ALL U. S. POWER IS AT COMMAND OF MR. MORGAN

Dawes Plan Has Backing of Washington

By JAY LOVESTONE.
(Seventh Article.)

From the very moment that the Best Minds of the American employing class saw that conditions were ripening for their open, large-scale participation in and domination of the European politico-economic affairs, the United States government put all of its powers and resources at the disposal of these rulers of finance and industry to help them establish and make secure their receivership of Germany.

Within two weeks after the "unofficial" American members of the experts' committee, the Banker-Generals Dawes, Young and Robinson signed their names to the reparations report, President Coolidge spoke of the proposed German loan before the Associated Press in New in these words: "Sound business reasons exist why we should participate in the financing of works of peace in Europe."

Shortly afterward the Federal Reserve Board advisory council declared: "The council recommends that when the new German note-issuing bank, provided in the Dawes plan, is organized, the federal reserve banks take the steps necessary in order to facilitate the rediscounting in this country of properly protected German gold bills. . . ."

On August 14, 1924, Coolidge reaffirmed his indorsement when he stated in his speech of acceptance: "I shall do what I can to encourage American citizens and resources to assist

(Continued on Page 5.)

All U. S. Power Is at Morgan's Command

(Continued from page 1)

in restoring Europe, with the sympathetic support of our government."

Thus the Magazine of Wall Street admitted in its issue of Sept. 13, 1924: "So far as we know this is the first direct attempt of this government, even unofficially, to encourage purchase of a foreign issue in recent times." Today the leading bankers are talking of having a special loan bureau in the department of commerce.

It is with the unquestioned and unquestionable aid of the United States government that the American financiers and industrialists have established their receivership of Germany—a receivership which is only an entering wedge to the complete economic and political domination of many continental countries other than Germany.

American Capitalists in Charge.

Clarence M. Wooley, head of the American Radiator company, is to be one of the arbitrators of the transfer of reparation payments. Gates W. McGarrah, chairman of the Mechanics and Metals Bank of New York has been chosen to serve as the American director of the new German Bank of Issue. S. Parker Gilbert, Jr., of the law firm of Cravath, Henderson, and De Gersdor, New York City, will be the first agent-general for reparations.

It is clear that American bankers and manufacturers will do most of the administering of the Dawes plan. What powers such administrative control will give the American capitalists can be seen from an enumeration of the duties and rights of the agent-general Gilbert who is only a tool of the Morgan-Mellon interests. Mr. Gilbert will be the virtual director of the German railways and other industrial monoplies. He will supervise the German budget in so far as it affects tax collections, expenditures for domestic purposes and reparation payments.

Mr. Gilbert will also have the power to direct the issuance of notes and the maintenance of reserves, demand all documents and statistics, conduct any investigation he deems necessary, to have full authority over currency, supervision over the two hundred million dollar loan, the collection of taxes on customs, beer, alcohol, tobacco and sugar. Truly, Mr. Gilbert will wield as much power in Germany as any Hohenzollern ever did. That is why Owen D. Young, whose place Mr. Gilbert is filling, was called by many in Germany "Owen the First." That is why the German minister of finance, Luther, confessed on Sept. 1, 1924, that "the whole German national wealth is controlled by an American."

Bigger Loot Ahead.

This domination of German resources and industry is only a prelude to a far more extensive receivership. The allied imperialists have been forced to hand over so much power to the American capitalists because they realize that the Wall Street financial wizzards will be the ones who will take the greatest proportion of the numerous other loans that are to follow the moderate two hundred million dollar flotation. In its issue of April 24, 1924 the Wall Street Journal discussed the liklihood of international financing to the extent of eight billion dollars as a result of the Dawes plan.

And Mr. R. F. Zinkann writing in the Annalist of May 19, 1924 summed up the enormous possibilities for American capitalists in this fashion: "Thus the United States may acquire a close economic interest in the other workshop of the world. This development is aided by the technical and economic combinations in 'vertical trusts,' etc., which occurred in Germany under pressure of need for economy. Thus would be made possible a better exchange of inventions and of rational methods of production and a world economic division of labor on a grand scale. For the preservation of European peace too, the interest of the United States in the heart of Erope would afford a good guarantee. And in this way also the economic contact of the United States with Russia could be far more effectually accomplished."

Within two weeks after the Dawes plan was put in force, the American capitalists were bold enough to propose a sort of a Dawes scheme for France. We have in mind the Hurley plan for France settling its debt to the United States. In this scheme France would have to pay annuities of $100,000,000 for sixty-three years and one-half the sum would be left in France in the form of American capital invested in French industries.

Small wonder, then, that the second most important magnate in Germany declared to a New York Times correspondent at Dusseldorf on February 5, 1924: "If conditions continue unchanged, Europe runs the risk to become a country of slaves."

No Prosperity in Dawes' Plan

Our employing class has been energetically trying to sell the Dawes plan to the American laboring and farming masses on the basis of its bringing prosperity to the country. There is not a grain of truth in this contention.

It is a sine qua non of the Dawes plan that its success depends on a huge German export surplus. In reviewing the prospects for the successful operation of the Dawes scheme Professor E. E. Agger, in the Annalist for March 24, 1924, made it plain that unless the United States accepted large excesses of imports from Germany the reparations program would fail. Prof. Agger said in part: "We are practically driven to the conclusion, therefore, that the main hope for German trade expansion lies in the United States. . . . It is reasonably certain that herculean efforts will be made to get the American market to absorb quantities of German exports." This much for the great boom that is supposed to overcome American industry as a result of the flood of German orders thru the Dawes plan.

