Defense of Democracy or Advance to Socialism? Arguments Within German Social Democracy in the mid-1920s

Ben Fowkes

It might well be thought that the antithesis stated in the title of this essay is somewhat unreal, given the closeness of the connection between democracy and socialism. It gains meaning, however, when one counterposes the defense of existing democracy, "bourgeois democracy," "political democracy," "formal democracy," to the advance to a deeper, more consistent, more all-embracing democracy, the extension of democracy from the narrowly political and technically electoral field to society, the economy, and the various institutions of the state (bureaucracy, army, judiciary), all of which is one part of the "advance to socialism." The other part is of course the conversion of the means of production into social or national property: "socialization" or "nationalization."

The conflict over the defense of bourgeois democracy and its extension was thus central to the debates within the noncommunist left parties in the mid-1920s. In addition, there were secondary disagreements over whether bourgeois democracy was itself in such imminent danger that the advance to socialism would have to be postponed to a more distant future; or whether the material interests of the workers (sometimes wrongly identified with socialism) were more important than either aspect of the advance to socialism; or whether local and partial achievements (as exemplified by the measures of the Social Democratic party [SPD] in the Prussian government) were possible while the commanding heights of the state were in capitalist hands.¹

247
Eventually, a less ambitious dispute centered around whether a more specialized and technical version of the advance to socialism could be achieved ("economic democracy," as in the German Trade Union Federation [ADGB] plan of 1928) on the basis not of political action but of the inherent suitability of such plans to the given stage of capitalist development, as well as the employers' assumed need to maintain a partnership with the other side of industry.\(^2\)

While these debates went on both before 1924 and after 1930, the period between 1924 and 1930 has been chosen because it possesses a conjunctural unity in terms of political economy: this is true for the German, the European, and perhaps even the world economy. Before 1924 one sees economic instability, difficulties of postwar adjustment, and in Germany, an inflationary crisis; after 1929 there is the onset of the Great Depression. The intervening period is marked by relative stabilization, based on the integration of Germany into the world economy through the Dawes Plan, and its social and political concomitants, namely, the defeat of the working-class struggles of the early 1920s, the restoration of middle-class domination over German politics, and the reestablishment of industrial peace on a new basis, the main features of which were industrial rationalization, an export-led boom, and a readiness by some sections of industrial capital to compromise with the more "reasonable" demands of the workers and accept the democratic foundations of the Weimar Republic. The repercussions of this readiness to compromise extended to the sphere of bourgeois politics and therefore opened the way to broad and potentially stable coalitions. My purpose here is to examine the reaction of the noncommunist left to this situation.

Not surprisingly, most of the basic issues had already been raised before 1924, but in connection with urgent developments in critical political situations that did not allow a leisurely examination of possible strategies.\(^3\) After 1924, on the other hand, the issues could be argued through. The official position of the SPD had been clear since 1918: it was possible to achieve long-term socialist advance through the parliamentary system. In the shorter term, the aim was a democratic reconstruction of state and society by evolutionary means. These conceptions implied a fundamental optimism, but already by 1920 (after the fiasco of the Workers' Government proposal in the aftermath of the Kapp putsch\(^4\)) most Social Democrats had considerably lowered

\(^{4}\)A rightist conspiracy headed by Wolfgang Kapp that assumed power in Berlin for a few days.
their sights. It appeared that there was a permanent antisocialist majority under the Weimar Constitution, and that the only (parliamentary) way forward was through coalition with parties to the right of Social Democracy.

Moreover, the defense, rather than the extension, of the achievements of the November revolution, the movement that toppled the Prussian military monarchy and replaced it with a parliamentary-democratic state, was by 1920 the explicit aim. When Hermann Müller, the outgoing German chancellor and a leading figure in the Majority Social Democratic party (MSPD), approached the Independent Social Democratic party (USPD) in June 1920 it was for a defensive not an offensive coalition: "Only through a coalition strengthened by the inclusion of the left" (i.e., the USPD) "would it be possible to defend republican institutions against all attacks from the right and to maintain social gains, especially the eight hour day."4

