American Finance Imperialism in Action

By JAY LOVESTONE.

ARTICLE II.

Mexico.

Under the giuse or protecting the weaker nations of South and Central America the United States has assumed the undisputed hegemony over this territory. The Pan-American Union growing out of the Monroe Doctrine is completely dominated by American imperialists.

American bankers are the dominant figures in the International Committee of bankers in Mexico. Thomas W. Lamont of J. P. Morgan & Co. is chairman of this committee. Mortimer L. Schiff is the vice-president of the American sections. Charles E. Mitchell of the National City Bank, John J. Mitchell of the Illinois Merchants Trust Co., Charles H. Sabin of the Guaranty Trust Co., Albert H. Wiggin of the Chase National Bank, and Robert Winsor of Kidder-Peabody & Co., Boston, are among the other leading figures in this group of international exploiters. Foreign investments in Mexico indicate that American capitalists lead in oil and mining. United States investors have twice as much capital ($130,000,000) invested in oil and five times as much capital invested in mining ($250,000,000) as does Great Britain. Over $150,000,000 of American capital is invested in railroads and more than $120,000,000 in agriculture. American capitalists hold more than $25,000,000 of the Mexican national debt bond issue. Wall Street is planning to spend upward of $150,000,000 in new oil investments. There is a tendency for a heavy flow of American capital southward. New York and Philadelphia bankers have announced the floating of a new loan of $40,000,000 to the Mexican government.

In South America.

The nitrate beds of Chile; the oil, meat and wheat of Peru; the coffee and rubber plantations of Brazil; and the packing industry of the Argentine Republic; are steadily falling into American control. Speaking before the Investment Bankers' Association, on October 20, 1923, Dr. L. S. Rowe, Director General of the Pan American Union boasted that "American investments in Latin America has passed from the period of adventure to the period of helpful, productive and permanent investment. American companies are securing to an increasing extent contracts for the construction of public works in Latin America. Port works, drainage works, water works and street railway systems constructed by American companies are now in evidence in almost every country of South and Central America. Since the close of the Great War the American people have loaned to Latin America in public loans, disregarding the loans of all private enterprises over a half billion dollars. The precise amount is $529,580,000." Since 1921 American investors have purchased Chilean external bonds to the extent of $62,000,000 and internal bonds totaling $5,000,000. American investments in Chilean iron and copper mines have materially increased. Our Latin American trade has risen from $1,073,000,000 for the ten months ending November 1, 1922 to $1,440,000,000 for the corresponding period of 1923.

Our total Latin American trade amounted to only $750,000,000 in the year preceeding the war. The most notable growth is in exports, which alone will probably total close to $700,000,000 as against $208,000,000 in 1924. The Latin American countries now take 45 per cent of their imports from the United States as against less than 25 per cent in the year before the war. The official custom house returns of the 20 countries forming the Latin American group show $834,000,000 in merchandise imported from the United States in 1921 as against $319,000,000 before the war. This is an increase of over 150 per cent.

To illustrate, America's share of Mexican imports in 1913 was 48 per cent; in 1921 it was 76 per cent. Its share of Cuban imports in 1913 was 53 per cent; in 1921 it was 75 per cent. Our share of Argentine's imports in 1913 was only 15 per cent; in 1921 it rose to 28 per cent. Our share of Brazil's imports rose from 16 per cent in 1913 to 31 per cent in 1921. In 1913 Uruguay's imports were only 12 per cent from the United States, in 1921 it reached the figure of 26 per cent. The outstanding feature of this tremendous increase in trade in both exports and imports is that manufactured articles constitute approximately 80 per cent of the total purchased from the United States by South America.

The Sweep of Dominion.

Several months ago there was formed the Bank of Central and South America to specialize in Latin American investments. The importance of this organization is clearly seen when one analyses the personnel of the Board of Directors. M. Anderson, of J. P. Morgan & Co., James Brown of Brown Bros. & Co., W. Palen Conway of the Guaranty Trust Co., Walter E. Frew of the Corn Exchange Bank, G. W. McGarrah of the Mechanics and Metals National Bank, Maurice A. Oudin of the Marine National Electric Co., and E. R. Stettinus of J. P. Morgan & Co., are among the leading directors in this organization of financiers.

American capital is rapidly tightening its grip on Brazil. According to the Wall Street Journal, there is today invested close to $300,000,000 of American capital here. Federal, state and municipal bonds, railways, navigation, packing, mining, cable, coffee, and mercantile and public utility concerns form the bulk of American investments. The United States is also playing the leading role in the electrification of South America. In the last decade over $100,000,000 have been invested in this field alone, in Brazil, Argentina and other South American nations. It is safe to say that at least one-quarter of a billion dollars of American money is now invested in Argentina.

