

«America Conquers Britain»

"America Conquers Britain" was written by Ludwell Denny a couple of years ago, but an examination of its contents at this time cannot be considered out of date. The significance it had at the height of the "prosperity" is only increased now in the period of crisis.

The book contains data on conditions until 1928, when the United States was at the apex of its prosperity; but the premises of this prosperity were already preparing the ground for the metamorphosis from the prosperity period to an era of starvation and misery for the masses. The American scene is changing: the satisfied and docile labor of which Denny writes, is in a process of fermentation: America's internal market is greatly depressed, and must find further outlets for her products. Conquering America is now America Conquered—by her own contradictions; no matter in what part of the world, and under what conditions, sooner or later capitalism is inexorable and demands its ineluctable toll.

The reader who expects to find an account of armed warfare on the battlefield, as the title would indicate, will be disappointed: it is, as the sub-title states, "A Record of Economic War"; of the battle on the economic field between the United States and Great Britain for raw materials, for markets, and other appurtenances of capitalist rivalry, which are the undercurrents of actual warfare and lay the basis for the emanation into it.

Ludwell Denny writes as an American liberal, and one senses in his writing a certain pride in "our" country, in being on the side that conquers; in having an attitude that flavors of contempt toward the country that is being defeated, and for its antiquated mechanism and technique. However, his views do not interest us in this instance: what is of consequence are the figures and wealth of factual materials he has gathered together, the research, and analysis. Nothing is conjectured, everything has backing, culled mostly from government and official sources.

The Rise of America

Denny gives a graphic account of the living battle now raging between the ascending and descending Goliaths, the United States of America and Great Britain. From the last century to the outbreak of the war, England's hegemony held sway, but the economic warfare now going on between America and England was then existent between England and Germany; the World War was the culmination of Germany's challenge to England for supremacy. During the bloody battle, Germany was beaten, and England thought herself once more mistress of the world. But no sooner had she turned around than she was faced by an upstart of capitalism, the U. S. A., which had planted itself in the place of Germany as England's foremost competitor, with the exception that she was a more formidable and powerful foe, and England was war-weary and weaker. The United States had taken advantage of the war to establish its own interests; "The World War is no more responsible for America's strength than Britain's weakness, except in the sense that it speeded certain processes already under way." Europe conducted the war with America's money and is now burdened with paying war debts to the U. S. A., and paying tribute through many channels.

The "secret" of America's success lies in her modern technique and machine era; England's greatness was based upon her industrial supremacy in the nineteenth century. She conquered colonies for raw materials, markets, and food supplies, and this gave impetus for her becoming a naval power, a believer in freedom of the seas and a free trade policy at home. She was dominant in the coal and steel industries.

The United States came upon the scene later: her methods were those of the twentieth century; modern machinery and mass production. England's coal gave way to America's electricity. From 1919 to 1925 the total horsepower in the United States increased by 22 percent. Combinations and mergers were the order of the day, and industry became centralized and efficient. These factors combined with telling effect, as shown by the output per capita in the U. S. A. at 710 units (1925), as compared with that of the United Kingdom of 282 units per capita, in the same year; this means that the United States was able to produce vast quantities of goods at lower prices than her competitors. Nineteenth century England was not able to keep up with the accelerated pace of production of modern America. The U. S. A. put up high tariffs to protect her vast home market; she had plenty of raw materials; production went ahead merrily, the working class was better off than its European brothers. This was surely a capitalist Utopia.

Before the war the U. S. had 12 percent of the world's exports, and Britain 16 percent. In 1928 the U. S. had 18 percent and Great Britain 12 percent. Mr. Hoover stated then: "Our prosperity depends on keeping the foreign markets which absorb 10 percent of our industrial production surplus," (our industrial), and Denny says further: "We are in no sense self-sufficient." Mr. Hoover has evidently overlooked Stalin's theory of an isolated self-sufficient national economy.

The Decline of England

Wherever England looks, it sees a black picture. In the British Empire, which accounts for one-third of Britain's overseas trade, Canada was purchasing five times as much from the U. S. A. as from the United Kingdom, and Britain's share of foreign capital there fell from 77 percent to 39 percent, while the U. S. capital increased from 16 percent to 57 percent, within the last decade. Canada, Australia, New Zealand and South Africa, in fact in all the Dominions, British imports were decreasing, and those of the U. S. A. were increasing. The same applies to India, the cornerstone of British imperialism, where the United Kingdom, although still holding a dominant position in her trade, is being encroached upon by the U. S. A.