The USPD rejected these overtures, and the SPD withdrew from government; the moment for a coalition of working-class parties passed, not to return. From then on the problem was the kind of conditions the noncommunist left parties should lay down for collaborating with the nonsocialist parties. The SPD Congress of October 1920 in Kassel—greatly influenced by SPD disillusionment with the previous coalition, and its demise—set some conditions that sounded very stringent: "Re-entry to the government would only be possible if urgently demanded by the interests of the proletariat, which require above all the democratisation of the administration, the republicanism of the Reichswehr, the socialisation of those branches of the economy ripe for this, and a peaceful foreign policy."5 A further requirement was added subsequently: "Cooperation with a party which does not in principle and in practice stand on the ground of the Republican form of state cannot come into consideration."6

These conditions would have made coalition with the nonsocialist parties impossible, and in fact only a peaceful foreign policy and a practical commitment to the Republic were insisted on. Nevertheless, the conditions were reaffirmed by the Görlitz program of 1921, which proclaimed the democratic republic to be "the form of state irrevocably brought about by historical development," a form of state in which Social Democracy could not realistically expect to take sole power. The SPD must therefore "throw its political power into the scales on behalf of the republican, democratic form of state" while making certain conditions.7

One condition not explicitly made was the defense of workers' material interests, but in fact this exerted a powerful pull. Coalition with the influential German People's party (DVP) was rejected not so much on
the grounds of its essential monarchism as because it represented capitalist interests against the workers. This was why the SPD refused to join the DVP in the Wirth Cabinet on November 14, 1922, and why it left Gustav Stresemann's first Grand Coalition cabinet on October 3, 1923, the issue in this case being the preservation of the eight-hour working day. The SPD's withdrawal from the second Stresemann coalition (November 2, 1923), on the other hand, was a reaction to the use of Article 48 of the Weimar Constitution to remove the Social Democratic government in the state of Saxony. This undemocratic act made SPD participation in a coalition meaningless.

The SPD remained outside the government between 1923 and 1928. Although Erich Matthias has criticized the party leaders for having "no political plan, either in power or for opposition," the fact is that there was no shortage of strategic conceptions, merely an inability to agree on applying them. The division between the "activists," such as Otto Braun, Carl Severing, and the revisionists around Sozialistische Monatshefte, and the "passivists," such as Hermann Müller, Rudolf Hilferding, and everyone to their left, already apparent in October 1923, continued to bedevil Social Democratic policymaking.

The activists (or, to use David Abraham's typology, the "social-liberal integrationists") were prepared to accept the Weimar system as it stood. Philipp Scheidemann put this view energetically at the party congress held in Berlin in 1924: "We are committed to this republican state which with all its shortcomings is our creation. . . . Our most important duty, on which all our forces should be concentrated, is to save the republic, cost what it may."

Carl Severing, himself continuously involved in the Grand Coalition in Prussia, often used the columns of Sozialistische Monatshefte to argue in favor of this position. His main points were (1) given the need to pursue a consistent foreign policy on the lines of Locarno, which would be jeopardized by the entry of the German National People's party (DNVP) into a coalition because they did not accept the German renunciation of Alsace-Lorraine; the SPD should keep out the DNVP by joining the coalition themselves; (2) the experience of the Prussian coalition had shown that it was possible to cooperate with the DVP despite disagreements with it; (3) the struggle between capital and labor needed to be robbed of its hateful and poisonous character (an authentic revisionist note); and (4) the presence of the SDP in the government helped to prevent the reemergence of the Black Reichswehr (i.e., the secret military formations that had sprung up in defiance of the Versailles Treaty in 1923). Further advice of a similar character came from Karl Hildenbrand, Heinrich Peus, and Wally Zepler, who condemned "a large group of comrades" for "fearing to go
over from the comfortable defensive of political opposition to the offensive [of coalition].''

The majority of the party held very different views, as was shown in early 1926. On January 11, President Hindenburg asked Fehrenbach (Center) and Koch-Weser (German Democratic party—DDP) to try to form a new edition of the Grand Coalition. There was a sharp conflict within the SPD parliamentary party over the question. The activists, who might almost be called "the Prussians" in view of the predominance among them of people with Prussian ministerial experience, favored entering negotiations with the Center, the DDP, and the DVP. Otto Braun called on the party to find "the courage to take responsibility," adding that "if they were to continue to let their actions be determined by the fear of responsibility, it would deliver a devastating blow to the parliamentary system and smooth the path for the reaction." The passivists argued that "the interests of the working masses should alone be decisive here," and they won the day (by 85 votes to 33). The three reasons the party put forward eventually for its refusal to enter negotiations reflected the "passivist" position: (1) the importance of returning to the eight-hour day, which the DVP had rejected; (2) the urgent need for unemployment insurance, SPD proposals which the DVP had rejected; and (3) the persistent efforts of the DVP to get compensation for the former German princes. As Hermann Müller (who must at this stage be counted a passivist) wrote in April 1926: "The views of the DVP on the restoration of the German economy at the expense of the German workers and the practical abolition of the eight hour day are incompatible with the views of Social Democracy.''

