

Germany and the Moratorium

by August Thalheimer (Berlin)

1. The New Appearance of Imperialist Questions.

Between the emergency decree and the debt-moratorium proposed by Hoover there is this small difference—the emergency decree really goes into effect on July 1 while the moratorium still remains merely a prospect. When this prospect will be realized—and under what conditions—is not yet clear. The main resistance comes from French imperialism and this resistance is not to be estimated too lightly. For, in the first place, France will have to give up about 400 million marks, the difference between German payments to France and French payments to America. But that is not all—nor is it the most important. The proposal of Hoover already signifies the collapse of the Young Plan because, in effect, it proposes the postponement of the non-postponable annuities as well, which is entirely impermissible according to the Young Plan. Of course, this is exactly what the French bourgeois press emphasizes. If the Hoover Plan is put thru—they say—the entire Young Plan is in danger. In the German bourgeois press we find the following line of argument: If the moratorium will lead to an alleviation of the economic crisis or to a new upward swing, then it would be insane to occasion a relapse into the crisis by a resumption of payments. If the moratorium will bring with it no alleviation of the crisis, then the resumption of payments will obviously be impossible. The moratorium is regarded as a lever to liquidate the Young Plan and the system of war tribute in general. It need not be emphasized that opposition

so such an idea will be vigorous and obstinate. But still this not all. In connection with the bringing forth of these economic and financial phases of the imperialist peace treaties, a whole series of political and military problems come to the fore. The proposal of the United States is an offensive against the imperialist position of power of France on the European continent, against the system of alliances which France has constructed on the basis of the Allied victory. It is an attempt of the U. S. A. to create the political conditions for clearing from the way the obstacles and hindrances put up by French imperialism for American capital export to Europe. Today, France is defending its World War victory against the U. S. A. and against Germany. To a slighter degree, the same also is true of Italy. Both powers face the "danger" that the interference of America will strengthen the position of Germany at their expense and further that America is only using Germany to make a breach in the system of imperialist relations in Europe all along the line for the benefit of Dollar Imperialism.

2. Independent Line for the Working Class!

From this it follows that the entire matter is not quite so "simple." The working class is facing a deepgoing controversy of the imperialist powers, a profound regrouping that brings with it a crisis of the present imperialist system. The working class must utilize this developing crisis for its own class purposes. It can only do this if it makes its

appearance independently, apart from the bourgeoisie and against it, but in an international united class front. It must fight most sharply against what the Social-democratic parties of all countries attempt to bring about: that in every country the working class should be an appendix and a supporter of its own imperialism.

The working class strives for the liquidation of the imperialist robber treaties but not at its own expense, not for the benefit of American and German imperialism, not to increase the imperialist war danger nor to intensify the counter-revolutionary offensive against the Soviet Union.

The imperialist reactionary liquidation of the imperialist robber treaties is countered by the working class with the proletarian-revolutionary course; the relations of imperialist dependency, with the self-determination of peoples; the strengthening of capitalist exploitation, with its abolition; the power of the dollar, with Socialism.

3. Capital Cashes In—The Workers Lick Their Lips

The working class has a simple and reliable means of orientating itself as to its own class interests. It only has to observe the conclusions drawn by capital from the situation.

First of all, capital is cashing in on all stock exchanges of the world in the form of gigantic price rises. These are direct gains for capital, but they are also a sort of barometer. Thru these price rises the stock exchanges of the world announce their expectation of a deepening of capitalist exploitation as a whole, of increased capitalist profits. The stock exchange deals with the blood and sweat of the working class. The essential content of stock exchange speculation is the prospects of capitalist exploitation. These prospects are improving. So much is told by the stock exchange figures.

The real language of capital, expressed in dry figures, is the critical refutation of the hypocritical phrases with which the bourgeois and Social-democratic press is attempting to fool the workers; that what is good for capital is also good for labor, that the working class is to expect improvement in its situation from the American Hoover Messiah. Equally clear speaks the fact that the bourgeois press in Germany, in unanimous chorus, insists that the emergency decree is "not yet" to be touched.

Capital is cashing in now on the prospects of an alleviation of the burdens of tribute. But the working class is licking its dry lips. The workers are comforted with promises for the "future." But "later" capital will "prove" that the interest on American and other foreign capital investments must be taken care of.

The capital offensive will therefore not be broken off for even a moment; on the contrary, it will continue. On the occasion of the Dawes Plan, on the occasion of the Young Plan, the working class was deceived, primarily with the help of the Social-democracy with prospects for the improvement of its situation. For the third time, now, the game is being played.

4. Immediate Abolition of the Emergency Decree!

The working class must give a practical answer to capital. It must declare: You are already cashing in on the prospects of improvement. Us you are comforting with the future—as you have done again and again. But we are thru with this swindle. We are thru with "prospects"; we want something tangible. We demand the immediate abolition of the emergency decree and the covering of the differences at the expense of the possessing classes whose condition has already been improved.

If this is rejected, then we know where we stand. We know that the "prospects" with which we are fed, are mere swindle. And therefore we will all the more energetically take up our struggle for the abolition of the emergency decree.

But you are endangering American aid, cry out the bourgeois and the Social-democratic press.

Just the reverse, we answer. The more the American billions invested in Germany are endangered, the more ready capital will be to provide better conditions.

5. The Proletariat Does Not Gain by a Capitalist Breathing Spell

But, in the last analysis, it is not our job, not the job of the proletariat, to play "doctor" to your wonderful capitalist system; it is our job, rather, to shake off this nightmare as quickly as possible. We have no interest in providing you with a breathing spell—which, for us, will be no breathing spell but rather a new loss of blood, a continuation of the death struggle of the capitalist robber economy, a continuation of capitalist chaos and proletarian mass misery.

