencies. Industrial democracy, on the other hand, groups men according to their vocations, their workplaces, and the functions they exercise in the community ; according to their social functions, it organizes them into craft, vocational, or industrial associations. In the struggle against formal parliamentary democracy the working class has everywhere espoused the ideas of functional democracy, although in varying forms, that is to say, the demand that the government shall be controlled by the citizens organized and grouped according to their vocations or workplaces, in opposition to political democracy, which calls upon all citizens without distinction to create the national will. While political democracy requires that the government should rule in agreement with parliament, which is chosen by the electorate once every few years, functional democracy requires that the government in each branch of its activity should remain in constant touch with the citizens directly affected by this branch of government, organized according to their workplaces or their social and economic function. A combination of political and functional democracy was the essence of the policy imposed on the government of the Republic by the redistribution of power which the revolution effected.

The bourgeoisie saw in this strong infusion of functional democracy into the practice of government nothing more than the activity of illegal subsidiary governments, or veiled Bolshevism. As a matter of fact, it was something more than a broadening of the democratic idea of government with the consent of the governed. It meant the salvation of the country from dire catastrophe, and was also a potent agency for the self-education of the masses. It was the means of effecting a complete revolution in the rela-

tions of the masses to the State. It was the means of awakening the initiative and encouraging the most fruitful kinds of spontaneous activity among the workers.

First of all the continuous debates in the meetings of party and trade union delegates, in the workers' and soldiers' councils, in the works' and barracks' meetings, at which the agreement of the government with the governed had to be hammered out each day in tenacious struggles, considerably widened the outlook of the working class. In these passionately conducted discussions the workers had gradually to be taught to trace currency depreciation and dear living to economic laws, to understand the dependence of food supplies and the labour market upon international conditions, to place the revolution in their own country in its proper European perspective. It was the task of the works' and barracks' meetings not alone to widen the intellectual horizon of the workers, but also to strengthen their moral fibre, so that they would be enabled to subordinate their passions to their reason, using their power with caution and their freedom with a sense of responsibility. For only in this manner was it possible to guide the people through that time of direst economic need and most serious external dangers without resorting to force, or shedding blood.

All this changed the whole relations of the masses to the State. The workers saw their organizations dominating the Government. They saw that the Government was obliged to keep in constant close touch with them, through the Labour organizations. They saw that they themselves, through their delegates, could determine the Government's policy. They saw that the Government could not rule them by coercive means, and that if they withheld their

assent, the Government could not direct the affairs of State. To the masses the Republic was not merely a political constitution which no longer had room for an emperor, but a political order which placed the government of the State under the effective control of the Labour organizations. To the masses democracy was no longer merely government by delegates elected by universal suffrage, but a method of government which was obliged to obtain the assent of the persons affected to every legislative act. At first the Republic could only bring the masses starvation rations, unemployment, privation, and misery, and it was compelled to disappoint many sanguine hopes of its supporters. But it also brought the masses freedom, not a freedom that was licence, but a freedom that meant that no hostile and external power any longer controlled the actions of the workers, which were henceforth determined by their own intelligence and sense of responsibility, by their own will, as ascertained at the stormy meetings in factories and barracks. The realization of this fact inspired the workers with Republican patriotism, enabling them to suffer severe privations, to make heavy sacrifices, and to curb their own passions for the sake of the maintenance and consolidation of the Republic.

The liberated energies of the masses sought for an outlet, which the Republic provided in due course.

In the first months after the October Revolution the energy of the masses found employment in the economic activities of the workers' councils, which, however, in course of time lost their significance. At the same time the political importance of the workers' councils became all the more marked, especially during the time of resistance to Hungarian

Bolshevism. These councils were gradually changed from organs of revolutionary encroachment upon economic administration into organs of the political class struggle. When the works' committees came into existence, they afforded ample scope to the popular desire for immediate economic activity; many thousands of workers performed in the works' committees fruitful social and economic work for the workers in their industries; and inasmuch as they had to perform this work in close association with the workers of their industry under the daily control of the works' meeting, the whole of the workers were constantly occupied with its problems.

The democratization of the administration also afforded a new field of activity for the newly-released mass energy. The revolution abolished the privileged franchise upon which municipal representation had been based. Universal suffrage transformed the composition of municipal representation. Social Democracy captured a majority of the representation in 236 and half of the seats in 103 municipalities, while Social Democrats were elected in 1,050 municipalities. Hundreds of carpenters, railwaymen, forest workers, industrial employees, and teachers occupied the positions of mayors and aldermen, positions which hitherto had been filled by property owners, lawyers, and merchants. The workers had to take over the government of the municipalities under the most difficult conditions, as war and currency depreciation had worked havoc in municipal finance, and without having had an opportunity of learning the conduct of municipal business, as they had hitherto been excluded from the council chambers by the nature of the franchise. It is therefore not surprising that in the beginning many mistakes in the choice of leading persons and the conduct of business

were made. But an important province for the training and self-instruction of the working class was conquered when local government was democratized.

All this activity on the part of the workers would have been impossible without the eight-hour day, which afforded tens of thousands of workers the leisure to take part in municipal and county government, local school committees, and all the various committees which were set up. The eight-hour day was also the basis of other forms of working class activity. The workers proceeded to utilize the hours of leisure they had won in order to ease the economic pressure. The eight-hour day gave a powerful stimulus to the allotment movement, and Vienna gradually became encircled by 60,000 allotments. The allotment holders began to build dwelling-huts in order to cope with the shortage of houses.

Many workers joined the co-operative building settlements, and by assisting to build houses in the spare time allowed them by the eight-hour day, overcame the difficulty of the high cost of building material. Out of the initiative of the masses there gradually grew a whole system of co-operative building activity. The co-operative settlements built groups of one-family houses. The work was done partly by the settlers themselves, according to their occupations, partly by the *Grundstein,* a co-operation association founded by the building workers' union. The whole movement is noteworthy in many respects. Its origin from popular initiative testifies to the creative mass energy liberated by the revolution. Its structure reveals interweaving of many forms of co-operative and trade union organization. Based as it is upon the leisure time of the settlers themselves, it is proof that an eight-hour day in the factory by no means limits the working day to

eight hours. While refusing to serve capital longer than eight hours, the workers gladly work a few of their spare hours for themselves, in their allotments or on their housing schemes. The organism of the worker cannot endure more than eight hours of the eternal routine of the factory, but it is quite equal to complementary labours which, performed under different conditions, bring other muscles and other nerves into play.

A prominent place must be assigned to the great enterprise of educational reform which provided the highest intellectual scope for popular energy.

The re-modelling of the whole educational institutions has been accompanied by a revolution in the methods of instruction.

The children have no longer to learn by heart what the teacher recites to them. From their own observation, their own activities, and their own work they have to master the various branches of science. The curriculum is no longer determined by a logical pattern, but by the experiences of the children. There are no longer separate hours of instruction for languages, arithmetic, or writing. The children look about them on educational walks, and instruction is based upon what has been seen during each walk. For example, the children may be taken to a railway station. On returning to school, what has been seen at the railway station is sketched and modelled. A school which is to educate human beings not for the study but for the workshop, must train the eye and the hand, not only the mind and the memory. At the same time we write down the names of the objects which are drawn and modelled; thus we learn writing. Between whiles we calculate: if there are thirty seats in a railway carriage, how many are there in the whole train? What is the cost of a ticket to

the nearest station? What would it cost if we all went together? Thus we learn to multiply. Where will the train take us to? Through which valleys, across which rivers? Thus we learn geography. Who has made a railway journey? Write down now the story of this journey. It is an exercise in composition. How does the locomotive draw the train? This takes us into mechanics.

This movement immediately became popular among the whole community. Parents' unions and parents' committees form an essential part of the system of educational reform. They provide a continuous personal contact between parents and teachers. The newly-established parents' associations went to work with great enthusiasm. They collected large sums to equip the schools with appliances for practical instruction, such as wood, modelling clay, tools, books, and pictures. They paid teachers to give supplementary instruction to backward children or to specially gifted children. The members of the parents' committees began to keep an eye on school attendance. They went from house to house, and urged dilatory parents to send their children to school.

All those who venerated the old traditions observed this revolution in the schools with distaste and mistrust. When teachers and children were released from the obligation to take part in religious instruction, Clericalism began openly to oppose educational reform. Educational reform became a subject of political strife. The only effect of this was to redouble the interest of large sections of the workers.

Popular interest in educational questions was aroused. The movement of the *Kinderfreunde* (Children's Friends) everywhere rapidly strengthened. In Lower Austria, for example, the *Kinder-*

freunde association numbered 3,000 members in 1913; 3,881 members in 1917; 18,432 members in 1919; and 35,918 members in 1920.

Thus the popular energies released by the revolution found ever new spheres of activity. Tens of thousands of men, whose life hitherto had been divided between the eternal routine of mechanical labour in the factory and an animal existence during the scanty hours of leisure in the family circle or in the public-house, now found new interests and a new purpose in life in the organizations of the party, the trade unions and the co-operative societies; in the workers' councils and the works' committees; in municipal representation and in the various institutions of communal self-government; in the allotment and the settlement movement; in the parents' unions and among the *Kinderfreunde*. It is not too much to say that this social activity of the masses created a new type of manhood and womanhood.

In the days of the upheaval the revolutionary type was the homecoming soldier, filled with wild passions by his fearful experiences, who believed that, with rifle and bomb, he could overturn everything that existed. And with the returned soldier the revolutionary opportunist allied himself, hoping for power, place, dignity, and income from the subversion of the existing order. But very soon the direction of the movement passed to a quite different, intellectually and morally higher, type of man. Such a type were those tens of thousands of party and trade union delegates, members of workers, works, and soldiers' councils, who, in a gigantic effort marked by the highest sense of responsibility, managed to divert the popular energies released by the revolution, which threatened to destroy the revolution itself in violence and fury, into fruitful

creative work. The rise of this intellectual *élite* of the masses, and the leadership and education of the masses by this intellectual *élite* of their own flesh and blood is the proper achievement of the revolution. The transformation of political and social institutions is not an end in itself; for the development of peoples it has meaning only so far as it promotes the awakening, the inner change, and the upward movement of mankind.

The German-Austrians had been the dominant people of the Hapsburg Monarchy. When the national revolution of the Czechs, the Jugo Slavs, and the Poles forcibly dissolved the Hapsburg Monarchy, German-Austria was left in a terrible state of privation and impotence. Our impotence and privation imposed insurmountable barriers to our revolution. It was unable to achieve its national aim, political union with Germany. It could accomplish a social transformation only within very narrow limits. Obliged to moderate its pretensions, it remained everywhere poor in heroic actions, dramatic episodes, romantic struggles. But it was just the privations and impotence of this revolution which constituted its peculiar greatness. Precisely because our privations and impotence prevented us from establishing a strong revolutionary power, we could only rule the masses with intellectual means. Precisely because the poverty and impotence of the revolution imposed severe restrictions upon its scope, the control of popular passion by popular intelligence had to be accomplished by means of stern intellectual struggles among the masses themselves.

The whole history of class struggles of the proletariat is not only the history of the revolution of conditions under which the working class lives, but also the history of the development of the working

class itself. At the beginning of this development the worker in the factory was nothing but a mindless tool in the hands of the employer, in his scanty leisure hours he was nothing more than an exhausted animal. The end of this development will find the worker a versatile and cultivated personality, who, capable of regulating his life and his labour, will no longer tolerate a master because he needs none. Progress towards socialism is nothing but this evolution of the labouring animal into a personality.

Part IV

THE PERIOD OF THE BALANCE OF CLASS POWER

CHAPTER XII

ECONOMIC TRANSFORMATION AND SOCIAL TRANSPOSITION

DURING the first months which followed the end of the war international capitalism appeared to be suffering from a severe shock. The Russian Soviet Republic victoriously repulsed, in bloody civil war, the attacks of the generals of the counter-revolution. Germany was dominated by the Workers' and Soldiers' Councils; in a series of insurrections Spartacus attempted to push the German Revolution beyond the limits of bourgeois democracy. The dictatorship of the proletariat was set up in Munich and Budapest. Even the victorious countries did not remain unaffected by the wave of revolution. When the Entente powers protracted demobilization during the peace negotiations, the agitation in their camps led to a series of mutinies, and even in the victorious countries workers home from the Front marched through the streets unemployed and embittered. It seemed that the war was merging directly into the world revolution.

But after a few months the waves of revolution ebbed. In the spring of 1919 the countries of the victorious powers entered upon a period of economic prosperity. The unemployed were quickly absorbed in industry. The demobilized soldiers found employment in the factories at rapidly rising wages.

In the States which victory had made the masters of the world, capitalism overcame quickly and without any serious shocks the social crisis provoked by re-drafting the masses out of the Army into industry. But capitalism also re-consolidated itself in defeated Central Europe. In Germany the communistic insurrections in December, January, and March had ended in heavy defeats, their sole result being the creation of the counter-revolutionary *Reichswehr*, which henceforth held the proletariat in check. Communistic dictatorship collapsed in Bavaria in May, in Hungary in July. In the East the forces of the Soviet Republic were checked by the armed intervention of the Entente. In the late summer of 1919 it was manifest that capitalism had weathered its heaviest storm.

But the proletariat did not yet feel that it was beaten. The year 1920 brought a whole series of working class risings, but all of them ended in heavy defeat. In March the Kapp *Putsch* was answered by a powerful rising of the German proletariat. The general strike of the proletariat saved the Republic, but where the proletariat attempted to carry matters beyond the limits of the bourgeois republic, it was repressed with bloodshed. In May the French workers rebelled, but their mass strike ended in a heavy defeat. In the summer months the victorious invasion of the Red Army into Poland kindled the hopes of the proletariat ; large sections of the workers anticipated that the Red Army would overrun Poland, break down the barrier between the Russian and the German Revolution, and carry Socialism through Central Europe at the point of the bayonet. The heavy defeat of the Russians before Warsaw in August brought a premature end to all these hopes. In September, Italy was at the extremity of her

social crisis ; the Italian workers seized the factories, the authorities not daring to protect the property of capital. For a few days the means of production remained in the hands of the workers, and then they were forced to evacuate the occupied factories. In December Czechoslovakia was convulsed by a mass strike, which, however, collapsed without achieving any result. In fact, at the end of the year 1920 capitalism had everywhere repulsed the offensive movement of the proletariat.

Meanwhile, the period of economic prosperity which had set in during the spring of 1919 came to a premature close. The industrial crisis swept across Japan and America in the spring of 1920, and reached the victorious countries and the neutral countries of Europe by the summer. In all countries with a stable and appreciating currency unemployment rose and wages fell. The workers resisted the pressure of falling wages. The year 1921 brought a series of gigantic trade union struggles, of which the lock-out of the British miners was the most powerful. Embarked upon at a time of severe industrial depression, these wage struggles ended in defeat. In all countries affected by the crisis the demands for unemployment and strike pay emptied the coffers of the trade unions, and the fear of unemployment broke the fighting spirit of the working classes. The workers were obliged to accept constant wage reductions without protest, and their position in industry was substantially weakened. While capitalism in the West passed to a victorious offensive, the offensive power of Communism collapsed in the East. In Russia the masses rebelled against communism. The Krondstadt insurrection and mass insurrections of workers forced the Soviet Government to a reversal of policy. The new

policy restored capitalism in Russia. The proletariat was everywhere thrown on the defensive.

Thus the history of the years 1919 and 1920 is the history of the progressive recapture of the positions that capitalism had lost through the war. Under the pressure of this international development, it was inevitable that the distribution of power among the classes in Austria should change.

During the first months after the upheaval, the Austrian bourgeoisie submitted practically without resistance to the predominance of the working class. At that time the revolution in Austria seemed to be on a much smaller scale than in the other defeated countries. In November 1918, the Workers' and Soldiers' Councils had taken over the powers of government in Germany, while in Austria the revolution remained within the forms of parliamentary democracy. In the winter bloody civil war continuously raged in the streets of the large towns of Germany, but Austria was spared street battles. In the spring of 1919 the dictatorship of the proletariat was proclaimed in Hungary and Bavaria, but in Austria Social Democracy repulsed the onslaught of communism. At that time the Austrian bourgeoisie was fortunate in being spared the worst that had befallen the bourgeoisie of the other defeated countries, and it then submitted unresistingly to the predominance of Social Democracy.

But the first victories of international reaction in the year 1919 changed the tone of the Austrian bourgeoisie. In Germany the *Reichswehr* was established, and it served to suppress and hold in check the proletariat. In Austria the socialistic *Volkswehr* still held the reaction at bay. In Germany an emergency staff prevented any stoppage of the vital services. In Austria the public services

could only be conducted in harmony with the proletarian organizations. In Germany the dominance of the workers' and soldiers' councils very soon came to an end. In Austria the workers' and soldiers' councils had never governed, but they remained a powerful influence when workers' and soldiers' councils no longer existed in Germany. In Hungary and Bavaria the communistic dictatorship was followed by the bloody suppression of the proletariat. In Austria the moderation of Social Democratic leadership averted defeat from the proletariat and maintained its power unimpaired.