There was, however, a middle way between coalition and opposition: toleration. For much of this period the issue was whether to tolerate the government of the day or to help overturn it. The December 1924 elections confirmed the situation brought about in May of that year: a government opposed by both the extreme left (German Communist party—KPD) and the Monarchist and fascist right (i.e., the DNVP and the National Socialist German Workers party—NSDAP) could retain its majority only with SPD toleration. The activists and the passivists could agree on the necessity of tolerating the cabinets of this period for foreign policy reasons. Hence the government formed in January 1926 owed its survival to Social Democratic abstention in a vote of confidence. Shortly afterward Müller wrote an article in Die Gesellschaft defending the principle of tolerating a government the party was not prepared actually to join: "An opposition party, which does not itself want to enter the government, may in some circumstances have the duty to give a government over which it has no
influence the chance to begin its legislative work, if that government itself stands on the ground of the parliamentary system.”

The policy of toleration bore considerable fruit in the years 1926 and 1927. It could be argued that the SPD achieved more for the workers when out of office than when in it. The list of gains is impressive: establishment of compulsory arbitration by the ministry of labor; the 1927 law on working hours, restoring the eight-hour day in large firms; the Labour Courts Law of 1926; and the Employment Facilitation and Unemployment Insurance Law of July 1927 (AVAVG), which established insurance paid for by contributions from employers, employees, and the state.

Despite these achievements, opinion within the SPD moved away from mere toleration toward active participation in bourgeois governments in this period. There were several reasons for this. First, the Prussian experience seemed to show that coalitions could be fruitful; second, the increasing division within the conservative camp between the DVP, which was moving away from its anti-working-class position, and the DNVP seemed to indicate the possibility of a coalition with the former (though this was hardly a new development); third, and perhaps most important, Paul Silverberg’s speech of September 1926 to the League of German Industry (RDI) seemed to be an olive branch from the industrialists to labor. It provided coalition with the necessary social basis, in the sense of the readiness of an important section of German industry (Abraham’s “dynamic-export fraction”) to take the SPD into partnership. The gains of the years 1926 and 1927 were in part a reflection of this situation. Rudolf Hilferding in particular, as the major theorist of the SPD leadership, provided a Marxist justification for entering a coalition government, based on his perception of a contradiction between the “finished goods industries and the raw materials industries.” He saw the former attaining leadership in German capitalism, a fact that should benefit the German working class since they did not “stand in such a direct contradiction to the working class as heavy industry.” Hilferding's article of October 1926 in *Die Gesellschaft* is the first presentation of ideas he was to put forward with success at the Kiel Party Congress of 1927. They were adopted by the party, and Hermann Müller tried to put them into practice in his coalition government of 1928 to 1930.

**Political Power and Economic Democracy**

The Kiel Party Congress of 1927 was dominated by Rudolf Hilferding's defense of coalitions. His basic theoretical justification for coali-
tions between the SPD and bourgeois parties was that the state was not inevitably an instrument of the ruling class. The ruling class under the Weimar Republic was the capitalist class, but the parliamentary democracy set up in 1919 was not its instrument. It was rather a special form of state that the workers should support. The way forward was to reassert the supremacy of the state—now under threat from the monarchical reaction—by intervening politically. This could be done by participating in governments alongside nonsocialist parties. Coalition was therefore justified in principle.21

Participation in government, in Hilferding’s view, could serve one of two purposes: it was “either a means of warding off the danger of reaction or of achieving advances in the interests of the workers’ movement.” His keynote speech at the congress dwelt much more on the first goal, the protection of democracy against the danger of monarchical reaction.22 “Viewed historically, democracy has always been the cause of the proletariat. . . . The preservation of democracy and the republic is the most important interest of the party.”23 The left-wing opposition, on the other hand, argued that the interests of the workers were not served by coalition. The resolution moved by the left in 1927 made this very plain:

The task of Social Democracy in the German republic is to represent proletarian class interests in opposition to the class rule of capitalism, and to fight for social demands and socialism. In comparison with this task the fight for the preservation of the republic which the bourgeoisie has decided to put up with is of lesser significance. . . . The tactics of the SPD must be: opposition instead of coalition. This opposition must be conducted in the spirit of proletarian class struggle with all appropriate parliamentary and extra-parliamentary means.24

