

WHERE IS AMERICA GOING?

(From a Talk Given by Scott Nearing at the
Current History Class)

RAND SCHOOL

1—The Standard Bearer of Capitalism.

Groups of people contend for the honor of being accounted first among the constituent elements in any phase of culture. They do this very much as boys try to outrun each other, and for much the same reason.

There is an additional reason, in the case of nations: the winner in the race not only wears the laurel crown. He also gains the right to rob his fellow contestants.

This has, of course, been manifestly true in the past, when one people conquered and enslaved another, or when one people took possession of the land of another and then compelled the vanquished to work as serfs on the land. The treatment accorded to Germany by the victorious Allies is a very clear indication of the fate that awaits a capitalist nation which loses out in the race for supremacy. The whole German people—finances, industries, railroads, owners, workers—is to pay tribute to the victors for at least a half a century, and during that whole time, the essential economical affairs of the Germans are to be under Allied supervision.

A hundred years ago, France and England finished the Napoleonic wars, which indicated that Britain, rather than her continental rival, was to be the mistress of the nineteenth century development of capitalism. Between 1814 and 1914, the British were the acknowledged leaders of western civilization.

The War of 1914, fought ostensibly between Britain and Germany to decide the supremacy of the twentieth century, was, in reality, the debut of the United States as the standard bearer of the new century.

The years since 1870 have not only been years in which surplus wealth was being produced on a heretofore undreamed-of scale, but they have been years in which each nation was testing itself out as to its capacity to keep the furious pace. What was the chief determinant of this capacity? Certain raw materials and resources without which industrial production is literally impossible.

The fifty years that followed the Franco-Prussian War were prospecting years. Each of the great nations bent its energies to the discovery, at home or abroad, of those prime essentials of industrial production, such

as metals, fuels and food supplies, and when they were found, proceeded to annex them without giving more than a passing thought to the sentiments of the erstwhile possessors. It was in this way that Africa and portions of Asia were partitioned. It was in the pursuit of these objectives that the United States began the exploitation of the Caribbean.

Among the nations that were contending for world supremacy at the beginning of the twentieth century, one was sure to find more of the essential resources than fell into the clutches of its rivals, and that one happened to be the United States.

Nor was it necessary for the Americans to take these resources away from their possessors in the way that the Belgians and French despoiled Africa, or the British exploited India. Most of the requisites lay inside of the boundaries of continental United States.

There was one exception to this general rule—tropical foods and other products of the soil, and that defect was quite readily remedied by the Spanish-American War (1898), which thrust into the lap of America Cuba, Porto Rico and the Philippines.

2—The Requisites for Victory.

Thus equipped, with coal, oil, copper, iron, timber, cotton, wheat, corn, sugar, and the like, the United States, during the twenty years that intervened between the ending of the Spanish War and her entrance into the World War, spent her time putting up fences and getting ready for the cultivation of the planet.

What was the character of these fences? What did the United States need in order to win?

Given the necessary raw materials, there were three other requisites: (1) an efficient population; (2) a cult of nationalism; (3) the will to power. Industrial education and apprenticeship provided the first, and the World War stimulated the second and third more completely in five years, than they could have been worked up in decades of peace. Thus, at the moment when the American people were waking up to the richness of their natural resources, they were stimulated, by the war, to a new sense of nationalism and the desirability of national supremacy.

3—A High Standard of Living.

One of the most logical expressions of abundant natural resources is a relatively high standard of living. And for generations the crowded populations of Europe have been migrating to Australia, to South America and to Canada and the United States, where they could get free land, or where they were promised work. Among all of these new countries, the one that offered the richest opportunities was the United States. In the single decade ending with 1914 more than ten millions of immigrants came to the United States.