In the summer of 1919, after the victories of the counter-revolution in Germany and in Hungary, the Austrian bourgeoisie perceived that the Bolshevist terror in Germany and in Hungary, which soon met its counter-revolutionary nemesis, was far more advantageous for the bourgeoisie than the endless terror of the Social Democratic leadership, which had preserved the Austrian workers from defeat. When fugitive revolutionaries from Hungary, Bavaria, Jugo Slavia, and Poland, commenced to seek refuge in Austria in the autumn of 1919, the bourgeoisie saw that in Austria alone the power of the proletariat was unbroken, while all around heavy defeats had been inflicted on the proletariat. At a time when the Austrian bourgeoisie could almost regard the White Army in Hungary and the *Orgesch* in Bavaria as its reserve armies, which in case of need could be summoned to its assistance against the Austrian proletariat, the unbroken power of the Austrian proletariat seemed to the bourgeoisie an intolerable anachronism. Now was the time to suppress the veiled Bolshevism in Austria.

In the measure that international capital reconsolidated its position in the course of the years 1919

to 1921, the self-confidence of the bourgeoisie in Austria increased. After the German and Hungarian revolutions had suffered heavy defeats in 1919, the Austrian bourgeoisie ventured to offer opposition to the proletariat. It regained confidence to govern alone after international reaction had repulsed the attack of the proletariat in 1920. It passed over to the offensive in 1921. In Austria too the history of the years 1919-1922 is the history of the progressive strengthening of the self-confidence and power of resistance of all the possessing classes against the proletariat.

The strengthening of bourgeois class consciousness was accelerated and reinforced by the economic and social changes produced by the break-up of the old economic sphere.

The most momentous consequence of the disintegration of the Austro-Hungarian sphere of influence was the revolution in the currency. The value of the Austrian krone was no longer determined by its purchasing power in Czechoslovakia, in Jugo Slavia, or in Poland, but only by its far lower purchasing power in German-Austria, which was blockaded by all the neighbouring States and suffering acutely from a shortage of commodities. When foreigners wished to purchase Czech coal or Czech sugar, Galician petroleum, Hungarian cattle, or Jugo Slav wheat, they no longer required Austrian krone notes, but the currencies which circulated in these new States.

Austrian kronen were needed by the foreigner only when he wanted to buy German-Austrian commodities, but owing to the decay of Austrian industry incident to the shortage of coal and raw materials, there was little for the foreigner to buy. Thus the demand for Austrian kronen and consequently their value were bound to fall considerably.

The fall of the krone was accelerated by other circumstances. The flight of capital abroad had assumed considerable dimensions during the war, but the revolution gave a greater impetus to this movement. Trembling at the idea of expropriation, the capitalists transferred their property to Switzerland. The strict prohibitions issued by the first two coalition governments were circumvented or broken through. The flight of capital reached particularly large dimensions at the time of the onslaught of Hungarian Bolshevism. The natural effect of this was to increase the supply of Austrian kronen abroad, and depress their value still further. At the same time the Entente raised the blockade of Austria. For four-and-a-half years Austria had been cut off from foreign countries. At once there was a rush on the part of the starving consumers for the products which had suddenly become available to them again. Merchants hastened to replenish their long empty warehouses. The clamorous demand for foreign commodities increased the demand for foreign currencies by leaps and bounds, and assisted the downward career of the krone. A few weeks later the first draft of the peace conditions became known. The extremely harsh conditions destroyed all confidence in Austria's economic future. Foreign speculators now unloaded their stocks of kronen, and Austrian capitalists sold their krone securities in order to buy foreign bills and securities with the proceeds. Another powerful impetus was given to the plunging of the krone.

Thus in this first phase of the currency depreciation, all the effects of the great catastrophe combined to lower the krone quotation. In the first year of the Republic, the period of the predominance of the working class, the currency depreciation was the

immediate effect of the great historical catastrophe itself, unaffected by any political or financial measures. The result was that the krone lost nine-tenths of its value within a year.

Nor was this the end of the currency depreciation. The convulsive character of this depreciation in the first year of the revolution seriously menaced national solvency. While national expenditure rose with the currency depreciation, national income could only be slowly increased at a time of complete stoppage of production and acute social crisis. The deficit in the Budget had therefore to be covered by the issue of paper money. In the degree that the volume of circulating bank notes increased in size, their value sank. While the currency depreciation during the first year of the Republic was the immediate effect of the dissolution of the old economic sphere, afterwards it was the consequence of the disordered State finances which compelled the continuous issue of paper money.

But the currency depreciation was not only the consequence of the great historical catastrophe which befell Austria in 1919; it also proved to be an indispensable means for restoring the economic life which this catastrophe had shattered. The elementary process of currency depreciation set the capitalist production and exchange of commodities again in motion.

In the summer of 1919 the great boom of the Vienna Stock Exchange began. Stock quotations began to adapt themselves from day to day to the falling value of money. The capitalists sought to preserve their capital from depreciation by investing it in securities and bills. The huge gains of speculation attracted ever widening circles of the bourgeoisie, of officialdom, and of the employee class

to Stock Exchange gambling. From the Stock Exchange the movement spread to trade. The Stock Exchange speculated upon a continuous fall of the krone. The krone fell more rapidly than its internal purchasing power shrank. The disparity between the quotation and the purchasing power of the krone was expressed in the fact that Austrian prices were far below the level of world market prices. Large profits could be realized by transporting Austrian products into foreign countries. To this there were numerous obstacles, such as restrictions upon communications and export and import prohibitions, by means of which the State attempted to protect itself at a time of severe privation. Unscrupulous profiteering which knew how to circumvent the prohibition by a thousand devious methods and to manipulate the bureaucracy which had to enforce this prohibition, broke through these obstacles. The native profiteer was reinforced by the foreign profiteer. Owing to the absurd disparity between the internal and the external value of the krone, any clerk from a country with a strong currency could pose as a rich man in Vienna, and anyone who bought up goods in Vienna with foreign money could realize the largest export profits. Then came the period of the great "buying up," when foreign dealers acquired for a song the stores of raw materials which the Army Administration had bequeathed the Republic, and the furniture and jewellery of Viennese patricians who were impoverished by the depreciated currency. But this period of profiteering, however parasitic it seemed, in reality prepared the way for the restoration of the trade of Vienna. The attraction which Vienna, thanks to the disparity between the purchasing power and the quotation of the krone, between home and world market prices, exercised

upon foreign merchants restored Vienna to its place as a great commercial centre. Jugo Slav, Rumanian, Polish, and Hungarian merchants came again to Vienna, to buy not only the products of Austria, but also those of Czechoslovak industry. Vienna resumed her old function as a commercial intermediary between the Sudetic industrial districts and the agrarian regions of the Danube basin. And with commerce, trades and industries eventually began to get on their feet.

The first to feel the effects of the revival were the luxury trades, to which Stock Exchange and speculation profits and the influx of foreign merchants brought a period of extreme prosperity. But the revival of industry proper was a more protracted process. It is true that the disparity between the internal and external value of the krone operated as an export premium. But industry could not utilize its export opportunities to the full so long as production was throttled by shortage of coal and raw materials. Only gradually, as production was restored in the neighbouring countries, did Austria again obtain somewhat more ample supplies of coal and raw materials. When the industrial crisis overtook the countries with strong currencies in the summer of 1920, and the market there for coal and raw materials shrank, Austrian industry could obtain as much coal and raw materials as it needed.

In the second half of 1919 we imported 24 millions cwts. of coal and coke; in the year 1920 80 millions; in the year 1921 116.8 millions. Our imports of cotton in the second half of 1919 amounted to 53,022 cwts.; in the year 1920 to 252,928, and in the year 1921 to 521,022 cwts.

The importation of all important industrial raw

materials rose in a corresponding degree. Our currency depreciation, which maintained the costs of production of our industry far below the international level, saved Austria from the effects of the shrinkage of international markets.

The shortage of coal and raw materials which had prevented us from seizing the great international trading opportunities of 1919 and 1920, was overcome by the international crisis itself. Consequently the period of extreme prosperity did not reach Austrian industry until it had already departed from world industry.

Only now could our industry fully exploit the export premium provided by the disparity between Austrian and world market prices. Our industry was able considerably to extend its hold on the world market at a time of world-wide depression.

Reanimated by the growth in exports, industry was now able to absorb the masses of unemployed. The number of unemployed reached its highest point in May, 1919, with the figure of 186,000. At the beginning of 1920, there were still 62,427, in July 23,970, at the end of the year 16,637 persons in receipt of unemployment pay. Throughout the year 1921 unemployment remained inconsiderable. Currency depreciation was the means, through the revival of industry, of bringing back into the workplaces the masses of workers who had been snatched away from them by the war.

This industrial prosperity enabled the workers to obtain higher wages. The export industries, which exchanged their products for foreign money, were able to raise wages as the value of the krone fell. The rise of wages in the export industries levelled up wages in other branches of industry, although not in the same degree. The rapid pace of the cur-

rency depreciation necessitated a rapid adjustment of wages to the alterations in the value of money. One wage movement quickly followed another. The continuous preoccupation of all the workers and employees with wage movements favoured the growth of the trade unions. In the year 1922 more than a million workers and employees, almost a sixth of the entire population of the country, were organized in the free trade unions. Backed by their strong trade unions, the workers were able to take the fullest advantage of the industrial prosperity. The monthly adjustment of wages according to the official index figure was adopted as a means of avoiding costly struggles for increases in wages.

Thus the standard of life of the working classes was gradually improved. Import statistics show the rise in mass consumption :

The imports into Austria amounted to :

	Second half of 1919.		1920.	1921.
		2-cwts.		
Cereals	2,359,571		6,131,404	7,560,558
		pieces.		
Cattle and Meat	18,487		37,141	130,928
		2-cwts.		
Fats, Butter	122,036		432,396	402,867
Tobacco	7,845		66,084	113,777

The standard of health of the working class rapidly improved. In Vienna the death rate was :

Year.	All cases.	Tuberculosis.
1918	51,497	11,531
1919	40,932	10,606
1920	34,197	7,464
1921	28,297	5,265

The workers became more pacific with improving economic conditions and an ampler food supply.

The stormy interludes in the factories and in the streets, which had frightened the bourgeoisie during the first months after the upheaval, became rarer. A government was once more possible without having to fear daily risings of workers, or needing daily consultations with the labour organizations. The state of revolutionary tension was dispelled by the boom in trade.

One consequence was that private enterprise became more self-confident. The employers were intimidated so long as their factories were in a state of chaos, but once their works were set going again they recovered their confidence. The eight-hour day, which had been established during the time of acute crisis and shortage of coal and raw materials, was now an impediment to the fullest exploitation of the boom, and the employers began to cry out against "social reform legislation." The industrialists commenced to mobilize all the possessing classes against the position of power which the workers occupied in the State.

But the currency depreciation not only restored commerce, trade, and industry. It also produced a momentous transposition within the ranks of the bourgeoisie. The old bourgeoisie was supplanted by a new bourgeoisie.

At first the currency depreciation favoured those sections of the old employing class which had offices in Vienna and factories outside Austria, mostly in Czechoslovakia. These industrialists received their income in Czech currency, but expended it in Austrian currency. They were therefore admirably placed to take advantage of the disparity between the internal and the external value of the krone. By their side, a new section of the bourgeoisie realized large profits out of this disparity. Great new pro-

perties came into existence as a result of exchange speculation and profiteering. The considerable obstacles which legislation attempted to place in the way of exchange speculation and profiteering could only be surmounted by particularly unscrupulous dealers. The great new fortunes were the results of methods of accumulation, as Marx understood them. Such methods were distasteful to capitalists accustomed to the normal forms of capitalist activity in a highly-developed industrial country. But they were adopted with all the more avidity by the trading class from the agrarian countries of the East, where capital, as one of the cells in a pre-capitalist body politic, is accustomed to employ the more brutal and corrupt methods of "primitive accumulation." The Galician Jews, whom the war had driven to Vienna in large numbers, the Hungarian traders, who had sought refuge from the revolution in Austria, furnished a large contingent to the exploiters of the boom in currency depreciation. Thus a new bourgeoisie came into existence, composed for the greater part of persons alien to the country and living on a lower plane of culture, who owe their success to their business acuteness and moral unscrupulousness.

The same process of currency depreciation which created the new bourgeoisie pauperized large sections of the old bourgeoisie. Persons living on fixed incomes were the first to be affected. During the war by far the greater part of the liquid capital of the bourgeoisie had been converted into war loan certificates. The Republic paid the interest on the war loans, but paid it in paper kronen. As the value of the paper krone sank, the *rentier* class was expropriated. The interest which the State paid the *rentiers* represented in 1920 only a hundredth part, in 1922 only a ten-thousandth part of its nominal

value. The millionaire who had invested his property in war loan became a beggar.

With the *rentiers,* house owners were also expropriated. The Rent Acts passed during the war were maintained. Rents, expressed in paper kronen, rose but slowly, while the value of the paper krone sank rapidly. The maintenance of rent protection was one of the most effective means of raising the standard of life of the masses of the people. Expenditure on rent soon represented only a very slight fraction of wages. The people were able to satisfy their housing requirements much better than before the war. The fact that there was a housing shortage in Vienna, although the population had considerably decreased owing to the losses in the war, the decline in the birth-rate, and the emigration that set in after the revolution, proves that people in the working class districts did not live under such congested conditions as before the war. But this increase in popular comfort, one of the most pleasing results of the social transformation, was effected at the cost of the house owners. Thus one of the most numerous sections of the bourgeoisie was economically expropriated.

The higher officials formed another class that was adversely affected by the currency depreciation. As the State, the provinces, and the municipalities were beset with severe financial difficulties, they were unable to raise the salaries of their officials as quickly as the export industries, the banks, and other undertakings which were profiting by the boom in currency depreciation. As the salaries of the lower officials, which were barely sufficient to support life, had to be raised in the degree that the purchasing power of money dwindled, it was necessary to effect economies in the salaries of the higher officials. In 1915 a

privy councillor received 8.6 times more than an official of the lowest rank, while in 1920 he received only 3.3 times more.

Finally the free occupations were affected by the currency movement. The impoverished people were obliged to spend their whole income upon the most indispensable needs of existence. What was not absolutely indispensable had to be foregone. With the impoverishment of numerous sections of the bourgeoisie, doctors, writers, and artists lost their patrons, and they too fell into a state of bitter privation.

While a new and alien bourgeoisie was amassing great fortunes out of the necessities of the country, the wealth of the old Austrian bourgeoisie was being destroyed. The old Austrian bourgeoisie was plunged far below its customary standard of life. Thousands who had been rich before the war could only prolong their existences by selling old furniture and jewellery, and letting their rooms to strangers. They could no longer afford to keep servants. Books, theatres, and concerts became luxuries beyond their reach.

The classes impoverished by the currency depreciation were the old Viennese patriciate, the leading sections of the Austrian intelligentsia, and a large section of the middle and lower middle classes. They had formed the proper ruling classes of the Hapsburg Monarchy, which they had supplied with its officials and its officers. For a century they had been the representatives of specific Austrian culture, Viennese literature, Viennese music, and the Viennese theatre. They were the real vanquished of the war. It was their Empire which collapsed in October, 1918. And with their Empire they lost their wealth.

Their economic fate determined their social and political ideology. In the last year of the war they had yearned for peace. At that time they hated German Imperialism which was prolonging the war. Many of them hoped to save their Empire through separation from Germany, and, through democracy and national autonomy within the Empire, to pave the way for a separate peace. At that time their pacifism brought them close to Social Democracy. And when democracy triumphed in October, 1918, many of them were completely filled with the spirit of the new time. But after a few weeks they altered their views. The new time had pauperized them, and their impoverishment embittered them. Their resentment was directed against the two classes which had profited by the catastrophe that was responsible for their downfall, the new bourgeoisie, which exploited the catastrophe economically, and the working class, which the catastrophe had raised to political predominance. They perceived many Jews among the enriched profiteers and among the leaders of the workers. Their twofold hatred found its synthesis in anti-Semitism.

