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Not the poor, but the rich should pay!

German Communists' taxation proposals 90 years ago

Tuesday 1 May 2012, by [RIDDELL John](#), [WILDE Florian](#) (Date first published: 26 April 2012).

Presentation: How revolutionaries of Lenin's time resisted austerity

Economic collapse drives workers into hunger and destitution. Foreign powers extort huge payments, forcing the national economy toward bankruptcy. The government forces workers to pay the costs of capitalist crisis.

This description of Greece in 2012 applies equally to Germany in 1921.

How should a workers' party respond to such a breakdown? The proposals of the German Communist Party (KPD) included a simple approach to fiscal policy: tax those who own the country's productive wealth.

The KPD was then a member of the Communist International, whose leadership included V.I. Lenin, Leon Trotsky, and Gregory Zinoviev.

The KPD's tax proposal received lip service from the country's two Social Democratic parties and trade union leaders. The Communists, however, called on all workers' organizations to unite in concerted action to win this demand. Since Germany's currency was undermined by galloping inflation, the Communists proposed taxing wealth and material assets.

The KPD's approach to taxation is explained in the following article by German historian Florian Wilde.

John Riddell, April 26, 2012

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By Florian Wilde

The story is always the same: the state's coffers are empty. In Germany, 90 years ago, that raised the question of who should pay for the burgeoning public debt, which had been caused by the reparations payments to the victors of the First World War stipulated by the Treaty of Versailles.

Towards the end of 1921, an attempt was made to shift the burden of debt to the working class through higher sales taxes. The German Communist Party opposed this, demanding instead an

increase in the tax on wealth and the seizure of assets. To realize these demands, the KPD employed their United Front strategy, which had been adopted at the Jena Party Congress in August 1921.

The guiding principle behind the Communist's tax policy, wrote KPD chairperson Ernst Meyer in *Rote Fahne*, the party newspaper, was the "to prevent the deterioration of the living standards of the broad masses," and "to shift the entire tax burden to the owning class." For that reason, the KPD's parliamentary deputies would "resist all taxes that worsen the living standards of the proletariat." In contrast to the other parties, they would primarily try to "pressure the government and the bourgeoisie to prevent the [sales] taxes by all extraparliamentary means."

If the Communists were unable to prevent the new taxes, they would intensify the struggle for higher wages, Meyer said. The principal task of the KPD was to "harness all proletarian forces for this extraparliamentary struggle." To that end, the party would even be prepared to support the inadequate proposals of other workers' parties "if these proposals provide a basis to initiate struggles and thus accelerate the establishment of a United Front of the entire proletariat against the capitalists." For Meyer, the struggle for "partial goals" was therefore linked to the Communists' "final goal," as he underscored at the party conference in November: "We fight taxes," he said, "in order to shift the balance of power."

What the KPD intended by their demand to seize assets in 1921 was for the state to expropriate a proportion of stocks, bonds, landholdings, factories and mines. This is how the debts should be paid off and how higher wages and an active social policy should be financed. This demand, it was hoped, would make it possible for all workers to join in common defensive actions, especially given that the trade unions and the Social-Democratic Party (SPD) were on record for similar proposals.

The KPD proposed to the union and SPD executive committees a coordinated mobilization of the working class in order to implement the asset seizure as well as to defend the eight-hour workday and the right to strike.

In its national newsletter, the KPD central leadership explained that the asset seizure was "a spark to ignite revolutionary struggles with limited goals, and to expand these struggles from the fight over taxes to general confrontations with the bourgeoisie." This explanation was all the more necessary because the campaign for asset seizure was far from uncontroversial even in the KPD. The left flank of the party characterized it as inadequate and reformist, and thus sharply criticized the central leadership.

In an article for *Inprekorr*, the Comintern newspaper, Meyer countered that the demands for asset seizure were admittedly not "purely communist or, in themselves, revolutionary. They can be supported and are put forward by all workers' organizations. But the attempt to implement them means the intensification of the class struggle against all the bourgeois parties, who will oppose the realization of these demands with all their power.... The attempt to implement them also means the rejection of any coalition with the bourgeoisie, and further, it presages the replacement of the bourgeois parliamentary government with a purely socialist one."

Thus, United Front policy was propagated as revolutionary *realpolitik*. The goal was to raise demands that were in the interests of the entire working class, that were also shared with other workers' organizations, and that necessitated an intensified confrontation with capital. These demands were to be achieved above all by extraparliamentary action, going beyond the scope of parliament-centred, Social Democratic politics.

P.S.

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<http://johnriddell.wordpress.com/2012/04/26/how-revolutionaries-of-lenins-time-resisted-austerity/>