The Dominions are raising tariffs against the mother country, to protect their own industries (Canada raised from 25 percent to 50 percent. British workmanship and material in order to receive preference: Australia); they have their own troubles, and Britain can expect no help from these sources. Britain shows her appreciation of Imperial Economic Unity by purchasing cheaper wheat from Russia and the Argentine, rather than pay the monopoly prices of the Canadian Wheat Pool; it is too expensive a relationship. Another "remedy" now being propagated is a high tariff. England, a world power in her day, with flourishing industries, is now talking tariffs as a means of saving herself; but a tariff means the masses will have to pay dearer prices for food. The fact alone that these panaceas are even being suggested shows the late, the mighty have fallen.

The mighty, unlamented Lord Melchett's vision of Imperial Unity finds a haven in the same place that he himself is now.

In South America the battle is at a sharp stage. Colonel Lindberg went on a "good-will" mission on behalf of American capital; the Prince of Wales retaliated for British finance, and Argentine has signed a trade agreement with the United Kingdom. This does not mean that the problem is settled, but that the U. S. A. will press still further for a share of the market; in fact, Britain's share in South American imports fell during 1913-1927 from 25 percent to 16 percent, while those of the U. S. rose from 24 percent to 38 percent. These figures show the trend; in every country it is the same: the U. S. A. is gaining markets at the expense of Britain.

British industry must be completely re-equipped in order to compete with modern industry, but large-scale rationalization in the midst of her present serious economic crisis means social convulsions, and her rulers are hesitating before putting it into effect. And so England sways with a disease-ridden system, not knowing when the next limb will fall off.

The Fight for Supremacy

The struggle for raw materials is a sordid page of history. In order to capture oil, rubber, chemicals, etc., and other resources, throughout the world, presidents and ministers are proposed and deposed, according to whom they favor, by the United States and England. Mexico, South America, Liberia, China, are some of the fields where the fight is going on every day for supremacy of raw materials. If the native rulers object to foreign domination, diplomatic pressure is brought to bear on them; if that fails, financial pressure is exerted; and if this is not successful then the armed forces are sent, or, as the U. S. does, elections are "supervised" (Nicaragua), also with armed forces. In India and Egypt, and other colonial possessions, the masses are also rising under the unbearable yoke of British domination.

In shipping, the waves are also turbulent; Germany, with the aid of U. S. capital is building new types of boats to compete with the English merchant marine; and the U. S. A. is gradually taking the title away from Britain as mistress of the seas.

The wires in the fight for control of communications, cables, etc., also hum violently. Enormous mergers are taking place of power, cable and communications, to combat the British cable monopoly, which is also one of the most powerful of capitalist propaganda weapons.

Although Great Britain leads as the

world's banker, she is being superseded by the United States; if the British Dominions want a loan they go to New York; if any of the European dependencies require assistance it is to New York they look. Before the war the United States was a debtor nation of \$5,000 millions, now she is a creditor nation of \$9,000 millions (in addition to \$11,000 millions of war debts). Dr. Max Winkler in March, 1929, fixes American private investments abroad in 1928 at \$15,600 millions, while the United Kingdom has about \$20,000 millions in foreign investments. But Britain's average surplus for foreign investments during the last four to five years has been about \$500 million less annually in actual money value than her pre-war rate. "More significant than the relative positions of Britain and the United States as creditor nations is the comparative trend. Britain is adding to her foreign investments but much more slowly than formerly".

The Clash

Production in the U. S. A. exceeded its markets, and the calamity of 1929 still continues. If prosperity in 1928 depended upon a margin of 10 percent of exports, then what is the margin of exports the U. S. must send out to-day to keep her industries going, with 9,000,000 unemployed with no purchasing power, and a greatly depressed purchasing among these still working? The answer is in a further heavy assault upon England's markets, and those of Europe, which will end in warfare.

In the governments of both countries, the ministers and secretaries are also directors of powerful corporations. The following two examples are a criterion: Lord Birkenhead may have been Secretary for India, but he was engaged in extracting profits also as president of an English power corporation, controlled, incidentally, by Americans. Andrew Mellon is Secretary of the U. S. Treasury, but he is also a magnate controlling several key industries.

The linking of government, industry and finance is an obvious and accomplished factor; the class character of the state stands out in relief.

Concurrently with the growth of the crisis, armaments also expand. Expenditures on armies, navies and air forces are to-day greater than ever before, and when the time is ready, a new war will be called into being, with the holy intonation of the

The Times and the Daily Worker on Trotsky

Hardly have the introductory chapters of comrade Trotsky's work on the Russian Revolution seen the light of day, than the slanderers of all camps automatically empty their discharge of secreted venom against its author and the ideas he represents. The editorial of the New York Times and the ravings of Jorge in the Daily Worker on May 5, 1931 are only a foretaste of the floods of calumnious fluids that will pour forth like a deluge from the mouths and pens of professional slanderers of all shades in a concerted attempt to besmirch and discredit the ideas that triumphed in October 1917. Each betrays the only usable ideological weapon at its disposal for combatting the invincible ideas of the international revolutionists: slander multiplied by slander.