In her eloquent speech in support of this resolution, Toni Sender concentrated her fire on the question of power. Mere entry into a coalition, she said, did not bring power. Power could be achieved only if “strong, active social forces stand behind the government, if we have conquered a position of power in society as well.” She was all in favor of a united will to power on the part of Social Democracy, but “not a will to the semblance of power.” The second point was one that has been made repeatedly by left-oppositions since the late nineteenth century: cooperation with the bourgeoisie would mislead the workers. “How can we educate the workers to class-consciousness? Not by co-operating with the bourgeoisie in a coalition government.”25

The second major speaker for the left was Siegfried Aufhäuser. He brought out another constant theme of the left’s arguments: the impossibility of separating out the issues, or, to put this another way, the
presence behind the Monarchist agitation against the republic of a hidden capitalist agenda. To stress the danger from the developing capitalist offensive was not to deny the importance of republican institutions, but to penetrate to a deeper level of analysis. "This government" (i.e., the Bürgerblock government headed by Wilhelm Marx) "is a sign that the capitalists rule the state more than ever." (This point was intended as a rebuttal of Hilferding's argument about the role of the state.) "The content of our resolution is that this government represents less a move against the republic than an anti-social move against the working class... The present bourgeois government does not want the form of state to be the decisive factor, but the desires of the economic interests that stand behind the state."26

The left's resolution received 83 votes at the congress, as against 255 for the executive: a minority, therefore, but a substantial one. The party went forward to the 1928 elections, and to eventual coalition, with Hilferding's resolution to guide it:

The participation of Social Democracy in the government of the Reich depends solely on its judgement as to whether its strength among the people and the Reichstag gives the guarantee that it can achieve certain specific goals in the interests of the workers' movement, or ward off reactionary dangers by participating in the government in a given situation. The decision is a tactical question and cannot be answered by applying definite formulas laid down once and for all.27

The absence from this resolution of any mention of structural change or the achievement of economic democracy is striking. The revisionist wing of the party saw the decision of the Kiel Congress as a complete vindication of their attitude over the previous thirty years. Paul Kampffmeyer described their pre-war slogan, "More Power," as identical with Hilferding's call at Kiel for "the conquest of state power." In each case the aim was the "gradual democratic conquest of power and the advance of constitutionalism."28 Carl Severing was equally satisfied by the Kiel Congress. The Kiel debates, he said, had removed the impression of hesitancy that had grown since 1923. "We want political power, we want to conquer the state," he added, encouraging the party with the words "Push forward step by step!... The fight for power in the republic is ultimately a fight for the republic itself."29

While the party went forward from the Kiel Congress with an agenda of the conquest of (shared) political power, the question of economic democracy was left to be raised by the trade unions. This corresponded to the formal division of tasks that was upheld by both sides, but it was nonetheless unrealistic. The proposals for economic democracy, worked out by Hilferding and others and presented by Fritz Naphtali
in 1928 at the Hamburg Congress of the ADGB, could not fail to have an effect on the attitude of the SPD’s potential coalition partners: the latter regarded these proposals as dangerous nonsense, even though they were explicitly meant to be inserted into the given capitalist system and to correspond to the stage of “monopoly capitalism” reached in the interwar years.30

Naphtali distinguished economic democracy specifically from socialization: economic democracy was not meant to affect power over industry, but was rather aimed at restricting “the autocratic management of industry.”31 This could be achieved through “trade union participation in the communal-economic institutions of self-government”—a reference to the National Economic Council, an advisory body that was the sole relic of the hopes of 1919 for codetermination in industry through factory councils.32 Despite Naphtali’s statement that “the Free Trade Unions and the SPD are in complete agreement about the present tasks of economic policy,” the SPD took no steps to implement the trade unions’ plans politically.33 Economic democracy did not, for instance, figure in the SPD 1928 election program despite the stress laid on it by Hilferding at the Kiel Congress.34

