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*A Comparison
by Ted Grant*

also

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by T. Cliff

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EDITORIAL NOTES

BRITAIN'S DOLLAR CRISIS

WITH Morrison's "frills" and Cripps' "targets", we now have a complete picture of the measures proposed by the Labour Government to overcome the crisis in the balance of trade and the balance of payments which confronts the British nation. More correctly, we should say we have almost a complete picture; for no picture is complete today unadorned by Ernest Bevin, the Foreign Secretary.

We are assured by Cripps that his target programme is based on the assumption that there will be no further dollar loan in the period under survey. "When we have no more dollars we shall buy no more dollar goods," he told the press after his speech to the industrialists, and added, "It's just as simple as that." But Ernest Bevin's recent pronouncements are not without meaning. His demand for a share in the Fort Knox gold, his statement to the TUC that "we will not be dependent on the East or the West", his kite flying for a Commonwealth customs bloc against the USA, have no meaning except as diplomatic pressure moves in a backstage bargaining for a new "interim" loan.

WALL STREET AND EUROPE The Marshall Plan for large-scale aid in restoring the worn-out capital equipment of stricken Europe is a long-term project. It can contribute little or nothing to overcoming the immediate distress which faces the old Continent. The immediate crisis can be alleviated only by an interim measure. Hence the feverish activities behind the scenes, the open discussions of new dollar allocations, and the excursions to Europe of American politicians and businessmen.

Just what place Britain occupies in the dollar race is not too clear. The American ruling class has divided interests and divided approaches to the question. It is far from homogeneous even in its conceptions of its own interests, and even when convinced of the necessity to make loans, is always prepared to drive the hardest possible bargain.

"Tribune" of September 12th, claims:

"Mr. William Clayton, the State Department's Under-Secretary, has informed Washington that France and Italy need immediate aid if they are to be saved from imminent collapse and Communism, and that Britain would require at least £250,000,000 in dollars to tide her over the period between now and next spring, when the Marshall plan can begin to operate. Mr. Clayton estimated that this gap would remain even after all the cuts announced by Mr. Attlee, and all the increases in the export programme announced this week by Sir Stafford Cripps have been put into operation -- in so far as these can show immediate results.

Washington has been "informed". But it is a pretty grim outlook so far as it concerns the living standards of the British masses, in the period immediately ahead. For it is stark reality that the living standards here will be determined in large degree during the next few months and years by the dollar loans which the US imperialists are prepared to make and which in turn, are determined mainly by two factors: the interests of American imperialism to bolster European capitalism against the working class and against Stalinist Russia; and the necessity for the American imperialists to

export their surplus production, which the internal market of America and the Western Hemisphere cannot purchase.

**ONLY US LOAN CAN MAINTAIN
PRESENT STANDARDS**

The resolution adopted by the National Congress of the Revolutionary Communist Party at the beginning of August, reads in part as follows:

"Out of the needs of sheer self preservation, there has been an enormous disinvestment of British capital in foreign lands. Either Britain must now produce sufficient goods to pay for imports previously paid for by invisible exports, and in addition produce sufficient to pay off some of the debts owed abroad, or the disproportion in the economic relations with the rest of the world, especially the dollar countries, will rapidly result in conditions of crisis.

"The present adverse balance of trade hangs like the sword of Damocles over the economic and social life of the country, threatening economic catastrophe with the resulting savage cuts in the standards of the population. Were these standards based directly on the present relations of exports and imports, it is clear that they would fall considerably. Only the loan from America maintains the present standards and thus the elements of stability, giving British imperialism a breathing space to readjust her industrial machine in her critical hour.

"The difficulties of British imperialism, plus the rising prices in America are exhausting the loan at a more rapid pace than the capitalists and Labour leaders anticipated. For strategic, economic and political reasons, the American imperialists fear the convulsions that would follow a drastic fall in the standards of life in Britain which an abrupt ending of the loan would bring. In order to bind Britain still closer to American imperialism, a new loan on favourable terms is being discussed."

At the time of writing the above we were of the opinion that between the exhaustion of the first US Loan and the granting of the next, there would be no time lapse. In this we were wrong for the following reasons. We overestimated the far-sightedness of the American capitalist class. Since they are not homogeneous and big sections are extremely short-sighted, their reaction to the need to bolster British capitalism by a new loan is not characterised by a sense of urgency. At the same time, because the credit the masses give to the Labour Government is very great, the American imperialists do not see in cutting to a certain extent the standard of life of the British masses as a result of the exhaustion of the dollar reserves, very threatening consequences. At the same time, the American imperialists are trying to drive the best bargain by pressing for the abolition of imperial preference, steel nationalisation, etc.

Some hard bargaining is, without doubt, taking place behind the scenes. The most visible examples are Britain's threat to withdraw the troops from Greece and Germany, and the sudden Bevin-Cripps predilection for a Commonwealth customs union.

**MASSES WILL BEAR
THE BURDENS**

The toiling masses, as always, will bear the burden of the cuts in the living standards occasioned by the drying up of dollars and the

