

THE DOLLAR CRISIS

An Address by J. A. Dawson to League for Freedom, August 10.

severest and most painful struggle: Send everything useable, food containing proteins, fats, vitamins, sugar, starch (in this order of importance), in durable containers (no glass), second-hand clothes, underwear, first-aid things, cotton thread, needles, pins, candles (their export from here is not allowed, and over there there are continual power-cuts), knitting wool, coffee, tea, tobacco, cigarettes. If all your readers and members would only send one parcel once this would be a tremendous act of support; but if some of them could pledge themselves to send regular parcels in intervals it would be even better. To give you a glimpse of the life of a housewife in Berlin I translate a passage from a letter I have received: "Recently I went to buy fruit in Werder (near Berlin, formerly a centre of orchards sending train loads to Berlin). Already at the station in Potsdam I got the fright of my life when I saw the masses of hungry people who were on the same errand, and scrambled into the same train. But all of them went—don't ask me how! Then started the begging procession from farmer to farmer. There a pound of berries for my last stockings; there 2 lb. of cherries for my daughter's pull-over, and so on. Now we had to hide the fruit, because police at the station watched for 'forbidden import of food.' We stuffed the fruit into old stockings which we pinned into the sleeves of our overcoats and hid in the lining. Finally brought everything home, but I was so exhausted that I had to go to bed for a couple of days." I have investigated personally cases of needy and still active socialists, and I give you addresses (I have many more if they are needed): Georg Mueller, Berlin-Friedenau, Sued-westkorso 9, hochparterre, Germany; Fritz Tinz, Berlin-Britz, Fritz-Reuter-allee 103, parterre, Germany; Walter Leibetseder, Wien 8, Lange Gasse 70/2/9, Austria; Karl Mueller, Berlin-Oberschoeneweide, Roedernstrasse 23, Germany; Theodor Thiele, Berlin-Lichtenberg, Ploenstrasse 18, Germany; Kurt Mattick, Berlin-Wilmersdorf, Hohenzollerndamm 70 A, Germany; Otto Sperling, Berlin-Lichterfelde Ost, Gaertnerstrasse 10, bei Matthaeus, Germany. Please insert an appeal into your paper for help (don't give my name, as the Government here are against foreigners as myself engaging in "politics," and this they call politics), and circulate the appeal also privately. All of the named persons have families, with children, so also children's things will be accepted with joy. All of them share their gift parcels with others unnamed, so you won't spoil any of them by sending too much to one of them. But if anybody wants privately more particulars or more specialised advice on ages, special needs, etc., ask him to write to me! Unless I was really desperate about the whole problem I would not write so urgently. Many thanks for any help you can give. Yours fraternally H. J.

WE NEED SUBSCRIPTIONS

Box 573D Melbourne, Australia.

The working class ALONE can and MUST blaze the trail to their own objective end.

That is why we regard the organisation of Workers' Councils as a fundamental necessity to open the way to the Ultimate Ideal of Emancipation, Freedom and Peace.

The Dollar Crisis is but another phase of the same old crisis that regularly, and at more frequent intervals, is an inherent feature of the capitalist system. Yet there is a difference. 1947 is not 1930.

For well over a century this economic system has evolved crisis after crisis.

In comparison, the feudal system of England in its expiring years has been likened to a "golden age," in which natural occurrences, such as droughts and had winters, and epidemics, such as the Black Death Plague of London, were often major factors of change.

With the advent of capitalism proper—the production primarily for a profitable market, and not merely for sustenance and comfort, as it was under feudalism—we see, first, a boom period and great expansion in production, where prices climbed faster than wages—that is, the purchasing power of the workers. Although discoveries of gold were also major factors, and inventions of labor-saving machinery and the opening up of virgin prairie wheat lands were contributing factors which, to some degree, also had an off-setting effect, i.e., wheat, as a major food became cheaper, and so cheapness increased the purchasing power of the industrial workers' wage, whilst at the same time it blasted the agricultural workers' existence in Britain and Europe—we find the major cause of early capitalist crises in OVER-PRODUCTION—measured by the purchasing power of the mass of the people who were, of course, poor people. When unemployment consequently appeared in factories and workshops the wealthier class got the wind up and started to economise in their spendings on luxury items, with a consequence of unemployment spreading to both luxury production, as well as essential production. The earlier profits of production to the owning class, which had climbed faster than prices, accumulated faster than the rich could spend them on luxuries, and a huge portion appeared as capital seeking investment, and hence the expansion of production, which always precedes a crisis.