Things might have been different if the developing left-opposition within the party had had trade-union connections (apart from Siegfried Aufhäuser, leader of the clerical unions). It did not, and when it began to take shape it defined itself above all negatively: against the behavior of the Saxon Land fraction, against coalition, against the theory of the neutral state, against pocket battleships. The raison d’être of the left’s journal, Der Klassenkampf, was to attack the practical steps taken by the SPD in coalition, to call for its withdrawal from government, and to undermine the theoretical defense of coalition provided by the party majority. This entailed a running battle between the Austro-Marxist theorist Max Adler and Rudolf Hilferding over the correct Marxist analysis of the state, with Adler reaffirming the idea that the state could not be neutral as between the classes and that therefore the Weimar state must be the state of the capitalist class. Given these overwhelmingly political preoccupations it was not surprising that steps toward economic democracy did not form a part of either the opposition’s election program or the (already impossibly stringent) conditions for coalition with the bourgeois parties advocated by Der Klassenkampf in 1928.35

The favorable showing of the SPD in the 1928 elections (29.8 percent of the votes, and 153 out of 491 seats in the Reichstag) was followed by Hermann Müller’s attempt to form a grand coalition, in line with the green light for such an endeavor given by the 1927 congress. It was not an easy task. In view of the refusal of the DVP to agree on a common
program with the other parties, Müller had to form a “cabinet of heads,” selecting leaders from each of the five parties to serve in a personal capacity. This curious arrangement continued until April 1929, when the parties finally agreed to support the Müller government in an organized manner. This did not improve matters. In both cases the only issues where agreement could be reached within the cabinet were in the realm of foreign affairs, where support for Stresemann’s policy of fulfillment was noncontentious. Otherwise there was constant conflict, and constant retreat by the SPD in order to save the cabinet. There was the failure to get the ninth of November accepted as an official celebration of the anniversary of the November 1918 workers’ revolution; there was the surrender of the SPD ministers to blackmail over the decision to build Pocket Battleship A, opposed in favor of expanding social programs; there was the defeat of Labour Minister Rudolf Wissell over the 1928 Ruhr Iron Company lockouts, when management refused to abide by the decision of his appointed arbitrator; there were disappointments over fiscal policy, with the abandonment of Hilferding’s budget proposal of March 1929 to raise the tax on beer due to the opposition of the Bavarian People’s party (BVP); finally, and most significantly for the future, there was the running battle over financing unemployment benefits.

The resources provided under the Unemployment Insurance Law of 1927 were already inadequate to meet the lowest Weimar unemployment level of 1 million (they were meant to cover 800,000); and the number of registered unemployed (annual average) went up from 1.4 million in 1928 to 1.9 million in 1929, leaping to 3.3 million in 1930. The conflict over this eventually broke up the Grand Coalition, but the issue was already smoldering in 1928. The view of the trade unions, which they impressed strongly on the SPD, was that contributions should be raised from 3 percent to 3.5 percent; the DVP was entirely opposed to this, calling instead for a reduction in unemployment benefits and a means test, plus a campaign to weed out scroungers (March 1929). In saying this they were accurately reflecting the views of their supporters in big business.  

It was in this situation, with a crumbling coalition government in which the SPD ministers seemed captives to anti-working-class policies, that the next national congress of the SPD met, the Magdeburg Congress of May 1929. The “passivist” or “left” arguments against coalition had now gained added weight. Even Rudolf Breitscheid, reporting on behalf of the parliamentary party, had to admit that after a year of government “there is still a tremendous amount left to be desired.” “We have neither fulfilled nor brought close to fulfillment what we demanded in the years of opposition,” he added.
The complaints of the left were manifold. In the first place, the party had entered the coalition in 1928 without a program. The Party Committee had simply met (June 6, 1928) after the successful elections and resolved to empower the parliamentary party to undertake negotiations with a view to forming a government under SPD chancellorship. No prior conditions were set. As Hans Vogel put it, on behalf of the executive, "With coalition governments every party has to come down a peg or two with its demands of basic principle," otherwise no government could ever come into existence. 

There were no guarantees therefore that the SPD would achieve anything; but there were certain expectations raised in the course of the election campaign in the minds of the voters: the major positive slogan had been "Food for the children not pocket battleships," implying a simultaneous rejection of naval expansion and commitment to social politics. These hopes were disappointed. Naval expansion went ahead; social politics were put in question, first, by the Ruhr lockouts and the successful defiance of arbitration, then by threats to the financing of the unemployment insurance fund. Hence two points dominated the proceedings of the Magdeburg Congress: the way to prevent the building of Pocket Battleship A and the way to defend the social achievements of the late 1920s.

