

Mr. Thomas and Communism

by Ben Gitlow

(Concluded from last issue)

Norman Thomas must admit the Socialist progress of the Soviet Union. Here are items from his book:

"The experience among other things seems to have strengthened Bolshevik determination to emulate or surpass America in the use of machinery but of machinery socially but not privately controlled."

"The era of the Nepmen after a few years gave way to the present or third stage of a new and directed drive towards socialization."

"The industrial workers have, moreover the immense satisfaction, practical and psychological, of their position as a privileged class in the transitional state."

"Production is socially controlled for use and not for private profit."

"Basic industries are socialized."

On the 5-Year Plan he concludes:

"Ultimately we shall have to come to a World Gosplan to assure world peace and prosperity."

But all this is Socialism. All this is the result of proletarian revolutionary victory. A World Gosplan for world peace and prosperity is only possible thru the victory of the world proletariat against international capitalism.

And Civil Liberty?

This Mr. Thomas is violently opposed to so he develops his program in opposition to the proletarian revolution, in opposition to the revolutionary state of the workers, in opposition to Socialism, as follows:

"The people (Russian people) generally have no civil liberties as matters of right."

This is absolutely false. They are fashioning in Russia the economic and social basis for the real liberation of the individual, the building up of a system that makes the worker economically independent and frees him from exploitation.

Perhaps civil liberties in America are to be preferred? But the Norman Thomas writes the above on civil liberties in Russia on page 76, he should not forget what he wrote about American civil liberties on pages 17 and 18: "Diogenes might find a passably honest man with a lantern; he would need a high-powered searchlight to find a free man."

"This statement is not imaginary or theoretical. It can be illustrated by story after story of reasons why men and women have told me they cannot teach, preach, or write as they think, why they cannot fight for justice as they should like, why they are afraid even to vote for their convictions."

Soviets or Parliaments?

Evidently American democracy is not such a good substitute. But Norman Thomas continues:

"Men in Western nations are not likely to fight and bleed and die simply to substitute Soviets for parliaments or Congresses as a political device."

A very frank statement by Norman Thomas. He is for capitalist parliaments. He is opposed to fighting them in favor of Soviets controlled by workers, made up of workers and engaged in building Socialism. Why? Because he does not believe in Socialism, because he fears the power of the working class, because his whole position is to maintain thru reforms the frame-work of capitalism and of capitalist government.

Socialism or Liberalism

Norman Thomas brands the autonomy given to nationalities in the Soviet Union as Communist imperialism. He deprecates the ruthless exclusion of the former bourgeoisie and the Kulaks. He opposes the education of the Russian youth to meet the attack of the capitalist nations.

He prefers capitalist control and dictatorship to working class control when he writes:

"Making every allowance for the immense value of economic justice and equality and the abolition of poverty as in themselves good and as likely to bring release to the human spirit for new flights of creative achievement, I cannot believe that the good life for man will be peacefully and automatically attained or evolved thru dictatorship, even an economically successful dictatorship, which is so absolute in control not only of schools, the press, the theatre but of all economic opportunity."

This is a clear statement against Socialism for a continuation of the grip of monopolistic, dictatorial capitalism upon all economic and cultural activity. Norman Thomas prefers "economic opportunity" in opposition to Socialism—"economic opportunity" which means capitalist control of economic life by the employers, savage competition for jobs by the workers, with low wages starvation and unemployment.

Liberty, vague, abstract, elusive liberty, is the cry of Norman Thomas. It is the cry for liberty that the capitalist politicians belch forth in sonorous tones. The liberty of the workers to starve and that of the capitalist to grow rich.

Norman Thomas leads straight into the

also mentally pressed to work harder, to speed-up. Those who work hard are given publicity, awarded prizes and so on. Contests are staged, "efficiency slogans" are raised, and all over the plants are posted signs urging the workers to work harder. Thus we can see signs: "You haven't done your best, until you can do no more." "There is always a better way of doing things" "The idea is to get it done."

Examples like these could fill the columns of this paper. However, there is no necessity of telling tales from the shops. What the bosses and their servile scientists write and say tells enough. A couple of years ago one of our captains of industry expressed himself as follows:

"In fitting the worker into his place in an organization, you have to begin with his mind. He will not be a loyal and effective part of the organization until this condition has been met."

To make the workers non-thinking and hard-working slaves, that is the main purpose of the bosses psychology!

shores of capitalist liberalism. He casts aside all the achievements, the working class significance, the lessons, the Socialist success of the proletarian revolution in Russia for capitalist liberalism. No wonder the capitalists embrace him so fondly. Like an innocent, unskissed virgin, he blushing accepts the warm embraces.

He concludes:

"And if we must work out our social salvation, I should like to try it on more democratic lines."

He is against revolution, proletarian revolution. He writes:

"Apparently men fight better for a cause that they believe will win even without them. In short this catastrophic hope is well calculated to attract romantic and adventurous spirits as well as considerable numbers of those neurotics who are so tragic a by-product of our civilization."

And if proletarian revolution does attract a few of the elements referred to above, what of it? What about the Russian revolution? It destroyed capitalism, it consolidated the power of the workers and it is building a new society on a gigantic scale to the amazement and consternation of the capitalists and the admiration of an ever-growing number of workers and farmers the world over. If

there is a tragic by-product, it is Norman Thomas, the by-product of yellow "Socialism."

Norman Thomas offers America not Socialism, not working class action for the attainment of Socialism, not revolution but abstract, illusive, American capitalist democracy. This is the gist of Thomasonian philosophy:

"It is an argument that while democracy is no mystic savior of a fallible race of men, it does express at its best, the noblest political ideal men have yet formed."

Democracy, as Norman Thomas forgets he stated in the beginning of his book, is:

"Injunctions have denied to workers the right to carry on every act necessary to the peaceful conduct of a strike."

