

THE COMING CRASH

An Economic Interpretation of
Present Day History.

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When history comes to record the diplomacy leading up to and attending the prosecution and conclusion of the great war, there will stand forth the figure of a man, at once magnificent and futile, heroic and tragic, an idealist—executive chief of the greatest capitalist State the world has seen—President Woodrow Wilson.

No dramatist of antiquity, no playwright of the Elizabethan Age ever conceived so terrible a plot, so awe-inspiring a setting, so complete a ruin as this in which Wilson is the chief actor. There is something about this American professor and his political career sublime in the extreme and yet so pitiful. He is a man beating against the fate of the world, a man striving to hold back the furies of revolution.

Society goes hurtling to the universal catastrophe which the writer of "Capital" foretold. Capitalist civilisation is reaching its culmination impelled by the fearful momentum of its evermore frenzied career.

The Catastrophe Delayed.

Ten years ago it seemed to most of us that we should, without any serious disturbance, evolve from Capitalism to Socialism by legislative action of a most eminently constitutional character.

A little while before, and certain theorists of continental Socialism had come to the reasoned conclusion that Marx had been mistaken in his forecast of capitalist concentration and centralisation. There was much in the circumstances of the time that pointed to this revisionist judgment. The theory of increasing misery—sometimes misquoted in all sincerity as increasing poverty—appeared to be an error. The "eighties" had passed without the collapse of the system. The unrest and strife of that decade ended without attaining to the seriousness of a crisis. Imperialism opened up State-aided markets for a commercial system that hitherto had eschewed paternalism and governmental patronage. Capitalism entered into a new phase and the middle classes experienced a renewed prosperity, if not a new freedom. They thought themselves safe, but it was the

security of a well-paid proletariat and not of an independent bourgeoisie such as their fathers had been.

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Europe's Plunge into War.

About a decade ago fortune took another turn, and the capitalist world entered upon a new revolutionary cycle. The governments avoided it for a space by the promotion of frantic armament outlay and the great interests quietly drew together whilst the politicians beat their tom-toms of financial and social reform.

In this country Lloyd George promoted his bogus Budget and concealed its unreality by means of an equally purposeless duel with the House of Lords. Then he brought forward his Insurance Bill and, hard upon that, a stage-managed plot was engineered in Ulster to distract public attention from yet another dismal failure.

Whatever Lloyd George thought he was trying to do, the big interests took very great care to prevent him interfering with their actual Government of the British Empire. He was the right kind of a demagogue to put immediately behind the footlights, ready with a continuous and varied patter and all the facility of a quick-change artiste.

After five years of deadly intrigue and furious naval and military competition, Europe plunged into war and headed straight for anarchy. The system of producing articles as commodities to be sold at a profit rather than as goods to be utilised had got out of hand and, their ideas demented and their prejudices inflamed, the helpless rulers had violently collided. *Laissez-faire* had yielded to Imperialism, Imperialism had assumed the guise of Secret Alliances and Militarism. The following stage was War. The class conflict was obliterated in the battle of States and their armed peoples.

The better to wage war, the governments actively encouraged, stimulated and even commanded their industrialists to combine and to consolidate their interests. The capitalists hesitated, allowed themselves to be controlled, and then offered their services to the governments as controllers of their "nationalised" undertakings. The State assumed control of industry and the capitalists assumed control of the State, using its machinery to further their designs and to protect their interests.

At the same time the Allied nations discovered that whilst commerce absorbed the output of commodities all too leisurely, so that leaden-footed demand lagged behind supply, war devoured insatiably the most prolific produc-

tion of competitive industrial machines. They manufactured munitions by the million and competitive consumption cried aloud for billions to replace them.

Meanwhile, men were needed for the army and non-industrialised nations like Serbia, Russia, and Italy, clamoured for arms and stores. Devastated Belgium and invaded France were in similar plight and, in despair, the Allies, through France and Britain, turned to the United States to make good their deficiency.

Across the ocean was the Land of the Almighty Dollar. That great federation of States was an immense treasury of grain, animal foodstuffs, clothing, boots, timber, and steel. It had the finest machine-shops out of Germany and a fabulous potential capacity for munitions.