The SPD had fought the elections of 1928 in part against the building of pocket battleships; the SPD ministers promptly voted in favor of Pocket Battleship A once they had entered the cabinet (August 10, 1928). Müller justified this by saying: "If the SPD were to take a negative attitude on questions of defence it could never participate in the national government at all." A storm of indignation arose in the party at large, and the parliamentary party disavowed the decision of its own ministers, subsequently introducing into the Reichstag the resolution that "the building of Pocket Battleship A should cease." The SPD ministers were compelled under party discipline to vote in favor of the resolution and against their own cabinet (November 16, 1928). The naval building program went ahead anyway, since there was a center-right majority in support of it.

There was nothing the SPD could do at Magdeburg to reverse this decision; what they could do was work out an overall defense program. A party commission was set up for this purpose, and it produced a program that accepted the need for national defense but made ten proposals directed at increasing parliamentary control over the Reichswehr and restraining it from violating the armaments limitations laid down by the Treaty of Versailles. The necessity of giving ground to the SPD's coalition partners was not mentioned in this context; the party's leaders favored national defense for its own sake. The resolution was pushed through by 242 to 147 votes. The left-opposition, which
had been going from strength to strength in its campaign against the compromises forced on the SPD by its participation in a coalition government, was in the most favorable possible situation to make its mark. The left objected in principle to providing the Weimar state with the means for conducting wars, and called for the removal of the army and navy altogether, as instruments of the ruling class, and their replacement by "the instruments of proletarian power needed by the coming socialist society for its defense." That was the long-term program; in the short term the left suggested the abolition of the navy, parliamentary control of the army, and a large number of measures of democratization.\(^{(45)}\) The revisionist right of the party, in contrast, maintained that the German navy should be expanded. Max Cohen argued in *Sozialistische Monatshefte* that the building of Pocket Battleship A was justified in itself, and that the SPD had been "unforgivably" wrong to base its agitation in the 1928 elections on opposition to this. The fleet was needed against Britain, he implied: "What was wrong with the pre-war naval policy of the *Reich* was that it lacked a guiding idea, which is to be found in securing our flanks by alliance with France and Russia."\(^{(46)}\)

The party executive did not take this extreme view, of course, but argued that the pocket battleship affair should not be taken as a reason for leaving the coalition, since positive advances could still be made in social politics. It conceded, conversely, that a failure in that sphere would be much more serious. As Stampfer said: "If once the fateful situation came up that we had to decide, in a question of social politics like unemployment insurance, between the government on the one hand and the trade unions on the other, there could be no doubt about our decision. In such a case we should have to act according to the principle: party and government are two, but party and trade unions are one."\(^{(47)}\) Rudolf Breitscheid underlined this: "We do not want a crisis [in the cabinet] but if it comes to serious disagreements, the unemployment insurance is a much more favourable battlefield than the battleship." No attack on the principle of unemployment insurance or any attempt to reduce the numbers qualifying would be permitted, he added.\(^{(48)}\)

The matter of unemployment insurance was thus given a rather one-sided weighting by the party's leaders, and this was to provide the psychological background for their controversial decision to dig their heels in precisely on this issue.\(^{(49)}\) Nevertheless, the general approach that emerged from the Magdeburg Congress was rather one of staying in the government at any cost. Breitscheid issued this remarkably accurate prophecy to the restless left: "Consider this! If this government falls what comes next? Dissolution. Fine. But do you think that..."
democracy can survive in the long run if there is a dissolution every two years? Otherwise what? We might receive a kind of cabinet of officials which would in itself already be a concealed dictatorship.”

The End of the Coalition

The decision of March 27, 1930, to end the Grand Coalition, which is often regarded as the fatal turning point in the history of Weimar and of German Social Democracy between the wars, cannot be understood without reference to the increasing intransigence of the bourgeois coalition parties over at least the previous six months, in the context of the onset of the world economic depression, and reflecting industry’s abandonment of the policy of concessions to the industrial working class, or, as Abraham puts it, the shift in the leadership of industry from the “dynamic-export fraction” (Silverberg, Duisberg) to the “heavy-domestic fraction” (Hugenberg), followed by a joint onslaught on the social gains of the previous few years in the shape of the League of German Industry (RDI) manifesto of December 1929, entitled “Recovery or Collapse.”