On the basis of the "new situation" it is necessary now to resume with greater energy the struggle in the proletarian mass organizations against the emergency decree, against the Brüning regime, against Fascism.

6. The Fascist Danger Is Not Overcome!

Fascism has not been destroyed by Hoover, as the liberal and Social-democratic press now again imagine. It is waiting for its hour.

The Fascist danger is not to be conjured away. The Brüning semi-dictatorship is now making its "last attempt" which involves the greatest risk. If the workers do not take up action, then the hour of Fascism can come with the greatest rapidity.

Therefore, the working class must, without delay, mobilize its forces for the struggle for the removal of the emergency decree. In critical situations, rapid action is sometimes decisive.

Marxism and the World Crisis

THE MARXIAN THEORY OF CRISES

by Eugene Varga

(Continued from the last issue)

The decisive antagonisms between the big imperialist powers (Great Britain v. United States, France v. Italy, France v. Germany) are on the increase; added to them there are a great number of fresh antagonisms among smaller states, some of them already assuming the form of open tariff wars, e. g. Germany v. Poland (in spite of the ratification of the trade treaty), Hungary v. Czechoslovakia, Germany v. Holland.

At the same time, there are counter-tendencies of great significance. Great as the difference among the imperialist states undoubtedly are, they nevertheless form a united front against the bourgeois-democratic risings in the colonies and the proletarian revolutions, in their countries.

Thus the crisis, bridging for the time being the aggravated differences among the bourgeois states, leads, in close connection with the development of the revolutionary crisis at home, to an extreme accentuation of the antagonisms between the two systems, an accentuation which makes the danger of an armed intervention against the Soviet Union particularly acute.

Prospects for the Future

The further development of the crisis depends in the first place on how the class struggle shapes. The more determined, resolute, and comprehensive the fight of the proletariat is against the bourgeoisie (which attempts to shift all the burden of the crisis onto the working masses), the longer the crisis is likely to last. So much is certain: the year 1931 will constitute a critical year for the capitalist world.

Of this fact there are the following tangible proofs: The super-abundant stocks—in so far as can be judged on the strength of inadequate statistics—have by no means yet disappeared from the market. On the contrary, in regard to certain important raw materials, they are greater than at the beginning of the crisis. The maintenance of the retail price level, the incredible extent of unemployment and the decrease (by reason of the agrarian crisis) in the purchasing power of the broadest peasant class, are the main factors rendering difficult the absorption of the surplus goods and thereby a return to depression.

Meanwhile, Marx's dictum that "there is no such thing as a permanent crisis" also obtains in the period of the general crisis of capitalism. Sooner or later the critical phase must come to an end. If, however, the growing revolutionary crisis in certain countries greatly impairs the economic position, if in important areas decisive struggles for power ensue, this would mean a prolongation of the critical phase. If, on the other hand, the

power of the bourgeoisie were in the course of these struggles to be overthrown in a number of other countries, if as an outcome of the crisis, a new war were to break out among the imperialists or an interventionary war against the Soviet Union, with all the serious consequences this would entail for the capitalist world, the state of affairs would radically change. The advent of even one of these occurrences, which are, however, far more likely to ensue in a combined form, would have a decisive influence on the further course of international history.

If, however, none of these events comes about, the critical phase will pass over into depression. In such countries as have been most seriously affected by the general crisis of capitalism, this depression will assume a chronic character, as has been the case in Great Britain ever since the war. In other countries, the United States in particular, the depression is likely to be followed by a revival of business and this by a regular boom. One thing should be especially noticed, and that is that after the acutely critical phase is over there will be by no means a general revival comprising all countries and all branches of industry, nor yet a stabilization or a lengthy upward development of capitalism, as Hilferding prophesied some years ago. On the contrary; the phase of depression will be long and pronounced, the revival in those countries in which it ensues at all, merely relative and short, while the critical phase which succeeds it will be even more serious and far reaching than the present one.

Economic Crisis In Canada

Mr. J. A. P. Haydon, the Canadian correspondent of *Labor* has made a thorough survey of Canada and finds that "unless something unforeseen happens within the next two months to effect a revival of employment, Canada will probably face one of the gravest domestic situations in her history."

Mr. E. J. Vaz, of the Federation of Jewish Philanthropists, in Montreal, declared that "unemployment is 60% higher than at any previous time in the history of the Federation." In Edmonton, Alberta, troops are now stationed "as a precautionary measure" against unemployment riots. In the seven suburbs of greater Winnipeg at least 25% of the population will be without means of support next winter.

There are also reports according to Toronto newspapers that "a battalion of unemployed is drilling with rifles" and that the situation is so desperate "that armed unemployed will plunder stores to secure food and clothing." The *Montreal Star*, in summing up the situation, says "The country faces a crisis of thousands of men and women out of work. The farmers can't sell their products. People are losing their homes and finding themselves unable to pay their taxes and other public service charges, to say nothing of their private bills."

The Conservative Bennett government, which has been particularly brutal in its attack upon the workers, has been losing prestige very rapidly in recent weeks because of its bankruptcy in the sharpening economic crisis.

ek

downward trend. European affairs are considered, for the moment, the key to the situation in economic development. The French are negotiating heavy loans to Germany because the Quai d'Orsay recognizes that the present danger of collapse in Germany is "the gravest problem which France has had to face since the War."