While the boom was on credit was loose, money flowed, orders came rolling in, and goods streamed into the markets in rising volume.

As stated, this resulted in over-production—more than could be absorbed by the market.

It stands to reason that warehouses and retail shops have a limit to their storage space—and when incoming goods rolled in faster than goods were sold, then the traders eased off their orders to the factories, and factory workers would be put on part time, or even "laid off" altogether. Thus the purchasing power of their wages disappeared from the market, and became the major factor in a growing slump, in which credit tightened, prices declined—[here I will draw your attention to the local phenomenon that many commodities are now in Melbourne being marked down lower than wholesale and factory cost; a sure sign of a slump in the making]—so as prices declined, production dropped, and unemployment rose.

Time and again this cycle occurred, and rival political parties blamed it on

to their political opponents, as Menzies is now blaming it on to the Chifley Administration, and Churchill is blaming on to the Attlee Labor Government.

Actually, although to a minor degree political administrations can and do contribute to the speed or retardation economic crises—neither political parties nor political administrations can prevent crises and depressions. All existing political parties support and administer the system in which production swivels like a pendulum between booms and bursts.

A new factor—or rather an old inherent factor—WAR—now appears as the governor on the throttle.

Every country has its State Administration formulating and implementing policies to try and save their own particular land from the full effects of crisis. So, in 1930, U.S.A. sought to hold the American segment of the world market—the richest in purchasing power of any segment of the world market—its own exclusive use. The U.S. Congress passed the Hawley-Smoot Tariff for this purpose.

In a dire state of alarm—something akin to the present one—Britain called an Empire economic conference at Ottawa (Canada). And so was born the British Empire Policy of Preference within the Empire, under which Great Britain forsook her free trade policy and placed customs duties upon 57 items of favor inter-dominion trade and reserved the British Empire segment of world trade as far as possible to members of the Empire.

Thus in the early 1930's an estimate 65 per cent. of world trade was more or less rigidly controlled by U.S.A. and the British Empire.

Now, you all know there were more than 50 other nations interested in world trade, and the principal ones of these in the 1930's were Germany, Japan, France, Holland, Belgium, Italy, etc.

You also all know the steps Germany in particular, and Italy and Japan too, to try and bust up the hammer-lock hold of U.S.A. and the British Empire upon world trade.

You know only too well that WAI was the final outcome.

You also know only too well that the policies of U.S.A. and Great Britain in the early 1930's DID NOT forestall the Great Depression which only lifted as preparation for the impending war caused the wheels of industry once more to revolve as a market was created for the means of waging war.

You all know, too, how once war started all unemployment ceased, and a world-wide shortage of man-power came into being as millions of workers were drafted into the armed services of the murder fest who required millions more in industry to provide them with the weapons, materials, food, clothing and transport required.

You all know the civilian shortages that have become a constant feature of our "civilisation."

What a huge potential market there would appear to be!

But stop and consider the actual facts that a crisis akin in all respects, so far as effects, to earlier crises is appearing, whilst there is so evident a world-wide

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not containing

THEY REFUSE to League for Freedom
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demand for civilian needs.

WAR has put a PERMANENT BLIGHT upon the capitalist system. The cost of war has for the greater part been met by States going into debt.

All the old features of the plastering of mortgages upon wealth producers once more appear—but appear in such colossal effect that most of us are stunned and unable to grasp the full significance.

We read that in ancient Greece the free citizens of Attica were being enslaved to debt—that the mortgage pillars of the usurers were erected before the homes of the farmers, who thus lost their gentile rights in the land and were being forced to sell their children, their wives, and finally even themselves in to chattel slavery to satisfy the demands of the owners of debt. We read that a great compromise was accomplished as the way out. The political State, as we now know it, was born. The property interests of the mortgage owners were to some extent sacrificed to save the nation itself.

We are in the throes of a similar crisis to-day.

The British State—but bear well in mind NOT the British propertied class—is now impoverished, as was ancient Greek society. The British Working Class, and, in fact, all working producers in Great Britain have had the War Debt mortgage plastered upon the results—the production resulting by the application of their labor-power in industry.

I read somewhere that 35 per cent. of British Industry is now OWNED by Americans direct. This would appear to be the result of export of capital by U.S.A. through the means that U.S. exports are billions of dollars more than U.S. imports. The value remains in the importing country as capital.