It is noteworthy to observe that the opening outbursts of both the Daily Worker and the Times appear on the same day; that both refer to the same literary work of Trotsky; and that both employ similar methods of distortion. If we were to pursue the mechanics of reasoning peculiar to the Stalin school (and so ably practised by its exponent Browder), we would have to come to the unescapable conclusion that there exists a united front between the Daily Worker and the New York Times, and that their actual merging is merely a question of expediency. We would be forced to the conclusion, by the very facts themselves, that parleys had been proceeding all winter between Ochs and Foster. How otherwise can the simultaneous attack on Trotsky be explained? However we will relegate to Browder the task of cogitating on the strange phenomena of politics. We will meanwhile proceed to expose the mendacious nature of their assertions.

Slander has its own methods and its own technique. For example there is the primitive or elementary form in which the object of its fury is ascribed an outright and outrageous falsehood. A higher form is to tear out some isolated quotation from its context and from the circumstances in which it was made and interpret it to the utmost disadvantage of its author. This method has the advantage of appearing clothed with authenticity. Then there is a third method of quoting an excerpt that your opponent has quoted for

church, who will give it their blessing in the name of Jesus Christ. We may quote here an expert in these matters. Rear Admiral Fisk, U. S. N., Retired; "Your economic prosperity rests ultimately on your ability to defend it. Your prosperity may amount to dizzying heights. But it can be absolutely shattered and your commerce ousted from every sea by one naval battle lasting two hours, if your fleet is defeated as the Russian fleet was defeated by the Japanese. Never has any nation lasted long when its wealth increased and its means of defending it did not increase adequately.

Denny treats only of United States—United Kingdom antagonisms; if we take into consideration the other countries and their interests, the situation is indeed vicious and complicated. And the existence of the Soviet State is exercising an enormous influence upon the correlation of capitalist forces.

We may draw some practical conclusions, especially in reference to the U. S. S. R.

(1) No country is self-sufficient. If the United States, with all her resources, raw materials, mass production and surplus of goods cannot exist as an isolated economy, then how is it possible for the U. S. S. R., a backward industrial country, at the other pole from the U. S. A., with an insufficient productivity of commodities, to build a self-sufficient national economy, and a socialist one at that?

(2) That economy will dominate which accelerates its productivity of industrial products; this is proven by the U. S. A. As the U. S. S. R. makes progress in lowering the costs of production, exports can proceed on a vaster scale than now (which will bring the Soviet Union further into the world market and its contradictions). But the present period is only a breathing space; relief will only come, and socialism will be built, when the international revolution brings success.

(3) The crisis lies in the capitalist contradictions, and the solution lies in the abolition of capitalism, and the substitution of a regulated productive process, for use, and not for profit. This can only be accomplished by the dispossessed and suffering mass, the proletariat, under the leadership of the Communists. The working class of England and America have an historic rôle to play; if the Communist party is the arm of the working class then the Left Opposition is the elbow that will direct the arm.

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purpose of exposition and try to compromise him by the sentiments contained in the expository quotation. It is the latter method that is used by the Times and a combination of all three by Jorge in their latest sally to throw mud on Trotsky.

The Times in its editorial points to the following extract from the Czarina's diary quoted by Trotsky: "I hope they will hang this Duma Deputy, Kedrinsky [she means Kerensky], for his horrible speeches. It is necessary—martial law—and it will be an example. All are thirsting and praying that you will be firm." The editorial remarks that to find this extract in Trotsky's story of the Russian Revolution "is nothing short of astonishing." It asks: "Was it sheer inadvertence on Trotsky's part to cite a document so favorable to Kerensky's place in history?" The Times thus implies that Trotsky's estimate of Kerensky's rôle in the revolution has changed. Nothing could be more insidious and false.

Why does Trotsky quote what the Czarina wrote? For the simple reason that he is relating history, that is, facts illuminated by a Marxist interpretation. If the Times had accused Trotsky of inventing the statement made by the wife of Nicholas II, then there might be some sense in its insinuations. But how the comments of a bigoted and superstitious Czarina could in any way determine the evaluation of the rôle of Kerensky in the revolution by Trotsky remains a mystery insoluble by ordinary human logic. Through this quotation, we must patiently explain to the editors of the Times who understand this no less than we, that Trotsky reveals the feelings and state of mind in the ruling circles of the monarchy in the face of impending catastrophe. To the Czarina, Kerensky represented a sinister menace, but to Trotsky, and to history he still represents a despicable and sorry figure. The subsequent chapters will confirm this a thousandfold.

The vituperations of Jorge are to be distinguished from those of the Times only by their vulgarity and incoherence. His scurrilous rantings sound as if they had been written by an imbecile, or to put it more precisely by just a plain ass. Jorge writes: "The Czar was a half-wit. That is why there was a revolution." This, you

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