Under capitalism, democracy is a shibboleth for the continued exploitation and subjugation of the masses. Norman Thomas is no Socialist, no working class leader. His program is a way to continued capitalist bondage.

But the proletarian revolution and the Soviet Union remain. So does the rock of working class solidarity and power—the sure and the least costly road to working class emancipation.

The Economic Crisis and World Politics

REPARATIONS AND THE WORLD CRISIS

by A. P.

The whole system of reparation payments and war debts is a direct heritage of the World War and has become an integral part of the post-war economic and political situation of the capitalist world. The profound economic crisis gripping capitalism today only emphasizes its outstanding significance. A general grasp of the elementary facts involved in the situation, an appreciation of the intimate connections between the reparation and war debt question on the one hand, and the economic crisis on the other, and an understanding of the attitude of the working class to the war debt situation, appear essential to any Communist analysis of the present state and prospects of world capitalism.

1. THE FACTS OF THE SITUATION

The whole war debt-reparations question hinges about two main axes: Germany—the (former) Allies, and the Allies—the United States.

When Germany suffered a smashing political defeat in the fall of 1918 (it was never defeated in a military sense), the Allied powers determined to reap the "fruits of victory", to put heavy economic burdens upon Germany, i.e., upon the German masses. A complicated system of "reparation" and other payments was elaborated and constantly readjusted, from Versailles to the Young Plan. What is the essence of this system as it stands today?

The German Reparation System

Under the Young Plan, put into effect in May 1930, Germany is pledged to a series of annual payments continuing to 1988. These annual payments begin with about 1,641,600,000 gold marks, rising to about 2,300,000,000 gold marks in 1961 and falling off again by 1967. The total amount of these payments from 1930 to 1988 thus amount to well over \$27,000,000,000! (This figure includes not only the reparation payments but also the payments on the Dawes loan of 1924 as well as a few other minor miscellaneous items.) The payments of Germany, for 1931, for example, amount to \$385,574,340 on the Young Plan annuity, plus \$15,745,020 to the United States on the Army of Occupation item, plus \$20,723,400 on the Dawes loan, plus \$5,121,300 special payments to Belgium, or a total of \$427,164,060. For the sake of simplicity we may regard the German payments as amounting to about \$525,000,000 annually on the average.

The bulk of these payments (about half) go to France, a good portion (about 20%) to Britain and smaller proportions to Italy, Belgium, etc. The United States receives practically nothing from Germany directly.

These payments of Germany are paid into the reparations account of the World Bank (Bank of International Settlements). The various Allied powers are then credited with the proportions to which they are entitled. But the receipt of the German payments by the European powers is to a large extent only apparent; as a matter of fact, a great proportion of these payments actually find their way to the United States. How this happens is explained by the inter-Allied war debts situation.

The Inter-Allied War Debts

The victorious powers emerged from the world war owing hundreds of millions to the United States on debts contracted during the war. In 1919 these debts reached the staggering total of nearly ten billion dollars but by the time a settlement was made an interest charge of al-

most two billion was added, making the total \$11,565,000,000. The largest single sum is owing from Great Britain (\$4,600,000,000) with France a close second (\$4,025,000,000) and Italy trailing behind (\$2,042,000,000). Most of the other countries of Europe are included for relatively smaller sums. The debt settlements made by the Allied powers with the U.S.A. involve annual payments for sixty-two years after date of settlement. The Treasury Department has calculated that in the period covered by the war debt settlements this country is supposed to receive a total of over twenty-two billion dollars (including the interest rapidly piling up). In the year 1931 the U.S.A. is supposed to receive on the war debts account about \$240,000,000.

But the Allied powers have no intention whatever of bearing the burdens of these huge debts on the basis of their own national economies. They pass what they owe to the United States on to Germany for the German masses to bear. Between 60% to 75% of what Germany pays in reparations (depending upon the year) is marked directly to go to the United States on the Allied war debt account and so it is supposed to be transferred by the World Bank. A very neat little scheme at that! No wonder that Uncle Sam's initials are interpreted in Europe as standing for Uncle Shylock!

The Moratorium Question

Now all this is calculated to work very smoothly as long as Germany continues to pay. But if the German masses were to cease, for one reason or another, to pour out their sweat and blood into a golden stream the greater portion of which flows thru a direct pipe line to Wall Street, what would happen to the Allied debts to America? And such a contingency is here today, as we shall see later.

Under the Young Plan Germany has the "right" to suspend, first, the transfers of marks by the World Bank into foreign currencies, and then the payment of marks to the World Bank for two years. But it is also provided that such a suspension would involve a similar suspension of Allied war debt payments to the United States. So we come around to Wall Street again in the end.

Nothing shows so dramatically the new historical role of the United States as the center of gravity of world capitalism since the war as an analysis of the bare facts of the reparation and war debts situation!

2. REPARATIONS AND THE CRISIS

The reparations and debt questions are integrally bound up with the present world crisis in three ways. First of all, as a powerful precipitating factor for bringing about the crisis. Secondly, as an aggravating factor once the crisis set in. Thirdly, as a factor for sharpening the antagonisms among the various imperialist powers, particularly during a moment of crisis, thus serving as a decisive force in hindering even the slightest recovery from the crisis.

1. The payment of all debts is, in the last resort, a payment in commodities. In order to have money with which to pay the reparations, Germany must have a world market in which to sell its commodities. Thus, German capacity to pay presupposes a certain amount of assist-

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STAGNATION in industry and dullness in finance characterize the economic situation. The Hoover proposal for a one year moratorium in debt and reparation payments has served as a fleeting oxygen-inhaler on the New York and Berlin bourses, but no real vigor in the stock movements is visible. Steel is operating at 38%