Very soon their resentment against the workers became stronger than their resentment against the profiteers. After all, the profiteer was nothing but a successful merchant; that profits and wealth should originate from buying and selling seemed quite natural to them. But every day their prejudices were offended by the new power and the newly-awakened self-confidence of the workers. To the doctor it seemed that the end of the world had come when nurses and attendants wanted to share in the control of hospitals. The office chief was angry at the changed attitude of his clerk; the housewife at the sudden self-confidence of her cook. Above all they

all resented the wage movements. The krone incomes of the *rentier* and the landlord remained unaltered in spite of the depreciation of the krone ; the krone incomes of the higher official, the artist, and the doctor rose much more slowly than the value of the krone sank, but the workers in the export industries, favoured by the currency depreciation, were able to increase their wages much more rapidly. The intellectuals did not see that the wage increases were only adjustments of money wages to the falling value of money ; they only saw that the workers' wages rose quickly, while their own incomes rose either very slowly or not at all. The intellectuals did not see that, in spite of all increases in wages, the working class remained on a far lower level of existence than before the war ; they only saw that the standard of life of the workers was always gradually improving, while their own standard of life continuously fell with the progress of the currency depreciation. The intellectuals did not understand that the alteration in the distribution of incomes was the result of an elementary economic process, an inescapable consequence of the currency depreciation, which itself was an inevitable sequence of the great historical catastrophe, the war, the dissolution of the old economic sphere, and the dictated peace. They regarded the increases in wages, which were the consequences of the currency depreciation, as the cause of the currency depreciation, and therefore as the cause of the impoverishment of the middle class.

When in isolated cases the wages of an artisan were higher than the income of an academic brain worker, they attributed this fact to the new political power of the working class. That the laundress was better paid than the university assistant became the slogan of an agitation. Class envy of the proletariat

filled large sections of the middle and lower middle classes with hatred of the revolution, of the working class, and of Social Democracy.

Although its numbers are small the social influence of the bourgeois intelligentsia is great. This class plays the chief part in moulding public opinion. Public opinion began to resent the power of the working class. Large sections of the intelligentsia, of the official class, of the employee class, and of the lower middle class, which in the autumn of 1918 had been carried away by the Red flood, were implacably hostile to Social Democracy in the summer of 1919. To restore the rule of the bourgeoisie in the State and society, to unite to this end all the forces that were hostile to the working class, appeared now to be their most important task.

Simultaneously the sentiments of the peasantry had undergone a considerable alteration. Having returned to his village, the soldier soon became a peasant again. In his village he suffered no want. The currency depreciation enabled him to repay his mortgages. The land tax became an insignificant burden in consequence of the currency depreciation. On his comfortable property the peasant soon forgot his past experiences.

The movement which had agitated the village since the political upheaval was of a duplex character from the outset. But its democratic character quickly vanished. The revolution had indeed aroused the village proletariat. The rapid development and great success which everywhere attended the young trade unions of the land-workers and the forest-workers frightened the peasants. At the same time the peasant perceived the close connection between the land-workers' movement and the movement of the industrial proletariat. When the fac-

tory whistle blew at six o'clock the farm labourer folded his arms too. In the village alehouse the railway worker chaffed the farm labourer who worked longer than eight hours. In the village there was a shortage of labour, while the State was paying a dole to the unemployed of the town. The master peasant saw his interests everywhere in conflict with those of the working class. Was not the urban employer his natural ally in the fight against the eight-hour day and the unemployment dole, and the urban merchant his natural ally in the fight for free trade, and the urban capitalist his natural ally in the fight against the taxation of land and property? Even in the village ale-house it was now whispered that Social Democracy was the enemy.

Thus the possessing classes gradually formed an united front against the working class. Banking capital, which demanded free traffic in bills of exchange; industrial and commercial enterprise which resisted the burdens imposed by social reform; trading capital which was fighting for free trade; the new rich who trembled at the taxation of property; the decaying sections of the bourgeoisie and the intelligentsia indignant over high wages; the peasants frightened by the movement of the land-workers—all these now united against the working class. All inner antagonisms among the urban and rural bourgeoisie appeared insignificant in face of the common antagonism to the proletariat. The Jewish profiteer gladly contributed to the electoral campaigns of the bourgeois parties, whose victory alone could safeguard him from high taxation, the sequestration of his bills of exchange, the heavy burdens of social reform, and the State regulation of his commerce. What did it matter to him that they fought Social Democracy with anti-Semitic arguments? Anti-Semitism, which

arose from the resentment of the decaying bourgeoisie at the new ascendant bourgeoisie became, as a popular weapon employed against Social Democracy, the instrument of this new bourgeoisie itself.

The strengthening of the possessing classes was a gradual process. It began in the summer of 1919 with the victory of the counter-revolution in Hungary. It was accelerated after the middle of 1920, when the period of industrial prosperity dispelled the excitement among the workers, and restored the self confidence of the employing classes. It progressed further when the October elections of 1920 revealed the defection of large sections of the middle class from Social Democracy, and the defeats of the international proletariat in the years 1920 and 1921 forced the proletariat on the defensive everywhere. Thus the wave of revolution ebbed also in Austria.

CHAPTER XIII

THE STRUGGLE FOR REPUBLICAN INSTITUTIONS

After the ratification of the Peace Treaty of St. Germains the coalition Government, which was formed in February, 1919, resigned office. On the 17th October, 1919, the second coalition Government was formed. According to outward appearance, there was no alteration in the system of government, merely a change in the personal composition of the government. In reality this government expressed the altered distribution of social power which had set in since the counter-revolution in Hungary.

When the first coalition Government was formed, the strongest opposition existed between the peasant Christian Socialists and the Christian Socialists of Vienna. When the returned soldier again became a peasant, and the peasant movement lost the strong democratic character of the early revolution days, becoming increasingly hostile to the working class, this antagonism was overcome. The clericals of Vienna succeeded in gradually regaining their ascendancy over the peasant deputies. The prelate Seipel became the actual leader of the Christian Socialist Party. Thus the Christian Socialist Party was far stronger in the second coalition than it was in the first. The first coalition was a class alliance of the workers with the peasants. The second coalition was a banal party coalition of Social Democrats and Christian Socialists.

Social Democracy no longer shared the government with the representatives of the peasantry, but with the section of the bourgeoisie represented by the urban Christian Socialists, who were once more the masters of the peasants' votes. The self-confidence of this bourgeoisie had already been strongly reinforced, since, after the victories of the counter revolution in Hungary and Bavaria it was no longer afraid of a proletarian revolution. It circumscribed the action of the new government through the coalition compact which was concluded at the formation of the new government, and by the coalition committee, under whose control the activities of the new government were placed. All important governmental acts and bills had henceforth to be agreed upon between the two parties in the coalition committee. In the coalition committee the two parties wielded equal strength. The first Renner government was the organ of the predominance of the working class; in the second government, of which Renner as Chancellor was also the head, a state of equilibrium existed between the strength of the classes represented.

There now followed a sterile series of manœuvres for position between the two coalescing parties. Each of the two parties was strong enough to prevent the other from acting, but neither was strong enough to impose its will upon the other. The energy of the government and legislation were paralyzed. The Peace Treaty obliged us to alter the constitution of our defence force. After the Peace Treaty had fixed the boundaries of our State and rejected union with Germany, the Constituent National Assembly had to give the Republic its constitution. The currency depreciation required measures which would put the shattered State

finances in order; the method of property taxation advocated by Social Democracy had to be decided upon. But the coalesced parties could not unite upon any of these problems. The machine of legislation stood still.

Once only we succeeded in overcoming this state of paralysis. For this purpose a powerful external impulse was necessary. On the 13th March, 1920, the Kapp *Putsch* became known in Austria. The masses saw the German Republic threatened, and immediately concluded that the Austrian Republic was also in danger. Great excitement prevailed in the workshops and barracks. On the following day battalions of the *Volkswehr* and crowds of workers demonstrated in the *Ringstrasse* against the counter revolution. In Germany the proletariat rose, summoned to fight by the government itself. It could not be foreseen how far the general strike of the German proletariat would lead, and to what extent it would carry away the excited masses of the Austrian proletariat. The Austrian bourgeoisie was cowed. We utilized this crisis in order to break down the opposition of the Christian Socialists to the defence law of Julius Deutsch. The Christian Socialists gave way. In the days of the Kapp *Putsch* the defence law was passed by the National Assembly.

The outside limit of the defence constitution was prescribed to us by the Peace Treaty. The organization of the *Volkswehr* did not meet the requirements of the Peace Treaty. A new defence force had therefore to be created to replace the *Volkswehr*. Since the victory of the counter-revolution in Hungary we had felt ourselves to be threatened from the East. We needed a seasoned army to protect, in case of need, our boundaries

against the invasion of Hungarian troops and our Republican constitution against the Hapsburg counter revolution which had its base in Hungary. An army cannot fight unless it is disciplined. In October, 1918, the officers' authority was broken. In the *Volkswehr* the officers were powerless. The real power lay in the hands of the soldiers' councils, at whose instigation alone the officers could give orders. This state of affairs could not remain. If we wanted a fighting army, the authority of the officers would have to be restored. But the restoration of military discipline in our army was as dangerous as it was necessary. The officers' corps whose authority was to be restored was reactionary in its outlook, as it had been educated in Monarchical traditions. Had we surrendered the militiamen to the absolute power of such an officers' corps, the new defence force would have become a blind instrument of the Monarchists against the Republic, of the bourgeoisie thirsting for a forcible counter revolution against the proletariat. The Kapp *Putsch* in Germany had just shown how great this danger was. There the army of the Republic had actually revolted against the Republic. It was therefore necessary, on the one hand, to restore the authority of the officers and the discipline of the rank and file, and on the other hand, to create sufficient guarantees that the authority and discipline could not be abused to transform the defence force into a tool of political and social reaction. This was the extremely difficult problem which our defence legislation had to solve.

We did not restore the old courts martial. The trial of military offences was transferred to the civil courts. The provisions of military law were softened, but military disobedience was threatened with

severe punishment. Power to inflict punishment was invested in disciplinary committees formed by the rank and file. The punishments which lie within the competence of these committees to impose are severe enough to enforce discipline in the new army. By this means discipline was restored and one problem solved. There was yet another problem to solve, to create the guarantees that the members of the defence force would remain free men, who, although subjected each day to discipline in a legal service, would have sufficient self respect to refuse obedience if ordered to serve the ends of reaction and the counter revolution. The defence law therefore prescribed that the members of the defence force would remain in full enjoyment of all their rights as citizens; this provision enabled us to organize the soldiers in a military association, which is the trade union of those belonging to the army, and which not only looks after the material interests of its members, but also attends to the instruction of the soldiers upon socialistic and Republican lines. For this purpose the defence law also introduced the institution of soldiers' councils into the new defence force, although with an altered structure and a narrower basis of power.

The defence law created a peculiar dualism, which finds its counterpart in no other army in the world, and which inter-penetrates the whole organization of the Republic's defence force. This is the dualism between military discipline and civic freedom, between military hierarchy and trade union organization, between the officers' authority and the delegates' right of control, between military and vocational instruction. It is undeniable that this dualism created difficulties within the defence force. But this dualism is indispensable if the authority of the officers

taken over from the Imperial armies is not to be transformed into an instrument for the overthrow of the Republican Constitution and the forcible suppression of the working class.

As soon as the defence law was passed, Deutsch proceeded to organize the new defence force, the Federal Army, as it has been called since November, 1920. Its creation within a short time was a notable achievement of organization, and credit is chiefly due to General Korner, one of the best officers of the old Imperial Army, who placed his great military ability at the service of the Republic. Recruiting for the Federal Army was the particular concern of Social Democracy. We succeeded in transferring the best elements in the *Volkswehr* to the Federal Army, in organizing the overwhelming majority of the militiamen in the military association, in inducing many young comrades to enter the Federal Army, and in placing the overwhelming majority of the soldiers' councils under our leadership. Gradually all the difficulties incidental to a period of transition were overcome, and we succeeded in setting the institutions of the new defence force upon a proper working basis.

The *Volkswehr,* which originated in the stormful days of the revolution, had been an instrument of proletarian defence. But as a revolutionary improvization it could only remain in existence during the revolutionary epoch. Without systematic duties and military discipline it could not be a permanent organization. The Federal Army, which came into existence when the waves of revolution had already ebbed, is of quite a different character. It was created at a time when the revolution could not make any further conquests, but had to consolidate and transform the achievements of the preceding revolu-

tionary period into permanent institutions of the Republic. This has been accomplished in a notable degree by the organization of the Federal Army. The state of equilibrium between the authority of the officers' corps and the organization of the rank and file through the military association and the delegate system reflects the equilibrium between the strength of classes which existed at the time the Federal Army came into being. No longer an instrument of proletarian offensive force owing to the restoration of the officers' authority, the Federal Army is also not an engine of offence for the counter revolution, thanks to the composition and organization of its rank and file, and thanks to the rights which the law has conferred upon them. The guarantee against the abuse of authority which the defence law contains safeguards the Republic against the Federal Army becoming a tool of the Monarchical counter revolution, as was the case with the German *Reichswehr* in the days of the Kapp *Putsch*. As the weapons are in the hands of a class-conscious proletarian rank and file, the workers are protected against forcible suppression by an armed counter revolution.

In the atmosphere of great excitement created by the Kapp *Putsch* the bourgeois parties voted the defence law. But when the general strike of the German workers ended without other result than the mere restoration of the Republic, the Christian Socialists were annoyed at having been caught napping. They felt that the defence law signified a heavy defeat for the bourgeoisie. The differences between the coalesced parties became more acute. The manœuvring in the coalition cabinet and in the coalition committee started afresh. The opposition of the Christian Socialists to all our demands was reinforced.

The stronger the opposition of the bourgeoisie grew within the coalition, the greater grew the resistance of the working classes to the coalition policy. Among the workers there was no strong opposition to the coalition policy so long as the coalition government was an instrument of working class predominance. As soon, however, as the classes were evenly matched within the coalition, and their mutual opposition frustrated the coalition government, a rapidly strengthening opposition against the policy of coalition developed among the workers. In the year 1919 a group of comrades within the Vienna workers' councils, who called themselves the New Left, to distinguish themselves from the war-time Left, formed a separate organization and founded a weekly paper. This group advocated Soviet dictatorship on principle, believed that the coalition policy was a violation of the principles of the class struggle, and approximated to the Communists. This opposition inside the party became of some account in the spring and summer of 1920.

This was the time when the military victories of the Russian Soviet Republic had awakened the passionate enthusiasm of the whole international proletariat. At the time of the Russo-Polish War the workers' councils appointed councils of action which supervised railway traffic and combated with striking success the smuggling of weapons and munitions into Poland and Hungary. While the workers' councils were unanimous in this manifestation of solidarity with the Russian Revolution, a section of the workers' councils was so carried away by the general enthusiasm for the Russian Revolution as to endorse the Bolshevist ideology. The independent Social Democracy of Germany, the French Socialist Party, the two Social Democratic parties of Czechoslovakia

were preparing to split. A large section of these parties, already fallen into the orbit of Bolshevism, demanded affiliation to the Moscow International. This wave of Bolshevism, which passed right across Europe, was bound also to influence large sections of the Austrian working class. And this influence was certain to become all the stronger, as the Austrian workers felt that their influence within the coalition was becoming weaker, and the results of their struggle conducted on the basis of democracy ever more scanty. Thus the influence of the New Left grew. It gave expression to the opposition of the masses to the coalition policy, and its agitation nourished and strengthened the resistance of the masses to the coalition policy.

The Communists and the New Left were small but compact groups within the workers' councils. The other members who formed an overwhelming majority were not organized. Each of them voted according to his personal conviction. The more dissatisfied the masses became with the coalition policy, the more frequently the Communists and the New Left succeeded in gaining the support of the unattached members of the workers' councils for their projects. By this means the New Left managed to control a majority of the votes at the third conference of the workers' councils at the beginning of June, 1920.

It was obvious to us that, owing to the strong opposition of the bourgeoisie, the coalition policy had become sterile, and that there was no longer any prospect of coming to an agreement with the Christian Socialists upon the great questions of the hour, the constitution, the taxation of property, the regulation of next year's harvest. We could not disguise from ourselves the fact that ever greater sec-

tions of the working class demanded the dissolution of the coalition. Long before the third congress of the workers' councils we had decided to break up the coalition. But it was not expedient to do this immediately. In the first place it was essential that the party should remain a short time in the government, in order to complete a number of tasks that were important for the proletariat. Deutsch hastened the organization of the new Federal Army ; Glockel drew up the most important measures of educational reform ; Hanusch put through a number of important laws and ordinances which were to supplement the social reform legislation of the first coalition government. Laws regulating collective bargaining and creating labour exchanges, laws regulating the working conditions of various categories of employees, above all, the law of the 24th March, 1920, which set up a permanent institution of unemployment insurance in place of the provisional arrangements—these were the social reform fruits of the second coalition. Only when these important achievements of the working class had been safeguarded could we yield to the pressure of the workers and dissolve the coalition.

