Dollarizing a World ::

By Jay Lovestone

A PERUSAL of the daily press is sufficient nowadays to give one a picture of the outstanding economic position and the imposing political role of the American imperialists.

We need not go thru ponderous editorials. We need not even attempt to read between the lines in order to have evidence of the growing power of the dollar in international politics. In a sense, all we have to do to get a line on the swift and menacing advances being made by the Yankee capitalists to dominate international finance and politics is to glance at some of the big advertisements in the financial columns of the daily press.

A fifteen million dollar loan for the city of Berlin; a twenty million dollar loan for a bank in Chile; a five million dollar loan for the province of upper Austria; and a huge loan for a province in the Argentine—all in the brief period of a few days! These are the announcements to be seen flaunting the face of the reader in the boldest of type.

Three Gigantic Strikes

THIS is the terrific pace at which American capital is being exported. Last year our bourgeoisie exported more than a billion dollars worth of capital to every corner of the globe.

Three significant events mark the development of this "dollarization" process of the world.

1. The organization of the Federal Reserve System as a means of co-ordinating, increasing the stability and centralizing American finance.

2. The change in the gold-holding relationship among the capitalist countries.

3. The change of the United States from a debtor country into a creditor country.

These three events are of monumental importance in an analysis of the growth of American imperialism into the giant stage which it has reached today.

The Federal Reserve System became the unifying force in the financial system of Wall street when the world war hastened the assumption of world capitalist leadership by the United States. Then, having become the manufacturer as well as the pantry of the world because of the fundamental disruption of the European economic order by the years of infernal slaughter, the United States became the possessor of the greatest quantity of monetary gold ever held by any national group. American capitalists now hold more gold than the rest of the world put together. The climax in this series of imperialist strides is the role now being played by the Yankee bourgeoisie as the greatest creditor in the world. Before the world war the American national capitalist group was a debtor nation.

Significance of Huge Capital Export

THE struggle for the control of the markets for the sale of manufactured and food products has been a source of capitalist wars. For the bourgeoisie of any country the certainty of controlling a market to which they can export their "surplus" commodities, a market in which they can sell the articles produced by but taken from their exploited working class, is a paramount importance. The actual and even greater potential value of China as a market for these commodities is perhaps the most prolific source of dissension among the international imperialists in the Far East.

But for the weaker and colonial peoples themselves the conflict among the imperialist powers for the control of these economically underdeveloped countries as fields for the investment of surplus capital is an even more acute menace. In this instance, far more than in the conflict among the various strong bourgeois national groups for the domination of the market for the sale of manufactured and food products, the weaker colonial peoples tend to become pawns on the imperialist chessboard.

Let us examine a concrete situation. Let us take the Latin-American countries as a market for the "surplus" manufactured and food products and the surplus capital of the British and American imperialist groups.

The American bourgeoisie and the British capitalists are angling let us say, to control the Brazilian and Argentinian markets for the disposal of their "surplus" shoes. Well, this is a source of strife between the British and American capitalists. But when the shoes are sold the Chilians and Argentinians are not necessarily interfered with on a large scale by the British capitalists.

On the other hand, let us say that the British and American steel interests are competing to sell Brazil or Argentine steel and rail equipment with which to build railroads in these countries. The export of British or American steel into these economically underdeveloped countries lays the basis for a much more permanent stay in these countries by the British and American steel interests or their agents. The building of railroads must be financed. For this purpose Brazil or Argentina must float a loan, must import capital. This necessary capital is today controlled by certain leading national capitalist groups.

There is all the difference in the world between exporting shoes and "exporting" railways, waterpower systems, harbor facilities, and other public utilities. First of all, the "exporting" of railways, electrification enterprises and mines, grows out of the exporting of vast amounts of surplus capital. Secondly, when a national capitalistic group exports such commodities as shoes the process of collecting the payment for these shoes is of far less duration than the process of collecting the interest and principle on the exported huge quantities of finance capital.

Of course, the various bourgeois groups are protected by their respective governments in the collections of such payments and debts.

Therefore, it is obvious that the shorter the duration of the process of collectiing these bills and debts the shorter will be the period of the protection of these debt and bill collectors by the respective imperialist governments. It follows, then, that the shorter the period of the protection of the exporters of manufactured commodities or finance capital by the various imperialist governments, the less likelihood there will be of interference in the internal affairs of the weaker peoples by the powerful national capitalist groups and their imperialist governments.