But the American industries will face another serious problem, the dangers of which will be menacing the workers, if the Dawes program succeeds. Mr. Albert Strauss of J. & W. Seligman Co., New York bankers, and formerly vice-governor of the federal reserve board, told the Williamstown Institute of Politics on August 19, 1249: "To pay reparations the payer must live frugally, work hard and export the product of his labor. . . . The payer of reparations will thus become a decreasing customer and an increasing competitor." In degrading the German workers, the international capitalists will be striking at the American workers.

Intense Commercial Rivalry.

The Annalist "Business Outlook" for August 25, 1924 views the situation in this light: "As European industry gets under way ,the industries of the United States are certain to meet a steadily increasing competition not only in the export field but in the domestic market."

James A. Farrel, president of the United States Steel corporation is also very dubious about the Dawes prosperity when he says in the Magazine of Wall Street for August 30, 1924: "There is no information on which we can base an assurance that the European market can be restored within a reasonable time, nor that Europe's economic interests may not eventually be in directions antagonistic to ours."

Mr. Rufus S. Tucker, acting chief finance and investment division of the department of commerce pierces all the Dawes prosperity bubbles when he sums up the likely events in this manner: "American manufacturers are going to meet with severe competition in the sale of goods of which the value is derived mainly from labor, not only in foreign markets but even at home. In the case of goods made of materials not found in Germany, competition will not be so severe, as the exchange rates will operate against Germany when importing the raw materials. In the case of many agricultural and mineral products there will be no increased competition." In short, not a word about the prosperity wave to overwhelm the American workers.

Lower Wages Coming.

Let no one make a mistake. The American employing classes will not for an instance willingly pay the price of lowered profits because of intensified German and European competition. Our bosses will do their best to transfer the losses to the working class. For example, the New York Journal of Commerce frankly tells us: "The present reparation project, therefore, is essentially a plan which, if successful, would result in shifting our capital power over to Germany for German use, with the result that we must endure the competition that grows out of such development. There is no use in trying to obscure or ignore the fact that, exactly in proportion as these efforts succeed, the United States, like Great Britain, must look for keener competition and in the last analysis must meet such competition by reducing costs of production. **This can come only thru a larger product on the part of labor or a lower wage cost.**" This means longer hours and lower wages.

The Magazine of Wall Street for Sept. 27, 1924 also assures the workers that wage cuts are bound to follow the Dawes plan. It says: "The facts are that Germany cannot be resuscitated financially without at the same time offering her the opportunity to sell more than she buys. For this, she must find markets and these markets are only where British, French and American markets exist. It is to be assumed that in order to find markets Germany will undersell her competitors. This she can do because of her lower production costs. To meet such competition we shall be forced to cut our production costs. This means either **an increased output which it will be hard to sell on account of prospective intense competition, or a lower scale of wages for the American workingman. It is toward the latter, probably, that we are drifting.**"

War Dangers Multiply.

And last, but not least, is the fact that the Dawes plan multiplies and brings closer to the American working and farming masses the dangers of a new world war. It is a fact that the Ruhr region, closest to French imperialist bayonets, holds the bulk of the German loan security. Here is source of conflict. To the American bankers, security for their money is the greatest concern. Our financiers will insist on priority for their loans or else the huge industrial credits so necessary to the success of the Dawes plan will not be forthcoming. The $200,000,000 loan is only a drop in the bucket of the loans to be floated.

The germs of a new imperialist war are found in the very guarantees that the American bankers are today getting. The United States government can be counted on to protect the sacred investments of its moneyed lords with powerful armies and huge armadas. Thus, Charles E. Mitchell of the Rockefeller National City Bank says: "We have taken the precautions that were necessary." On October 3, 1924 J. P. Morgan and Lamont declared the loans are safe investments The Balkanization of Erope proceeds apace as the grond is being prepared for sending the next gigantic American expeditionary force "over there."

P. Rosenkrans of Paterson and will carry the cases to the highest courts if necessary, the statement adds.

* * *

Postpone Injuction Cases.

PATERSON, N. J., Oct. 9—The attempt of Paterson silk manufacturers to make their injunctions against the striking silk weavers permanent has been delayed again by vice-chancellor Vivian M. Lewis' postponement of the hearing on the 13 orders. The five contempt cases of picketing silk workers are also postponed.

Lewis declared the strikers had the legal right to picket when he announced continuances of the cases. He stated that the pickets could in a calm, orderly way attempt to persuade others to join them in their strike.

Sergeant Kelliher, who climbed the statue of vice-president Garet A. Hobart to read the riot act to the free speech test meeting is not being

YOUNG WORKERS LEAGUE ORCHESTRA ROUNDS INTO CLASSICAL FORM

AFTER a summer of hard practice, the Young Workers League Orchestra of Chicago has mastered an impressive repertoire and is all set for a season of real service. Composed of members of the Young Workers League, the orchestra boasts an array of musical talent which augurs well for its future reputation. This talent includes, among many other, such musicians as Alfred Frankenstein, Evelyn Mack, Lydia Beidell, Louise Fallick, Anna Lawrence, Karl Skalar, Chris Pavlov and Jack Edwards.

Altho concerned mainly with the musical proficiency of their orchestra

Plan Mass Meet of Young Workers at Hamtramck, Mich.

(Special to The DAILY WORKER.)

HAMTRAMCK, Mich., Oct. 9.—Plans have been perfected for a huge mass meeting here on Sunday afternoon, Oct. 19, at which working boys and girls will have an opportunity to learn of the aims and methods of the Young Workers' League.