

## The Menace of American Capitalism

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It is from the United States that the ideas emanate most forcibly which will secure incorporation in any project of international regulation erected upon a property basis. George Washington, at commencement of the new republic, described the Supreme Court as "that department which must be considered as the key stone of our political fabric." The Fathers of the American Constitution erected a government "intended to last for ages" and laid down the principle enunciated by Madison that landholders ought to have a share in the government to support those invaluable interests, and to balance and check the other. They ought to be so constituted as to protect the minority of the opulent against the majority. "The Senate, therefore, ought to be this body, and answer these purposes." The men who are promoting the League of Nations have their eyes on the past as well as the future, and with a "fake" interpretation and presentation of the foundation of the U. S. A. are now beginning to build the structure of permanent peace. The pioneers of this project are such men as ex-President Taft, who is now most enthusiastically supporting Wilson.

Taft can bring Republican backing to Wilson, or he can withhold it, and the Republicans control the Senate, which must ratify the Peace Treaty. Taft it was who said, in his acceptance speech at the commencement of the presidential campaign of 1912, "the Republican party is the nucleus of that public opinion which favours constant progress and development along safe and sane lines and under the Constitution as we have had it for more than 100 years, and which believes in the maintenance of our independent judiciary as the keystone of our liberties and the balance wheel by which the whole governmental machinery is kept within the original plan" (American Socialist Campaign Book, 1912, p. 51). Taft was and is utterly the tool of the "Interests." Bluntly and frankly he has denied his belief "that all people are fit for self-government."

The men who meet at Paris to formulate the League of Nations have a kindred aim to those who gathered at Annapolis. They are intent upon safeguarding the financial oligarchy whose capital is New York. They are patently and openly anti-Bolshevist. They may offer to discuss with it when the seas are ice-bound and they cannot land men or munitions to help the propertied elements to overthrow its power. Then they parley and, parleying, make a virtue of their open-mindedness.

Wilson has made no secret of his hostility to the Soviet principle and practice. He fights with other weapons than Clemenceau and George. He talks for months. He did with German Militarism. He creates an atmosphere. He manoeuvres, as every negotiator should, and as every general ought, for position.

The world must, if capitalism is to prevail, be Americanized as to its political institutions. Economic forces, when sufficiently powerful, stamp their impress upon political society. What has been and is the drift of the world's economic forces, in so far as they are capitalistic, we will now discover.

### The Migration of Money

The North American Continent has provided for several centuries an almost illimit-

able outlet for the surplus populations of Western Europe. That part of it lying to the north of the Gulf of Mexico and south of the Great Lakes and the 42nd parallel has been most suitable for settlement and for the development of industry and commerce, of farm culture and of stock-raising by the more energetic whites of Central and Northern Europe. Vast stretches of this tract are irrigated and traversed under conditions favorable for navigation by the waters draining to the Gulfs of St. Lawrence and Mexico, and whilst neither flat nor low lying, are yet within agreeable elevation for colonisation by Britishers and others of like habits and acclimatisation. The great Mississippi-Missouri-Laurentian basin, as well as the Atlantic sea-board, has afforded a new home for the multitudinous families expelled from their homelands by "the so-called primitive accumulation" of capitalist landowning, as well as for the superfluous and independent workers whom machine-production drove out of handicrafts. Plantations originally taken up in Crown grants, perhaps, like Pennsylvania, in settlement of a debt, or obtained by lobbying and intrigue about Parliament and Court in London, or, at other times, settled by the emigrés of faith, or the pioneers of traffic and of trapping, the original United States drew unto themselves tens of thousands of persons, elbowed out by the selective process of capitalist competition or radical-minded shop-keepers, farmers and workmen who sought freedom in vain during the generation or so following upon the close of the Napoleonic War. They took passage in the early steamships, and whilst many stayed to prosper in New England and New York, others pushed on across the mountains down the Ohio river on to the prairies. The railways brought more and ever more to fill up an empty continent. In the north the immigrants settled to escape from the Old World and to be self-supporting in so far as they might. In the south, not settlers, but the servants and slaves of planters and companies struck along the seaboard towards Mexico to grow cotton, to cultivate sugar-cane and to rear cattle. Merchants and landowners in the east used their political power to appropriate the domain on to which the European dispossessed were deploying, and to destroy their economic independence before they won it. These magnates prospered by controlling the exchange of finished products and raw materials between the settlers and the land whence they came, in exporting cotton and importing the fabrics of textile Britain.

Many of the nobles of this country acquired stretches of land in the United States, notably the Dukes of Devonshire, Sutherland, Rutland, Portland, Northumberland, and Bedford, and the Earls of Derby, Powis, and Yarborough. The mercantile and banking firms of London and Amsterdam helped to finance American business with sterling exchange. The dry goods agents of Manchester and of London houses transacted their affairs with the dry goods importers down Wall Street. Certain of these opened up branches in London, notably George Peabody and Co., which became Peabody, Morgan and Co., and ultimately J. P. Morgan and Co. Then there were the great cotton-brokers, who handled the essential staple of Lancashire, the classic home of capitalism. Messrs. Stillman and Woodward were such a firm, and Mr. Stillman went from cotton-broking to contribute his

wealth and his connections to those of Rockefeller, in the re-organizing the National City Bank of New York. Another cotton-goods agency, that of Jay, Cook and Co., was re-modelled and became the basis of the First National Bank of New York. These three firms, together with Messrs. Kuhn, Loeb and Co., a bank whose partners were of Germanic origin, and whose relations with Rockefeller have been considerable, constitute the central structure of United States banking.

When America came to be railroaded, and this began on a grand scale after the completion of our most important lines left our contractors and iron-masters seeking for new lands to conquer, there developed a veritable mania of speculation, and European money rushed in frantic floods into the pockets of Goulds, Vanderbilts, Sages and other worthies. Between 1850 and 1872, Congress gave 155,000,000 acres of public lands to the railway corporations, advanced them enormous loans and allowed them to help themselves to as much stone and timber as they wanted. All too many of these railroad corporations were mere legalised frauds, enabling politically accomplished promoters to acquire public domain and European cash on the plea of "building" a track it was too dangerous to explore and, oft-times, difficult to locate. By the middle of the "seventies," the British capitalists, who had bought hundreds of millions of dollars of United States scrip from Peabody and Morgan during the Civil War, entrusted Morgan Junior with the re-organisation of their properties, and for the next thirty years, J. P. Morgan, "received" "wound up," re-organized, consolidated and re-floated railroads, industrial establishments, steamships and land companies for his British clients. He charged a fairly stiff and somewhat elastic commission, shook in a lot of water and shook out into his own coffers plenty of cash, he saved the "guinea-pig" investors in European parasitism hundreds, if not thousands, of millions. Morgan exchanged legal claims on other people's toil for a ruling class in the main too incapable or too indolent even to look after the proceeds of its own extortions.

From selling United States public and private bond and stock issue to British investors, Morgan came during the South African War to selling British Treasury issues to American purchasers. He became persona grata with King Edward VII., and was one of his honored guests at the Coronation. The great London-New York partnership of J. P. Morgan and Co. came largely to dominate American railroads, American iron and steel, American insurance corporations, American mortgage trusts and American agriculture. It swayed the Administrations of McKinley, Roosevelt and Taft. It dictated to Grover Cleveland. Its Steel Trust lawyer, Senator Knox, became Secretary of State, and was virtual premier from 1904 to 1912. It directed the policy of the Republican Party. "Morgan the Magnificent" helped to establish the U. S. Navy League, and was one of its most lavish patrons.

(To be continued)



Spots That Won't Come Out