America's Hold on the Allies.

Unfortunately, trade necessitates an exchange of values, and Britain and France were too preoccupied to produce commodities for export. Paper was worth the amount of labour involved in its production—that, and no more, and gold was too precious to lose. Some of it had to go West, but in two and a half years not more than £200,000,000 was transferred from Europe to the United States. Besides, there was not gold enough to pay for the demands of the Allies. However, Britain and France had lent to the capitalists of the United States more than £1,000,000,000, which had never been repaid, and, in addition, they had enormous mortgages on Central and South America, not to mention Canada.

The British Treasury began to advertise in the Press its desire to buy American and other foreign bonds and stocks owned by its subjects, who hastened to exchange these for Government script at a sacrifice—to their country. The British Treasury then “swapped” these bonds and stocks with their American agents for munitions, the latter making a profit on the deal. In this way the Americans paid off their debts, capital as well as interest, and still the Allies wanted more supplies. Then, the Americans began to lend munitions or, rather to lend to the Allies the money to buy munitions, taking promise of payment in the form of claims on British property. So the Americans became creditors to the Allies, and with the growth of their credit holdings their enthusiasm for the Rights of Small Nationalities waxed exceedingly. They discovered, being the sons of the Pilgrim Fathers of Puritan New England and Pennsylvania, the pro-

found truth of the saying, "Wheresoever thy treasure is, there will thy heart be also."

So far we have endeavoured to trace simply and yet explicitly the successive stages through which British capitalism passed during the decade 1908-1918, and the course it followed in its subjection to the domination of its former dependant financial system of the U.S.A.

How Idealists are Exploited.

Needless to say, the Press and politicians of both nations have, even where they have been conscious of the process involved, carefully avoided making more than casual mention of this material transformation of underlying social and political determinants. The American people have been swayed by the Morgan dominated newspapers, as ours have been bemused by Northcliffe, Beaverbrook, Hultons, and Odhams. There is a middle-class idealism easily transmuted into political enthusiasm and national assertiveness which convinces its devotees of their disinterested and humanistic mission to regenerate and to rescue mankind. This morality is seldom consciously hypocritical, but it can be shamelessly exploited by vested interests which scrupulously conceal their real objective. The United States is the most stupendous illusion known to history. Its democratic constitution is a veiled despotism of private property carefully framed, amended and strengthened by successive generations of landowning, banking and transportation lawyers, from the notorious Hamilton to the ingenuous Taft. The people of the U.S. have been endeavouring to make their propertied state into a free democracy for nearly a century and a half, and have found themselves outwitted at every turn because, however much the politicians changed it, the more was it the same thing—a means of safeguarding property.

U.S. Capitalism Hardly Yet Challenged.

Working men's parties, Grangers, Populists, Henry Georgites, Silver Currency advocates have all been fighting to hold back the power of "Big Business," to break up trusts, to check the railroads, to stop the land thieves, to defeat the bankers. The rank and file of the Democrats and many Republicans have been doing battle for what they conceived to be identical aims. But in America Capitalism has scarcely been challenged either by a strongly entrenched feudal caste or a homogeneous and completely dispossessed working class. There the battle has been for access to and

enjoyment of the land and ready money at low rates of interest. But American landlordism is purely capitalistic, seeking estates for exploitation on modern lines, and can never be uprooted save by controlling and subduing the accumulators of immense funds available for bribery and purchase.

The disappearance of settlement, timber and mineral lands from the public domain into corporation ownership; the subsidising and raising above all legal restraint of the railroads and franchise concerns; the acquiescence of government in the strangulation of the small business man, farmer and trade union; the shameless corruption under McKinley and Taft, and the deliberate humbug of Roosevelt's inspired "trust busting" campaigns made the American populace extremely discontented from 1904 onwards to 1912.

The Presidents and the Trusts.

Cleveland had been little better than a railroad and banking "crook." McKinley was the nominee of Carnegie and Morgan. Bryan was weak but dangerous to "Big Business." Roosevelt had been told "to holler all he liked," done so, and been found out. Taft was unashamedly in with the powers that be, whilst Governor Hughes was pliable as elastic in the hands of Rockefeller and Morgan.