Before this practically all the fairly large holdings of U.S. industry owned by Britishers had been compulsorily sold to U.S. nationals to pay for munitions in the years before Lend-Lease. It can be taken for granted that these Britishers were fully compensated by the British State, and that that compensation is part of Britain's War Debt.

War has plunged the British State in to deep debt—but so far little inroad has been made on the property of living capital. The capital of those who die is, however, largely sequestered under Death Duties and Probate. The living capitalist class is wealthier to-day in capital, yet the working class is as poor as ever.

The British State has been forced to resume the full war-time control over industry and the products produced, even increased its control.

Germany was defeated. The "victors" have, however, implemented a policy that involves the German people being largely prevented from entering world trade or having a free hand to plan their own economic salvation—hence the "victors" have to feed the vanquished.

The vanquished are being very poorly fed, as a letter I received last Friday will show. (See Appeal, p. 16.)

It has so happened that it has cost Great Britain practically a similar amount—and that in dollars—to police and pay the British "army of occupation" in the British Zone of Germany and pay for the imported food necessary

to keep the German population just alive, to that which Britain received from U.S.A. as "the loan."

British industry has gotten no benefits at all to speak of from the Dollar Loan. The way of the debtor is hard—cruelly hard.

The way of the workers in Britain, whose labor was the means of underwriting such debt, is doubly cruelly hard; they are the living property in pledge. It is the workers who are in pawn.

But let us not lose sight of the FACT that the working class of America, of Australia, of France, of Russia, etc., are ALL being enslaved to the War Debt of their respective States. The WORKERS of America are the final underwriters of the American Dollar Loan if Britain, through poverty, defaults.

ALL workers in practically all countries—for there are actually few neutral countries that are not involved—are the victims, the dupes, the catspaws of the great world conflict within capitalism.

ALL "practical" politics, even the ban on servicing Dutch shipping and planes decided upon by the 17 "powerful" unions in conference as the A.C.T.U.—to-day can be reduced to parts of the jig-saw pattern of the conflict between the U.S.A. and the U.S.S.R.

Capitalism is impelled by its own inherent characteristics to expand to encompass the world.

Whether we differ on as to whether Russia is a true capitalist nation or not, we must admit that Russia, in combating this inherent expansion of the hitherto most dominant capitalist groups, is forced, as a State, to oppose U.S.-British Imperialism as a rival contending imperialism.

Russia is forced, in a capitalist world, to use capitalist means, and capitalist practice as a State (as indeed was Germany also), in opposition to the world-engulfment by U.S. capitalism, which is on the road to absorb the older British Capitalism, which is, perforce, allotted the role of a junior partner with the U.S.

Because there is NO working class movement in any country able or even wanting to OPPOSE capitalism, neither in U.S., Britain, or Russia, the two remaining GREAT Powers—of which the hitherto other Powers can now only be satellites—engender friction that is constantly more intense and irreconcilable.

The "Dollar Crisis" is to-day, then, NOT the usual, old-time crisis of the capitalist system, despite many familiar features.

The dollar crisis is but a phase of the struggle of a Britain caught in the toils of a greater capitalism. Struggle as they will, it would appear inevitable that Britain will be but a more glorified vassal, as Japan is a more lowly vassal of U.S.A.

The point for us is that the British working class are up to the present accepting their status of being subject to the British State which still protects so far as lays in its power the interests of the living owners of capital property, even though 35 per cent. of the holdings in Britain are American nationals.

In short, the British workers are slaves of vassals, the servants of British-capital remittance men dependent upon regular remittances from Uncle Sam.

The overall conflict of U.S.A. and the

U.S.S.R. magnetises the class struggle in advanced nations like France, as well as the colonial revolt in Asia! also in Australia, even though here it is conditioned to some extent to cushion Australian capitalism from harm.

Both U.S.A. and Russia act as magnets which still reduce to skirmishes in the major battle any act or crisis in any country which comes within the orbit of these two Great Powers.

Their domestic politics are increasingly trivial—nowhere is there a real working class contending party aiming to sweep aside the effects of this struggle of capitalism and assert the WILL of a working class intent upon solving its own CLASS problem.

I do not agree with much of Dwight Macdonald's ideas in the main, but in the May-June issue of *Politics* he expresses some points very well. He states: To-day:—

"Foreign policy swallows up everything, either in the case of the Big Two—as preparation for eventual war, or—in the lesser nations—as manoeuvring between the Big Two."