This is the economic basis of the continued increasing interference with the politcial economic and social affairs of the weaker and colonial peoples by the stronger imperialist powers. When the American bourgeoisie export thirty-five million dollars worth of capital to Poland, they stipulate that in default of regular pyments they will have the right to supervise the Polish railways and collect the revenue therefrom to meet the payment of interest or principle in the loan floated. Here we have a source of direct, positive domination of the internal affairs of an economically weaker country by the ruling class of an economically stronger country. Here we have also the source of conflict between the American exporters of capital and, let us say, the British or French exporters of capital, who also make stipulations and receive guarantees for the payment of interest and principle on their investments in Poland, or in any other country to which these imperialists export their surplus capital.

There is no doubt that the exporters of capital, the international financiers who control the railways, the oil-wells, the water power resources, the harbor facilities, (the electricity enterprises, and other basic public utilities, also wield a tremendous influence on the political and economic life of the industrially under-developed countries. Colonialism is but a phase of imperialism in practice. Colonial empires are but the geographical expressions of the boundary lines of imperialist aggression.

The Mexican "Incident."

IT is precisely an "incident" of this sort which occurred recently when the United States Secretary of State Kellogg sent a warning to Mexico. Few realize the sharp conflict for supremacy in the export of capital to Latin-America that is now being waged between the United States and Great Britain. Altogether there are more than thirteen billion dollars of surplus capitl invested in the Latin-American countries by the leading imperialist powers. Prior to the world war, Great Britain had by far the largest mass of capital invested in these countries. Since the world war, the Yankee imperialists have been giving the British financiers, the exporters of British capital, a merry chase. Great Britain now has invested in the Latin-American countries approximately five billion dollars. The United States already has invested in these countries about four billion dollars. This sum is growing. It is largely an after-war growth. The American investors hold nearly one-half billion dollars of the government securities of Argentina, Bolivia, Brazil, Chile, Peru and Uruaguay. All of these securities were issued within the last ten years. Great quantities of American capital are also invested in the public utilities, banking enterprises, mercantile houses, railroads, mining and meat-packing in the Latin-American countries.

Here we have the material, the economic, basis for Yankee imperialist interference with and domination of the political, economic and social life of these Latin-American countries. Here we also have the economic basis of another source of war between the British and American national capitalist groups. Here we also have the economic, the real, basis of the resentment of these weaker peoples towards the policies, political doctrines and diplomacy of the mighty imperialist powers like the United States.

The Dawes Plan Issue.

The situation in the Latin-American countries is now being introduced into the war-vanquished Germany. If we lift the diplomatic veils from the intense competition between the British and American exporters of surplus capital to Germany we will see clearly the why and wherefore of the developing difference in attitude towards the likelihood of the success of the Dawes plan.

Sir Josiah Stamp is one of the leading financiers of Great Britain. He is afraid that the Dawes plan may go on the rocks. Sir Josiah Stamp and the satellites of the British imperialist group have apparently decided that "the time had arrived to give the world the truth of the situation as seen by business men."

But the American financier, Willis H. Booth, vice-president of the Guarantee Trust Company; John W. O'Leary, president of the Chamber of Commerce of the United States, and the Yankee Reparation Agent, Mr. Gilbert, Jr., himself, are still waxing enthusiastic over the Dawes plan succeeding.

Surely, experience has taught the working class of the world that when international capitalist financial experts fall out, the dangers of imperialist wars multiply and intensify. Already, rash rumblings of proletarian discontent are drowning the hypocritical applause which the German bourgeoisie are today according the Dawes plan.

A Big Stick Policy.

Already, the Latin-American countries are reacting sharply to the threatening arrogant notes of Secretary of State Kellogg. We quote the following editorial comment from the LISTIN DIARIO OF SANTO DOMINGO: "As to Pan-Americanism, it has become discredited because it has served only to further the interests of American industries, big business

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Four Fighters for Communism

Some of the leading figures in the Russian Communist Party and the Communist International. Left to right: Stalin, Rykoff, Kameneff and Zinoviev.

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and commercial imperialism. The very mention of the term is an insult to the purity of intention announced by Monroe."

And already, the imperialist watchdogs of Yankee capitalism are barking ferociously. Listen to the following declaration of the mouthpiece of the Ynakee militarist caste, The Army and Navy Journal of June 20th, 1925. in speaking of the Mexican situation: **"It is not at all unlikely that a display of force will be necessary a little later to make Mexico understand that American interests, too long ignored, must be protected."**

Could any imperialist clique speak more "politely?"

Corrupting the Workers.

HERE we have the economic basis for the bourgeoisification of sections of the working class in imperialist countries. Here we have the economic basis for the growth of a labor aristocracy, in the United States for instance. Here we have the basis for the growth of that anomaly called by Lenin, a bourgeois working class.

