U. S. INVOLVED IN EUROPEAN ENTANGLEMENTS

Financial Ambassadors Are on the Job

By JAY LOVESTONE
(Second Article)

The United States is now involved up to the belt in European political and financial affairs. American ambassadors of finance are today the highly honored and still more feared figures of the political centers of Europe.

House of Morgan Rules.

After four years of war and six years of acute economic disorganization the Bank of London, once the world's money centre, has been forced into an alliance with the House of Morgan.

This alliance makes out of the British bank an annex of the "House At The Corner," the firm of J. P. Morgan and Company, the kingpin of American high-finance.

Not a single event in international politics and industry since the Versailles Treaty transcends in importance the London Conference which prepared the immediate ground for the adoption of the Dawes Plan by France and Germany. This conference brot into bold relief the supremacy of American imperialism. To the masses of Europe American capitalism appears today in the single robe of a money-lender, the international Shylock.

Nor let any one have the notion that this policy of aggression on the part of the Yankee imperialists is the result of eleventh-hour despair. The Dawes plan is the product of the most careful observation, the most deliberate planning, and consummate manipulation on the part of the Best Minds of our ruling class. The Dawes plan does not have a scintilla of idealism in its intents or purposes, despite all the inspired humanitarian talk in which it is ensphered. It is put forward, at a time judged most appropriate by the guiding spirits of our employing class, as the plan best suited to the conditions at hand for the perpetuation of international capitalism thru the establishment of the hegemony of American capital.

Towards An European Receivership.

In October 1919 the special correspondent of the New York 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 had then also suggested that Brigadier General Charles G. Dawes be chosen to untangle the reparations knot. On April, 1924 the Wall Street Journal proudly oasted that "The essence of the Dawes Report, the one possible means by

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which its suggestions can be carried out, is a receivership."

The coming political events, the steps taken by the Washington state department, further forecast the dark shadow of American decisive participation in Europe thru the Dawes Commission of Reparations Experts. As soon as Mr. Hughes assumed the toga of the secretaryship of state, he instructed Royland W. Boyden to take part in the meetings of the reparations commission in Paris. "Unofficially" of course.

In April 1921 the German government sought American mediation in the reparations controversy and asked the administration to "fix the sum to be paid to Germany." Hughes promptly and curtly replied in the negative. However, he assented to transmit to the Allies any proposals which the German government might formulate. Within three days the Germans answered the Hughes offer. Little attention was paid then to the reply, which coincided with the attitude of the American dollar diplomats. The German proposal had in it the essence of what, in a few years, was to become the present Dawes report—the appointment of an international committte of experts to decide on Germany's capacity to pay, the flotation of a huge nternational loan to the Reich, and the fixing of approximately twelve and a half billion dollars as the total reparation payment.

Hughes Takes a Hand.

Hughes informed the Germans that their plan did not afford "a basis for discussion acceptable to the Allied governments." He did not transmit the proposal as he had promised to do, because official action of this sort, at that moment, would have aroused Allied imperialist suspicions of an opposition to the United States Government. Nothing was done by Washington till the Fall of 1922 when Hughes broached the idea of a committee of experts to the Franco-British imperialist spokesmen. The Hughes suggestion evoked no response.

The agricultural crisis was becoming so sharp in the United States that the Government was compelled to make at least an audible and visible pretense at procuring relief. In order to forestall action on the Borah resolution calling for an international conference, in order to avoid legislative, senate action on American foreign relations as provided for by the Constitution and thus to limit the consideration of these matters to executive, backdoor treatment, Hughes went to New Haven in December 1922 and suggested, in a public address, the appointment of a committee of experts.

French Imperialists Yield.

Another year intervened before the European financiers were compelled to yield to the American moneyed lords whose trump card was economic pressure, economic prowess. On December 5, 1923, Louis Barthou, the French president of the reparations commission, asked Colonel James A. Logan, the American unofficial member of the body, if the Washington government would "acquiesce in the acceptance of invitations by American experts.

The die was cast. The American imperialists had now crossed the Rubicon of their campaign for the industrial and financial conquest of Europe. What followed, followed quickly. The Banker-Generals Dawes, Young and Robinson became "unofficial" members of the last experts' committee. The Dawes report soon appeared. Colonel Logan, Ambassador Kellogg, Secretary of State Hughes, Secretary of the Treasury Mellon, Thomas W. Lamont, J. P. Morgan were all "unofficial" observers at or near the London Conference. But "unofficial" or otherwise, the financial barons of no national capitalist group have ever acted in so dictatorial a manner as the American bankers and diplomats did at this reparations conference.

Full Government Support.

On April 14, 1924, at the Annual Luncheon of the Associated Press, in New York City, President Coolidge called on the country to back the American share of the Dawes loan soon to be floated by the biggest banks. The President said: "I trust that private capital will be willing to participate in this loan." "Sound business reasons" were advanced by Coolidge for his plea.

In his address of acceptance of the republican presidential nomination delivered at Washington on August 14, 1924 Coolidge further called for support of the Dawes plan when he said: "I shall do what I can to encourage American citizens and resources to assist in restoring Europe, with the sympathetic support of our government."

Add to this the report of the Foreign Securities Committee of the Investment Bankers' Association of America as delivered before its last convention at Cleveland, Ohio, on September 24, 1924. The report proposed the establishment of a special foreign loans bureau of the United States Department of Commerce which shall be charged with the task of furnishing "all the special information pertaining to the terms and provisions of issue and to the actual conditions of the country involved."

The next logical proposal is now being put forward—a demand for open, frank protection of these investments by the government. Writing from Geneva, Paul Scott Mowrer, the well-known European correspondent of the Chicago Daily News, in its issue of September 27, 1924, made it plain that "the protection of American capital is not only a legitimate governmental preoccupation, but an actual duty."

Dollar Diplomacy Supreme.

As a result of this first direct attempt, in time of peace, of the United States government to encourage, even unofficially, the purchase of a foreign issue, we have the complete receivership of Germany in the hands of the American financial oligarchy. The Germans are speaking of the American banker, Owen D. Young, as "Owen I," with more power than the Kaiser ever had. An American capitalist is now serving as one of the arbitrators in the transfer of reparations payments. An American banker is director of the new German Bank of Issue. The first general reparations agent is the American corporation lawyer, S. Parker Gilbert, Jr.

This is the full fruition of the reactionary republican policy of "hands off Europe" while at the same organizing to secure a stranglehold on the industries and resources of the continent and the world.