

# The Menace of American Capitalism

## Or the Power Behind Wilson

### "Democratizing" the Railroads.

McADOO went from the Treasury to be Director-General of Railroads, and in that office surrounded himself with a picked staff of assistants from the Harriman-Rockefeller railroads, including the cleverest corporation lawyer the "interests" have discovered in recent times. This gentleman was placed by Wilson's son-in-law in charge of "Legal Matters." McAdoo and his staff of "safe" men proceeded to co-ordinate the various lines and to override or abolish the anti-trust laws against which the railroads had been doing battle for twenty or thirty years. Whilst in charge of the lines, McAdoo told the railwaymen not to take part in politics and, at the same time as he proceeded to spend \$500,000,000 of the people's money on improving their properties, made the corporations aware that he was not in favor of nationalization.

Wilson's latest utterance on the pressing railroad problem is a plea for a "modified private control, under a more unified and affirmative public regulation and under such alterations of the law as will permit wasteful competition to be avoided and a considerable degree of unification of administration to be effected." (World's Work, Jan., 1919.) This, we are told, is what "Harriman hinted at....." when he said that "the combination of different railroads should be regulated by law."

The railroads must be rebuilt—or should we say honestly built—at the expense of the Government, in order that billions of dollars of commodities may be transported to the Atlantic and to the Pacific, for carriage in a colossal mercantile marine to every corner of the Old World. Before vacating office, McAdoo recommended a continuance of some measure of control and the electrification of the railroads. There has recently been formed an American International Steel Corporation "to compete with the U. S. Steel Corporation for foreign trade," and to include twenty-five firms, consolidating the Bethlehem and Milvale Steel Corporations, the Pennsylvania Railroad Company's steel plant, Lackawanna Steel Company and the two Rockefeller steel plants, the Republic Inland Steel Company and the Colorado Fuel and Iron Company. This \$2,000,000,000 combination is, probably, getting ready, not only for foreign business, but to provide the steel for rebuilding the railroads at home. The great hydro-electric contractors—mainly "Standard Oil" in domination will, undoubtedly, carry through the installation and operation of electric power. The National City Bank saw in September last "the promise to-day of an enormous development of electrification." So do we, in Britain, in the same manner, for this very reason and under identical methods of regulated private control.

### Coal and Cotton.

Now, that the re-organization of the railroads has facilitated the shipment of coal, and that by March there should be an increase of 16 per cent in the production, Sir Adam Sedgwick, at the United States

"With her large output and by the increase of production... will doubtless be able to bring very great pressure to bear upon English-European markets in an effort to displace British coal."

America has seriously invaded the

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South American market, as well as that of Genoa and Paris, and so is beginning to threaten the trade of South Wales, and to strike at England's valuable export business.

Hard upon this comes the news that four textile export associations have banded together into one body to further the export of these staples of Lancashire and Yorkshire, strike at England's valuable export business.

Finance, shipping, shipbuilding, iron and steel, coal and cotton—as supremacy in these slips from Britain's fingers, what remains for her whereon she can rear her fabric of political eminence, of maritime supremacy, of imperial pride?

There remains for her the British Navy. President Wilson demands the Freedom of the Seas and offers as an alternative the prospect, nay, the certainty of proceeding with the construction of the greatest navy in the world, wherewith he and Vanderlip and Chas. M. Schwab will teach the virtue of "thinking internationally."

### "Democracy" at Home.

Such is the power which stood behind President Wilson as he argued and pleaded and dictated at Paris. Gompers came to Europe, with his passports viséd, to persuade the European Labor Movement that trade unionism has nothing to do with Socialism. The American Socialist Party could not get its passports to Berne, it could not get them to the Inter-Allied Conference in London last autumn. Eugene Debs is serving a sentence of ten years' penal servitude for no more serious crime than Ramsay MacDonald has repeatedly committed. Mrs. Stokes is to serve her long sentence for expressing sentiments repugnant to Wilson's Government, but no more than Mrs. Snowden may say in England under Lloyd George. Bill Haywood and his hundred comrades of the I. W. W. serve some, their twenty year sentences, whilst the man whom he fought for decent conditions in the mines of Bisbee, J. D. Ryan, colleague of Rogers and Rockefeller in the copper speculation of 1899 to 1903, was President Wilson's Director of Aircraft Production.

Charles Schwab, compared by the "New York Evening Post," to Whitaker Wright, at the time when he "looted" the Shipbuilding Trust in 1903; the man whose character was for ever delineated before the Senate Committee on the armor plate frauds at the Carnegie Steel Works, where he was superintendent in 1895, the magnate to join whom McAdoo is said to have betaken himself, accompanied President Wilson to Paris as one of his commercial advisers. With them was McCormick hawking his reapers and binders.

President Wilson is not too fortunate in his political associates and in his party. He proved doubly unfortunate in the role which he was originally selected to perform.

### The Last of the Liberals.

The "Big Business" groups had been doing what they liked with the politics of America for many a long year prior to 1913, and had dictated to Presidents and to Congress and Senate the measures which they should adopt or reject, the judges whom they should elect and the diplomats whom they should appoint to foreign posts. Roose-

velt had been told "to holler all he liked," and discovered in the process. Taft was placidly acquiescent to the trust magnates. Bryan was unsatisfactory as a candidate for President, too visionary and too suspected of demagogery. A man was urgently required who would initiate a "clean up" at home and who would enhance America's reputation abroad. There were ominous indications of a farmers' revolt in the Middle West and of a labor "slide" towards the Socialist Party. Unless something apparently hottest, straightforward and drastic, was attempted, and, in some measures, accomplished, the outlook for the "Money Power" was by no means reassuring. The trusts had got too firm a grip upon the economic and political life of the country for any man to dislodge them, and it was quite safe to admit to office a Liberal reformer whose good intentions would win the confidence of the lower middle class, the farmers and the trade unionists and, at the same time, would lead nowhere in particular. The American capitalist "bosses" had seen the Lloyd George budget and land "stunts" and knew how powerless Liberals like Campbell Bannerman and Woodrow Wilson really were. Besides, the time had come when American industrial development demanded measures to dislodge the conservative-minded money lords who, by political means, had entrenched themselves as a cosmopolitan financial clique in control of American credit. The hour had come for displacing the Morgans and for rendering American productive business the assistance of a banking system nominally that of the impartial and independent U. S. Government, but actually of the manufacturing and mercantile interests. The Morgan interests similarly had hold of the party caucuses and of the intricate political system of the U. S., and to simplify the processes of democratic election and Legislative initiation was to aid "Standard Oil" as against the pre-eminently moneyed power, which, since 1863, had gained an increasing control over the life of the Republic.

The Democrats stood for the rights of the separate States as against the Federal authority, and to have put forward Bryan or any other "party" man would have been to weaken the centralization policy which economic evolution demanded, and which Wilson was known most vigorously to favor.

The trust had been fostered though not made possible—as some contended—by the protective tariff, and having now grown to great size and strength, could in some measure dispense with governmental assistance of a purely defensive character. Many of them, concerned as they were with crude minerals like petroleum and copper, of which the U. S. had enormous and cheap supplies, or of meat, sugar, tobacco, machine-tools, etc., in whose production America was pre-eminent, could do without a tariff and would gain enormously by reciprocal free-trade in foreign countries.

Such being the needs of the moment, the Democrats were a suitable party, and Woodrow Wilson a desirable candidate for Presidential authority.

Wilson's labor policy was curiously suggestive of that rather liberal programme which the Liberal Government carried through in England in 1906—a law declar-

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