

Imperialism; "organization and steady leadership" are prime requirements, and "under our democratic system this cannot be furnished by changing party governments." This is precisely the important characteristic of Imperialism,—the reaction against democracy and the parliamentary system. "Changing party governments" are fundamental to bourgeois democracy and the parliamentary system; the abrogation of their function, by centralizing actual power in an administrative dictatorship and administrative boards, means the end of the parliamentary regime. Imperialism requires a unified Capitalism, a centralized banking system acting through finance-capital, and a centralized administrative control, parliaments being degraded to an "advisory" capacity.

The acquisition by American Capitalism of "the financial premiership of the world" necessarily means a transformation of its foreign policy. The indications of this transformation have been many, and are multiplying.

In 1913, the Administration declined to support American participation in the Six-Power Loan to China, President Wilson declaring that the terms of the loan "touch very nearly the administrative independence of China." At the time this action was considered a fundamental departure from accepted policy in foreign affairs, and the initiation of a new democratic era in international diplomacy. But in July of this year the government approved the proposed loan of \$50,000,000 to China by an American financial group, agreeing "to make prompt and vigorous representations and to take every possible step" to insure China's fulfilling its financial obligations. Moreover, the bankers are throughout to be guided by "the policies outlined by the Department of State." This is a unity of government and finance-capital characteristic of Imperialism.

The Six-Power Loan was to be secured by China's pledge of the salt tax, an internal levy, as security; its administration was to be reorganized under foreign auspices, and if this proved unsatisfactory, representatives of the powers making the loan might assume entire control of the tax—terms which, in the words of

President Wilson, "touch very nearly the administrative independence of China." But this was not the crux of the issue; the decisive feature was the political character of the loan, the governments of the bankers becoming its guarantors. The new American loan to China is based on no security at all, and in that it differs from the Six-Power Loan; but is identical in its political character, the American government becoming its guarantor. This is a political transaction; and political loans have been a fruitful source of international antagonisms. In these financial transactions of Imperialism, a government pledges all the resources of diplomacy, and as a final resort its military might, to assure the security of loans and investments in undeveloped nations.

This transformation in foreign policy is in accord with the new position of the United States as a financial world-power, and is latent with dangerous international complications.

Recent negotiations with Mexico are another indication of the policy of Imperialism. The Mexican government's most difficult problem is to limit the power of foreign capital, which secured a strangle hold upon the country's resources (and politics) through the concessions of the Diaz regime. The new constitution, accordingly, declares that "all contracts and concessions made by the former government from and after 1876, which shall have resulted in the monopoly of land, waters and natural resources of the nation by a single individual or corporation, are declared subject to revision, and the executive is authorized to declare those null and void which seriously prejudice the public interest." Ownership in lands or waters may be acquired only by Mexicans "by birth or naturalization," and in Mexican companies subject to the sovereign authority and laws of Mexico; ownership may be acquired by foreigners "provided they agree before the department of foreign affairs to be considered Mexicans in respect to such property, and accordingly not to invoke the protection of their government in respect to the same, under penalty, in case of breach, of forfeiture to the nation of property so acquired." All this is simply the assertion of the sovereignty inherent in a