In the United States, where imperialism is most powerful and highly developed, bourgeois working class leaders, labor bankers, flourish and dominate. No doubt we will soon read on the tombstone of the late grand chief Warren S. Stone, a list of directorships in such banks as the Empire Trust Company of New York and the National Bank of Boston. The total resources of the banks and finance companies in which this labor leader was a director are approximately one hundred fifty million dollars. No less significant is the fact that at the funeral of this weed of a working class, railway labor leader, there were present two union-hating railroad presidents like Daniel Willard of the Baltimore and Ohio rialroad and J. B. Yohe of the Pittsburgh and Lake Erie railroad.

What worse source of corruption, what more menacing cantankerous growth could there be on the body-politic of the proletariat in the United States?

Onward to the Next War.

BEFORE the great world war, America was a debtor nation. Today it is a creditor nation. Before the world war, in 1908, when the Yankee imperialist power was not yet so full grown, the United States toured a fleet of eighteen war vessels around the world. Today, exporting capital at the rate of about a billion dollars annually and occupying all the front row seats in the international imperialist arena, the United States navy is starting a "friendship" cruise of fifty-seven warships to Australia and New Zealand.

The rate of the militarization of America is terrific. There are today seventy-five thousand college students and about forty thousand high school students getting military training for varying periods during the year. To facilitate the building up of a military caste in the United States the War Department has officially detailed seven hundred forty-five officers and one thousand enlisted men for such training. The United States War Department is spending more than two million dollars annually on military training camps.

This year the United States will spend $674,581,000 or nearly 22 per cent of its total federal budget for the war and navy departments. In the fiscal year of 1924 this proportion was only 19.3 per cent. It is interesting to note that Great Britain is spending this year only about 13 per cent of its estimated total expenditures for its military and naval departments. Last year Great Britain spent more than 14 per cent of its total government expenditures for the army and navy.

"Dollarization" abroad means militarism at home. The export of huge quantities of American capital is paving the road for the exporting of vast armies of the Americn proletariat to be pitted in slaughter against the proletariat of other countries. "Dollarizing" the world simply means for the American workers an addition of acute hardships, a subtraction of the most elementary political rights and economic needs, a division in their own ranks, and the multiplication of the dangers of devastating war.

Imperialism means war sooner rather than later.

War is hell. Imperialism is hell.

Letters From Our Readers

To My Fellow Auto Gypsies.

To the DAILY WORKER: Our daily press which like George Washington never tells a lie, is getting train fever trying to invent a way to stop the influx of auto gypsies.

Headed by Miss Adeline Buffington, of Salt Lake City, a move is on foot to wipe out this condition. These moron social workers charge the American people with packing their effects, and taking to the road to run away from work. "They use the plight of their children to gain sympathy and assistance. They are ruining the chances of the next generation by teaching them not to work, etc., etc.

But let us see why the citizens of this country are degenerating into a band of gypsies. That there are multitudes of auto tramps is beyond question. They come and go in every direction. As soon as a family pitches camp the first questions asked are: Where can I get a job? How far to the next camp? How are the roads? What do they soak you for gas, and how much for camping?

Then come tales of experiences and hardships, and there are many.

While writing this a family with a small baby is pitching camp. They have a 1916 Ford with broken spring. They have not got the price of a new one which is $2.50. Many have no tents and take pot luck with weather conditions out under the open sky.

What do these people eat? Certainly not healthy wholesome food, to which workers are entitled.

This morning a family of six left camp. They did not own their car, they had $4.35 in their possession, their clothes were in rags and they had four little kiddies.

The father was willing to work at anything, he had not seen a day's work in months. Does anyone mean to insinuate that these people prefer this to a good home and a steady income? They are on the tramp, simply because they cannot get work. They cannot pay rent so the landlord drives them out. The grocer cuts their credit. Once on the road, it is steal, beg or starve. Another class of tramps can be found on the road. They travel in fine big cars, stop at hotels, resorts and beaches. Money they have plentiful but they do not toil. They bring with them a maid servant to do the chores and a man servant to drive the car. This class feeds upon our bodies. They are the parasites and they exist because you workers will not organize to fight our common enemy, the thieves who rob us. Meekly we crawl into filthy places called auto camps, and pay a dollar for the privilege while they go to the beauty spots of the earth. We pay their bills with our life blood and that of our children.

In winter you go to some city, get a dingy, musty room in the tenement district and you call this home.

Get into the Workers (Communist) Party of America and fight like men and women.

Only a cur lies down to die.

Frances M. Dickey,
Big Timber, Mont.