American Dollar Diplomacy in Action

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Our Foreign Policy

The Latin American countries form the natural Linterland for America's surplus capital and new sources of raw material. Observers of recent developments in the field of world politics have pointed out that there is a spirited competition for favor and trade of South American republics by the leading imperialist powers. The following are new developments in this sphere of international competition. "Great Britain has dispatched a financial commission from Southhampton to South American countries to recommend loans. France has a military commission in Argentina, and seeks to extend her power and influence. Italy and Spain have entered into understanding whereby they will go after a share of South American business, and will combat efforts of France and possibly Great Britain. The United States has for some time maintained a naval commission in Brazil and Peru, and late this month will send to Peru Lieutenant H. B. Grow to build up an aviation unit.

Dollar diplomacy is no longer squirmed at or camouflaged by the spokesmen and diplomats of American imperialism. Secretary of State Hughes recently lauded the Monroe Doctrine before the American Bar Association as the greatest safeguard to peace and security for the Latin American countries. But perhaps the most wholehearted indorsement of dollar diplomacy as a panacea was made by the millionaire engineer and former chairman of the Federal Coal Commission John Hays Hammond before the American Management Association on October 3, 1922. Tersely expressed, Mr. Hammond's program might be summed up as follows: "A few men from the United States with high commercial ability and business acumen, scattered in the capitals thruout the world, would be able, to erect economic safeguard to capital to which would send a stream of American money into the far corners of the earth, developing unused resources, vastly increasing the total international productivity and raising the standard of living for civilized men." At this conference Mr. Hammond laid down the 14 points of dollar diplomacy.

But the United States is not satisfied with the field afforded it by complete hegemony over the South and Central American countries. America has been steadily turning to Far East. Addressing the Senate on February, 1923, late President Harding said: "We have seen the eyes of the world turn to the Pacific. With Europe prostrate and penitent none feared the likelihood of early conflict there. But the Pacific had its menaces and they deeply concerned us. Our territorial interests are larger there. Its waters are not strange to us; its farther shores not unknown to our citizens." There is no question that the French-Indo Chinese empire tho of tremendous size, is at present not a menace to American imperialists in this sphere of influence. Only England and Japan when allied are a menace to American interests here. American imperialist policy has been to separate Japan from Britain. The naval holiday offered by the United States to the debt cursed England was the price paid by America for separating Britain from Japan. The Four Power Pacific Treaty has at least formally replaced the Anglo-Japanese alliance. Of course United States does not intend to desist from its program of getting a Navy second to none as recommended by its General Naval Board in 1915 and 1920. The four year naval holiday only gives America a chance to study the new developments in sea warfare and enables our experts to devise more infernal machines of destruction for war on the high seas.

American imperialists are bent under the guise of adherence to the open door policy to establish undisputed domination over China, one of the richest labor and raw material mines in the world.

American imperialist policy is bitterly anti Soviet Russia and the Far East. The basis of this opposition is not at present directly military or financial. Russia is today no longer an imperialist capitalist nation. What the United States fears from Soviet Russia is the following: The very existence of Soviet Russia as an implacable foe to all the capitalist world powers is in itself a challenge to American imperialism. Soviet Russia is an inspiration to the weaker and exploited nationalities of Asia to revolt against their European and American capitalist oppressors.

American European policy has not yet assumed a definite character. In the main our financiers and industrialists have been pursuing a policy of watchful waiting to jump in at the most appropriate moment when the best bargain could be struck with a bankrupt Europe. American imperialism wants its pound of flesh here and is only waiting for the moment when it can get this with the least effort and at the smallest price. A broken down, bankrupt Europe would virtually be a coolie colony in the hands of American exploiters. The fate that has befallen Austria is a fate that Wall Street would have overwhelm the rest of Europe.

Our capitalists fear the influence of Soviet Russia in European powers. They feel that the de jure recognition of Russia in the fold of European political and commercial relations would interfere with this plan. Therefore the Coolidge administration is continuing the policy of attempting to isolate Russia.

Thru the acceptance of the banker, generals E. Dawes, Owen D. Young and Henry H. Robinson on the Reparations Commission, the United States has taken the first step towards the achievement of its European program.

That this has marked the first of a series of definite steps towards the dominating American financial groups becoming the receivers of bankrupt Europe is made plain by the swiftness with which subsequent developments in this direction are now taking place. Before the Dawes report was made public, J. P. Morgan & Co. whose spokesman on the Reparations Commission were Young and Robinson, made a loan of $100,000,000 to save the tottering Franc and the political head of their lackey, Poincare.

No sooner had the Dawes report mortgaging the German working class to the greedy and profit hungry coterie of international capitalists been made public, than an open demand was made for an American receivership for Europe. It is significant to note that this has been the objective of the most conscious of America's capitalists. As far back as October, 1919, the special correspondent of the Wall Street Journal cabled from Germany to the effect that there was but one solution of the European crisis, and that was "a straightforward receivership for Germany!" The same journal of high finance had also suggested them that Brigadier General Charles E. Dawes be chosen to untangle the reparations knot.

In the light of this trend of events, the proud boast of the Wall Street Journal of April 11, is enlightening: "The essence of the Dawes report, the one possible means by which its suggestions can be carried out, is a receivership." Of course, a receivership for Europe today means an American receivership. The proposed $200,000,000 loan to Germany to help the stabilization of its currency will prove the immediate entering wedge for the receivership. About $100,000,000 of this loan to the International Acceptance Bank about to be organized in Berlin, will be taken up by American bankers. Obviously the policy of Wall Street here will be the same as the policy pursued in Hungary where a Boston bankers' attorney, Mr. Smith, now reigns supreme as financial dictator.

This continuous encroachment of American financial and industrial interests on the natural resources and industries of continental Europe will in the long run, bring about serious organized political and military opposition from the European countries and our capitalists are preparing for such eventualities.