There was required in "the supreme executive" a man of sterling honesty, a man with no axe to grind, a man transparently sincere and philosophically abstracted from the parlours of Wall Street. A man who willed to go straight, who could write like a gentleman and not like a cross-bred lion-tamer and meat-packer, whose oratory would at once uplift and enthuse "the free and sovereign" Dubs of the Dollar Democracy. Let him initiate what legislation he might. They had "packed" the Supreme Court of the United States, the Supreme Court of Appeal, empowered by itself to interpret the constitution and to nullify practically every law and every executive act, packed it so that, sooner or later, they could leave Wilson's reforms mere shells upon the deserted beach whence the waters of disillusioned democracy had retreated.

Such a man, a professor, an academician, a courtly gentleman, a polished replica of that other great hero, Abraham Lincoln, behind whom their fathers had practised their infamies, was the last hope of American Capitalism, the last hope—as it chanced—of Capitalist civilisation. It was Wilson or Debs. The American workers were offered and selected Wilson.

Wilson and the Money Trust.

At that very time "the Money Trust" had been on its trial—the usual harmless "investigation." It had been exposed and "dissolved." There is nothing so opportune for a trust as to be "dissolved." All the little fellows get alarmed and sell out at a loss, and the big fellows "re-organise" themselves into an enormous profit obtained by devious methods of unloading fresh paper on the public. The trusts were reviled, exposed, fought at the election, investigated again and allowed to re-form themselves. "The Money Trust" could see what was happening in Europe. The Schiffs and the Armours were "in" with the Hohenzollerns, and the Morgans, Vanderbilts and Astors frequented the Court of St. James. "The Money Trust" had billions of funds—largely borrowed from our gilded aristocrats and the European *noblesse*—awaiting investment overseas. It wished to remain discreetly in the rear, alternately reviling—with its tongue in its cheek—and applauding—with a knowing wink—the one just man, the Aristides of New Jersey.

Woodrow Wilson created an atmosphere. America became officially idealistic, gentlemanly, honourable. Even the Socialists of Europe forgot the Standard Oil Wagon, and saw only the Man who held the Light.

What Peel was to the '48 is—or may be—Woodrow Wilson to the '18. Peel saved Toryism by transforming it into Conservatism. Wilson may save Capitalist Imperialism by making it into a benevolent despotism called a League of Nations.

"God's Own Country."

The American Continent and India have been the vast areas of exploitation and development which have made possible the expansion of modern capitalism.

To an extent little understood, except by those of us who have needed to search into the past history of Bristol, Liverpool, and Glasgow, they contributed the easily won profits which helped to promote the agricultural and transport developments of the 18th and early 19th centuries, to finance cotton manufacture, and to build up banking houses. They gave of their plantation grown tobacco and sugar, of their cotton and their tea, the abundant raw materials and food-stuffs of the Industrial Revolution.

Cannings and Palmerstons, Finlays and Gladstones, Harfords and Stanleys, merchants and landlords, statesmen and officials owned properties in or drew revenues and

salaries from Jamaica, Virginia, and the Gulf lands. One landed class, one social order lived in the Old South and the Old Country. Pennsylvania and Darlington, Massachusetts and Manchester, New York and Liverpool traded and married, sharing a common individualism and a similar child slavery. U.S. State loans were floated in London, and Wall Street became first the Cotton Exchange, and then the Gold Market between Manchester and New York.

Britain's Wealth in Yankee Pockets.

Britain's wealth, the fabulous fortunes of Lancashire and the swelling rent rolls of the nobility financed the North or encouraged the South. They flowed on and over into Vanderbilt's railways. They "built" iron roads to the Pacific, and came to a halt in Gould's fathomless pocket.

The Britishers wearied of this, and certain Dundee capitalists—they are careful in Dundee—sent out to explore the elusive track they had financed.

From 1875 onwards, for a generation, the British and the Dutch entrusted J. P. Morgan with the salving of their mortgages and the reorganisation of "their" companies. He took their money and made millions for himself, and more millions for his clients. He was *persona grata* with Edward VII. They were both connoisseurs of art! With European millions Morgan syndicated the semi-bankrupt properties of a score of industries, and managed the profit syphon-system of several old-established shipping interests. He traded credit. He bought and sold a legal claim to the labour of the international proletariat.

