American Dollar Diplomacy in Action

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ARTICLE V.

The World Banker and Manufacturer.

The World War has given tremendous impetus to the expansion of American industry. America has become the leading industrial, trading and banking nation of the world. Abstractly one might still contend that the United States is a self-sustaining nation. But we are already dependent, if not for our livelihood, at least for our prosperity, on the world market. Our wheat growers look toward Liverpool for the price they are to receive for their produce. The cotton growers of the South, as well as the steel workers of Pittsburgh are closely interwoven with the markets of Europe. The World War has increased the dependence of the United States on the world for the disposal of its surplus.

The tremendous increase of American industrial interprises since the war can best be seen from the following figures. From 1914 to 1919 the number of establishments in our industries rose from 275,791 to 290,105. At the same time the number of wage earners in these establishments increased from 7,036,247 to 9,096,372. The capital invested in these industries rose from $22,790,979,937 to $44,569,593,771, during this period. The value of the products rose from $246,434,724, to $62,418,078,773. For instance our iron and steel and their products increased from $4,281,997,816 to $8,711,843,201. The value of our crops leaped from $6,112,000,000 to $8,133,046,000; animal products $3,783,000,000 to $6,513,600,000; manufactures $9,878,346,000 to $17,697,000,000; mineral output increased from $2,118,300,000 to $5,607,000,000; forest products $568,820,000 to $1,680,900,000.

The national income of the United States has increased from $33,200,000,000 to $52,457,000,000 in this period. From 1912 to 1922 the total national wealth of the country increased from $186,299,664,000 to $320,803,862,000 or a gain of more than 72 per cent.

Our merchant marine has grown from 5,427,536 tons in 1914 to 17,062,460 in 1922. Ships of American registry carried 45.5 per cent of our foreign trade during the fiscal year ending June 30, 1923. In 1913 ships of American registry carried only 11 per cent of our imports and 9 per cent of our exports.

America has become the banker of the world. The Department of Commerce in its annual report has stated that the world required no less than $4,692,000,000 to pay its current commercial obligation to the United States. Since the armistice November 11, 1918, European loans to the extent of $1,146,750,000 have been floated in the United States. In war debts alone the allies owe America over $11,000,000,000. America has more than half the world's gold. In the last calendar year alone the world has imported $332,715,812 in gold. How rapidly the world's gold has been drifting into the United States can be seen from the latest figures of the Department of Commerce showing that for the 11 months ending November 1923, we imported $1,608,570,909 worth of gold. For the same period in 1923 we imported $3,504,500,031. Since the war only four Scandinavian loans have been placed in London at the total value of $37,000,000. At the same time there were ten loans placed in dollars in New York at the total value of $162,000,000.

America has been turned from a debtor nation into a creditor nation. In 1915 the European capitalists held $2,704,000,000 worth of United States railway stocks and securities. Two years afterwards more than half of these holdings were transferred to American hands. In 1914 more than ¼ of the stocks of the United States Steel Corporation were held in Europe. Today the proportion is less than one tenth. Because of the great need for credit for their huge borrowings, France and England sent over the best of their gilt edge securities during the war. Thru the investment of capital abroad the United States has become the silent partner in the fate of every established order in the world. In 1923 alone American capitalists bought foreign securities to the value of $410,000,000. Our foreign trade has increased from $2,250,822 in 1913 to $7,508,424, imports from $1,608,570 to $5,013,299. In 1917 the United States exercised political or territorial control over 67 per cent of the petroleum produced thruout the world, and over 72 per cent of the petroleum produced was in the financial grip of Wall Street. The 1913 oil production reports show that 72.5 per cent of the total world oil supply estimated produced was in the United States. Adding the quantity of crude oil imported, one finds that the United States today controls at least 80 per cent of the world's available oil supply. But nearly 50 per cent of our own petroleum resources in the United States have been exhausted. Thus about 7.8 of the estimated world oil resources now lie outside of the United States. This accounts for the growing attention that the United States is paying to Mexico, the Caribbean republics, and the South American republics which fall in the second greatest oil area in the world.

Of the supply of corn estimated as having been raised in the world in 1923, the United States produced a quantity more than three times as great as that of all the other producing countries combined.

Nearly three-fourths of the world's known coal reserves are in North America. More than half of the world's supply is in the United States. Out of the estimated supply of coal produced in the world in 1923, 1,335,000,000 metric tons, 43.5 per cent were produced in the United States. A noted French economist summed up the European view of the American imperialist power in this fashion, "One fact dominates all others: the rise of the United States to world hegemony. Lord Robert Cecil has compared the position of the United States after the great war with Great Britain after the Napoleonic wars. That comparison is not quite exact; because the British hegemony was even essentially European while that of the United States today is universal, controlling an immense reservoir of raw materials of manufactured products, and of capital, the United States has become an economic centre in connection with which all the world must work and trade."

(To Be Continued Tuesday.)