The dispute which arose during the passage of the defence law provided the opportunity to dissolve the coalition. At the meeting of the National Assembly of the 10th June, we found both Christian Socialists and Pan-Germans united against us. In the course of the violent debates we were threatened with the dissolution of the coalition. We accepted the challenge, the Social Democratic members resigned from the government, and the workers received the news with great rejoicing.

We demanded that the bourgeois parties which had combined against us on the 10th June should form a

government alone. The bourgeois parties did not venture to do this. They refused to form a government without our participation. Thus the National Assembly was no longer capable of producing a government from its members. The parties therefore agreed to hold new elections, and in the meantime to entrust the conduct of governmental business to a government in which all parties were represented according to their strength, the so-called proportional government, which was formed on the 7th July, 1920.

The effects of the break-up of the coalition immediately showed themselves. So long as the coalition existed, the questions at issue between the coalesced parties were thrashed out within the coalition committee. If agreement was come to in committee, the coalesced parties were obliged to vote together in the National Assembly. The Christian Socialists could not therefore unite their votes with those of the Pan-Germans against us. It was not the bourgeois majority which decided against the Social Democratic minority, but the decision was arrived at by a compromise between equally strong parties within the coalition committee. Now the situation was different. There was no longer any coalition. All parties had absolute freedom in regard to the proportional government. Each party could now vote as it liked. The Christian Socialists and the Pan-Germans could combine their votes against us. Not until now did the fact become operative that the National Assembly had a bourgeois majority.

In fact immediately after the dissolution of the coalition we were confronted by a bourgeois coalition. We had not been able to come to an agreement with the Christian Socialists within the second coalition upon the character of the property tax and the organi-

zation of the State regulation of the wheat supply. Now the bourgeois coalition decided both questions against us. On the 21st July, the National Assembly voted upon the property tax. The bourgeois majority rejected our proposals. The shape they gave the law fixed the tax so low and spread the instalments over so long a period as to defeat the purpose of the tax, which was to meet the national deficit for a long time at the cost of the possessing classes, and thus suspend the activities of the printing press. On the 6th July, the law governing the State regulation of the wheat supply was voted. The bourgeois majority rejected the strict control which we had proposed, and the measure which they passed was the first decisive step towards the restoration of free trade. Two of the most important principles of our economic policy : to cover the largest possible portion of the national deficit at the cost of property, and the maintenance of a systematic control of the supply of the necessaries of life, suffered a defeat.

We were in a position of much greater advantage in connexion with the dispute about the third of the three chief questions upon which the second coalition government foundered : the question of the constitution. The Constituent National Assembly was elected in order to give the Republic a constitution. None of the parties desired to go before the electors without having accomplished this task. But as the constitution could only be passed by a two-thirds majority, the bourgeois majority could not outvote us on this question. Thus a compromise was eventually arrived at in August on the basis of the draft constitution prepared by Professor Hans Kelsen. Immediately before the new elections, which took place on the 1st October, 1920, the Constituent National Assembly voted the Federal Constitution.

Since the revolution the class antagonisms had found expression in the struggles between the State, the provinces, and the municipalities. The peasantry and the bourgeoisie of the rural towns represented the particularism of the provinces, against which the working class championed on the one hand, the unity of the State, and on the other, the local government of the municipalities, the counties, and the districts. The constitution could only effect a compromise between the opposing forces. It could not deprive the provinces of what they had captured at the expense of the State in November, 1918. The State was therefore constituted as a federation of provinces. But the constitution had to set a limit to the anarchical encroachments of provincial particularism at the expense of the federal State, and so far to circumscribe the powers which the provinces had arrogated to themselves as to assure the unity of the State for economic and juridical purposes and prevent the coercion of minorities in the provinces. This the constitution effected. It established a common monetary, economic, and fiscal system, and compelled the provinces gradually to withdraw the barriers which they had set up against each other and against Vienna. It protected the social and political minorities in the provinces by prescribing the principles of the Diet constitutions and of Diet and municipal franchises, and establishing the legal equality of provincial citizens with State citizens. It imposed a limit upon the further development of provincial sovereignty by investing the federal government with the right of issuing instructions to the county lieutenants and the right to veto provincial legislation.

The regulation of the relations between the provinces and local government in the municipalities, the counties, and the districts was much more difficult

than the regulation of the relations between the State and the provinces. In the former case it was not a question of granting legal sanction to a development which had already taken place, but of creating municipal institutions. The revolution had replaced the bureaucratic authoritarian government in the State and in the provinces by people's commissaries elected by popular organizations. In the counties bureaucratic government through the county lieutenants survived the revolution. To place the county lieutenants under the control of the provincial lieutenants would have meant the subordination of the proletarian industrial districts to the bourgeois-agrarian Diet majorities. We could not therefore allow any extension of the legislative and administrative powers of the provinces without at the same time democratizing local government.

The most important innovation in the Constitution was the revision of the legal status of Vienna. In May, 1919, Social Democracy captured the majority of the municipal representation of Vienna. The Social Democratic majority gave the great municipality a new charter, which introduced the ministerial system into local government and replaced the bureaucratic magistracy by democratic self-government, through the agency of people's commissaries. At the same time, the Social Democratic majority, by means of a newly-devised communal system of rating and by insisting that the public services should pay their way, brought the city finances, which had been completely shattered by the war, into order, in spite of the continued currency depreciation. Thanks to this policy, the control of the municipal administration of the great city, which comprises almost three-tenths of the entire federal population, became one of the most important supports of working class

power in the State. It was now incumbent on us to free this important sphere of power from the fetters imposed on it by its subordination to the government and legislation of the Lower Austrian Diet. The separation of Vienna from Lower Austria, the constitution of Vienna as a separate province, was facilitated by the federal constitution and completely carried out in December, 1921. The elevation of Vienna into the position of an independent province not only consolidated the strongest bulwark of the working class within the federal State, but it weakened at the same time the provincial tendency to rebel against the State. As soon as every right which the provinces asserted at the cost of the State became a weapon in the hands of the proletarian government of Vienna, provincial particularism became distasteful to the bourgeoisie itself.

Thus the debate over the Federal Constitution ended with a defeat for provincial particularism. In its formal structure and terminology, the federal principle is adhered to with painful exactitude, but in reality the Federal Constitution signifies an important step towards overcoming the legal anarchy caused by the rebellion of the provinces since the days of the revolution, and at the same time a substantial weakening of the reactionary tendencies of provincial particularism.

After the settlement of the relations between the federal State and the provinces, the composition of the organ of federal government was the most important task of constitution making. The Austrian Revolution began as a parliamentary revolution, and its result was parliamentary rule. The president of the National Assembly fulfilled the functions of a chief of State, and the government was chosen from the National Assembly, which also controlled the Army.

It was the parliamentary form of political democracy in its most pronounced shape. This system was attacked by the bourgeois parties during the discussions upon the constitution. They wanted to impose a double limitation upon the powers of the Chamber elected by popular suffrage. A federal council elected by the Diets should exist by the side of the popular Chamber, having equal powers with the latter, and in addition to the two chambers there should be a federal president invested with large powers. Every province should send an equal number of representatives to the federal council; Vorarlberg with its 140,000 inhabitants as many as Vienna with its 1,800,000 inhabitants. Thus the federal president and the federal council, as organs of bourgeois class rule, would circumscribe the power of the democratic chamber. We succeeded in defeating this proposal. It is true that we agreed to the creation of the office of federal president and of the federal council, but both authorities were so closely restricted that the supreme rule of parliament based on universal suffrage, which was one of the fruits of the revolution, remained unimpaired. And the composition of the federal council was so determined that the working class is as strongly represented in it as in the popular chamber.

A catalogue of all human and civic rights could not be inserted in the federal constitution, as the parties could not agree about the relations of the State to the Church and the School. Yet a number of important fundamental rights, which the revolution had conquered, were embodied in the constitution as constitutional principles. Thus the constitution excluded all privileges of birth, sex, status, class, and creed. All public officials, including the members of the federal army, were secured in the exercise of their

political rights. The constitution established universal and equal suffrage among all citizens ; without distinction of sex, for all representative bodies ; proportional representation, and prohibited any franchise restrictions. It confirmed as part of the constitution the decisions of the provisional National Assembly to abolish censorship and all restrictions upon freedom of meeting and association, the laws regarding the banishment of the Hapsburgs and the abolition of the nobility. It abolished the power of the government to declare a state of siege.

The defence law and the federal constitution are the most important results of this phase of development. These two laws supplied the Republic with its most important and fundamental institutions. Promulgated when the revolutionary wave was ebbing, the purpose of both laws was to codify the most essential achievements of the preceding revolutionary period, to transform them from improvisations of the revolutionary epoch into permanent institutions of the Republic. In this sense both these laws represent the legislative settlement of the revolutionary period.

With these two laws the Constitutent National Assembly accomplished its task. On the 17th October, the first National Assembly was elected. The election results showed that the adhesion of the masses of workers to the Social Democratic cause could not be shaken, while the Communists received an insignificant number of votes. But the elections also showed that a multitude of officials, employees, lower middle class voters, and peasants, who had voted for Social Democracy in the year 1919 under the powerful stimulus of the war and the revolution, had now returned to the fold of the bourgeois parties. The number of Social Democratic votes decreased from 1,211,814 in 1919, to 1,022,606 in 1920, while

the number of Christian Socialist votes rose from 1,068,382 to 1,204,606. The composition of parliament underwent a substantial alteration. The number of Christian Socialist mandates rose from 63 to 82, the Pan-German mandates from 24 to 26, while the number of Social Democratic mandates fell from 69 to 66. We lost no time in drawing our conclusion from these results. On the 22nd October, the Social Democratic members of the proportional government resigned, and Social Democracy declined to participate in forming the new Government. On the 21st October, 1918, the Provisional National Assembly was constituted, on the 22nd October, 1920, the Social Democratic ministers left the government. After being directed for two years by Social Democracy, the power of government reverted to the bourgeoisie.

CHAPTER XIV

THE STRUGGLE AGAINST THE COUNTER-REVOLUTION

On the 20th November, 1920, the first bourgeois Government of the Republic was formed. The Tyrolese Christian Socialist deputy, Dr. Michael Mayr, became head of this Government as federal chancellor. The ministerial posts were filled by Christian Socialist deputies and non-party bureaucrats. Although the Pan-Germans supported the Christian Socialist Government, they did not send any representative to it.

In the first year of the Republic the working class would not have tolerated a bourgeois government for a single week. Now the situation was quite different. The return of industrial prosperity, which gave the workers regular employment and more adequate supplies of food, dispelled the revolutionary tension among the masses. After the working class defeats in Hungary and in Germany, the masses no longer clamoured for the dictatorship of the proletariat. After the experiences of the second coalition government and under the influence of the agitation of the New Left against the coalition, the working class regarded a purely bourgeois government as a lesser evil than a new coalition. Thus the working class abandoned the government of the Republic to the bourgeoisie and the peasantry.

Although the new Government was a bourgeois government, it was the government of a bourgeoisie

still very weak and very nervous, a bourgeoisie whose self-confidence was only gradually being restored. The Government endeavoured to avoid any serious conflict with the Social Democratic Opposition in the National Chamber, all the more so as it was never quite certain of the support of the Pan-Germans. It is true that the relations between the Government and the proletarian organizations became more lax since representatives of the proletariat no longer belonged to the government, but they were by no means ruptured. Even the bourgeois Government could not administer the railways and the public services except in agreement with the trade unions and the workers' representatives; consequently, the influence of the trade unions upon the administration remained considerable. A bourgeois war minister had become the head of the federal army, but, in the capacity of civil coadjutors appointed by the Chamber, the Social Democrats Deutsch and Smitka continued to exercise a strong influence upon the army administration. At the time of the second coalition government the working class discovered how limited its power had become, even when our representatives sat in the government. The working class now saw that it was not powerless even when it abandoned the government to the bourgeoisie. Thus the working class did not find it difficult to adjust itself to this bourgeois system of government.

In the time of the coalition Government the initiative of the Government had maintained a constant flow of legislation. This now ceased. The bourgeois Government would not and could not legislate in a proletarian direction, and dared not legislate in a bourgeois direction. So it did not legislate at all, but administered the affairs of State.

Only in one province was the bourgeois Govern-

ment purposely active. It gradually but systematically abolished the war-time measures, the State control of economic life. After the collapse of the military power the far weaker government of the Republic had proved unable to enforce the economic measures of control adopted during the war, in face of the passive resistance of the traders and the peasantry, the anarchy of the provincial governments, and the corruption of a not inconsiderable section of the badly paid bureaucracy by the profiteers. This had the effect of undermining the entire system of the State control of foodstuffs and raw materials, which encountered further difficulties from the gradual restoration of the exchange of commodities with foreign countries. Import and export regulation, without which central control is impossible, appeared now to be a fetter upon reviving commerce. While the law of the 6th July dealt a blow to the State control of the wheat supply, the bourgeois Government, yielding to the pressure of trading capital and the peasantry, now repealed the war-time measures one after the other and gradually restored free trade. By this means the State lost all control over the movement of prices, the fall in the purchasing power of the krone was accelerated, and State expenditure rapidly increased.

This was the more disastrous, as all efforts to increase the revenue of the State from taxation had ceased with the transference of governmental power to the bourgeoisie. The bourgeoisie had been very angry at the new property taxes introduced by the second coalition Government in the State, and by the Social Democratic majority in the Vienna municipality. The bourgeois parties had made resistance to over-taxation one of their battle cries in the electoral struggle in the autumn of 1920. When they

assumed the reins of government, they could not further increase the taxation of property, and for the time being they did not dare to impose increased indirect taxation upon the masses. The whole financial policy of the finance minister Grimm consisted in efforts to obtain foreign credits. And as the credits did not materialize, the value of money sank lower and lower.

Very soon a growing dissatisfaction with this method of government was perceptible in the camp of the bourgeoisie. The bourgeoisie was disillusioned because, in spite of its electoral victory, in spite of the reins of government passing into the hands of the bourgeois parties, the power of the working class remained very great. Over wide sections of the bourgeoisie the conviction gained strength that only a counter-revolutionary force could break the power of the Austrian proletariat, and belief in the viability of the Austrian Republic was undermined in the autumn of 1920, and in January, 1921, by the rapidly progressing currency depreciation. The Austrian counter-revolutionaries, too weak to aim a blow themselves at the Austrian proletariat, began to place their hopes upon the two neighbouring States in which the Red Terror of Communism had prepared the way for the White Terror : Hungary and Bavaria.

A strong movement for the restoration of Hapsburg had been developing in Hungary ever since the triumph of the counter-revolution.

Since then a twofold danger had menaced us from Hungary. The restoration of the Hapsburgs in Hungary would have encouraged the counter-revolutionaries in Austria, and assured them of Hungary's armed assistance for the restoration of Hapsburg in Austria. Secondly, there was the

danger to our boundaries : it was to be anticipated that the dictatorship of the counter-revolutionary officers in Hungary would not peacefully yield us the Burgenland which had been awarded us by the Peace Treaty of St. Germain. For both reasons we were obliged to reckon with the possibility of an armed conflict with Hungary. In the time of the second coalition Government we had taken steps to protect ourselves from this danger. The Hungarian menace had impelled us to strengthen the fighting capacity of our defence force, and at the same time to improve our relations with Czechoslovakia.

From its time of origin, from the struggles of the Czech legions in Siberia and on the Volga, the Czech revolution had borne an ambiguous character. It was revolutionary as against Hapsburg, it was counter-revolutionary as against the proletarian revolution. At the time of the revolution against Hapsburg, the Czech movement was the strongest revolutionary force in Austria. At that time we supported the right of the Czechs to self-determination, in order to conquer this right for the German-Austrian people as well. After the upheaval, the counter-revolutionary character of the Czech Republic came into prominence. Henceforth we were forced into an attitude of strong antagonism to it. We had to defend the proletarian German Bohemians against annexation by the Czechs, and were also obliged to resist the pressure put on us to supply the Czech Army with arms against proletarian Hungary. But after the proletarian dictatorship in Hungary was overthrown and after the Peace Treaty had decided the fate of German Bohemia, our relations with the Czech Republic underwent a change. Henceforth the Czech Republic was the strongest supporter of the achievements of the revolution of 1918 against the

danger of counter revolution which threatened from Hungary. It was henceforth our natural ally against the threatened restoration of the Hapsburg in Hungary and the threatened Hungarian attack upon Austria.

On the 9th January, 1920, in the time of the second coalition Government, Renner went to Prague in order to establish closer relationships between Austria and Czechoslovakia. The result of this journey was not only a series of treaties which defined our economic relations to Czechoslovakia, but also a political compact between Renner and Benes, in which both ministers pledged themselves to support each other in repelling counter revolutionary attacks.