Mr. Samuel Insul and ex-Senator Lorimor preside over a corporation capitalized at more than a billion dollars controlling the main industries of the Republic of Columbia. As a reward for building a national railway this group has secured the right to exploit for fifty years more than 200 acres of proven petroleum lands for each mile of railway constructed. Our capitalists are planning to develop the iron, coal, lumber, oil, chemical, limestone, and packing house industries.

The Standard Oil Co. is getting great concessions in Ecuador, Bolivia, Peru and Argentina. In Argentina American capital is coming into conflict with British capital. The contract recently closed between Bolivia and Standard Oil gives the American corporation 8,500,000 acres of petroleum land for 55 years and the right to build and run railways, tramways, harbors, telephone and telegraph and all other public utilities.

The International Petroleum Company, 60 per cent of whose stock is owned by the Imperial Oil Co. of Canada, which is in turn 80 per cent controlled by the Standard Oil Co. of New Jersey, owns the huge De Mares concession of 2,000,000 acres in Columbia. The same corporation owns 400,000 acres in Peru, which has the highest grade of oil known today.

American bankers have concluded successful loans to Guatemala, Costa Rica, Salvador and Honduras. In Guatemala an American bank has just been set up to draw all paper money out of circulation. Haiti has just borrowed $7,500,000, Chile $44,000,000, Uruguay $13,000,000, Brazil $55,000,000, Argentine $250,000,000.

American banking interests and the United Fruit Company have just bought the International Railways of Central America, valued at $60,000,000. This is the largest American-owned railroad outside the United States. It gives direct access from the east coast to Fonseca Bay where the United States has concessions for the construction of a naval base to guard the Pacific end of the Panama Canal.

The significance of this sweep of American control cannot be over-estimated. When Dr. Rowe pointed out that American investment has passed from the "period of adventure" to the period of "productive and permanent investment" he had unconsciously touched the pitch of the whole imperialist problem and its vital import to the working class. When American capitalists invest their millions wrung from the workers in such permanent fields as mines, railways, and public utilities, they avoidably secure complete control of the country and shape the policies and politics of the governments of these weaker nations. Out of this economic condition there grows numerous alliances, ententes, and conflicts. No sooner had the United States declared war against Germany than there was an echo of American hostility in the Latin countries south of the United States.

What is more, the balance of class power and class relationships in these backward countries is tremendously influenced and colored by the fact that the basic industries are dominated and owned by foreign investors having at their beck and call the most powerful government in the world to guarantee the safety of their investments and the stability of their profits. In the words of General Leonard Wood, a stable government is a "government under which foreign capital invests at ordinary rates of profits".

Towards The East.

It has oft been said that the Pacific will be the scene of the next world war. The United States is fully aware of this political truth and has taken financial, military and political measures to prepare for such a war should it occur. American commerce with the Oriental countries is now three times what it was ten years ago, and accounts for almost 25 per cent of our total trade. Within the last year alone American trade with the Far East has increased 25 per cent. Here, as in the Latin American countries, our exports are largely of manufactured goods.

In China, American shipping and railway interests are extending their control. Wilson's withdrawal from the Six Power group has not hindered the extension of American interests. The Robert Dollar Co., the Pacific Mail Steamship Co., the Admiral Oriental Line, and the Green Star Steamship Corporation are among the leading shipping firms plying between China and America. When the foreign governments concentrated warships at Canton in order to prevent Dr. Sun Yet Sen from seizing the customs funds, an American flotilla of five destroyers participated and an American admiral was put in charge of naval operations. The Department of Commerce is now proposing several amendments to the China trade act of 1922 so as to remove the federal tax and other penalties and thus aid American corporations in Chinese business.

It has been estimated by the Union Trust Co. of Cleveland, that the recent Japanese earthquake has resulted in the destruction of 2 per cent of the wealth of the entire empire in an area covering one-seventh of the country. This has enabled the American capitalists to extend their influence in Japan. The United States is proving to be the leading banker and manufacturer in supplying the funds for Japanese reconstruction. It has been estimated that about $300,000,000 will be needed to help Japan restore its losses.

A group of American capitalists, amongst whom are found such powerful concerns as J. P. Morgan & Co., Kuhn, Loeb & Co., the National City Co., the First National Bank of New York, Brown Bros. & Co., Philadelphia, Lee, Higginson & Co., have just gotten together with about fifteen other banking firms and floated a loan of $150,000,000 to Japan. This is the largest long term foreign loan floated in the United States since the armistice and marks a positive step in advance towards American financial and commercial supremacy in the Far East.