Two major surrenders by the SPD ministers in face of this pressure on the cabinet—the October 2, 1929, compromise with the DVP over unemployment insurance, and the removal of Hilferding as finance minister after an ultimatum from both Schacht (at the Reichsbank) and the DVP—strengthened the left-opposition’s case against coalition and led even some defenders of coalition to express doubts. By January 1930 George Decker, writing in Die Gesellschaft, had been driven to advocate posing an ultimatum to the other coalition parties: “The standpoint of Social Democracy must be this: we are not prepared to go along with a coalition as a party merely there on sufferance. . . . The task of Social Democracy is to force upon the bourgeois parties the stabilization of the government’s position they themselves preach but don’t practice.”

The last straw was the insistence of the DVP on meeting the growing economic crisis by reducing unemployment pay rather than increasing contributions, and the support of the Center party for that position. The decision of March 27, 1930, to break up the Grand Coalition was made by a majority of the SPD parliamentary party, who followed Wissell and the trade-union leaders in rejecting the advice of the other SPD ministers in the cabinet (Müller, Severing, and Robert Schmidt). This has been seen in retrospect as the great turning point for German democracy, and the fatal error of the interwar SPD. Julius Leber, in his influential memoir, concluded as follows: “27 March 1930 was a black
day for Social Democracy and for German democracy altogether: for on that day German democracy refuted itself, and Social Democracy showed it was still incapable of directing the government of the state." Stampfer's point of view is similar; he condemns the trade-union leaders in particular. There is a considerable degree of hindsight in these judgments. The memoirs of the only person directly involved at the time (Severing) take a different line. Severing regrets only that Müller resigned precipitately, depriving himself of the opportunity of explaining to the Reichstag the impossibility of holding the coalition together any longer. The decision is defended strongly in Wilhelm Keil's memoirs. He points out that "the party went to the uttermost limits to save the Müller government but social antagonisms were stronger than this endeavour." Similarly Rudolf Breitscheid: "Perhaps a compromise tolerable to the working class might still have been arrived at that stage, but later developments have taught us that it would not have lasted long. The forces on the bourgeois side pressing towards a break were too strong." Seen in this light the decision of March 27, 1930, has an air of inevitability. It was not so much a "victory of Marxist ideological principles over a realism capable of compromise" as the reductio ad absurdum of the policy of defending the day-to-day interests of the working class conceived in a narrow material sense. Once the SPD began to regard itself as an interest group and an extension of the trade-union movement, it was bound to be defeated by the much stronger interest group of the employers. The "Prussian strategy" of coalition was bound to fail once the SPD's coalition partners decided that the social conflicts were too strong for them to avoid the pull of their middle-class paymasters. The in itself rather minor dispute over a one-quarter percent reduction in the employers' unemployment contribution was only the culmination of a capitalist offensive that had been in progress since the Ruhr lockout of 1928. In this context the departure of the SPD from the coalition seems like a foregone conclusion. The party did have a choice; but it was a choice between leaving the coalition and staying in it "to preside over the dismantling of the social programmes" of the late 1920s.

In the course of 1930, under the impact of twin crises in the economy and the political system, the terms of the argument changed radically. The economic crisis meant that any genuine parliamentary coalition containing the SPD was deprived of its social basis through the unwillingness of any section of the capitalist class to accept measures favorable to the workers; this had after all been the lesson of March 1930 and it was underlined by Brüning's reliance on Article 48 of the Constitution to force through his deflationary fiscal policies. The
political crisis took some time to ripen: in the summer of 1930 the SPD leadership continued to believe that the Brüning government was a temporary phenomenon and would be replaced by a new coalition after defeat at elections. The decision of the voters on September 14, 1930, made it plain that the situation had been transformed. From then on the choice was no longer "coalition or opposition" but "toleration or opposition." The new kind of toleration, of a government the SPD would normally have combatted fiercely, was something not envisaged in Hermann Müller's analysis of 1926 of the conditions for tolerating a government Social Democracy was not prepared to join. The alternative with which this essay began, "defense of democracy or advance to socialism," ceased to have any meaning, since the latter could now occur only within the context of the kind of radical overthrow of capitalism ruled out by the principles of Social Democracy.

