

BRITAIN ON THE THRESHOLD OF CRISIS. Harry Pollitt, General Secretary, Communist Party of Britain

The developing economic slump in the capitalist world is dealing shattering blows at the propaganda with which the right-wing Labour leaders have attempted to deceive the British working class for the past four years.

Attlee, Bevin, Cripps and the rest have made innumerable speeches, which have received the wholehearted support of the Tories and the employers, to persuade the workers that the problems facing Britain could be solved without a radical rupture with imperialist policy, that the continuance of an imperialist policy would enable full employment to be maintained and that acceptance of the Marshall Plan would "Save Britain from economic chaos".

But now even the first breath of the developing world economic crisis is blowing aside this fog of deception. It was comparatively easy to foster such illusions in the period of the post-war replacement boom, when British capitalists were able

to increase their exports considerably above pre-war level, at the expense of their West European rivals.

But now that post-war boom conditions are being replaced by those of slump, all the alleged “solutions” which the Labour Government and the Tories offered as panaceas are revealed to be worthless.

The Marshall Plan was hailed by Bevin as an unprecedented act of “generosity” on the part of the American millionaires.

According to Bevin, the so-called “aid” from America would mean that by 1952 the “dollar problem” would be solved.

Actually the dollar problem is more acute than ever. The official Government “Economic Survey” published in March pointed out that “We were still at the end of the year (1948) far from paying for our dollar imports from our current dollar earnings”. Since then the position has got much worse. In the first four months of 1949 dollar exports fell by 14 per cent below the level of the last three months of 1948. In May, British exports to the United States fell from £5,700,000 down to £3,500,000. Cripps had to admit on June 17th “nor did our problems at the moment appear to be growing less. Indeed, they were becoming temporarily greater...” while the big business journal, The Economist declared on July 2nd, “The truth is that the crisis which the British did not expect until 1952—and hoped to be prepared for by then—is already upon them”.

In the three months from March to June 1949, Britain's gold and dollar reserves dropped from £471,000,000 to £406,000,000 (on March 31st 1948 they were £552,000,000) and it is declared in some quarters that if the drain on them continues at the present rate they will have vanished within a year.

The Marshall Plan far from solving Britain's problems, has enormously intensified them. As the slump develops in the United States the American monopolists openly and ruthlessly use the conditions of the Marshall Plan to attempt to export their crisis and unemployment to Britain and Europe and to dispose of their surplus production.

In April they prevented Britain from using Marshall dollars to purchase wheat from Canada.

This action was followed in June by strong pressure from the United States against the British agreement with the Argentine for the supply of meat to Britain.

The British Government finally signed the agreement with the Argentine, having no alternative in view of the acute meat shortage in Britain, but American pressure continues in every other direction. It was renewed in the discussions on the European Payments question, when the Americans inspired certain Marshall countries in Europe to press for an arrangement which would have resulted in a further great drain on Britain's gold and dollar reserves.

These discussions have clearly revealed the growth, not merely of the Anglo-U.S. contradictions, but of the contradictions between Britain and the rest of the Western European capitalists. The vaunted "Western Union", which according to the Bevins was the second great "solution" to Britain's problems, has turned out to be a fiasco. All the Marshall countries, which it was alleged constituted a happy family working together for economic and political unification, are in fact frantically trying to export the same kind of goods to the same limited markets, and actually set themselves the aim, in their memoranda to the organisation for European Economic Co-operation, of exporting more to each other than they were prepared to import from each other. Consequently, as the economic crisis develops, the antagonisms between them

inevitably become ever sharper, and only their common hatred of the working class and subservience to their American masters holds their ramshackle "Union" together at all.

Especially acute problems are arising for Britain as a result of the policy pursued towards Western Germany and Japan. In both cases virtually a free hand has been given to the United States monopolists.

Thus the Marshall Plan and the Wall Street millionaires are striking severe blows at Britain's economy, and leading to the growth of mass unemployment throughout Western Europe.

Another "solution" of the Labour Government was to be intensified colonial exploitation, based particularly on the dollar earning capacity of such products as rubber and tin (proved in Malaya). This is the reason for the barbarous colonial war being waged against the Malayan people and the increased oppression of the people in all colonial countries. But the economic slump and the deliberate policy of the United States are knocking the bottom out of the market for these commodities. Thus the U. S. which was previously buying 2,500 tons of rubber a month from Malaya, took only 15 tons in May, and the price has dropped. Malayan planters claim that they are faced with economic catastrophe and propose to cut the wages of the worker still further. Similarly the price of tin has dropped. It is clear that the policy of "solving the crisis" by intensified exploitation of the colonies is not only an idle dream of the imperialists, but is in fact resulting in enormous burdens on the British workers, as a result of the military expenditure which this policy involves.

Face to face with a situation of growing economic crisis the British capitalists class, ably assisted by the Labour Government, are intensifying their attacks on the living standards of the British workers. The increase in food prices imposed in the recent Budget have already sent the cost of

living index up by two points, and the full effect of the increases has not yet been felt. The monopoly press is carrying on a furious campaign for further cuts in the social services. There is increasing talk of devaluing the pound sterling as a means of reducing real wages still further. Government Ministers and big business spokesmen never make a speech nowadays without calling for the “cutting of costs”. **The Economist** declared that one and a half million unemployed “would do a great deal of good”.

But this policy of attacking the workers' living standards, which further restricts the home market, intensifies all the factors making for economic slump.

The boasts of the Labour leaders about “the maintenance of full employment” are beginning to have a hollow ring in the ears of British workers, who were told that their salvation lay in American “aid”, but who see the economic crisis reaching their shores from across the Atlantic.

The present difficulties of the dollar crisis are the expression of the chronic and deep-seated character of the post-war crisis of British imperialism. Already before the war the breakdown of the old monopoly position of the British capitalist class was apparent. The mighty upsurge of the colonial peoples in the post-war period has struck a further devastating blow at the parasitic economy of British imperialism, based as it was on colonial exploitation and extreme dependence on overseas imports. The overseas tribute is drying up, and the colossal burden of military expenditure involved in the attempt to continue the exploitation and oppression of the colonial peoples imposes back-breaking burdens on an already bankrupt imperialist economy. At the same time, United States imperialism, which almost doubled its industrial production during the war and now faces the problem of the market in its sharpest form, is utilising its dominant

position to challenge Britain in the world market, to drive into the British Empire itself and secure markets and spheres for the investment of capital in areas where British Imperialism has hitherto held unchallenged sway.

In these circumstances the Right Labour leaders' attempt to "solve" the problem by continuing the imperialist policy, can only lead to new disasters for the British people.

In view of this, the Communist Party has issued a Manifesto to the workers of Britain calling on them to intensify the struggle for a policy to offset the consequences of the advancing slump. Such a policy should have as its main features:

Higher wages, better living standards. End wage freezing now. Taxes on the workers should be lowered and taxes on profits increased. Old age and war pensions must be raised, the social services expanded, and more houses, schools and hospitals built.

The Government must cut the armed forces and military expenditure, purge the present boards of nationalised industries, and put the key positions in the hands of trusted representatives of the working class. Reduce drastically the compensation paid to the former owners; nationalise more of the basic industries, nationalise the land, cut monopoly profits and improve wages.

Ensure more trade with Russia, China and Eastern Europe. Economic co-operation with all and dependence on none should be our watchword.

As the class battles of the British workers develop, so also will develop the fight for a complete change of policy and Government, which will take Britain out of the camp of imperialism and war and into the camp of democracy and peace.