

two and three hundred per cent. profit? Even an unselfish war for democracy must be made to pay in dollars and cents. Otherwise, what's the good of it all?

Only a supreme novelist could adequately describe the emotions of this period; only a supreme economist analyze the economic factors at work; and only a genius picture for all time the complex of economic and psychological forces that dominated that splendid, marvelous and horrible period of prosperity and death, and of its idealism stalking forth as justification of the shameless exploitation of a world sinking into ruin.

This period gradually flowed into a new one—the two became merged, and the end of one and the beginning of the other are not very clear. This new period, roughly the year 1916, while making still greater profits, was marked by a deeper realization of the causes of the war and its aims—of the great economic and political issues involved. It was seen to be a struggle for world-power, not in the sense of a Kaiser's mad ambitions, but as a clash between two great economic groups struggling for the industrial and financial domination of the world, and particularly for the control of its investment markets.

The war, in a sense, has been the economic education of American Capitalism. Imperialism has not been unknown in this country, but it was in a form weak, parochial, without a world-vision. The war has changed all that, and American Imperialism now stands forth aware of its strength, conscious of its purposes, and preparing its armed power to impose these purposes upon the world.

In a way, the loans to the Allies were a factor in developing this new understanding generally. When, through the parochialism and cowardice of American finance, it became difficult for the Allies to secure loans here, they retaliated by paying for all their purchases *in gold*. The influx of gold became tremendous. It threatened to choke American Capitalism in its own plenitude. Howls of warning arose that this golden flood was swamping the country, that by inflating credit it might produce a panic. Loans were again made easy to secure; and America learned that

foreign trade to-day depends largely upon investments—upon the capacity of an exporting nation to finance a prospective customer.

Where during 1915 it was simply a problem of making money hand over fist, this process in 1916 became a means to an end—the end being *economic and financial supremacy in the world*. Organized endeavor took the place of reckless profiteering alone; the present was related to the future, and immediate economic activity became a phase of the general process of making this country a world power.

The organization of the American International Corporation was the sign and symbol of this awakening to the opportunity of seizing world power, backed up by a vigorous propaganda for mightier armaments. This International Corporation represents the great interests of finance capital, and of such powerful economic units as the steel industry. Its purpose is to seek out investment markets, exploit and control them. It is a definite expression of the new era in American trade—an era of systematic export of products organized by the export of capital. Its capitalization of \$50,000,000 is purely nominal, a mere bagatelle in comparison with the millions upon millions controlled by its sponsors. It is around the activity of this corporation, in China, in Chile, anywhere an opportunity offers, that American Imperialism is organizing itself. It is an ominous sign of the times. And, with characteristic American energy, it is going its European progenitors more than one better.

In pace with this development in its economic consciousness, America experienced a change in its attitude toward armaments. The earlier period of the war, and to a lesser degree the second period, was marked by the aspiration for universal disarmament and the conviction that war is waste—except in the case of a confirmed militarist such as Theodore Roosevelt. But as the war went on, as the economic interests at stake were realized, as American Imperialism became aware of itself, the propaganda for "preparedness" and larger armaments assumed tremendous proportions and inevitably developed into a demand for universal military service.