The Patriotism of J. P. Morgan.

J. P. Morgan was—and his firm remained—pro-British. He was a great patriot, financing the U.S. Navy League at the same time that he was reorganising the U.S. Steel Corporation after that penny-in-the-slot meter had collected £200,000,000 of cash in exchange for engraved and water-marked paper. He died surrounded by old masters and priceless muniments and crockery. He left millions and a market on to which the Standard Oil wagon was coming, to carry all before it.

Standard Oil used other people's money to develop American industries, and hurled its battering rams at every rival across its path. It conquered gas and electricity at home; electric apparatus manufacture at home, and, to some extent, in Britain; tobacco and sugar at home and abroad; copper, contracting, farm mortgaging, foodstuffs,

and some fifty thousand miles of railways. It swept into insurance companies, debenture trusts and banks. It moved into Alaska. It pioneered for "Democracy" in Mexico. It spread its expansive hand over the Philippines and Cuba. Standard Oil is "progressive." It is inclined towards Free Trade in theory. It thinks internationally. It has shown a sympathetic interest in the Democrats. J. P. Morgan and Co. "ran" Roosevelt's "Progressives," and then returned with their party into their old Republican machine. Rockefeller's minions crowd around Wilson.

Standard Oil and British Securities.

For a time the war made J. P. Morgan and Co. mightier than ever. They were bankers to Britain. They bought munitions and supplies for Kitchener's Army. But it was Schwab and Bethlehem who won the ear of Kitchener and booked gigantic orders for guns and shells. When Morgans placed their orders they had to deal with Standard Oil's subsidiaries, and to hand over to them the major part of the British securities in which payment was made.

When Britain was paying in stocks and bonds, rather than in valuable commodities, Morgans were paying out to Standard Oil the very rope on which they hung, and whereby they held control—as bankers—of American business. Britain's need was so overwhelming that Standard Oil could exact its price as producer, and it had long shown a disposition to be its own banker, and to dispense with the pontifical intermediary between London and its own land of hope and glory. It had copper—essential to military munitions. It had oil fuel for the Fleet. It had food for the Army. It had sugar. It had timber. It could supply tens of thousands of wagons from its engine shops and electrical plants.

In exchange it became master of credits. It hoarded gold. Then it came forward and founded a great foreign investment trust so that its new gold, stored away in unnecessary volume, now that the passing of the Federal Reserve Act had mobilised money under State control for private security, enterprise and profit, might "go adventuring." The National City Bank of New York, which is the Standard Oil bank, founded the American International Corporation about November, 1915.

The New South.

Besides Standard Oil but, apparently, working harmoniously with it, were certain other financial interests which the vast expansion of American industrialism in more recent

years has thrust into prominence. These new forces have come into being not in the old strongholds of the Republican Party, Pennsylvania, New York, and New England, but in the West and the South, some of them in areas which have been backward economically and in politics have cherished the old rancours and regrets of that South, beaten by, and then become indebted to, the prosperous North. West Virginia, Alabama, and Tennessee have now not only recovered completely from the handicap of slave labour and the ruin of the Civil War, but have developed a prodigious industrial vigour in such vital necessities of capitalism as the mining of bituminous coal and the making of basic steel. Favoured by Nature with vast and readily accessible resources of coal, iron, limestone and phosphates, a most fertile soil and several rivers, navigable from the mining and manufacturing areas to the sea, they are now ready to export coal and to enter the world market with their steel.

McAdoo, Secretary of the Treasury from 1913 to 1918, Wilson's son-in-law, was a corporation lawyer and tramways promoter from the very heart of this region.

The Journal of Political Economy (University of Chicago) said: "Come to think of it, Wilson had an asset in his Princeton affiliations, not excepting his close friendship with Cyrus McCormick, who, although a trust magnate in the West, was, after all, a Virginian proud of his pedigree." (Vol. XXV. 1917. P. 279.)

It is this McCormick, of the greatest of all American engineering concerns, the International Harvester Company, whom Wilson has had to advise him in Paris.