When we speak of "practical politics" we can only mean the conflict of oppositional policies—of that which IS practical now in reality. We can not take as realistic the classic Marxist revolutionary aims of an oppressed working class as an effective force to undermine and overthrow the existing status quo. As realists we must sadly admit it is tragically non-existent. It lives in the shadow-land of socialist ideologists only, despite the valiant attempt of realistic remnants such as the I.W.W. in America, and the various Revolutionary Workers' Commune Groups, Anarchists, etc., in Europe.

The opposition to our viewpoint expressed by the Socialist parties in Australia and overseas is explained by the fact that we are no longer in thrall to their ideology. They impotently adhere to their "principle" that the Socialist vote is the only way for "socialist understanding" to be expressed, despite the FACT that Parliament to-day has no role other than as a debating chamber to discuss ways and means that have already been decided upon outside Parliament, and to which they have nothing else to do than to vote the necessary funds to implement. Nowhere in the world have parliaments refused to vote such funds when they are already committed by advance expenditure. The Socialists in Australia tacitly admit by their present practice that they have NOTHING to put before an electorate other than ideology, yet they steadfastly refuse to admit the need for a realistic approach to a working class not yet aroused to the problem that there is no future of freedom for their class until they DO something FOR it themselves; that the workers organise practically and consciously towards a Workers' Commune.

So, as Macdonald states: "In terms of 'practical' politics, we are living in an age which constantly presents us with impossible alternatives. That is, alternatives which both appear to lead us away from the direction we want to go in. Such an alternative, it seemed to me, was posed in the recent [U.S.] coal strike" [as indeed it is in many strikes in Australia, Britain, France, etc.], "as well as in the last world

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WORKERS' COUNCILS

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war. This is not to deny that a choice was possible if the existing alternatives alone were to be consulted: Lewis was quite definitely a 'lesser evil' to the Government in the strike, just as an Allied victory was a lesser evil to a Nazi victory in the war. But the miners' cause was so flawed and corrupted by the one-man dictatorship that controlled their union, just as the Allied cause was by the nature of the American and Russian social systems, that the only choice one could make with a clear head and a whole heart seemed to be—not to make a choice. However realistic it may have appeared at the time to back an Allied victory as 'better than Hitler,' it now looks like pure romanticism to have expected from the military defeat of Germany by the Allies anything more than the military defeat of Germany by the Allies."

As yet, the war has solved nothing.

The Truman Doctrine now extended as the Marshall Plan, of which I spoke to you here two weeks ago, and which is to be discussed next month in Paris, also poses another such impossible alternative, America or Russia—or, more accurately, American imperialism or Russian imperialism?

Such appears as the only "practical" alternatives to-day.

I utterly refuse to accept the British Labor Party State Capitalism or its counterpart in Australia as another possible alternative. Such will be dominated by the greater capitalism of U.S.A., with which it already is in agreement and partnership to some extent as the Rocket Bomb Range project in Australia shows, and the dependence of Britain upon dollars proves.

There is, however, an OPPOSITIONAL alternative in its preliminary blueprint stage in the clear-sighted plan for Workers' Councils, with the objective of a World's Workers' Commune that, in comparison with the ideologic socialism of the socialist parties, has at least the advantage of being realistic. The I.W.W. Plan is a native American counterpart which may yet be capable of being implemented by the American wage workers in time of capitalist catastrophe.

All is overshadowed at this moment, however, by the factual realities of the capitalist system itself. The Labor Party is rent by theoretic ideologies.

Britain could, of course, resolve in future to do most of her business within the sterling sphere; she could cut away from the tutelage of U.S.A. by abandoning Germany, either by throwing the British Zone fully into U.S.A.'s lap, also Greece, and also Palestine.

Britain thereby would automatically renounce her imperialist policy, and would no doubt be set upon by even what are now smaller jackal powers. Canada would be forced to go with U.S.A. The position of Australia and South Africa would become untenable under their present status—they would, too, be forced into closer union with U.S.A., as on the face of it, linking with the U.S.S.R. would be a worse state of affairs.

Moreover, Britain to-day, as things are, is dependant for the bulk of her imported food upon dollar countries.

So there is really NO ALTERNATIVE.

By their present practice all the leading nations are committed to their present policies.

There will, therefore, be no change in the trends.