At the close of last year there was organized in Tokio the Japanese-American Engineers' & Contracting Corporation, capitalized at $50,000,000, which is to be financed and controlled jointly by American and Japanese interests. Thru the organization of this company American capitalists have assured themselves the role of the dominant group in the reconstruction of Japan. The Tokio Electric Co., which has recently absorbed nine competing companies, has formed a combination with the Westinghouse Electric Company of America. Likewise, the General Electric Company has concluded a combination with the Shibaura Electric Works; the Western Electric Company has formed a combination with the Nippon Dento Electric Works. The hand of American capital is also suspected in the recently announced union of flour mill companies in Japan. Thru this merger six of the biggest companies with a combined daily producing capacity of close to twenty thousand barrels united. This corporation is now planning to swallow up fifteen smaller companies and organize itself into a national federation.

In China our imperialists are on their guard. At the conference of the Associated American Chamber of Commerce of China and Manilla, recently held at Shanghai, our capitalists passed a resolution demanding that Washington immediately strengthen the American marine, naval and military control in China to the fullest requirements. It is said that this was "the most important meeting an American commercial organization in the Far East has ever held". The fact that Japanese imperialism has not yet been able to collect dividends in its Siberian and Korean ventures, coupled with the fact that American capitalists are steadily extending their influence in the Far and Middle East, only accentuates the points of conflict between the United States and Japan.

In the Near East, American imperialism is also making itself felt. The famous Chester concessions, the drive for oil in Mesopotamia, and the growing interest of American investors in Palestine and Syria, indicate the direction of the trade winds here.

The Yankee imperialists have their eyes on Europe also. Wall Street has done more than its share to turn Austria into a coolie colony. Our capitalists are now landing heavily on Italian resources and bolstering up the Fascist tyranny of Mussolini. At the close of 1923, there was announced the organization of the Italian Power Co., a 100 per cent American corporation organized to finance light and power enterprises in Italy. Among the directors of this new American imperialist output are Morgan, Mellon, the Bankers' Trust, General Electric, and Rockefeller interests, displacing French and Swiss interests.

Our capitalists are interested even in the wildest thickets of African investments. In the recent Tangier controversy, involving about half a dozen European countries, the United States, that is the Stone & Webster Electric & Power interests, were represented by Father Denning, who was supposed to be bringing the light of Christianity and the power of the Savior to the backward tribesmen.

(To Be Continued Thursday.)

CLASS WAR PRISONER LIKES DAILY WORKER; THINKS GARMENT STRIKERS ARE PUTTING UP AN HEROIC FIGHT

To the DAILY WORKER: Someone has placed my name on the subscription list to the DAILY WORKER. I wish to thank that one, whoever it may be. I immensely enjoy perusing its columns. The DAILY WORKER staff most certainly are waging a beautiful fight and instilling a wonderful spirit of solidarity for and into the ranks of the striking International Ladies' Garment Workers' Union.

These striking garment workers are putting up a good fight. I wholly agree with them that strikes are won on the picket line, altho the organization in which I hold a membership card (I. W. W.) believes that strikes are won on the job. That is scientific, there is no doubt. It is too scientific for the amount of real class education that we, the masses have had. We've had the fear of the boss instilled into us even before we were old enough to walk and to expect us to very suddenly lose that fear is expecting too much. It takes more class education to successfully strike on the job than the masses will have in the next 25 years.

We are class war prisoners, victims of a war between the working class and the employing class. I am yours for ours, Bert Bland, No. 9411, Walla Walla, Wash.

(Bert Bland is one of the eight Centralia defendants, serving 25 to 40 years for their defense of the Centralia I. W. W. hall against American Legion raiders, Armistice Day, 1919. The General Defense Committee is now conducting a drive for their release and the Farmer-Labor movement of Washington is making this a campaign issue.—Editor's Note.)

Women's Political Convention.

WASHINGTON, April 22.—Twenty-five states have responded thus far to the call for delegates to a meeting to be held here early in May to formally organize the Woman's Committee for Political Action. Delegates to the national convention of the Conference for Progressive Political Action will be elected, and a program will be adopted. The movement is similar in general purpose to the C. P. P. A.

Wedded With Typewriter.

MONROE, Mich., April 22.—A typewriter came to the rescue when two deaf mutes appeared before Justice Lee Smith today to be married.

The justice pounded out the ritual, an interpreter translated it into the sign language as the justice recited it and Jacob Kaler, 35, and Mildred Comer, 21, both of Bucyrus, Ohio, were married without saying a word.