

Expanding Empire Chapter 5: The capitalists' gigantic stake and why they must defend it

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In 1900, when the buccaneers of big business were crowing that "the world is ours," there was a limitless perspective of expansion. Today, there is a deadly fear of contraction. The record of expansion by itself suggests why.

In 1900 the total foreign investment of U.S. corporations was still less than \$1 billion. On the eve of the First World War, it was \$3 billion. Shortly after the Second World War, it was \$8 billion.

Today, counting both corporate and individual investments, the total has exploded to about \$86 billion at official public valuation, which is always conservative because of tax evasion and monetary inflation. This is exclusive of huge holdings by the U.S. government in foreign lands that greatly facilitate U.S. business in extracting the wealth therefrom—such as docks, port facilities, and schools to educate the more skilled workers.

With these government investments, the total now reaches \$112 billion [U.S. Department of Commerce figures as of Dec. 31, 1966; it had shot up to about \$125 billion by the end of 1967]. The total corporate investment alone is supposed to be \$54.5 billion as of the end of 1966.

During 1965 and 1966 alone the admitted total of new corporate foreign investments was \$8.8 billion.

This amount alone is 19 percent of the entire accumulated corporate foreign investments of the previous 75 years! Furthermore, most of this capital was transferred directly from the United States to enterprises abroad, with a smaller but substantial portion being reinvested from foreign profits without coming back to the United States at all.

If it was necessary for the imperialists to defend and expand a foreign stake of less than a billion in 1900, it is doubly and trebly necessary that they hold on to the \$112 billion of U.S. foreign investment that is today constantly threatened by the desire of the colonial people to take over their own countries. Accordingly, the American people are required to spend nearly a thousand times as much money for "national defense" as in 1900, and about 30 times as many youths are required to be in the Armed Services.

This is not because more people have an interest in foreign domination than before. It is not because 200 million U.S. people are making money out of the colonial masses, whereas only 73 million appeared to be doing so in 1900.

Nor is it even because more big corporations are making it now than then. There are a great many more corporations today than there were at that time, it is true. Hundreds of thousands more, in fact. But a few hundred have the bulk of all the capital in the country and a handful of big banks control them. Furthermore, this handful of banks, extremely sensitive to the foreign investment problems of the corporations they control, appoint or pass upon every single major figure of the government.

The necessity of holding on to these far-flung empires of big business flows from the fact that big business at home would go bankrupt if it lost its profits from abroad. This was already a tendency in 1898 during the buccaneers' war with Spain. It became an iron law long ago, and now dictates the scrooges' war with Vietnam.

It is this fact, rather than pure anti-Communist hysteria, as such, that determines the “patriotism” of newspaper editors, radio and TV commentators and, in the long run, even grammar school teachers who demand that these empires be defended with the lives of young men.

Less people own it; more people die for it

The U.S.-owned wealth that now flourishes in Japan, south Korea, Taiwan, Thailand, Malaysia, Indonesia and the Philippines—not to mention Australia, where the United States has now elbowed Britain out of “its own” colony—is like a great sea anchor that keeps the whole U.S. 7th Fleet and a million U.S. troops tied to Asia. This wealth is many times what it was in 1941, when the United States went to war with Japan over it.

And the number of people who really own it are less. And the impossibility of their willingly giving it up is greater. This is what makes the Asian war and its coming enlargement, regardless of events in Vietnam itself, not only more outrageous, but more inevitable—under the system of big business—because these few people, these few owners are also the ones who run the U.S. government.

The facts of their economic power are, on the whole, no secret. They are duly documented nowadays by the U.S. Department of Commerce, except for certain sizable tax-dodging, that is.

In 1900, according to the not-too-reliable figures given to the census takers, there was a total capital for all corporations of all kinds—some hundreds of thousands of them—of \$10 billion. No more than 149 “trusts” accounted for \$4 billion of that capital, although the newly formed trusts were notorious for inflating their capital claims for stock-fleecing purposes.

And even at that time, the biggest banks already dominated a large number of

corporations and themselves had begun to launch “trusts,” that is, holding corporations that owned and manipulated several companies, combining them for monopolistic purposes.

V.I. Lenin showed in his book “Imperialism,” written a few years later, that this marked a new stage in the development of capitalism. The conquest of the old “free enterprise” by monopoly capitalism was already a fact. And the big banks—Lenin named Morgan and Rockefeller even at that time—had already superseded and predominated over the industrial monopolies. It was primarily through these banks that the capital was exported and the world was divided—and then redivided over the corpses of millions of youths.

The same situation prevails today. It is more aggravated and less noticed. Less noticed, because the big banks have now had more than a half-century of undisputed rule in which to propagandize, “educate,” and make their lies look like the truth.

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