Last May 12 the *New York Times* published a detailed survey of the military forces now being maintained throughout the world. Figures were cabled out and matter appeared the next day in the Australian press that, after two years of "peace," there are 19 million men under arms, at a cost—in a world three-quarters of whose population gets too little to eat—of 27½ thousand million dollars a year, which is ten thousand million dollars more than was spent in 1938, when the world was preparing for the late war, despite the elimination of Germany and Japan.

It was that \$17½ billion that lifted the Great Depression.

But who would be so foolish as to say that the \$27½ billion being expended to-day will not contrariwise be the last straw to break the camel's back and usher in another depression crisis in a world still in want?

Capitalism has indeed changed.

But the basic cause of depression crises in the capitalist system would still be the POVERTY of the purchasing power of the working class.

The British working class have been ROBBED of so much—exploited by the employing class and then wariid and their pockets emptied by the State thug imposts on their beer, tobacco and household necessities through purchase tax, etc., that there is little left for food which has, therefore, to be subsidised by the State out of what it has robbed them of.

If, and when, they get housing, that also will require subsidising by the State so it is no wonder that many British workers are duped to think that the State and its "social welfare" from the cradle to the grave is something "given" to them. We see the same successful dunery of the workers going on in Australia.

They are told it is all to prevent future unemployment.

Of course, if that were all there was to it one could say there was no unemployment in Wormwood Scrubbs or Pentridge prisons. The Commos tell us that is why Russia is such a superior place. There is no unemployment there!

So it would seem the ONLY alternative to the present horrible poverty through shortages which is the lot of British workers, and to some lesser degree of Australian workers, is for a greater State control—the Slave Police State, similar to Moscow's.

To-day the U.S.A. spends one-third of its budget on its armed services; the U.S.S.R. keeps four million men under arms; smaller nations, war-shattered and bankrupt, starve their people to maintain big armies—some, at least, of British Laborites are demanding some easement in Britain's outlay of over a million men in the services; even France has 430,000 men under arms, of whom almost half are in Africa and Indo-China; and Holland has comparative figures.

Even the colossal increase in the productive capacity of capitalism can not stand this drain, because, by increasing the poverty of the workers, it reduces its own potential market for its products.

Therefore such a crisis as to-day's Dollar Crisis may well become the means towards a change in trends if only the workers can be brought to understand the proletarian wisdom of the movement towards a Workers' Commune.

On the other hand, when such key industries as coal mining are more or less under control by the fanatical adherents of Stalin, who intelligently and ruthlessly will be prepared to play Moscow's game—then such an "if" becomes too much the form of chance.

One may as well believe in a lucky rabbit's foot—or Lady Luck.

THE WAY OUT

It is noticeable that the ban imposed on Dutch shipping and planes is likely to be modified.

I have no doubt it will be.

It will be modified to eliminate anything really harmful to Australian capitalist economy.

The Australian working class SHOULD recognise the menace of the Commo fanatics who are brazenly and openly betraying the working class.

FANATICS

Openly Betraying the Working Class

The working class MUST reckon with and so organise that they can deal with the large number of proletarians spread over the whole world who, as fanatical followers of the Stalin Party, voluntarily subject themselves to the obedience of party discipline and swallow an open betrayal of their class time after time, both industrially and politically, because they are indoctrinated to see the victory of Russia and of their own party as the only way by which the working class can be freed from capitalist domination.

We, on the other hand, can only view such a happening as opening the road to a probable worse period of enslavement than the workers have yet experienced, and one that still will require the ACT, as a class act, of the workers themselves to gain freedom.

The ONLY way to build up such a class force is by class solidarity and loyalty.

The translations of Comrade K. J. Kenafick from foreign language papers emphasise this. The Trotskyist nonsense of a "workers' militia" is also exposed.

UNDERSTANDING

To understand any part of social phenomena one must first of all get a grasp of the overall pattern that has formed from millions of customary acts that form, as it were, the individual pieces of all shapes and sizes in a patterned jig-saw mosaic—in which nothing is exactly the same either for time or place.

There, for example, are national and geographical patterns that are of themselves pieces of the world pattern. The national pattern is formed by the experiences and behavior within national boundaries.

There is, too, a Cosmic Pattern in which our climatic conditions may be determined by great forces of atomic fission in the sun—known as sun spots—the type of thing that may originally have brought this earth itself into existence. The religionists, of course, know ALL about this Plan!