

they possess neither raw materials nor sufficient machinery, and millions of their best workers have been slain, whilst the greater part of the working male population have been estranged from their accustomed tasks, performing the rude labor of war. The productive power of Europe can hardly be very great after this war. Even in times of peace the productive power of men who have just spent two or three years in the army is estimated at a low rate by European capitalists. Such men find it very hard to procure employment, and they have to work for some considerable time before acquiring again their old skill. Of course, there are still large amounts of foreign securities in the hands of European capitalists, and it is possible that these are retained to liquidate debts in the critical times after the war. Thus, British capitalists have large amounts invested in South America. More than once American capitalists have thrown out broad hints that they would like to acquire these South American securities. However, British capitalists show little inclination for that deal. Investments in undeveloped or half developed countries are closely tied up with concessions and other economic advantages which would be lost if the foreign capitalist should release his hold on a railway or some other important undertaking by selling his securities. If the war lasts long enough European capitalists may be obliged to sell out, and then American Imperialism is likely to supplant British and European Imperialism in general. Ancient history will repeat itself; Cathage will again supplant Tyre.

Though it is impossible to foresee how these things will regulate themselves, one thing stands out quite clearly—the American investor, to whom Europe has hitherto merely been a geographical expression, will become a vastly interested spectator of European affairs. He is now being educated by his financial tutors in putting his money in foreign industrial undertakings, and it is very likely that such corporations as the American International Corporation, which proposed in its prospectus to run the whole universe, will direct his attention to the advantages of exploiting the labor of a Europe in great need of capital. What will be his attitude toward European affairs? But even if the development does not proceed on these lines the sums which he has already

staked on Europe are large enough to assure his lively interest. All speculations on the probable internal development of European countries are worthless if the problems arising from the immense national debts are not taken in account. It is evident that at the end of the war there will be two distinct camps in every European nation—the men demanding the interest on the war bonds they own and the people who are expected to pay. These sums will be a crushing burden. It has been calculated that, should the war come to a sudden termination, the German people would have to pay one third of their annual income in taxes. Things can not be much different in the other countries. Will the nations put up with it? Is it not rather likely that tremendous fights will rage around the question of partial or absolute repudiation? Is Europe not heading for an age of violent revolution? What will be the role played by American capital in those struggles? Mexico and other American republics may supply an answer, but a more suitable parallel may be found in the relations between Russia and western European capitalism. Capital is timid and does not like political changes, and where these are unavoidable it only acquiesces in them if assured of the continuance of its privileges, as was recently shown in Russia where the first steps undertaken by the foreign diplomats were to require a promise from the new liberal government that it would fulfil all the foreign obligations of the deposed autocrat. European capitalism was a reactionary force in Russia, and foreign, American capital must be reckoned a reactionary force in the future Europe, especially if, as seems very probable, the struggle in Europe centres around the right of capital to its pound of flesh.

Another probable development is the immense strengthening of American Imperialism, bringing in its train a period of political and social reaction and moral and spiritual perversion. There is no reason which could lead us to suppose that the effects a fully developed policy of Imperialism has on national life will be different in the United States from what they were in Europe. In the epoch of European Imperialism liberal ideas became a farce, democracy a laughing stock. The proconsuls, the financial and industrial chieftains, the soldiers that went out to teach other