# TOWARDS WORLD DOMINATION

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AMERICAN imperialists are embarking on new ventures towards domination of the world market and the sources of raw material.

Our capitalists are beating new paths towards greater spheres of influence and financial and industrial world supremacy.

**The recent loan to Japan, not so much because of its size, but rather on account of its terms and intent, is a milepost in the development of the American capitalist imperialist empire.**

**A Gigantic Loan.**

When such guiding forces in American financial and industrial life as J. P. Morgan & Co., Kuhn, Loeb and Co., the National City Co., the First National Bank of New York, Brown Bros. & Co. of Philadelphia, Lee, Higginson & Co., the Mechanics & Metals National Bank, and the Bankers & Equitable Trust Companies of New York get together with more than a dozen other big banking firms to float a loan of $150,000,000 it is an event of extraordinary significance in the development of American commercial supremacy.

The new $150,000,000 Japanese government loan is the largest long term foreign loan floated in the United States since the Armistice. In view of the high credit of Japan, the general improvement in the field of investment, and the easier money tendency in the market, the price of these bonds is regarded in banking circles as a highly generous figure—a sure sign that original purchasers will profit by market appreciation.

Since the Armistice, November 11, 1918, European loans to the extent of $1,146,750,000 have been floated in the United States. Perhaps no better proof is to be offered of America's becoming the leading creditor nation of the world than that of this gigantic sum only $108,020,900 has been paid. The balance is still outstanding. An examination of the European government and municipal loans made by American bankers since the Armistice, shows that Austria, Belgium, Czechoslovakia, Finland, France, Italy, Netherlands, Norway, Sweden, Switzerland, and Great Britain have borrowed heavily during this period.

It is especially important to note that tho England gave the Imperial Japanese government better terms, American bankers assumed $150,000,000 while British bankers lent only $107,000,000. The English bankers were allowed to draw 6% interest. The American bankers are to draw 6½% interest. At their respective maturities and terms the British financiers will receive 6.96% while the American bankers will draw 7.10%.

The money is to be spent mainly "to purchase materials and supplies for the reconstruction necessitated by the earthquake and fire of 1923" only a small portion of this big loan is to be employed to cover bonds about to mature. The government's reconstruction program provides for an expenditure of about $700,000,000. Of this sum, no less than $390,000,000 will be spent to purchase materials outside of Japan.

**Significance of the Deal.**

In a sense the terms of the loan indicate a highly important departure from the customary procedure characterizing American banking methods.

It has been the practice of England to make loans on the basis of the borrowed money being expended by the debtor nation in the purchase of commodities manufactured in British territory. By this method British bankers and industrialists have for a long time been tremendously aided in maintaining their role as the rulers of world finance and manufacturing.

Several months ago, there was a campaign to float an Indian loan in London. A motion was formally made in Parliament that at least 75 per cent of this loan is to be spent in England. The motion was defeated simply because it was pointed out that there is no need of such action since experience has shown that in the past at least 95 per cent of the money from British bankers borrowed by India was voluntarily spent in English markets.

**America and Japan.**

Not many people realize the extent to which Japan's economic relations are bound up with the United States. Forty-five per cent of the exports of Japan go to the United States. America is by far Japan's best customer. China, which is second, takes only 24 per cent of the Japanese exports. Great Britain takes only 3 per cent. Of the five commodities exported by Japan to the United States and accounting for sixty-six per cent of our imports from Japan, raw silk ranks first. Ninety per cent of Japanese raw silk is sold to the United States. This means that 36 per cent of the entire Japanese export trade is provided for by shipments of raw silk to American manufacturers. The United States purchases a third of Japanese pottery and 90 per cent of its tea. For the fiscal year ending June, 1923, we exported to Japan, commodities valued at $213,000,000 and imported from Japan commodities valued at $372,000,000. In the same period, we exported to Japan, 363,668 long tons of steel. The demand for steel by Japan will unquestionably increase steadily until the reconstruction requirements are met.

The United States supplies Japan commodities more than twice as much in value as any other country—31 per cent of Japan's 1922 imports were from the United States. Raw cotton, machinery, lumber, iron bars, rods and plates, kerosene and construction material were purchased by Japan in the last fiscal year to the extent of more than $200,000,000. Automobiles, leather, iron tubes, paper and paper pulp, railroad equipment, nails and lead, etc., were purchased by Japanese agencies in the United States last year to the extent of about $100,000,000.

American capitalists are also making heavy investments in Japan. At the close of last year, there was organized a powerful Japanese-American Construction Company of Tokio. This corporation, known as the "Japanese-American Engineers & Contracting Corporation," is capitalized at $50,000,000, is to be financed and controlled jointly by American and Japanese interests, and is to establish branches in other parts of Japan as conditions demand. Thru the organization of this company American capitaists have assured themselves the role of the dominant group in the reconstruction of Japan.

Recent months have also seen American electrical interests secure a strangle-hold on the Japanese electric industry. The Tokio Electric Company is the largest corporation of this character in Japan. It is capitalized at $111,000,000 and has recently absorbed nine competing companies. This concern has just 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 American interests are vitally concerned with the tremendous possibilities afforded them to reap fabulous profits in the electrification of Japanese railways.

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.

**Effect on Japan.**

The steady encroachments of American capital on Japanese resources and the growing dependence of Japan on the American market spell events of intense complication and danger in the future relations between the two countries.

Japan is today in the throes of a serious political upheaval rocking the very foundations of the government. There is a gigantic struggle now going on in Japan for increased popular participation in the government. Besides, the country is involved in a severe economic crisis, because of the great losses suffered thru the earthquake and fire. The people are holding almost continuous mass meetings in the ruins of Tokio, demanding greater democratization of the government.

**The Germs of New Wars.**

The establishment of American imperialist hegemony in the Pacific is a menace to the peace and security of the working masses of the United States. The bonds bearing interest to be received by the bankers of Wall Street also bear the germs of new devastating wars.

American commerce with the Oriental countries is now three times what it was a decade ago. Our trade with the Far-East accounts for almost 25 per cent of our total foreign commerce. In the last year alone, we increased our trade with the countries of the Orient by 25 per cent.

But Europe is swiftly recovering its poise in the conflict for commercial supremacy in this theatre of world capitalism. According to the Department of Commerce reports of January 21, 1924, Europe is gradually regaining its trade with the Far-East. The government, in its anxiety to help American capitalists maintain their advantages they won during the war, is planning to organize a campaign of propaganda to win over the working masses of this country to the necessity of protecting the Far-Eastern markets against foreign competitors. The slogan of our imperialist government is "American must be supreme in the Pacific." Before the war, the German capitalists had as their battle cry, "We must drive to the Near East." Today the American imperialists have as their war cry, "We must drive to the Far-East." In view of the collapse of the European market American bankers and manufacturers are more and more concentrating their efforts at world supremacy in the Latin American and Far Eastern spheres of influence and markets.