

DAWES PLAN OVERESTIMATES THE ABILITY OF GERMAN NATION TO PAY

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(Fifth Article)

One of the cardinal errors of the Dawes scheme is its gross over-estimate of the economic capacity of present-day Germany to pay reparations.

This insistence on blinking the effects of the war and the subsequent financial collapse arises from the fact that the Experts' Committee based its plan on the Versailles treaty for the economic and political dismemberment of Germany.

Germany's Staggering War Losses.

As a result of the imperialist war to save the world for dollar democracy, Germany lost Alsace-Lorraine containing huge iron ore and potash deposits. Posen, West Prussia, and Pomerania, rich in agricultural lands, were taken away. A valuable agri-

cultural part of Schleswig was given to Denmark. Thru a fraudulent plebiscite a large proportion of the coal reserves was handed over to the Polish capitalists by the Entente. We are not speaking of the huge colonial and foreign capital investment losses at this time.

Under the so-called peace arrangements Germany was deprived of ten per cent of its population, 12 per cent

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of its area, 26 per cent of its coal, 75 per cent of its iron ore, 70 per cent of its zinc ore, 15 per cent of its wheat and rye, and 16 per cent of its potatoes. For 15 years the Saar Basin, rich in coal deposits, is to be administered by the League of Nations. Then another bayonet plebiscite will be held to determine its status. Before the war, Germany was a coal-exporting country. Now it is becoming a coal-importing country. In 1913, Germany's net coal export was 24,058,000 metric tons. In 1923, Germany was compelled to import 24,004,000 metric tons net. Likewise, the present area of Germany containing 75 per cent of the iron and steel producing plants provided only 25 per cent of the national output of iron ore. It is this increasing difficulty to obtain the necessary raw materials to keep the German industrial machinery running that accounts heavily for the Reich's economic breakdown.

Add to these blighting factors the disastrous results of the Ruhr occupation. In 1913, the Germans produced in the territory within the Versailles boundaries, 140,926,000 metric tons of anthracite coal. In 1923, this total fell to 62,225,000 metric tons or to only 44 per cent, for the same area. At the same time and for the same areas the 1913 production of pig iron and steel ingots was 10,900,000 and 11,600,000 metric tons respectively. For 1923, as an aftermath of the Ruhr occupation, these figures fell to four million metric tons of pig iron and five million metric tons of steel ingots and castings.

Fictitious Enrichment of Germany.

But the experts would have us believe that the German railroads, industries and government are today richer by the very amount in which they were freed from debt thru the depreciation of the mark currency. Perhaps this so-called enrichment of Germany is to make up for the economic losses she suffered as a result of the robber peace treaty of Versailles! It is on the basis of this source of "enrichment" that a five billion gold mark bond issue secured by a first mortgage on corporation properties is to serve as a source of income for reparations.

At the bottom such reasoning is based in fallacious economic prin-

ciples. The wiping away of these debts in Germany, while in themselves a gain to the debtors, is a corresponding loss to the creditors, to the debt-holders. The wiped-away debts of the corporations and the government were once the wealth of the holders. Consequently, the sponging out of all these debts turns out to be a source of fictitious enrichment for Germany as a whole, as an economic entity. In effect this process has materially helped bring about considerably diminished standard of living, a reduced economic consuming power amongst the great masses.

Overlapping Sources of Revenue.

Another basically unsound approach of the Dawes' committee is found in its method of presenting various sources of revenue as separate and distinct. Here again we have a glaring example of its failure to view Germany as an economic entity.

If the railroad freight rates are to be high enough to yield reparations revenue, they may lower the capacity of certain industries to produce payments for the Allied imperialists.

Burdensome taxation will have a tendency to raise costs, in turn reduce consumption, and then repress the railroads and the industries. It is clear, therefore, that the experts' estimates of the sources of revenue are to a large extent overlapping.

Let us not forget the din constantly emanating from the camp of the cap-

italists in protest against high taxation. Yet, the paying out of such huge sums as the standard annual six hundred million dollar reparation tribute to other countries, to capitalists of other national groups tends to be far more oppressive than the most onerous within the particular country. The charges upon the profits of industry thru domestic government taxation are in part counteracted by the increased volume of profits going to these same capitalists as a result of the expenditure, primarily within the country, of the huge sums collected by the government in taxes.

When, however, these taxes are paid to the capitalist governments of other countries in the form of reparation levies, the last named source of profits is entirely closed to the German industrial overlords. The latter's competitive capacity in the world market, a capacity on which rests the greatest possibility of reparation payments, the export surplus, tends to be decisively reduced.