That brings us to the Middle West, where, politics aside, certain mighty manufacturing concerns had come to the front. Besides the International Harvester Company, Chicago had the "Big Five" meat packers, a colossus which, having come to dominate the foodstuffs market of the United States, had been strengthening immeasurably its sinister hold upon Smithfield and thrusting forward in other directions.

So Standard Oil grouped with itself other interests, including electrical contractors, bankers, and manufacturers of all kinds. The National City Bank of New York began to publish *The Americas*, a Pan-American monthly, devoted to the trade of South and Central America, where McAdoo was negotiating commercial arrangements with the Latin Republics to trade their coffee, meat, and hides in dollar rather than in the sterling exchange, which it had become so hard for them to get.

South American Trade Goes to U.S.

South America could no longer obtain machinery and manufactures from Britain, so she turned to New York, and there found Standard Oil eager to do business with her. The American International Corporation secured the Rockefeller shipping lines at San Francisco, and began to replace the British tonnage on the American coasts. It formed, with its allies of the Meat Trust, a refrigeration syndicate to supply the Allies with carcasses from Uruguay. It bought a banking business, the International Banking Corporation, which had done much agency work for the Germans in China and the East, and set to work to transact banking business in London and the Far East, to solicit British and Indian trade as a banker advancing short-date loans and transacting bills, to buy up hides and leather on a great scale in Asia, and to strike its tentacles, through the Russian Corporation, Ltd., deep into that country of fabulous potentialities.

America's "Place on the Ocean."

When the U.S. decided to build a mercantile marine McAdoo was again "the initiator," and the American International Shipbuilding Corporation was formed by the same interests to act as shipbuilders to the United States Emergency Fleet Corporation.

Prior to the Great War, Britain accounted for 47.9 per cent. of the world's ocean-going shipping, whilst the United States had only 4.6 per cent. In 1911-12 less than 9 per cent. of American foreign trade was borne in U.S. ships, and American yards and engine shops only turned out some 200,000 tons of sea-going ships a year under normal conditions. Now all this has been changed almost out of comprehension. In 1915, the American International Corporation, dominated by Standard Oil, acquired the New York Shipbuilding Company to await developments. In 1917, when America entered the war, the Bethlehem Steel Corporation, whose profits can be estimated from the fact that it then had £50,000,000 of British orders, had also the largest shipbuilding facilities in the States, great plants in New England, on the Delaware, and in California. It laid out several immense new yards, bought a number of independent steel works, and enormously extended its plants for making ship steel. It booked great orders for British shipping.

Wilson's Sea Shuttles.

Then the American International Shipbuilding Corporation was made the shipbuilding agent of the U.S. Government, which had promoted a company in which it held a majority of the shares, and whose purpose was to be to build or acquire ships and to lease them to American subjects to operate. The U.S. Government, meanwhile, took possession, for the period of the war, of *all* ships building in American yards, regardless of whether they were to American or Allied orders. A monster yard was laid out at Hog Island, below Philadelphia, where fifty parallel slips were built. This was leased to the International Corporation, and in its establishment 7,500 tons of steel are used up day by day. At Boston, on the Gulf of Mexico, at Seattle in Oregon, at San Francisco and Alameda in California, at Shanghai in China, and even in Japan, ships by the score and hundred are being built to the order of the U.S. Emergency Fleet Corporation, or of its agent, the International Shipbuilding Corporation. The chairman of the U.S. Shipping Board said quite recently:

Our railroads must no longer stop at the ocean. We are building a merchant fleet of 25,000,000 tons. Vast American passenger and cargo liners will run regularly to every port in Latin America, the Orient, Africa, and Australia. . . . Once more we shall have a real U.S. merchant fleet under way, backed by far-reaching policies for efficient operation.

The American International Corporation has, meanwhile, secured control of the International Mercantile Marine Company, and hence of the White Star, American and Leyland lines. Some of these are under American official control, some have been under British, but the profits on their huge new fleets, value £18,000,000, are dominated in America, and the U.S. Government as yet has declined its consent to the sale of these ships to a British syndicate.

• "Charlie is My Darling."