In the days of the proportional Government the antagonisms between Austria and Hungary became more acute. On the 20th June, 1920, the Amsterdam International Trade Union Federation announced a blockade of Hungary, as retaliation for the torture and murder of workers. The Austrian railwaymen, postmen, telegraph and telephone employees carried out the blockade thoroughly; for seven weeks intercourse between Austria and Hungary was entirely suspended. But what succeeded in Austria did not succeed in the other succession States. Hungary was able to maintain contact with the outside world through Slovakia and Jugo Slavia. Consequently the boycott was ineffectual, and it had to be raised on the 8th August, without having forced the Regent of Hungary to make any concessions. The boycott had not only provoked new conflicts between the Austrian and the Hungarian Governments, but, inasmuch as it had cut Austria off from food supplies from Hungary for several weeks, it led to vigorous discussions among the masses of the

people regarding the wisdom of a foreign policy directed against Horthy's Hungary. These discussions were renewed with great energy in the October electoral campaign.

When the Christian Socialist Party took over the government after the elections, its first endeavour was to establish friendly relations with "Christian Hungary." But all these efforts were defeated by Hungary's insistence that Austria should renounce the Burgenland, or at least the greater part of it, as the price for Hungary's friendship. To this the Christian Socialist Government could not agree without incurring most vigorous opposition, not only from the Social Democrats and the Pan-Germans, but also from a section of their own supporters. Thus the negotiations only ended with new threats of war on the part of Hungary, which eventually obliged the Mayr Government to follow in the tracks of Renner. Mayr expressly maintained the political compact which Renner had concluded with Benes.

These compacts became of practical importance when Karl Hapsburg suddenly appeared in Steinamanger on the 26th March. We were now directly confronted by the long anticipated danger of the restoration of the Hapsburg Kingdom in Hungary. Again, as in the days of the Kapp *Putsch*, a powerful movement agitated the working class. The federal Chancellor Mayr was a Republican and declined to be influenced by the monarchistic wing of his party. At the sitting of the National Council held on the 1st April, Mayr declared that the Government would inform the great powers and the succession States that it would be obliged to regard the restoration of the Hapsburgs in Hungary as a menace to the peaceful development of the Austrian Republic. This declaration ranged Austria on the side of

Czechoslovakia, Jugo Slavia, and Rumania, which had declared a Hapsburg restoration in Hungary to be a menace to European peace, and demanded the expulsion of Karl Hapsburg from Hungary.

When, yielding to the pressure of the big and the little Entente, Karl Hapsburg departed from Steinamanger for Switzerland on the 4th April, the Mayr Government only granted him permission to travel through Austria upon conditions drawn up by the Social Democratic Party and accepted by Mayr. Karl Hapsburg was obliged to journey through Austria as a prisoner of a detachment of the Republican Federal Army, which was commanded by a Social Democratic officer, escorted by two Social Democratic deputies.

These incidents provoked considerable resentment among the reactionary sections of the bourgeoisie. Their monarchistic traditions and feelings had been sorely wounded. Their resentment was directed against the Mayr Government, and Christian Socialist provincial governments now commenced to intrigue against the Christian Socialist federal Government.

The international weakness of the Hungarian counter-revolution and the international difficulties in the way of a restoration of the Hapsburgs were shown by the episode of the Hapsburg *Putsch*. The weaker Budapest proved to be, the stronger became the attraction exercised by Munich, the other centre of the counter-revolution, upon the Austrian counter-revolutionaries. To break away from Austria and effect a union with Bavaria seemed now to the leaders of particularism in the western provinces to be the only way of salvation from the Austrian Republic, whose evolution was not at all in accord with their desires.

For a long time past very close relations had existed between the Bavarian reaction and the leading reactionary cliques in the Tyrol and in Salzburg. In the days of the Kapp *Putsch,* Kahr had seized the reins of government and established the brutal domination of the reaction in Bavaria, since when Bavaria had been the admired prototype of the Austrian reaction. Among the leaders of the peasants of the Tyrol and of Salzburg the revolutionary ideal of the union of German-Austria with the German Republic had assumed the concrete form of the reactionary struggle for the union of the Tyrol and Salzburg with Bavaria. The development of Bavarian particularism, and the temporary support which it received from French Imperialism, seemed to draw into the region of practical politics the union of the Austrian Alpine provinces with Bavaria, to form a clerical Kingdom separated from Germany. However fantastic this object at first seemed to be, the organization of the irregulars afforded ample scope for the union between the Bavarian reaction and the reaction in the Alpine provinces during the year 1920.

The irregulars were first organized during the months which followed the revolution in Carinthia and in Styria ; at that time they guarded the frontier against the Jugo Slavs. The movement was extended at the time of the Hungarian and Bavarian Soviet dictatorships ; in many villages the peasants armed and organized, in order to resist requisitions of corn and cattle and equip themselves against Bolshevism. In the year 1920 the movement spread and was centrally organized. The stronghold of the movement was in the Tyrol. The arming of the Tyrolese and Salzburg irregulars was facilitated by smuggling rifles out of Bavaria. In June and in October, 1920,

Tyrolese railwaymen confiscated Bavarian transports of arms to the Tyrol. Later on the irregulars completed their equipment by seizing and plundering State arsenals. At the end of July, 1920, a meeting of the leaders of the Bavarian and Austrian irregulars was held in Munich. On the 20th November, 1920, the railwaymen prevented a demonstration of Tyrolese and Bavarian irregulars by stopping the trains.

The arming of the reaction compelled the working class to follow suit. The workers' councils undertook the task of organizing the resistance of the workers. The activity of the workers' councils had essentially altered since the elections of October, 1920. The leaders of the New Left had opposed Social Democracy at the polls, and lost the greater part of their influence over the masses. The quarrel over the policy of coalition ended when the Social Democrats left the government. Henceforth all the Social Democratic members of workers' councils organized themselves into groups and offered resolute opposition to the Communistic groups, gradually destroying whatever influence the latter had possessed. One result of this was that the political debates inside the workers' councils lost interest and importance. At the same time the workers' councils also lost their economic functions. With the disappearance of the war emergency measures and the restoration of free trade, the various economic administrative bodies within which the representatives of the workers' councils had been active were gradually dissolved. With the decay of the revolution its organs gradually lost their sphere of influence. But the arming of the counter-revolution once more provided the workers' councils with a new function. They now proceeded to create and organize the bat-

talions of order, as a counterpoise to the reactionary irregulars.

The Hapsburg *Putsch* in March, 1921, gave both parties a fresh impulse to go on arming. The working class had seen the Republic threatened ; they now redoubled their endeavours to organize the battalions of order, to be prepared against any monarchistic attempt at insurrection. On the other hand, the Hapsburg *Putsch* had accentuated the antagonisms within the camp of reaction. This was the case particularly in the Tyrol. For a moment the appearance of Karl Hapsburg in Hungary had strengthened those Tyrolese Christian Socialists who hoped for the return of Hapsburg. But the miserable failure of the attempt reinforced the supporters of union with Bavaria.

The supporters of the Bavarian movement in the Tyrol now believed that they could prove that union with Bavaria was the unanimous will of the Tyrolese people. They concealed the concrete aim of union with Bavaria behind the general aim of union with Germany, to which Social Democrats and Pan-Germans were also pledged. The Tyrolese Government decided to hold a plebiscite upon this question on the 24th April, 1921.

This decision was the signal for a new agitation in favour of union with Germany, which differed essentially from the previous movements. The 1918 movement arose from the national revolution ; but the 1921 movement was of reactionary origin. Nevertheless it demonstrated the great tenacity of the idea of union. On the 24th April, 146,468 men and women, nearly nine-tenths of all those entitled to vote, voted for union with Germany, while only 1,794 voted against. From Tyrol the agitation spread to Salzburg, where another plebiscite was taken.

103,000 votes were cast for, and 800 votes against, union. Meanwhile, France had intervened. The French Government demanded the suspension of the plebiscites. Austria was threatened that the anticipated foreign credits would not be forthcoming, that reparation demands would be made upon her, and that the Burgenland would not be ceded. Under French pressure, Chancellor Mayr was obliged to request the provincial governments to stop taking plebiscites. But since the Hapsburg *Putsch,* Mayr had lost his influence over his colleagues. In spite of Mayr's objection, the Styrian Diet resolved to take a plebiscite in Styria on the 31st May. In consequence of this decision, the Mayr Government resigned. No-one would form a new government without obtaining guarantees against the extension of the plebiscite movement in the provinces. Eventually Christian Socialists and Pan-Germans came to an agreement to refrain from taking plebiscites for six months. The agitation for German union was to be revived unless the foreign credits duly materialized at the end of 1921. Upon this understanding a new government, consisting largely of officials, was formed.

The movement in favour of German union in the provinces ended in defeat, not only in Styria, where the Diet was obliged to revoke its decision to hold a plebiscite, but also in the Tyrol and in Salzburg, where the plebiscites were only an ineffectual demonstration. Thus the provinces were taught that strong external obstacles stood in the way of any movement to break away from the federation, and this experience facilitated the absorption of the provinces into the federal State.

This process was assisted by the direction of the economic development. One of the strongest in-

centives to provincial particularism in the years 1918 and 1919 had been the food shortage, and there had been no more popular cry than the call to resist the transfer of foodstuffs and raw materials from the countryside to Vienna. But since the shortage of food, coal, and raw materials had gradually been overcome, since Austria had been able to obtain as much food, coal, and raw materials from abroad as she could pay for, the economic basis of provincial particularism had disappeared.

The plebiscite movement in the spring of 1921 was the last great rebellion of the provinces against the State. It was also the expiring flicker of the struggle for German unity.

Social Democracy supported the efforts of the Mayr Government to induce the provinces to renounce the carrying out of the plebiscites. We knew that the plebiscites under the given balance of power in Europe would not lead to union, but to a serious conflict with France. We assisted the Republic to avoid this conflict, as we foresaw that the Republic would in the near future be confronted by a serious crisis, in which any conflict with the great Powers could become very dangerous. The question of the transfer of German Western Hungary would then become a practical one, and we might anticipate the most serious and dangerous conflict with the Hungarian counter-revolution.

On the 26th July, 1921, the Peace Treaty of Trianon was ratified. An inter-Allied commission of the Entente, at the head of which was the Italian general, Ferrario, was to take over the Burgenland from Hungary and deliver it to Austria. Hungary openly prepared to offer armed resistance to the transfer.

Austrian Social Democracy had never demanded

annexation, but only the right of the Burgenland to self-determination. The Entente answered this request by dividing German Western Hungary into two. The draft Peace Treaty, which was handed our peace delegation on the 20th July, 1919, promised Pressburg to Czechoslovakia, Hungarian Altenburg, Wieselburg, Guns, St. Gothard to Hungary, a few frontier communes to Jugoslavia, and the rest of German Western Hungary to Austria. Our peace delegation replied that Austria did not want such a present. Austria was only anxious to acquire German Western Hungary, if this transference should be the desire of the population of this district.

This demand was not only in accordance with democratic principles, but it harmonized with the interests of Austria. In the same note we requested that Carinthia, German South Tyrol, Bohmerwaldgau and the Znaimer region, which the Entente proposed to take from us, should decide by a free popular vote their political allegiance. The Entente refused this request, and declared that the national character and national sentiment within these boundaries (Western Hungary) pointed to union with Austria too clearly for a plebiscite to be necessary.

When it became obvious in the summer of 1921 that Hungary was preparing for armed resistance to the transfer of the Burgenland, Social Democracy again suggested that Austria should propose a peaceful settlement of the dispute according to democratic principles. When eventually the committee for foreign affairs made a proposal to Hungary on these lines, it was too late. The military preparations of Hungary in the Burgenland were in full swing.

We had endeavoured so to influence Austrian

policy as to facilitate a peaceful and democratic solution of the dispute over the Burgenland. But we knew well enough that the prospect of gaining the consent of the Hungarian officers' dictatorship to such a solution, even had Austria shewn herself ready at the opportune moment to decide the conflict by democratic principles, was very slender. Consequently, we had continually urged that the Federal Army should be expanded and equipped so as to be able to defend our frontiers and our freedom in the threatened conflict with Hungary.

The bourgeois parties, the bourgeois press, and clerical influences offered every variety of opposition to our proposal, and eventually it was decided that Austria should occupy the Burgenland with gendarmerie, but not with the Federal Army.

Thus on the 28th August, the gendarmerie, altogether 1,950 men in eleven columns, marched into the Burgenland. These gendarmerie detachments were too weak and too badly equipped to break down the resistance of Horthy's bands. If the Federal Army had entered Burgenland on the 28th August, it would have had no difficulty in expelling the Magyar irregulars. The cheap success which the Magyar irregulars gained over the gendarmerie evoked great enthusiasm in Hungary, and brought strong reinforcements to the irregulars in the following days. Within a few days the position of a number of the gendarmerie detachments became very dangerous. On the 8th September they were obliged to withdraw across the lower Austrian frontier; on the 31st August a Magyar force had already reached Hohenbrugg in Styria.

The danger was now very serious. A war between Hungary and Austria could easily arise from the struggles between the irregulars and the gendarmerie.

Hungary was mustering strong forces of regular troops on the Eastern frontier of the Burgenland, and it seemed likely that Austria was going to settle the dispute about the Burgenland by force. Austria had been disarmed by the Entente in the terms of the peace treaty, but as Hungary's treaty had only just come into force, Hungary was not disarmed. Hungary, which was superior to us in a military sense, could easily occupy the industrial district of Wiener Neustadt and directly threaten Vienna. This danger was all the more serious as we had to reckon with the possibility that the strong concentration of troops in Western Hungary could be utilized for an attempt to restore the Hapsburgs.

As late as August we had advocated a peaceful democratic settlement of the dispute over the Burgenland, to avoid an armed conflict. Now that the conflict had broken out, there was only one thing for us to do : to throw our whole strength into the resistance to the Hungarian counter-revolution. The hitherto neglected equipment of the Federal Army was now quickly completed. A section of the Federal Army took over the guarding of the frontier, while the battalions in the western provinces were brought back to Vienna, in order to form a reserve camp. The Social Democratic agitation confirmed the conviction of the soldiers that, in fulfilling their revolutionary duty in the struggle against Horthy's Hungary, they would be defending the Republic against the Monarchy, and the achievements of the working class against the counter-revolution. The party appealed to young workers to enter the army so long as the danger lasted, and thousands left their workplaces and joined the Federal Army in order to protect the Republic. For more than two months the weak forces of the Federal Army guarded the 250

kilometres of frontier, ever on the alert to repel surprise attacks. The soldiers of the Republic lost forty dead and sixty-six wounded.

The efforts of the Federal Army were supported by the "Association of Order." After the gendarmerie had withdrawn from the Burgenland, the Magyar irregulars almost reached the confines of Wiener-Neustadt. The workers of Wiener-Neustadt, organized in battalions of order, kept on the alert day and night during the time that attacks from the irregulars were expected.

Meantime, the Powers had intervened in order to save the threatened peace. An attempt at mediation by the Czech government brought Italy on the scene. Italy did not wish the little Entente to figure as the arbiter between Austria and Hungary. The Italian Foreign Minister della Torretta invited Austria and Hungary to negotiations at Venice, and England and France recommended Austria to accept Italy's mediation. On the 11th October the Venice discussions began, and showed that the Italian Government, which looked upon Hungary as a future ally against Jugo Slavia, desired to enforce a compromise which would be favourable to Hungary. Torretta threatened Austria with the refusal of all credit assistance, if she did not submit to his proposals. Under this pressure, Austria assented to the protocol of Venice, whereby the Hungarian Government pledged itself to procure the evacuation of the Burgenland by its irregulars, and Austria agreed that the political allegiance of the town of Odenburg and its immediate vicinity should be decided by a plebiscite.

Before the protocol could be ratified, affairs took a new turn. Our supposition that the concentration of Hungarian troops in Western Hungary was likely

to serve the purpose of a new Hapsburg *Putsch* was confirmed.

On the 20th October Karl and Zita Hapsburg arrived at Odenburg in an aeroplane. Karl at once declared that he assumed the rights of a ruler in Hungary and appointed a government. A part of the troops concentrated in Western Hungary placed themselves at Karl's service and set out for Budapest. On the 22nd October, Czechoslovakia intimated that it would regard the restoration of Karl in Budapest as a *casus belli*. Jugo Slavia joined in this declaration. On the 24th October the great Powers demanded Karl's abdication and arrest.