Let us, finally, draw together some of the themes that have emerged in this discussion. First, it should be clear that the defense of existing democracy was always a very clear priority in the minds of the leading group in the SPD. Any steps liable to compromise this, even if they furthered or appeared to further the material interests of the workers, were always opposed. This applied even to the decision of March 1930, which was opposed by all the political leaders except one—Rudolf Wissell, with his strong bias toward giving priority to social politics. The left-opposition (which in March 1930 fortuitously had its way for the first and only time) was less concerned with the defense of existing democracy than with giving it some real content: this could not be done through parliamentary maneuvers. Even within the context of the mere maintenance of existing democracy, the left argued that once the economy was in crisis the only option was a far-reaching transformation of the economy during the crisis itself: for the political crisis could not be solved without solving the economic crisis. The second theme, raised repeatedly by the left-opposition, was the need to mobilize the working class, and, conversely, the danger of demobilization arising from participation in government or responsibility for it.

There were several subsidiary themes as well: the effectiveness of coalition at the local level, with the Prussian example to the forefront (the confused situation in Saxony, in contrast, was more a deterrent than an encouragement); and the possibility of somehow bypassing capitalism, first advanced by Hilferding in 1924 and taken up by the trade unions (the ADGB plan of 1928). Hilferding represented a form of Marxist Fabianism. His proposals for economic democracy would be introduced, he thought, inevitably, since this necessarily followed from the concentration of capital, and the growth of organized capitalism, as outlined in his article of 1924 in Die Gesellschaft and his speech of 1927
to the Kiel Congress. The ADGB, similarly, based their own 1928 proposals for economic democracy on an optimistic overestimate of the weight of trade-union advice. Fritz Tarnow, in introducing them, described capitalism as "malleable" and capable of being changed "without power being 100 per cent in our hands." The capitalists themselves, on the other hand, regarded economic democracy as a serious threat. There was an immense gulf in both cases between the radical nature of the proposals and the moderate means envisaged for their implementation.

What was needed was a combination of the program for achieving economic democracy with political action designed to implement the program: it was necessary to explore the limits of bourgeois political democracy before the bourgeoisie itself began to close in those limits under the impact of the world economic crisis. The two halves of the equation were never fitted together: the defense of existing democracy became the obsession and sole raison d'être of the SPD leadership; the steps toward socialism proposed by the ADGB in 1928 and by some SPD theorists were developed in isolation as campaigns over single issues. Without the vitalizing effect of a militant mass movement there was no prospect that political and economic democracy could be combined.

Notes
2. In 1926 the ADGB refused to return to the partnership system of the early 1920s known as the Zentralarbeitsgemeinschaft unless the employers accepted trade-union plans for "economic democracy" (C. Erdmann, "Das Problem der Arbeitsgemeinschaft," Die Arbeit 3 [1926]: 674).
3. The evolution of the SPD's policies on these issues is treated in detail for the years up to 1924 by R. Breitman, German Socialism and Weimar Democracy (Chapel Hill: University of North Carolina Press, 1981).


15. Vorwärts 17, January 12, 1926.


18. Ibid., p. 299.

19. Gains summarized in *Jahrbuch des ADGB*, 1928, p. 34.


22. Ibid., pp. 265–66.

23. Ibid., p. 173.

24. Ibid., p. 272.


27. Ibid., pp. 265–66.


38. Not unanimously; as Seydewitz pointed out, the Saxon delegates opposed this policy (*Protokoll SPD Magdeburg 1929*, p. 69).


41. Breitman, *German Socialism*, p. 149.


44. The vote was much closer in terms of elected as opposed to *ex officio* delegates: 154 to 142 (see KK 3 [1929]: 435).

45. The opposition’s proposals were not printed in the official report of the congress. They were issued later as a pamphlet, which is printed in part in Luthardt, ed., *Sozialdemokratische Arbeiterbewegung*, vol. 2 (Frankfurt: Suhrkamp, 1978), pp. 165–66.
48. Ibid., p. 165.
51. Abraham, Collapse, p. 263.
54. J. Leber, Ein Mann geht seinen Weg, p. 220.
60. A reduction, that is, from the 4 percent originally envisaged in the proposals rejected earlier in the month by the DVP, to 3.75 percent. See Wissell, writing in Die Arbeit 7 (1930): 217.
62. I have deliberately excluded such important themes as the attempt to move from "class party" to "people's party," and the development of the SPD's agrarian program, as not being directly relevant to the problem under discussion here.
66. This essay is restricted to analyzing the solutions worked out and applied by the German Social Democrats between 1924 and 1930, in the period of relative prosperity. After 1930 the locus of decision-making shifted irremediably. For the subsequent period see the thorough discussion by Erich Matthias "Die Sozialdemokratische Partei Deutschlands," in E. Matthias and R. Morsey, eds., Das Ende der Parteien (Dusseldorf: Droste, 1960).