These immigrants came from low standard countries, from the farms or the small villages. Many of them were intending to stay only a short time, and then they hoped to return home. They were the logical raw materials out of which industry picked its cheapest and least skilled labor. They did not speak the language; they were not citizens; they were helplessly in the grip of mine owners, packers, sweat-shops, and they felt the pressure of an intense exploitation to which the natives of the United States have been strangers.

But once inside the United States, with its larger opportunities, what more natural than for the newly arrived immigrant, first to bring over his family, and then to agitate in favor of closing the doors on all other families? It was by this means that he proposed to maintain the higher standard of living in the United States.

The move did not originate with the aliens, of course. It came from the American workers, who saw their own standards threatened by the tide of low-skilled labor that was flowing through the Atlantic ports. However, it was a simple matter to line up a majority of the workers behind such a program.

Japanese exclusion is the application of this principle to an entire people, because of their ability to work hard and their willingness to live on a standard of living far below that which is accepted in the United States. As the wealth of the world continues to concentrate in the hands of the American people, this principle will be applied to all of the peoples who have a lower standard than that of the United States. ("Prospects of Industrial Civilization," B. Russell.)

It is only a few years since Japan was considered queer because she was so exclusive. To-day the United States leads the world in exclusiveness. And this is the first destiny that awaits the United States—the isolation of the rich. Among every people, the rich find it necessary to keep aloof from the poor. (See "Theory of the Leisure Class," Veblen.) The same principle is now operating to separate the people of the United States from the remainder of the world.

4—Keeping Our Neighbors Poor.

John Ruskin observed that the art of being rich includes, necessarily, the art of keeping our neighbors poor, since riches is a relative term implying the opposite of poverty. This must apply on a world scale as well as on an individual one. The rich nation, to continue rich, must find some means of keeping its neighbors poor.

What is this means? The modern system of property ownership which permits the property owner to collect from the non-owner, in the form of interest and dividends, a part of the product which the non-owner creates. Thus, the owner, who is in the minority, can always be rich without working on the property income paid to him by the non-owner.

Within a nation, this system works perfectly so long as the non-owner is willing to work and pay. Internationally, the scheme will be equally effective.

During the war, the United States loaned to Britain about four and a half billions, and to France about three and a half billions. The French have not yet agreed to pay their debt. The British, however, have made a settlement under which they will be paying an annual tribute to the United States for another sixty years.

Britain was not defeated by the United States in the war. Had she lost the war, as Germany did, the victors would have imposed far heavier burdens upon her, as they are now trying to do with the Dawes Report. Britain simply borrowed, and the United States, like any lender, is proposing to live, in part, upon the work of the borrower.

5—Mortgaging the Planet.

How far has the United States gone in acquiring propertied interests or in making loans outside of her own borders? Careful estimates brought up to 1920 place the external wealth of the United States for that year at 20.5 billions of dollars. (The census estimate of internal wealth for 1922 is 321 billions.) Almost exactly half of this wealth was in the form of loans to the Allies. The other half was in the form of business investments, foreign bonds, etc.

The business investments were widely scattered—half a billion in Cuba; half a billion in South America; a billion and a half in Canada; 800 millions in Mexico, and half a billion in Europe. ("Wealth and Income," W. R. Ingalls.)

6—Banker and Constable.

The United States, because of its position as the center of wealth power, becomes automatically the chief money lender and debt collector of the world. The lending is done chiefly by the private bankers. The collecting is done by the Government of the United States. That is why the marines are in Haiti and in Honduras, where property interests are threatened. ("Imperial Washington," R. F. Pettigrew.)

There is a general understanding that all investors in foreign properties will first see the State Department. If the State Department is satisfied, the loan is made. Otherwise it is abandoned. That policy puts the Government squarely behind the banker. The latter lends; the former collects.

The United States has become the world's richest nation. Automatically, therefore, it will become the world's leading banker and the world's most active constable. As leader among capitalist nations the United States must accept a position of riches in the midst of poverty; of exploitation of weaker peoples, and of economic and military struggle to maintain that position.

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