Charles M. Schwab, the "hero" of the Carnegie armour-plate frauds, whose operations in the Shipbuilding Trust were compared by the *New York Evening Post* to the achievements of Whitaker Wright, was, according to a writer in "Syren and Shipping," appointed head of the U.S. Emergency Fleet Corporation at the personal and insistent request of President Wilson. He has since vacated this post to accompany Wilson to the Peace Conference.

"Charlie" Schwab was one of Andrew Carnegie's young men at Homestead Works, where he became manager im-

mediately after the strike. When the Carnegie Steel Company was absorbed into the U.S. Steel Corporation, Schwab seems to have been the man who got for Carnegie its absurdly inflated purchase price. It is generally held that he over-reached Morgan very badly, but as Morgan always "passed it on" to the "guinea-pigs"—that elegant and appropriate Stock Exchange slang for mere capitalists—he does not seem to have troubled himself. Schwab could not, however, work harmoniously with Standard Oil's head executive officer, H. H. Rogers, so he soon withdrew from the presidency of the Steel Corporation, and took over the Bethlehem Steel Works, near Philadelphia. What he bought it for I do not know, but his "sale" price for it when he formed the U.S. Shipbuilding Company in 1903 was \$9,000,000.

The details of this transaction cannot be told here. Enough to say that the Official Receiver said that "the U.S. Shipbuilding Company was absolutely at the mercy of Mr. Schwab," spoke of the "enormous and unlawful appropriation of stocks and bonds" by Schwab, of "false statements to the public," and of "the easy conscience" of financiers. The whole story may be read in Moody's "Truth About the Trusts." It is one of the worst scandals of even that thieves' kitchen, Wall Street.

Schwab reclaimed from the wreck the properties of several great shipyards on the Atlantic and Pacific coasts, and built up old John Wharton's sometime Quaker Bethlehem into the world's mightiest ordnance, armour-plate and shell plant.

When America entered the war Schwab had added the Maryland and Pennsylvania Steel Companies to his business, and now the war is ended the Bethlehem Steel Company has joined in with several other very big concerns, in the formation of the Consolidated Steel Corporation, and the *Board of Trade Journal*, (13/3/19) says "it is thought that in time the Corporation will represent all the steel manufacturers of importance, excluding the U.S. Steel Corporation." This corporation has been formed to act as selling agents for these steel concerns, and purposes to construct the material framework of the League of Peace.

Only the other week the *Iron and Coal Trades Review* lugubriously reported that huge orders for rails for France, Italy and Denmark had gone to the U.S.A., where prices were tending to fall as ours showed signs of rising. Sir Adam Nimmo, the great coal-owner, writes in the *Compendium* for December:

With her large output and low cost of production and her large Mercantile Marine Fleet she will doubtless be able to bring very great pressure to bear upon our European markets in an effort to displace British coal.

The Ford Works is devoting great effort to the turning out of vast fleets of farm tractors, and Henry Ford hopes to do wonders with these in South America and Asia. McCormick, of the Harvester interests, is at Paris with Wilson considering the agricultural regeneration of Central Europe and of Russia. *Dun's Review* reports: "Formerly London was the rubber centre of the world. . . . The war has changed this. . . . New York is at present the world's principal rubber market."

Power—Electrical and Financial.

We are hearing to-day a great deal about the electrification of industry and transport. McAdoo, when Director-General of the U.S. Railroads, strongly recommended their electrification. The development of the whole North-West of the U.S. is in the hands of the hydro-electric combines—also predominantly Rockefeller, and the organ of the National City Bank of New York "sees the promise to-day of an enormous development of electrification."

Amongst the various powers which its charter of incorporation has given to it, the American International Corporation may acquire interests in public utilities in foreign countries. This opens out a vista of anything but agreeable possibilities in connection with the electrification projects which are now being discussed in this country, and the American hand may be more subtly concealed on this occasion than it was some years ago in the promotion of the Underground Railways of London.

These Standard Oil—National City Bank interests are very strongly entrenched in this country. In America McAdoo used to be an official of theirs in the underground tunnels of New York. Sir Albert Stanley was their manager in the Public Services Corporation of New Jersey.

Coal, Copper, and Cotton.