The Hungarian counter-revolution was divided. A few hastily formed battalions of students attacked the Royal troops. The Hapsburg troops were defeated, and Karl was taken prisoner. But the Little Entente was determined to prevent any repetition of this *Putsch*. It demanded that Hungary should categorically depose the House of Hapsburg. When Hungary hesitated, Czechoslovakia and Jugo Slavia mobilized a portion of their armies. On the 5th November the Hungarian National Council passed a law which abolished the sovereign rights of Karl IV. and the Pragmatic Sanction. Hungary further agreed to postpone the selection of a king, and bound herself not to choose a king except in agreement with the great Powers.[1] Karl Hapsburg was put on an English monitor and interned by the English in Madeira, where he died on the 1st April, 1922.

The Austrian Government might have utilized the international crisis provoked by the Hapsburg *putsch*

[1] Hungary is to-day a kingdom without a king, ruled by a regent.

to secure the support of the Little Entente for the Odenburg decision. It did not do so. The appearance of Karl Hapsburg in Odenburg awakened all the legitimist hopes of the monarchical wing of the Christian Socialists. The mobilization of the Czech army revived the animosity of the Pan-Germans towards the Czechs. The two governing parties had only one wish at this time : not to appear on the side of the Little Entente.

Austria neglected to utilize the crisis in order to strengthen its position against Hungary. On the other hand, the standing of Horthy and of his government with the big Powers was substantially improved by his determined resistance to the Hapsburg *putsch*. On the 9th November the Paris Ambassadors' Conference summoned Austria to ratify the protocol of Venice ; if Austria refused, the Entente would declare itself to be "disinterested" in the Burgenland question. This pressure caused all parties to agree to ratify the protocol.

When the time came to hold the plebiscite in Odenburg, it was soon apparent that the Italian general, Ferrario, the President of the inter-Allied commission, had received instructions to conduct the plebiscite in such a way that Odenburg would declare for Hungary. In point of fact Entente troops entered Odenburg on the 8th December, and the Hungarian troops withdrew on the 12th December. But the administration remained in the hands of Hungarian authorities, the Magyar municipal officers prepared the voting lists, and Magyar gendarmes, police, and irregulars were able to terrorize the population of the voting district. The Magyar authorities left thousands of supporters of union with Austria out of the voting lists, and included thousands of Magyars who were not entitled to vote. As the Austrian

Government was not given sufficient time to lodge objection to the lists, it resolved to have nothing to do with the plebiscite. The result of the voting made it clear that, given a free and untrammelled vote, the district would have decided in Austria's favour. Apart from the frontier district of Zinkendorf, which Austria was prepared to cede to Hungary, 14,308 votes were cast for Hungary, and 8,222 for Austria. Hungary had a majority only in the town of Odenburg, while the surrounding villages voted throughout for Austria. Thus the Burgenland lost its capital, and was divided into two parts separated by a narrow strip of land. Consequently, its administration as an independent federal province is rendered very difficult.

The Burgenland people found that Social Democracy had been their foremost champion in the struggle against Hungary during the whole period between August and September. This experience caused large sections of the Burgenland people to transfer their political allegiance to Social Democracy. In the province, which has no town and no industry, we received 38.5 per cent. of the votes cast at the first elections to the National Assembly and the Diet on the 18th June, 1922. Thus, with the aid of small peasants and landworkers, we captured a most important position for the consolidation of the Eastern frontier of the revolution against the Hungarian counter-revolution.

The Burgenland crisis revealed the internal strength of the Republic. Once more the bourgeoisie learned how determined and ready for sacrifice the proletariat was in defence of the Republic and what insurmountable obstacles of an international character stood in the way of the restoration of the Hapsburgs.

If the experience of the German union plebiscites

had taught the bourgeoisie that it could not flee from the Republic to reactionary Bavaria, the experience of the Burgenland crisis taught the bourgeoisie that there was no hope of overthrowing the Republic with the help of reactionary Hungary.

Just as the year 1919 taught the proletariat that it could not establish its dictatorship, but could only struggle for power within the limits of the democratic Republic, so the year 1921 taught the bourgeoisie that it could neither disrupt nor overturn the Republic, but could only wrestle for the mastery within its limits.

CHAPTER XV

THE PEOPLE'S REPUBLIC

WHEN Socialism first proceeded to arouse the workers to class consciousness, to train them in the class struggle, to lead them in the first great class struggles, it taught the workers that the State against which they had to fight was the class State of the bourgeoisie, the executive committee of the ruling classes. And it encouraged and inspired the workers by the announcement that the day of revolution would come, when instead of being an instrument of domination of the bourgeoisie for repressing the proletariat, the State would be an instrument of domination of the proletariat for repressing the bourgeoisie. It corresponded to the moral needs of the proletariat, just awakening, organizing for the first time, just embarking upon the struggle, that the political doctrine of Marxism, in its current, popular acceptation, recognized no State other than the class State : the existing class State of the bourgeoisie, as the political expression of the capitalist social order : the coming class State of the proletariat as the means for its overthrow.

But the finer theoretical analysis of Marxism even then recognized other forms of the State. It was aware that class struggles sometimes give rise to situations in which, as Engels expressed it in *The Origin of the Family*, "the struggling classes hold

the balance as against each other." If no class is any longer able to repress the others, the State power ceases to be an instrument of domination by one class over other classes. This was, in Marx' and Engels' opinion, the origin of the absolute Monarchy of the seventeenth and eighteenth centuries, and of nineteenth century Bonapartism.

The result of the Austrian Revolution was also a condition of things in which "the struggling classes held each other in check." The state of equilibrium between the strength of the classes was from the beginning based upon the distribution of power between the great industrial district of Vienna, Lower Austria, and Upper Styria on the one hand, which could not be governed in opposition to the workers, and the great agrarian district of the other federal provinces, on the other hand, which could not be governed in opposition to the peasant. From the beginning it was based upon the contradiction between the powerful position of the proletariat in the country and the complete impotence of the country towards the capitalist powers outside our frontiers. But in the first year of the Republic, owing to the tremendous revolutionary tension among the masses, the distribution of power was shifted in favour of the proletariat. Although the proletariat could not establish its supreme rule, it was able to assert its predominance. But in the degree that the revolutionary tension among the masses was dispelled, under the pressure of the incidents of the class struggles abroad, and under the influence of the revival of capitalistic economy in the country itself, the relative strength of classes settled into a state of equilibrium.

But this state of equilibrium did not lead here, as has so often happened before in history, to the sub-

jugation of all classes under an absolutism or Bonapartism. Economically dependent upon abroad, militarily powerless against the foreigner, threatened by foreign intervention and occupation, the classes could not carry their struggle to the point of forcible decision. They were obliged day by day to effect fresh compromises with each other. Thus the equal distribution of power among all classes did not lead in Austria to the subjugation of all classes by an independent State power, but produced a state of affairs in which all classes were obliged to share in the administration.

Until October, 1920, this equal distribution of power among the classes found expression in the coalition Government, which united all classes for the purpose of common rule. After the elections of October, 1920, power was divided between the bourgeois government and the bourgeois parliamentary majority, on the one hand, and Social Democracy, strongly entrenched inside and outside Parliament and effectively influencing, controlling, and curbing the bourgeois government, on the other hand. It also found expression in the combination of parliamentary democracy, which restored the governmental power of the bourgeoisie, and functional democracy, which made the most important acts of government dependent upon the assent and co-operation of the working class organizations. Moreover, it found expression in the organization of the Federal Army, in which the authority of the bourgeois-minded officers is restricted by the socialistic sentiment of the soldiers and the powers of the soldiers' councils.

Since October, 1920, the Republic has been ruled by a middle class government, having a parliamentary majority. Yet it has not been a middle class State, an ordinary bourgeois Republic. The great

influence exercised by the working class in the Army and in the vital public services limits the power of the bourgeois government. The whole economic development of the Republic, the abolition of war-time regulations, above all the restoration of capitalistic freedom of trade, rendered the economic restoration of the bourgeoisie inevitable.

Thus the Republic was neither a bourgeois nor a proletarian republic. In this phase, the Republic was not a class State, that is, not an instrument for the domination of one class over other classes, but the outcome of a compromise between the classes, a result of the balance of class power.

Just as the Republic arose in October, 1918, upon the basis of a social contract, a political treaty between the three great parties which represented the three classes of society, so it was only able to survive by means of daily compromises between the classes.

The revolution of 1918 destroyed the political and legal privileges of the ruling classes. Several of the republics which the revolution of 1918 brought into existence, such as the Hungarian and West Ukrainian, called themselves "people's republics," by which term they meant to convey that, class privileges being abolished, the whole people would henceforth take the government into their own hands. But the abolition of political and legal class privileges did not remove class antagonisms. Instead of overcoming class struggles, democracy assisted them to attain their full development. The constitution which based government and parliament on universal suffrage, did not prevent universal suffrage from handing over the government and the parliament to a class which made them the instrument of its domination over other classes. Parliamentary democracy

and universal suffrage does not abolish class rule, but invests it with the sanction of the community.

It is legitimate to call the Republic which existed in Austria from the autumn of 1919 to the autumn of 1922 a People's Republic, inasmuch as all classes shared in the State power, and the State's activities were actually the outcome of the energies of all classes of the people.

The legal institutions of parliamentary democracy are not sufficient to safeguard the People's Republic, as the supreme rule of one class can easily be built upon these institutions. The real basis of the People's Republic was the equality of strength between the opposing classes.

The Austrian People's Republic was not the result of parliamentary, but of functional democracy, that is, the extra-parliamentary power of the working classes which prevented the parliamentary majority of the bourgeoisie from enforcing its domination.

The People's Republic was never acceptable to the bourgeoisie, which refused to make any sacrifices to bring order into the chaotic State finances, placed obstacles in the way of organizing the Federal Army for safeguarding the threatened Eastern frontier, constantly invited the intervention of foreign missions in the affairs of the Republic, and placed its hopes either on the restoration of the Hapsburgs, or on the breaking away of the provinces.

The proletariat was no more contented with the position of equilibrium between the political forces. The opposition to the coalition policy which the working class offered in 1920 was nothing but an expression of the disappointment of the working class at having failed to assert its predominance. Nevertheless, the attitude of the proletariat to the People's Republic is radically different from that of the bour-

geoisie. The workers rose to defend the Republic when it was threatened by the counter-revolution.

During the Burgenland crisis, the real sentiment of the various classes towards the Republic was most strikingly revealed. During the weeks of danger a powerful wave of republican patriotism surged through the masses of workers. The proletariat demanded the rapid extension of the Federal Army to protect the threatened frontier, and thousands of workers volunteered for military service. But the bourgeois government pursued a policy of procrastination. In the midst of the Burgenland crisis, Social Democracy launched its financial policy. But the bourgeois government declined to impose on the people the high taxes and great sacrifices which Social Democracy had proposed. The usual distribution of parts between Government and Opposition was reversed. In any other country the government would carry out whatever measures were dictated by the national needs. In Austria, these measures had to be forced upon a reluctant government by a determined Opposition.

The bourgeoisie could not reconcile itself to the disappearance of the class domination which had been exercised up till 1918, and it detested the necessity of sharing the actual power of the State with the proletariat. Hence its dilatory and procrastinating tactics.

The Republican enthusiasm of the working class is explicable in the light of the substantial progress which its cause has made since 1918. In reality, the continuance of the Republic has been secured not by the will of the governing bourgeoisie, but by the determination of the proletariat in Opposition.

The Austrian People's Republic, therefore, was a Republic in which no class was strong enough to

impose its rule upon the other classes, and this fact involved the sharing of the actual power among all classes. This Republic was led by a reluctant bourgeoisie, compelled by the pressure of the workers to govern upon Republican lines, and was buttressed and secured by the Republican enthusiasm of the working classes.

When all classes have a share in the power of State and all government presupposes daily compromises between clashing class interests, the mechanism of State functions laboriously and with great friction. Nevertheless, the result of the two years period of the balance of class power which we have hitherto described, the period between the autumn of 1919 and the autumn of 1921, from the conclusion of the peace negotiations to the conclusion of the Burgenland crisis, was not insignificant. Economically this period was characterized by the revival of industry and commerce, which, on the one hand, lessened the widespread privations which supervened at the close of the war, and, on the other hand, abolished the State control of resources and restored the ordinary conditions of private enterprise.

Socially this period was characterized by the dissipation of the excitement of the period of demobilization, the redrafting of the unemployed masses into industry, the restoration of labour discipline, and a gradual improvement in the productivity of labour. The political result of this period was the consolidation of the Republic, which received its military constitution during the second coalition Government and its federal constitution during the proportional Government. During the Burgenland crisis the definitive boundaries of the Republic were fixed; the danger of war with Hungary, which had threatened for two years, was averted, and the strength of the

moral forces which could be enlisted in the defence of the Republic was revealed.

Thus a State was gradually formed out of the loose congeries of mutually antagonistic provinces, shaken by revolutionary convulsions, which was left after the breaking away of the Slav nations.

Part V

THE RESTORATION OF THE BOURGEOISIE

CHAPTER XVI

THE CURRENCY CATASTROPHE

THE development of class struggles is determined by the development of economic conditions. The development of economic conditions from the foundation of the Republic to the Geneva Agreement was reflected in the currency depreciation. During this period the progress of currency depreciation passed through a series of different phases. It is useful to draw a sharp distinction between each of these phases.

The first phase of the process of currency depreciation comprised the period between the foundation of the Republic and the conclusion of the peace negotiations at St. Germain. The currency depreciation of this phase was the direct consequence of the war, the defeat, the disruption of the old great economic sphere, which was followed by the abolition of the common standard of currency between Austria proper and the succession States, and finally the depressing effects which the publication of the peace conditions produced.

The currency depreciation, itself the direct consequence of the great historical catastrophe, increased State expenditure at a time when revenue could not be proportionately augmented. For all that the State at this time still had at its disposal extraordinary resources for maintaining its economic functions. Moreover, the State then secured large foreign

credits from the Entente and the United States, which reached a total of 82 million dollars in the course of 1919. This credit was not granted in cash, but in the form of foodstuffs sent us by the Allied powers. It could not be used to put the State finances in order, as it did no more than ensure the feeding of our people, who could not be supported by the products of Austrian industry, which was paralyzed by the shortage of coal and raw materials. A portion of the national deficit was covered by an extraordinary source of income, the very considerable revenue derived from the taxation of war-profits in the first post-war year, which then comprised more than 40 per cent. of the whole of the State revenue, about a sixth more than the other direct taxes put together, and three times as much as the whole of the indirect taxes, monopolies, and customs' duties.

During this first phase, financial policy was chiefly directed at the attainment of social objects. While the national finances were chiefly based upon the taxation of property, especially of war profits, we kept indirect taxation very low. Moreover, the foodstuffs supplied by the foreign credits were sold to the people far below their cost price. This supported the workers in involuntary idleness during the period of most acute privation. The social tension of this time, when the influence of Hungarian Bolshevism was at its height, was to some extent relieved, and the accentuation of the class struggle to the point of civil war was avoided.

It was obvious enough that measures of a drastic kind were necessary to restore equilibrium to the State finances. Our plan was to impose a levy on property to cover the financial deficit for some time. Schumpeter, the Finance Minister of the first coali-

tion Government, considered it impossible to enforce such drastic measures at a time when industry was almost at a standstill and when the peace negotiations were proceeding. We did not then know how the Peace Treaty would affect our political status, our frontiers, our currency, and our property and debts abroad. We had perforce to be satisfied with making inventories of bank deposits and of property, postponing any practical steps until the conclusion of peace.

With the conclusion of the peace negotiations at St. Germain the second phase of the currency depreciation began. It lasted until the summer of 1921. The currency depreciation of this second phase was no longer the direct consequence of the disruption of the old economic sphere and of the dictated peace of St. Germain. The utmost effect of these events was the quotation of three centimes which the krone reached at the end of 1919. The progressive currency depreciation in the second phase was rather the consequence of the dislocation of the State finances which necessitated an ever growing increase in paper money.

The extraordinary income from the tax on war profits came to an end in 1919. In 1920 far less foreign credit was available than in 1919. It was time to put the State finances in order.

The whole of the first half of the year 1920 was occupied by the struggle over the form of the property tax. It was one of the questions which caused the downfall of the second coalition Government, and the matter was still undecided at the time of the proportional Government. The bourgeois majority finally decided this contentious question against Social Democracy, and passed a very emasculated measure for the taxation of property. Nevertheless the

financial policy of the second coalition and the proportional governments was by no means ineffective, but its results were not manifest until the first half of 1921.

After the elections of October, 1920, no further efforts were made to lessen the deficit by increasing the revenue from taxation.

The Mayr Government concentrated its efforts upon obtaining new foreign credits. In fact, the allied Great Powers requested the League of Nations to draw up the conditions upon which an international loan could be granted to Austria. Thus the first half of 1921 was the most favourable period in the financial history of the Republic. Owing to the large yield from the property tax, the deficit at this time was relatively small, and the negotiations with the League of Nations aroused the hope that Austria would receive a large credit within a short time. For some weeks the krone remained stable.

