In Search of a Big Back Yard

By MANUEL GOMEZ.

SECRETARY of Commerce Hoover is now indisputably the central figure in the president's cabinet. Of the entire galaxy of millionaire functionaries with which Coolidge has surrounded himself, Hoover is the only one who has any sense of unified, co-ordinated governmental policy embracing various fields. As a result he has had to absorb to the department of commerce many functions (such as the bureau of mines and the leasing of naval reserves) formerly belonging to other departments. Most conspicuous of all have been his incursions into the field of international relations. Secretary of State Kellogg indulges in official escapades and from time to time explains his mistakes in public, but Secretary Hoover's utterances on foreign affairs are nearly always connected with a definite objective. They are worth noting and pondering because they show us what the government is really striving for.

For the past few months Hoover has devoted himself with tremendous energy to writing articles, issuing statements and making speeches . . . about rubber. And now congress is engaged in a special rubber investigation, with Herbert Hoover as the star witness. Meantime, the government has conducted a widespread campaign encouraging American interests to acquire lands suitable for rubber growing. Harvey S. Firestone has startled the world with his reported acquisition of an immense rubber empire in Liberia. Machinery has been set into motion to modify the land laws of the Philippine islands in order to make possible the establishment of vast rubber plantations "under the American flag." So imminent does this prospect appear to be that the Filipino nationalists, seeing their last forlorn hope of independence under the Jones law going glimmering, have raised the cry of alarm throughout the islands. Undoubtedly rubber has suddenly become a factor of considerable significance in American and international policy.

The climax was reached a few days ago in the congressional investigating committee when Mr. Hoover, shaking a figurative but none the less defiant fist in the direction of Great Britain, fulminated about "a growing menace in international commerce and relations." Apparently not all the conflicts of the world were settled at Locarno!

The essence of the great rubber problem is a struggle between American tire manufacturers and British rubber producers. Ownership of vast plantations in the Dutch East Indies gives the British a virtual monopoly of the world's rubber supply. Less than three years ago crude rubber was selling as low as 16 cents a pound. Rubber shares were steadily declining on the London stock exchange: the British rubber companies were at the mercy of the American tire manufacturers, who constitute their greatest market. Then the British government stepped to the forefront, adopting the now-famous Stevenson price control act limiting the production of rubber. Under the stimulus of the Stevenson act the price of rubber rose as high as $1.25 a pound and has remained in the neighborhood of 90 cents. It is a perfect example of the methods of present-day monopolist capitalism, with a government functioning as the active political arm of gigantic business combines.

But that is only one-half of the picture, which is a moving picture, promising plenty of "action." Mr. Hoover makes his appearance here. He is highly indignant at the action of the British government in interfering with the divine law of supply and demand to the detriment of American tire interests. This, he says, is "governmental monopolization" and neither American business nor the U. S. government will stand for it. It is the principle of the thing—not to speak of the interest. With the old Wilsonian phrase-banners flying, the government of these United States steps boldly forward as the champion of American business against foreign monopoly.

It is not only against Great Britain that the holy war on foreign monopoly is to be directed, nor is crude rubber the sole commodity involved. It was announced at the first session of Mr. Hoover's congressional investigating committee that the investigation would cover "artificial control of prices of rubber, coffee, Egyptian long staple cotton, camphor, iodine, nitrates, potash, mercury, and sisal."

To the average American worker or poor farmer, suffering day by day under the extortion of monopoly price in this land of the meat trust, the sugar trust, the harvester trust, the oil trust, the steel trust, and the copper trust, etc., it must seem decidedly curious to see the government get so excited about capitalist monopoly. Within the last few years the United States has been the scene of some of the biggest meat packing, textile, oil and banking mergers in history, and all of them have been officially approved by the government, which is now actually taking the lead in a move for consolidation of the railroads. As for systematic limitation of production, it has been practised openly within the past two years by American producers of sugar, tobacco and cotton. At this very moment there is in existence a U. S. government commission (established, incidentally, by Mr. Hoover's department) for the express purpose of maintaining the price of oil by assisting in curtailing production!

The Stevenson act in Great Britain was, after all, only a defensive measure against the American tire magnates who, knowing themselves to be the greatest consumers of crude rubber, had presented a united front to the producers and had forced the price of rubber so low that many British companies were thrown into bankruptcy. Sisal, which is mentioned as a "governmentally monopolized" commodity because Mexico produces 95 per cent of the world's supply, has had its price controlled not by the Mexican government or the state of Yucatan in which it is principally grown, but by the American harvester trust, which purchases practically the entire output. Every attempt of the Yucatan planters to protect themselves by pooling their sales has been ruthlessly crushed. The struggle of the U. S. government against "foreign monopoly" in sisal can only mean an effort to still further intrench the monopolist control of the International Harvester Co.