Besides the proposed "American Coal Exporters Incorporated" there are already in existence a new combine of copper producers, the Copper Export Association Incorporated, and the Textile Alliance Export Corporation, an association of the National Council of Cotton Manufacturers, the Association of Cotton Textile Merchants, the American Association of Woollen and Worsted Manufacturers, and the National Association of Wool Manufacturers.

The textile workers of Lancashire and Yorkshire will be interested to learn that "at first the Corporation will devote its attention entirely to European countries."

The British interests may, and probably will, struggle furiously to escape from the tentacles of the Oil Octopus. If they get free to fight for the recovery of their markets, does not this estimate of America threaten us with an appalling alternative? "It is," says the *Compendium* (organ of the shipping, iron and colliery interests), "every day becoming clearer that it is America, rather than Germany, which will be our future competitor for world trade."

No More Worlds to Conquer.

In addition to these manufacturers' export associations, to which the Webb-Pomerene Act of 1917 gave sanction, the famous and futile Sherman Anti-Trust Act notwithstanding, there are a number of corporations for financing over-seas trade, legalised by the Federal Reserve Act of 1913, which have recently come into being. These bank and discount houses will enormously facilitate the baresark onrush of the American commodity-mongers, seeking to cheat their fate by hurling billions of dollars' worth of products still more to confuse that mad mêlée in which this demented and degenerate capitalist civilisation feverishly foots its last wild Dance of Death.

There is the Mercantile Bank of the Americas owned by Brown Bros. and Co., Seligman and Co., the Shawmut Bank of Boston, the Guaranty Trust Co., the Central Union Trust Co., and other banking concerns. This Pan-American bank has since promoted the Mercantile Oversea Corporation. Schwab's money-box, the Chase National Bank and some dozen other banks have formed the American Foreign Banking Corporation. Last year the Mercantile Bank of the Americas, the Guaranty Trust Co., the Bankers' Trust Co., and four Pacific Coast banks organised the Asia Banking Corporation to exploit the Northern and Central Provinces of China, Manchuria, and South-Eastern Siberia. I have the best authority for stating that in India and China, as in France and Belgium, American banking interests are displaying an ever-widening influence.

With our premier Trans-Atlantic steamship companies bunkering in American ports with American coal, with our South American markets overrun by U.S. traders and financiers, with our British merchants beset by American bankers and traders to transact their business within the Empire, with orders from Allies and Neutrals pouring

past our shops to America, we realise why the President of the National City Bank of New York urges Americans "as a nation to think internationally." New York has become the new monetary centre of the world. The United States is "a creditor nation."

These forces can be judged as to their economic and political strength when the "*Bulletin of the American Chamber of Commerce in London*" estimates the loans made by the U.S. Treasury to foreign Governments at the end of November at seven billion dollars. Those borrowings still continue, and must yet become greater by billions.

Comrades, Come Rally!

That is the prospect. That is the future before us. Under Capitalism, regardless of the party and policy of the ruling class, its Presidents and its Premiers, it is War or else a League of Nations, masking a super-national capitalist despotism. This, dimly foreseen, led me into court three years and more ago. This has come of contracting in the United States for munitions of war. It had to be. Looking back from the present, I say with emphasis it is well that it has been. It has hastened the inevitable collapse of Capitalism, the universal catastrophe which, sooner or later, had to come.

The capitalist system shivers from pole to pole. It is "down and out" over the Old World from the Pacific Ocean to the Rhine. The economic strength and the political power of the Counter-Revolution are in Britain and the United States.

What a challenge to the industrially and politically organised workers of those two great nations! What a trumpet call to the English-speaking proletariat! What an inspiration of solidarity to knit in one working-class movement, in one far-flung propaganda, in one mighty fighting force the Socialists of Britain and America! Is it too much to ask that on both sides the Atlantic, and far away to Australasia and United South Africa, my comrades will read and ponder this plea for a closing of the ranks, for a rally of the Socialist forces to march to the aid of our struggling comrades elsewhere, and together to batter down the last and proudest strongholds of Capitalism?

Workers of Britain and America, ours it is to fight the last struggle, so that to-morrow the International shall include the whole human race!

J. T. WALTON NEWBOLD.

May, 1919.