The year 1920 saw the commencement of the industrial prosperity which reached its peak in 1921. The large export trade made it possible to buy large quantities of foreign foodstuffs and raw materials. Foreign speculators bought the shares of Austrian undertakings. Thanks to this influx of capital, home consumption exceeded the limits of home production.

The turning point came in the summer of 1921, when the third phase of the currency depreciation began, which lasted until the Geneva loan negotiations in September, 1922. In this phase the pace of currency depreciation was considerably accelerated. It threatened to destroy completely the value of paper money and bring about the collapse of the social economy of the state.

In the second half of 1921 the instalments of the property tax had been received and used up. In the

absence of any extraordinary revenue the deficit grew apace.

From July to October, 1921, prices doubled. From October to January prices trebled. From January to July, 1922, prices quadrupled.

The workers soon felt the pressure upon their standard of life, although industry was still very busy. In the autumn of 1921 the unemployment curve reached its lowest point, but the working capital of industry had been destroyed by the currency depreciation. The rapid depreciation of money necessitated a rapid augmentation of the working capital of industry, which was no longer able to raise wages as quickly as the purchasing power of money sank. The working classes, accustomed for two years to a slow but steady improvement in their standard of life, were suddenly thrown back to the position from which they had just emerged. The resentment of the masses found expression in a spontaneous demonstration of the Vienna workers on the 1st December, 1921, which ended in plundering and demolishing shops and luxurious hotels in the West End.

For two years inflation had been a means of animating industry and raising the standard of life of the workers. Now its social and economic effects altered. Now it plunged industry into a severe crisis and depressed the standard of life of the masses.

We suggested the raising of a compulsory loan to be paid by bills of exchange and foreign securities. The chief cause of inflation now was the sale of food at prices far below what it cost to purchase it abroad, and we expressed our willingness to co-operate in the progressive reduction of these subsidies, provided measures were at the same time taken to prevent a fall in the real wages of the workers and officials.

The strong impression which our financial policy produced aroused the bourgeois parties from their passivity. The Finance Minister Grimm resigned and was replaced by Professor Gurtler, the leader of the peasant and democratic wing of the Christian Socialists, which was favourable to co-operation with Social Democracy. Gurtler adopted a considerable part of our financial policy, and simultaneously a new foreign policy was initiated by Schober. In December the federal President Dr. Hainisch and the federal Chancellor Schober visited the President of the Czech Republic in Lana. During this visit Schober and Benes made a compact, in which both Republics pledged themselves to the loyal execution of the Peace Treaty, to support each other against all counter-revolutionary attempts, and to submit any disputes between them to arbitration. Czechoslovakia granted Austria a credit of five hundred millions of Czech crowns and promised to support Austria's endeavours to obtain credits in London and Paris.

In fact the new financial policy, especially the reduction of the food subsidies, had made a strong impression in London and Paris, and the approach to Czechoslovakia had improved the foreign standing of the Republic.

In February, 1922, London granted us a credit of £2,000,000, and there were prospects of obtaining fifty-five millions of francs and seventy millions of lire. Had the Government taken advantage of this respite to stabilize the krone and prosecute in a vigorous manner the financial policy which was initiated in November and December, a substantial and permanent improvement would have been effected in the State finances. But there were political obstacles in the way.

The Pan-Germans repudiated the Lana agreement, recalled their representative from the Government, and went into Opposition. Social Democracy declared its readiness to support the Government in the carrying out of the financial policy, provided the Social Democratic deputies were consulted about the measures to be adopted. But this offer was not accepted. This attitude of the Government was the effect of the violent opposition which Gurtler's financial policy had aroused. When the Government lost the support of the Pan-Germans without availing itself of the offer of Social Democratic support, it had no working majority in Parliament, and the financial policy came to a complete standstill. Meanwhile the English credit had been quickly dissipated. The consequence of all this was that the French and Italian credits were not forthcoming.

Schober's Government resigned on the 24th May, and on the 31st May the Seipel Government was formed. This administration was based upon a compact between all the bourgeois parties. Its aim was to stem the influence of Social Democracy, which had proved to be so strong in the Burgenland crisis and in the initial stages of Gurtler's financial legislation.

The Seipel Government took office at a time when the currency depreciation was proceeding more rapidly than ever before. Prices were doubling every month. In August it appeared that there was no money to pay for the necessary imports of food, coal, and raw material. The agitation among the workers indicated that economic collapse would be the signal for violent social convulsions. In the border provinces it was feared that the neighbouring States would exploit the threatened social convulsions for their own ends. The Burgenland feared the invasion

of Magyar irregulars, and Carinthia feared the invasion of Jugo Slav troops.

The Government looked for salvation abroad. It addressed an urgent request for credits to the representatives of the Entente powers assembled in London. On the 15th August, Lloyd George, in the name of the Supreme Council, replied that he could hold out no hope that the allied governments would be ready to grant Austria any fresh financial assistance, but it was their unanimous decision to refer the Austrian question to the League of Nations for examination and report. Nobody in Austria had the slightest faith in the League of Nations after the failure of its action in the year 1921.

Seipel announced that he was going to Prague, Berlin and Rome, to discuss the Austrian problem with the statesmen of the States most closely concerned. It was obvious that the Government was bent upon obtaining help from abroad, even at the price of the independence of the Republic.

On the 23rd August a conference was convened of the Social Democratic Party, the trade unions, the co-operative societies, and the workers' councils. This conference came to the conclusion that the severe economic and political crisis necessitated a complete change in our political policy. Since October, 1920, we had refused to participate in any government, but we now declared our readiness to enter the government upon specified conditions.

The resolutions of the conference were determined by the conviction that the political system which had prevailed in the Republic since the autumn of 1919, the system of the balance of power of classes, had for the time being failed to restore equilibrium in the State finances, to stop the printing of paper money, and to avert the threatened currency catastrophe.

In fact this task was supremely difficult. The Republic had inherited from the old Monarchy a State apparatus which was much too large and expensive for the small new State. To cover the cost of this administrative machinery was all the more difficult as the decay of the *rentier* class and the Rent Acts had dried up the most fertile of the old sources of revenue, while the new wealth was hidden in forms which easily evaded the grasp of the revenue authorities.

The solution of this difficult problem could not be effected as long as power was evenly distributed among the classes. The opposition of the bourgeoisie and of the peasantry was strong enough to prevent the proletariat from enforcing a solution by socialist means, by drastic encroachments upon the rights of property. The opposition of the working class was too powerful to allow the bourgeoisie to effect a solution by means of a ruthless combing out of civil servants and ruthless extension of the system of indirect taxation. Things could not go on much longer without either a restoration of the predominance of the working class or the restoration of the bourgeoisie.

Meanwhile, Seipel had departed for Prague, Berlin, and Verona. Had he returned empty-handed, the bourgeois Government would have fallen; the bourgeoisie would have been obliged to accept our conditions and form with us a government in which Social Democracy would play the leading part.

CHAPTER XVII

THE GENEVA AGREEMENT

DURING the war the Czech and the Jugo Slav emigration had formed an alliance, which was the origin of the alliance between the two new States after the revolution. The alliance of the two Slav States was confronted by Hungary on the one hand and Italy on the other : Hungary, who was watching the opportunity for a war of revenge against her two Slav neighbours ; Italy, who was disputing with the Slavs the rule over the eastern coast of the Adriatic. Austria being the bridge between the two Slav States, in a common war against Hungary, these States could not dispense with the Austrian means of communication. Austria being also the bridge between Italy and Hungary, in a common war against Jugo Slavia, these countries would need the Austrian means of communication.

The struggle concerning the Burgenland brought Austria and the two Slav States closer together. The agreement of Lana was the result of this phase of development. But since the settlement of the dispute about the Burgenland there had been a strengthening of the tendencies in Austria favouring an approach to Italy and Hungary and estrangement from the Slav group.

These tendencies were embodied in the counter-revolutionary groups of Austrian society, which

discovered sympathy with Hungary since the counter-revolution had raged there, and whose Italian sympathies coincided with the rise of Fascism. They hated the Czechoslovaks and the Jugo Slavs, partly because the power of the two Slav States prevented a Hapsburg restoration, and partly because Czechoslovakia held three millions of Germans under alien rule. The spokesman of this tendency was Czernin.

These counter-revolutionary tendencies found support in the foreign policy of the Carinthian and Styrian governments. When economic collapse threatened Austria in August, 1922, both these provincial governments demanded an understanding with Italy, so that, in the event of a catastrophe, Italy should protect Carinthia and Styria from the danger of a Jugo Slav invasion.

Under the pressure of these events the Federal Chancellor Seipel departed for Prague, Berlin, and Verona on the 20th August, 1922. Not until he reached Verona was the secret of the journey revealed. Seipel offered Italy a currency and customs union with Austria. Italy and Austria were to form one unit for currency purposes, and by this means Austria would escape the threatened currency catastrophe. In return, Austria was to accept an Italian political and economic protectorate; a "greater Italy" would come into existence extending to the Danube.

The plan which Seipel proposed to the Italian Minister Schanzer at Verona was incompatible with the interests of Jugo Slavia and Czechoslovakia. Any attempt to carry it out would inevitably have involved Central Europe in most serious complications. The Italian Government hesitated. On the 15th August the allied Supreme Council had re-

quested the League of Nations to investigate Austria's economic position. The Italian Government referred Austria to the League. Only if the discussions in the council of the League of Nations led to no result would Italy revert to Seipel's proposal.

The Czech Foreign Minister Benes now took the initiative. It was his business to see that the League of Nations saved Austria from the threatened currency catastrophe, so that Austria should not throw herself into Italy's arms; on the other hand, the Powers should place Austria under effective economic and political control, so that her position would not make her an object of dispute between the groups on either side. Benes sought to convince the French and English Governments that peace in Central Europe would be seriously jeopardized if Austria were allowed to collapse, and thus fall a prey to Italian imperialism. Benes now prosecuted with great vigour the plan of procuring for Austria a large international loan, guaranteed by the Powers, in return for which Austria would be placed under the control of the League of Nations.

The internal position in Austria had been completely changed by the events above described. The bourgeoisie saw a prospect of avoiding the currency catastrophe without capitulating to the proletariat. They were not prepared to accept our conditions when an alternative offered. On his return from Verona, Siepel refused to reorganize the Government. The representatives of the Austrian Government repaired to Geneva where the council of the League of Nations was assembled.

The negotiations in Geneva lasted several weeks. Not until the 4th October was the Geneva protocol signed by the representatives of England, France,

Italy, Czechoslovakia, and Austria. Benes' countermove against Verona had complete success.

Seipel had played a bold game. He had staked everything on one card. The Austrian Government itself had publicly declared before all Europe that Austria's complete collapse was inevitable if assistance in the shape of foreign credits were not immediately forthcoming. If this credit assistance had been withheld, such a declaration would have destroyed every vestige of confidence in Austria's ability to help herself. The Austrian Government had offered Austria to Italian imperialism ; had Italy decided to take Austria at her word, we should have become an Italian colony. But dangerous as the game of Seipel was, he attained his object. When on the 15th August the great Powers invited the League of Nations to investigate Austria's position, this was barely more than a polite refusal of Austria's request for credit. Only under the pressure of the Czech countermove to the proposal which Seipel made the Italian Government in Verona, did the negotiations of the League of Nations concerning Austria assume a serious character.

In the Geneva agreement the Powers guaranteed an Austrian loan up to 650 millions of gold kronen, of the produce of which 130 millions of gold kronen would be employed to repay advances to Austria in the year 1922, and 520 millions of gold kronen would cover the Austrian deficits for the period of two years.

But Seipel's success was dearly bought. Seipel himself had offered to sacrifice Austria's political and economic independence at Verona. He was now taken at his word. In the terms of the Geneva agreement Austria became subject to the common protectorate of the Entente Powers and of Czechoslovakia.

The Geneva agreement binds Austria to enter into no obligations which would endanger her independence towards any other State. This provision protects Czechoslovakia from the contingency of the union of Austria with Italy or Germany, and even excludes any closer economic connexion of Austria with Germany.

The Geneva agreement subjects Austria to a dual control, control by a General Commissioner appointed by the League of Nations, and control by a committee composed of representatives of the Powers that have guaranteed the Austrian loan. The Austrian Government may not float any loan without the assent of the control committee, and requires this sanction before it can dispose of the produce of the loan guaranteed by the Powers. The General Commissioner is empowered to specify the conditions under which loans are placed at the disposal of the Government. As the Government may no longer cover its deficit by inflation, and as it may take up no loan without the assent of the control committee, it remains in a state of financial bondage.

Austria was bound by the Geneva agreement to invest the Government with unlimited power to carry out a programme of reform and reorganization, in conjunction with the League of Nations delegation and the General Commissioner. This relieved the Government from the necessity of having to apply for parliamentary sanction to the detailed measures for the execution of this programme.

On the 17th October a delegation of the finance committee of the League of Nations came to Vienna, to discuss the reorganization programme with the Austrian Government, which Austria had pledged to carry out within two years. The delegation was led by bankers. The reorganization law in which the

programme was embodied made it clear that the financial control of the League of Nations would be nothing else than the control of international high finance. The reorganization is to be carried out exclusively at the expense of the workers, the employees, and the officials, while the possessing classes are spared. The most valuable property of the Republic is pawned and its independence is surrendered.

At the beginning of Seipel's negotiations in Geneva Social Democracy made its position clear. There should be no union with Italy, and also no control by the League of Nations beyond that necessary to secure the service of an international loan. But Seipel did not fear foreign control. Convinced that Parliament would shirk the drastic measures necessary to restore equilibrium to the State finances, he desired to place them under foreign control. The control of Austria by foreign capitalist governments would liberate the Austrian bourgeoisie from the control of the Austrian proletariat. The Geneva negotiations were secret. Under cover of secrecy, Seipel agreed to conditions which completely abolished the independence of Austria.

We had therefore to embark upon a vigorous campaign against the Geneva agreement and the programme of reorganization. This campaign was conducted under the most unfavourable conditions. For four years the Austrian people had suffered from the effects of the currency depreciation, and had eventually reached a state of panic in August, when the complete destruction of the value of paper money threatened to stop the supplies of foodstuffs from abroad. But since there had been a prospect of foreign credits, the krone had remained stationary and prices had begun to fall. The panic vanished.

The good effects of Geneva were visible to everybody. Large sections of the people, including many employees and officials, were decidedly in favour of Geneva.

Our agitation against the Geneva agreement was accompanied by a demand that the most drastic measures should be adopted in order to ward off the threatened currency catastrophe. Such measures were possible in the form of a compulsory loan from the banks and the members of the Stock Exchange, to be paid in foreign securities and bills of exchange.

But our agitation did not succeed in winning the support of the Pan-Germans, whose following, consisting of the intelligentsia, the officials, and the employees, had been most severely hit by the currency depreciation. Under the influence of immediate economic privation these classes were ready to procure the stabilization of the krone at any price. The fearful burden of French reparation demands weighed upon the German Empire. The mark fell unceasingly. In this time of the eclipse of Germany the German-National intelligentsia lost faith in the ideal of union. They were now ready to throw themselves into the arms of the Entente, to obtain respite from the currency depreciation.

At the same time an event occurred outside Austria which increased the dangers of our campaign against Geneva. On the 29th October the revolt of the Italian Fascisti compelled the Liberal bourgeoisie to capitulate, and the power of government fell into the hands of Mussolini. This meant a serious danger for us. If our campaign against Geneva should lead to serious internal complications in Austria, Italian nationalism might go back to Verona, take Austria at her word, and realise upon the line of least resistance the "greater" Italy which the Fascisti had

promised the nationalist youth. Great as the dangers of the Geneva agreement were, the danger of the revival of the Verona project was much greater after the victory of the White Terror in Italy.

We could only prevent the ratification of the Geneva agreement by being able to form a government capable of energetic self-help. As we did not secure the support of the Pan-Germans against Geneva, we were unable to destroy the parliamentary majority which was pledged to Geneva.

Thus we had to utilize the force of the mass movement which we had created in order to minimize the dangers attaching to Geneva as much as possible. According to the Geneva agreement, Parliament was to give the Government for two years full powers to carry out the programme of reform and reorganization. As a result of our efforts, these powers were invested in an extraordinary cabinet committee. Thus the exclusion of popular representation from the most important legislative acts was thwarted. Moreover, we carried through a whole series of important modifications in the programme of reform and reorganization.

