

The Menace of American Capitalism.

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sponsibilities and extraordinary opportunities. . . . We must as a nation think internationally. Bulletin. F. B. I., 9/1017.

The Bulletin commented on this speech as follows:—

"This new slogan for the United States industries was thus started eighteen months before the big Republic actually entered the European War. It has now been widely popularized, as well as intensified by that tremendous fact."

This American International Corporation has grown to be an incomparable influence in American and World politics. The next step in its onward march was for the National City Bank to acquire, by consent of the Federal authorities, the stock of the International Banking Corporation. This concern was formed in 1901 and was "the pioneer American bank to organize and operate a system of foreign branches. For seventeen years it has been specializing in the finance of American trade with Asia, particularly China and the Philippines." (Board of Trade Journal, Jan. 16th, 1919). "Its formation was the outcome of the widespread interest in Oriental trade, which was aroused by the United States obtaining control of the Philippines." Its "Shanghai office was opened for business on May 15th, 1902. The Peking, Hankow and Tientsin offices were opened a few years later, the first for the purpose of assisting the American group which had just become interested in the Chinese reorganization, or Six Power Loan. The Corporation has subsequently acted as the financial agent of the American group in China."

Its office in Bishopsgate, London, is "at present the designated depository of the War, Navy and State Departments of the United States Government." It is represented most influentially on the board of the Russian Corporation Ltd.

The parent, American International Corporation, includes several great firms of public works, harbor and hydro-electric contractors; such as the Siems-Carey Construction Company, which, in 1916, sought and obtained Chinese consent to build 2,600 miles of railway and to engineer a Grand Canal Waterway only to be balked by Japan on both occasions. All these firms desire, with the Federation of British Industries, to win access to Siberia, "the most gigantic prize offered to the civilized world since the discovery of the Americas." They know how the contractors entered Mexico to build railways and remained to possess the material basis of its political super-structure. They do not believe in military violence, but in commercial penetration and financial permeation.

The National City Bank has developed a strong connection with South America, where Wilson's son-in-law, William Gibbs McAdoo, concluded a series of commercial agreements in 1915 with these debtor republics, left derelict by the drying up of European investment markets, and made it possible for them to dispose of their crops by dollar instead of sterling exchange. This bank now runs a special magazine, "The Americas," devoted to the Monroe Doctrine and the cult of Pan-Americanism. At the end of 1917, \$400,000,000 of South American commerce had come to be transacted in dollar exchange, where London ruled before 1914.

All this means that "Standard Oil" has crept into the monetary domination of South America, the Far East, and is a powerful force even in India, and what were European preserves of British and French capitalism.

Wilson's "Sea Shuttles"

Banking and exchange were the first considerations, and after that, the provision of a native mercantile marine. This the ubiquitous American International Corporation set out to obtain. It began by taking over the Pacific Mail Steamship Company and then acquired the New York Shipbuilding Company. In April, 1917, the Vice-President of the Corporation stated in "International Marine Engineering":—

"We are generously equipped, ready, to begin our struggle for our place upon the ocean. . . . We have arrived at a crisis in our commercial history. . . . If we grasp it our trade will be immensely extended."

Meanwhile, McAdoo had set up the United States Shipping Board and, in this very month, established the United States Emergency Fleet Corporation, a Federal concern in which the U. S. Government held a majority of the shares, and which, with a capital of \$51,250,000, set out to purchase and build ships to charter or to lease U. S. citizens to operate in the foreign trade. This new Corporation not only took over all the interned German and Austrian ships lying in U. S. harbors, but by the autumn of 1917 the Shipping Board had "requisitioned every ton of shipping under construction in American yards. The larger part of these vessels were being constructed for English companies. . . . This drastic action placed in the hands of the Shipping Board 403 vessels or 2,500,000 tons. ("Worlds Work", Dec. 1917). About this time, the American International Corporation secured from J. P. Morgan and Co., control of the International Mercantile Marine Co., and others of the fleets of the White Star, Leyland, American, and other lines, and a community of interest with the shipbuilding firm of Harland & Wolff, Ltd. Since that time, the Belfast firm has been making vast extensions on the Clyde, at Liverpool and elsewhere. It was this "deal" that caused the Federation of British Industries to send out a frantic "S. O. S." It is the \$90,000,000 of ships belonging to these lines which the U. S. Government would not permit to be sold to a British syndicate, whose alternate kicks and squeals have been causing the writer much amusement during recent months. The Hamburg-American Nord-deutscher Lloyd and American "pool" steamships, before the war, did a prodigious trade to the East, to Central and South America and to Europe, are now under the control of the American International Corporation, the protection of the U. S. Emergency Fleet Corporation and the spreading folds of the Star Spangled Banner.

To beat the German submarines, the Emergency Fleet Corporation embarked on a colossal shipbuilding effort. It made the American International Corporation its agent, and this body founded the American International Shipbuilding Corporation to look to its shipbuilding business. A "world's record" yard was laid out at Hog Island on the Delaware, to construct fifty ships simultaneously, and to build into them 7,500 tons of steel a day. The Bethlehem Steel Corporation had been making enormous profits

and had, just outside Penn's city of Philadelphia, a cynical memorial to Christian brotherhood busy on \$250,000,000 of munition orders in the biggest ordnance factory on earth. Charles M. Schwab, its president, having under his control the Union Iron Works at San Francisco, the Fore River Yard in New England, and other establishments set out to help the Government transform the United States into "one huge factory for the production of ships." He, first of all, bought up several big steel works, put down immense new rolling mills for ship-plates, and proceeded to lay out new Bethlehem yards in California and in New England. Then, says "Syren and Shipping" (Jan. 1, 1919), he was "persuaded, on the personal appeal of President Wilson," to become Director-General of Shipbuilding. By October of last year, the U. S. Congress had voted \$3,449,000,000 for shipbuilding purposes. Great inland bridge-building plants were employed turning out standard framework which was sent down to the coast to be assembled into ships. By the autumn of 1918, the Official U. S. Bulletin could claim that they had "more yards, more ways, and more workers than any other nation," in fact, that there were now 200 shipyards with 1,020 building berths. "The deliveries to the Shipping Board in August broke all world's records in the production of ocean-going tonnage, and established the United States as the leading shipbuilding nation of the world." The aim of the U. S. in regard to the shipping was officially put forward by the head of the Shipping Board when he said:—

"Our railroads must no longer stop at the ocean. We are building a merchant fleet of 25,000,000 tons. Vast American passenger and cargo liners will run regularly to every port in Latin America, the Orient, Africa, and Australia. . . . Once more we shall have a real U. S. merchant fleet under way, backed by far-reaching policies for efficient operation."

No wonder "The Compendium" remarked in September last:—

"On the high seas, the war is already won. But America is only beginning. By the time her programme has been carried out she will be leading the world as a ship-producing and ship-owning state. . . . in the new league of nations. . . . Britain will cease to be the predominant maritime party."

These ships are to carry American exports to the uttermost ends of the earth and to bring back the imports in which the world's people will pay their tribute to the National City Bank of New York and all it represents. (The third installment of this informative story will appear in "The Communist" next week.)

The Red Army

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over to the Soviet lines. Courses of instruction for the illiterate are held almost every day, and one Red Army has a movable university attached to it at which lectures are delivered by members of the War Council, of the Political Education Department, etc. Nothing is left undone to permeate the Red soldiers with the Socialist and Revolutionary spirit and to impart to them a clear understanding of the "war aims" of Soviet Russia. Of course, the Red Army gets all the papers which are published in Russia, but has several papers of its own, which enjoy great popularity, as the contributors are for the most part the soldiers themselves.