Of course, the German capitalists will seek to fill this gap in their bank accounts, to pile this burden on the working masses by reducing wages, lowering the living and working standards, and raising hours of labor. Such attempts will prove only the fruitful source of sweeping industrial unrest and its consequent serious derangements in the system of production and exchange. Waves of mass strikes and

revolutionary clashes are just what the Dawes' plan aims to make impossible. Instead, its operation only lays the basis for gigantic class conflicts—the most vital danger to the stability of international capitalism and the continuity of the reparation payments.

Evidently, the Dawes' plan is helpless and lost in the maze of these insoluble contradictions of capitalism. Instead of making barren the fertile soil for the revolutionary class struggles, it, in reality, only supplies new and broader bases for their being waged on a more intensive and extensive scale.

Paramount Problems Evaded.

Comprehensive a scheme to stabilize international capitalism as the Dawes' plan is, it avoids and leaves hanging in the air numerous sources of danger to the continuity of the present system of production and exchange. At most, the French imperialists will receive only \$300,000,000 annually from the reparations tribute. This sum, staggering as it is, will scarcely meet the interest, at the present rate, on the bonds sold by the French government for reconstruction purposes. Then, the French government faces the further terrific problem of meeting her indebtedness to Great Britain and the United States whose claims total a sum at least equal to, if not greater than, the reconstruction indebtedness.

The problem of reparations is invariably bound up with the complica-

tion of international capitalist indebtedness. This difficulty the Dawes' plan does not deal with at all, despite the fact that the success of its operation is unavoidably intertwined with the debt solution. The countless complications of the budgets, currencies and tariffs of the other capitalist countries are another source of obstacles not met by the Dawes' scheme.

Finally, the much-heralded Dawes' plan does not concern itself with the total debt of Germany. Avoiding this issue at best only postpones facing serious snarls. The failure of the Dawes' plan to fix the total number of years Germany is to pay tribute will sooner rather than later, prove a cause of acute troubles to the imperialist powers which signed the London pact.

A New Dangerous Menace.

Obviously, the Dawes plan, or the decision of the Entente capitalist rulers to accept less reparations than they had first demanded in the infamous Versailles stipulations, provided they can secure hegemony over the economic life and resources of Germany, is encountering a barbed-wire network of unsurmountable obstacles. The insistence of the Allied imperialists on crushing German capitalism as a dangerous competitor in the world, has only hastened the development of a far more dangerous capitalist competitor than Germany could ever be—American imperialism.

Anthracite Miners Feel the Lash

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for granted, the things that are published in times of strikes about the high earning capacity of the miner, but never do they consider the robber role of the rail and coal monopolies.

Neither do they see the miner as he fights with the hazards that confront him, from the time he enters the mine until he again breathes the fresh air and drags his weary frame to the shack he calls home. Often, yes too often, the miner fails to come home, sometimes he awakes on a hospital cot and sometimes he is laid on an undertaker's slab. The overhanging rock is ever ready to slip its moorings without warning, the innocent electric trolley wire is always liable to give a kick with a deadly

for rock and yardage. Thus it can be seen that, altho the consumer pays from about \$11.00 for the inferior grades and up to \$17.00 and more for the better grades, the miner does not get any too much for his share.

There is nothing resembling uniformity in the wage schedules at the different mines, for each company has a separate agreement with the miners and for the same kind of work the pay is determined according to the company the miner works for. The retail price of anthracite coal is always high, the wages are always low. Rents in the hard coal towns are high, almost without exception, and one of the hardest tasks of a miner's wife in the Scranton-Wilkes Barre region is to make the pay envelope cover the debts incurred dur-

committee of International Board members, they were warned about local strikes. These local strikes, and all agree that this section of the country has had plenty of them for various reasons, were the "one reliable assurance" that those engaging in them would have their wrongs righted.

Since the visit of the committee and the denial of the right to strike, some of the operators have become much bolder, they will shut down a mine where the men become unruly, using the "starvation route" to beat them into submission.

If things keep going as they are, the men of the anthracite region will find themselves face to face with a situation that will be hard to correct.

They will be forced to fight, to remedy the things that their present slow-moving and unsatisfactory conciliation board fails to do.

Indian Population In U. S. Shows Slight Increase for Year

WASHINGTON, Oct. 6.—The Indian population of the United States increased 2,619 in the fiscal year ended June 30, 1924, the interior department announced today.

The total number of Indians in the United States on that date was 346,962, a gain of 16,283 in the last 11 years. The state of Oklahoma has the largest Indian population, with a total of 119,989.

McAdoo Has More Troubles.

BALTIMORE, Oct. 6.—Routine examination of William Gibbs McAdoo, former secretary of the treasury and candidate for the democratic presidential nomination in the New York convention last summer, was held at John Hopkins Hospital here to-