The Geneva agreement was primarily a decision concerning the two historical tendencies whose conflict constitutes the entire modern history of German-Austria : Austrianism and Germanism. When the Hapsburg Empire collapsed, this old antagonism was embodied in the dual-government which existed in German-Austria from the 30th October to the 12th November, 1918 : the antagonism between the Lammasch-Seipel government, the last Imperial Government, on the one hand, and the Political Council elected by the National Assembly, the first Republican government, on the other hand. The Lammasch-Seipel Government had been appointed

by the Emperor in order to cover Andrassy's offer of a separate peace. Its guiding idea was that Austria should save herself from the catastrophe which was overtaking the Central Powers by separating from Germany, and throwing herself into the arms of the Entente. On the 12th November, 1918, one of the tendencies gained the upper hand. The Social-Democratic working class and the German-National bourgeoisie overthrew the Imperial Government and proclaimed the Republic and union with Germany. But the antagonism between Austrianism and Germanism persisted in the soul of the Austrian people. It flared up once during the peace negotiations. In the autumn of 1922 the threatening danger of the currency collapse rendered the whole Austrian bourgeoisie ripe for capitulation to the Entente. In the Geneva agreement Austria again renounced union with Germany. The first renunciation had been a reluctant compliance with the demands of powerful conquerors. The second renunciation was in consideration of an advance of 520 millions of gold kronen. And as Austria could not stand on her own legs, submission to the supremacy of the Entente took the place of union with Germany. Thus the ideas of the Lammasch-Seipel government triumphed in the long run over the ideas of the Political Council. German-Austria separated from Germany and threw herself into the arms of the Entente, to save her economic life from extinction and her bourgeoisie from the revolution. Whereas the German-Nationalists in November, 1918, had stood by the side of the working class against pro-Entente old Austria, in October, 1922, the German-Nationalists and the Old Austrians united against the working class in order to surrender our national sovereignty to the Entente. The entire bourgeoisie had veered round from the

ideas of the 12th November to the ideas of Lammasch. The 4th October, 1922 was Seipel's revenge for the 12th November, 1918. The national revolution of German-Austria was liquidated.

If the Geneva agreement signified the liquidation of the national revolution, it also meant an important step on the way to the liquidation of the social revolution of 1918. With one blow the Geneva agreement changed the distribution of power between the classes.

Ever since the 3rd October, 1918, all initiative in Austria had proceeded from the working class, from Social Democracy. While the bourgeoisie had opposed and hindered us, the initiative had always remained in our hands. Seipel's action was the first act which came from the initiative of the bourgeoisie. In the person of Seipel the middle classes found for the first time an energetic and far-seeing leader. The execution of the Geneva agreement was their first great victory over the working class, and the stabilization of the krone which followed the Geneva action was their first tangible success.

The whole of the possessing classes now actually stood behind Seipel : the Christian Socialists and the Pan-Germans, the huge banks and the industrial magnates, the bishops and the Bourse, the Jewish press and the anti-Semites. In the time of the Mayr the Schober Governments the antagonisms between the bourgeois parties had strengthened the position of the Social-Democratic Opposition in Parliament ; this was now a thing of the past. We confronted in Parliament a resolute and skilfully led majority, whose self-confidence was stimulated and whose Government was invested with considerably extended powers for reorganization purposes. The

power of the working class in Parliament was perceptibly weakened.

At the same time the economic and social position of the working class was weakened by the industrial crisis which set in with the stabilization of the currency. In the period of currency depreciation Austrian industry consumed its capital, burdened itself with bank overdrafts at excessive rates of interest, omitted to renew its plant. Now it was deprived of the advantage provided by the disparity between the internal and external value of the krone, and exposed to foreign competition. The crisis was accentuated by two factors; on the one hand by the violent fall of the mark under the influence of the reparations crisis of the autumn of 1922 and the occupation of the Ruhr in January, 1923; on the other hand, by the suspension of all State works and the cancellation of orders, a step the Government was obliged to take when the printing of additional notes was forbidden.

The number of the unemployed increased from 31,247 in August to 169,075 in February. Out of 620,573 organized workers only 275,733 were fully employed at the end of December, while 206,257 were working short time, and 138,583 were unemployed. While considerable wage reductions were imposed, the cost of living fell but very little, and in the winter began to rise again. The standard of life of the working class, which had perceptibly improved between 1919 and 1921, now deteriorated. The influence of workers' councils in the factories became less. The workers were forced upon the defensive along the whole line.

The power of the employees in official departments and industries was weakened by the process of combing-out. The first demand of the foreign con-

trol to which the Geneva agreement had subjected Austria was the dismissal of a third of the federal civil servants. Before the end of 1922, 25,000 officials had to be dismissed, and a further 75,000 officials will have to leave the State service before the middle of 1924. Every civil servant now fears dismissal and seeks to curry favour with his chief to be spared this fate. The power of the trade unions and of personal representation has been weakened by individual fears of dismissal.

The whole development has everywhere strengthened the confidence of the bourgeois Government. Functional democracy has almost completely disappeared and the authority of the State has been restored. Social reform activities have been suspended, and the working class will have to defend tenaciously what has already been achieved. Educational reform has been sacrificed to economy, and in the provinces (though not in Vienna) sixty and seventy children are again being crowded into one class. Above all the new tendency is revealed in the systematic offensive of the Government against the three most important supports of working class power; the municipalities that are ruled by Labour, the trade union grip on the transport services, and the influence of the proletariat over the defence force.

But the restoration of the bourgeoisie is not yet fully accomplished. The working class is temporarily weakened, but not subdued. A million workers and employees are still organized in trade unions. The working class still rules the capital, which comprises nearly three-tenths of the Austrian people. The working class can stop the transport services, if it desires to do so. The Federal Army has not yet been made a pliable instrument for the defeat of the

workers. The bourgeoisie has not yet gained a two-thirds majority in Parliament, and cannot therefore alter the course of business, which provides the proletarian minority with the weapon of obstruction, or the Constitution which sets limits on the power of the majority.

CHAPTER XVIII

THE ACHIEVEMENTS OF THE REVOLUTION AND THE TASKS OF SOCIAL DEMOCRACY

THE war plunged the whole of Europe into a revolutionary crisis, but the crisis connected with demobilization was overcome after a few weeks in the Entente States of Western Europe. In 1919 and 1920 the working class suffered heavy defeats in Germany, Hungary, France, and Italy. Since 1921 the proletariat has everywhere been thrown on the defensive. For economic and social reasons the international offensive of the bourgeoisie is particularly vigorous. The economic reasons are the impoverishment of Europe by the war, the urgent necessity to increase the slow rate of accumulation, and the difficulty of competing in the world market at a time of industrial crisis. The social reason is that the bourgeoisie has been alarmed by the violence of the revolutionary storms of 1918 and 1919, and no longer feels sufficiently secure to rule with the instruments which contented it before the war. In all the States east of the Rhine, Austria alone excepted, the bourgeoisie governs with the occasional use of martial law, and of restrictions upon freedom of association, public meetings, and the press. In many of these States, including Austria, the bourgeoisie is assisted by physical force organizations upon the Fascist model. Thus the revolution-

ary crisis of 1918-9 has been followed by a strong reaction throughout Europe.

But the 1918-9 revolutionary crisis did not solve any of the problems thrown up by the war. The imperialist Governments of the victorious Powers have not settled the Franco-German reparations problem, or incorporated the Soviet Republic into the European State system, or established lasting peace among the Russian border peoples and the Austrian succession States, or put down the revolutionary agitation between the Bosphorus and the Tigris, between the Nile and the Ganges. Although American capitalism seems to have already emerged from the severe industrial crisis of the post-war epoch, the healing of European capitalism is retarded by political crises and economic unrest, which tend to provoke fresh social convulsions.

It appears that we are at present in a period of transition between two revolutionary processes: between the severe revolutionary convulsions through which Europe passed in 1918-9, and severe military, revolutionary or counter-revolutionary convulsions to which the problems created by the war are probably leading us.

This general European development corresponds with the march of events upon the soil over which the Hapsburg Monarchy once ruled. Here, too, the revolutionary process is temporarily interrupted. In Czechoslovakia, in Jugo Slavia, and in Poland, the revolution completed its task with the establishment of the new national States in 1918. Within one year Hungary experienced the tragedy of its revolutions and its counter-revolution. The Treaty of Geneva cut short the revolutionary process in Austria. On the face of it, the Geneva Treaty has liquidated the national revolution, and the establishment of a

strong, self-reliant bourgeois régime, protected by the capitalistic governments united in the League of Nations, has ended the social revolution. But in reality all the problems created by the 1918 revolution still remain unsolved.

The ideas of the national revolution of 1918 were falsified and distorted by Imperialism. In granting the Czechs, the Poles, and the Jugo Slavs the national autonomy for which they had striven, Imperialism contrived to create new conditions of domination. It has so drawn the frontiers of the new States that the national problems which disrupted the Hapsburg Monarchy have again arisen in the new States. Czechoslovakia can only rule by force the Germans, Slovaks, Magyars, Ruthenes, who are included in her territory. As soon as the development of class antagonisms within the dominant Czech people disrupts or weakens the national united front against the repressed nations, this domination will no longer be able to masquerade as parliamentary majority rule. Then the Czechoslovak Republic is certain to enter upon a severe political crisis. The kingdom of the Serbs, Croats, and Slovenes has not realized the Jugo Slav ideal of the federation of South Slav races. On the contrary, it has subjugated the South Slav races. The antagonism between Jugo Slav and Great Serbian aspirations survives in the struggle over the constitution, in the resistance of Croats and Slovenes to Great Serbian centralization. Any accentuation of the internal difficulties of the Czech and of the South Slav States can only favour the counter-revolutionary forces which have seized power in Italy and in Hungary. Every collision between Serbia and Croatia will offer the Italian Fascisti an opportunity to realize their plans of domination over the Adriatic. The Magyar officers caste

hope much from the Magyar *Irredenta* in Slovakia and Transylvania, and from Slovak and Croatian race particularism. The fear of Italian Imperialism and Magyar revenge harboured by both Slav States keeps the whole area of the former Danube Monarchy in a state of latent war-like tension. Any collision between these States is bound to plunge Austria into fresh violent convulsions, and present anew all the national and social problems of the 1918 revolution.

Nobody can foretell how long this period of transition will last. We will examine the problems and tasks which are peculiar to it.

The overwhelming majority of the German-Austrian bourgeoisie was forced to accept the Republic in 1918. As all its traditions are old-Austrian and Hapsburgian, the bourgeoisie regards the young Republic as the symbol of the growing power of the workers. When the ebb of the revolutionary tide gave fresh hope to the bourgeoisie, the latter at first looked for a Hapsburg restoration. But the experience of the two Hapsburg attempts in 1921 taught the bourgeoisie that a Hapsburg restoration is impossible so long as the power of Czechoslovakia and Jugo Slavia remains unbroken. The bourgeoisie has perforce to accept the Republic. The aim of the bourgeoisie in the period of transition must not be to overthrow, but to capture the Republic, to upset the balance of class power, and transform the People's Republic into a bourgeois Republic.

Too weak to achieve this object alone, the bourgeoisie sought the aid of foreign capitalist governments. The object of the Geneva agreement is not to overturn the Republic, but to put its finances in order. But none the less its effect is to change the

social composition of the Republic. Under cover of putting the Republic on its feet, it achieves the restoration of the bourgeoisie.

The Christian Socialists, together with the much smaller Pan-German party, form the parliamentary majority and the Government. These parties are supported by the prosperous and comfortable peasants and the lower middle classes of the towns, who are led by the Catholic clergy. Unlike the Czech and Polish bourgeoisie, these classes have no democratic and revolutionary traditions. Until 1918 they were in the camp of the Hapsburgs, and their hearts are there still.

But the parliamentary rule of the lower middle class and the peasantry is only a mask for the economic domination of finance capital.

It must also be remembered that the new middle class only controls a portion of our machinery of production and distribution. Month by month there has been an increasing flow of foreign capital into our banks and industrial undertakings. And since the Geneva agreement the political conditions have only been the expression of these economic facts. In many respects the Austrian Government has become the executive committee of the foreign General Commissioner. The ultimate benefactor from the exploitation of the Austrian proletariat will be foreign finance capital, which is obtaining a growing control over our political and economic life. The latest phase of the bourgeois Republic in Austria is the alien rule of foreign capital, exercised through the agency of Austrian profiteers, whose businesses are controlled by foreign capital, and through the government of the reactionary petite bourgeoisie of Austria, which carries out the dictates of the foreign General Commissioner.

But the Austrian Republic has not yet assumed a completely bourgeois character. For more than four years the proletariat and the bourgeoisie in Austria have waged a war of position, and it has not been possible to dislodge any class from its decisive positions. Thus the Austrian working class is still able to prevent the establishment of the absolute rule of the bourgeoisie.

Until 1918 the unity of the Austro-Hungarian economic sphere, encircled by tariff walls, provided a market for Austrian industry and secured for Vienna commerce and banking a ruling position in the great territory of an empire with fifty millions of inhabitants. The national revolution of the subject races disrupted this economic sphere, seven-eighths of which have now been shut off by tariff walls from the products of our labour.

In this area, where we were once protected by tariffs from foreign competition, we are now obliged to compete with foreign industries, whose industrial centres and coal deposits are nearer the sea than ours, and whose productive appliances are technically superior to our own. The problem of Austrian economy is whether our industry will be able to survive the loss of seven-eighths of its protected market, and whether our commerce and banking institutions will be able to maintain themselves after the loss of their leading positions in the old great economic sphere. Will the masses of our urban population, whose existence hitherto has been based on industry, commerce, and banking activities, still be able to support themselves? This problem has been concealed by the currency depreciation, which has supplied industry with an extraordinary export bounty, given trade abnormal opportunities for expansion, and provided the banks with a fruitful field of activity.

The real problem of Austrian national economy was not disclosed until the currency was stabilized. We shall now see which branches of our industry and commerce are viable, and which branches are condemned to shrivel up. It will now become apparent to what extent the unfavourable situation and productive conditions of our industry can be compensated by lower wages for our workers and a lower standard of life for the masses, in other words, by cultural retrogression.

The Geneva Agreement, which has put our finances in order and stabilized our currency, has not solved any of the problems which confront our national existence, but has laid them bare for the first time.

The real cause of the sickness of our body politic is the fact than an industrial organism which was adapted to an economic area with fifty millions of inhabitants, has been forced into an economic area with only six millions of inhabitants. The currency depreciation was only a symptom of this sickness. But the masses who had suffered from the consequences of the currency depreciation for four years mistook the symptom for the illness itself. Willingly they submitted to the painful operation which removed the symptom, because they believed that the illness would thereby be healed. They are gradually discovering that Geneva did not heal the sickness, but only removed one of its symptoms, which has been replaced by another. Instead of currency depreciation we have had unemployment, wage reductions, industrial and cultural retrogression. As disillusionment regarding the effects of the operation spreads, there will be a growing resentment at the operation and its methods.

The immediate task of Social Democracy is to

make politically effective the growing discontent of the multitude of employees and small tradesmen who are hit by the economic crisis ; the officials who are threatened with dismissal ; the intellectuals who are resentful of alien domination ; and the working class on whom the full brunt of the blow has fallen.

During the present period of transition our national existence is circumscribed by the treaties of St. Germain and Geneva. But if fresh revolutionary convulsions in Europe tear up the peace treaties of Versailles, St. Germain, and Riga, and shatter the State systems which are based on them ; if the internal structures of the Czechoslovak Republic and of the Jugo Slav Kingdom should be shaken by serious crises and the permanent latent war danger in the whole of the former Hapsburg Empire should become acute, then the problem of our national existence will once more be in the melting pot.

In any European crisis we shall again be confronted with the alternatives : supranational federation of the Danubian peoples or national unity of the Germans : restoration of the Hapsburg Monarchy or fusion with the German Republic.

We must avoid two equally disastrous errors : that of the Communists who would impose upon the working class during this period of transition tasks which are only appropriate to a new revolutionary epoch, and that of the middle class democracy, which regards the period of transition as the close of an epoch, beyond which no new revolutionary period is looming.

Just as mankind had to pass from feudalism to capitalism through a series of revolutionary processes, each of which created transitional forms of political and social life, only to be supplanted by a higher stage of transition, until eventually the road

from the feudal State of the thirteenth century to the capitalist State of the nineteenth century was clearly marked, so mankind is fated to traverse a series of revolutionary processes on the path from capitalism to socialism, a succession of political and social states of transition.

The 1918 revolution was a revolutionary process of this kind. The revolution which destroyed the Hapsburg Monarchy was not our revolution, not the revolution of the Austrian proletariat, but the revolution of the Czech, the Jugo Slav, and the Polish bourgeoisie. But the Austrian workers took advantage of this revolution to destroy the authoritarian State in their midst, and to reinforce their power in the State, the provinces, the municipalities, the barracks, the schools, and the workshops.

The 1918 revolution is now ended. For the present the task of the working class is limited to defending the achievements of this revolution, and endeavouring to restore the balance of power of classes which has been upset by the Geneva Agreement.

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