The Chicago Tribune is hard-boiled about the matter. In an editorial entitled, "Yes, We Have the Bananas. But—," it laments that "we have no rubber today." It proposes that we get the rubber in the same way that the United Fruit Co. got the bananas (which was by enslaving half the population of Central America and the small islands of the Caribbeans and establishing an imperial system of rule over them—with the aid of the U. S. government). The editorial then continues in the following strain:

"It would be better for Americans to drop morals out of their complaint against British prices. If there is any way by which government interference with supply could be stopped it is American interest to find it until American rubber in the American back yard can be produced. But we have no complaint in principle against the British. We cannot afford to have. It is our principle. If our cotton growers thought they could save themselves from hard times by restricting their output and raising the price in Lancaster they'd do it if half the mill workers in England were put on the street."

Thus it is apparent that American capitalism is hardly interested in attacking monopoly. The government's fight against British monopoly means, in fact, that it is simply supporting one group of monopolists against another.

Nearly every one of the "governmentally monopolized" commodities listed by congress for investigation is a raw material used in manufacture. This is very significant, for it reveals the great changes in American economic development that are reflected in present-day foreign policy. It is not so very long since all the crude rubber consumed here could be purchased in South America, and there was no such thing as being dependent upon the British supply (even assuming that the British-owned plantations of the East Indies had existed at that time.) Not so, now. American capitalism, like all its powerful competitors in this imperialist epoch, finds it more and more difficult to secure dependable supplies of raw material for its industries. Wherefore the new wave of reasons for keeping the American flag flying in the Philippines—a tropical country where rubber might be grown, "in our own back yard," as the Tribune puts it. Wherefore Harvey Firestone's inspired move toward the conquest of a new back yard in Liberia. Wherefore the government's controversy with England and the warnings to other countries. The whole line of policy now put forward by Secretary Hoover marks the conscious and avowed participation of the United States in the worldwide struggle for possession of sources of raw materials.

On the one hand, such a policy implies sharp conflict with the similar aims of other great powers (like England); on the other hand, imperialist assaults upon the independence of less highly developed countries where supplies of raw materials are found. Under cover of Hoover's "open door" phrases we see a fight to dominate large sections of the globe.

In addition to rubber, Mr. Hoover's list of commodities includes coffee, sisal, nitrates, mercury, etc. What does it mean when our government undertakes a campaign against a "governmentally monopolized" article like coffee for instance? It is an open attack against Brazil—and Mr. Hoover told the congressional committee in so many words that President Coolidge was already "seeking to induce" Brazil to accede to the demands of the Wall Street Sugar and Coffee Exchange. The mention of sisal is a direct threat against Mexico. The mention of Chilean nitrates throws a white light upon the imperialist maneuvers of President Coolidge and General Pershing in the Tacna-Arica affair, and is a hint that they are to be continued. Mercury in included in the list as a challenge to Soviet Russia. We find ourselves face to face with a credo of American imperialism. If the rival claims of British, or French, or Japanese imperialism stand in the way they must be thrust aside.

With the rapid development of the American empire during the present century, the government has often fought openly on behalf of a particular group of American monopolists in a particular situation. Now the government makes a general declaration supporting American monopolists in general against all their competitors. It is the voice of the financial oligarchy of Wall Street, whose interests synthesize all the various industrial combines, through the unifying power of finance capital.

The voice of Wall Street dictated Secretary Hoover's "business" correspondence, copies of which he submitted in his speech before the congressional committee. The correspondence was between the department of commerce and state department and between the state department and the British and other governments. However, the communications did little good, Mr. Hoover declared. More vigorous action was needed.

"What he has learned of the secrets of governments which have set out to enrich their nationals at the expense of America," says the report of his speech in the New York Times, "Mr. Hoover deemed too sensational and inflammatory to submit to the committee in open session. He asked and was accorded an executive session in which he told the committee the inside story of these governmental manipulations and gave information on others now being contemplated. To have disclosed these matters openly, Mr. Hoover feared, would provoke international discord."

"We shall oppose foreign monopoly strenuously," Mr. Hoover is quoted as saying, "but there will be no reprisals or other offensive measures." And then he goes on to say: "The administration has asked American bankers not to finance the rubber, coffee or other monopolies, and the bankers have complied." He adds that we must be prepared to develop rival rubber plantations to those of Great Britain—perhaps in Panama or Colombia, perhaps in the Philippines. No reprisals indeed!

Capitalist competition is no longer the comparatively innocent competition of the cheaper article with the dearer. It has become a thing of competing imperialist monopolies, of great national trusts, armed and threatening. Any means to crush a rival are permissible. Cut-throat "dumping" schemes, limitation of production, tariff struggles, financial strangulation and wars!

Workers who imagine that this characterization is overdrawn need only to read the following paragraph from the newspaper report of Hoover's speech:

"The American commerce minister spoke gravely, deliberately, from a prepared statement, yet guardedly, with an evident aim to avoid sensationalism. But what he said drew the veil from a picture of great nations fighting future wars over the monopolizing of vital necessities of industry and life if tendencies now developing are allowed to go unchecked."

But it is not only a question of future wars. Wars like these have been the order of the day throughout the world for a number of years past. And the United States is part of a world system. Amberican capitalism, as has been already indicated in this article, is not the only one seeking desperately for a big back yard.

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