

**Peter James Hudson**, *Bankers and Empire: How Wall Street Colonized the Caribbean*, Chicago: University of Chicago Press, 2017. ISBN: 9780226459110 (cloth); ISBN: 9780226459257 (ebook)

In *Bankers and Empire* Peter James Hudson excavates the Caribbean foundations of Wall Street. Hudson asserts that the post-emancipation Caribbean, still in the shadow of European colonialism, was not peripheral to the financial expansion and crisis of American banking, but central to it. This is an argument that he meticulously and eloquently explicates. The study shows that Wall Street bankers' practices in the Caribbean were characterized by the reproduction and expansion of regimes of governing that drew on and reproduced discourses of race. These discourses articulate conceptions of value, labor and sovereignty that are characterized by a white supremacist logic. The geographies attendant to and consequent from the project of expansion transcended the jurisdictional precincts of the region's individual nation-states, bringing into being new forms of citizenship dictated by Wall Street bankers. Hudson anchors each chapter in a geographical location but then travels across space and time, following banks and bankers and revealing the global financial network into which the Caribbean was interpolated.

The Introduction, "Dark Finance", details the provenance of institutions constituting the Wall Street financial order which began to emerge in the 1890s. American banking and its

internationalization might have been anchored in Chase National Bank or the City Bank, but as Hudson convincingly shows the tentacles of these institutions and others “were braided through the US colonial and neocolonial” system into the Caribbean (p.4). The point Hudson makes is not about the adoption of the plantation by bankers, but an adoption of a plantation logic (McKittrick 2013). That is, the incorporation and rehabilitation of the plantation’s socio-cultural, racial and economic rationalities in the name of finance capitalism. Turning to “Colonial Methods” in Chapter 1, Hudson lays bare the tactics and logics of plunder that informed Wall Street’s Caribbean colonization. Operating from the “jurisdictional gaps in the landscape of US governance”, the bankers exploited subjects caught in “the ungoverned time zones” of the Caribbean (p.29). Hudson shows that American segregation and gentrification foreshadowed an approach that was to become a staple of finance capitalism in the Caribbean. As the adjunct of the US government, the banks were the means for operationalizing the policy of dollar diplomacy (most notably between 1909 to 1913 driven by Secretary of State Philander C. Knox) whereby through the manipulation of sovereign debt and control of customs revenue Wall Street was empowered to govern the Caribbean.

As for the “Rogue Bankers” (Chapter 2), Hudson provides biographical sketches and charts the trajectories of the institutions involved in Wall Street’s Caribbean imperial expansion. It is an intricate affair; people and policies circulated between institutions, all pursuing financial colonization. The actors involved are all white men who, energized by “nationalist bluster and

chest bumping”, saw Wall Street’s mission in the Caribbean as the natural and justified expansion of American banking (p.58). The banks’ operations were ensconced in “gendered discourses of national development and imperial virility”, so that failure to set up shop in the Caribbean was perceived as “an affront to the United States’ manliness” (p.61). This was not Pan-Americanism. The “foot soldiers” of the international vision (p.59), dubious bankers were joined by the American military to “patrol the international frontiers of US capitalism” (p.76).

Chapter 3, “Financial Occupations”, surveys the racist imaginaries and culture by which finance capital operated, and which were blatant in the very staffing and regulatory framework of the banks’ occupation of the Caribbean. A striking example of this is found in Hudson’s description of the operations of the Banque Nationale d’Haiti (BNH), which despite its name, imperial interests rather than the national interest of Haiti. Indeed, the spatial distribution of workers at the bank reflected a racial chain of command and division of labor. The spatialization of this racial hierarchy, a geography of white supremacy, itself parallels the geographic expansion of the Wall Street banks into the Caribbean, with the BNH falling under the influence of the City Bank in 1910. Haiti attracts much of Hudson’s discussion and the history with which he is concerned, illustrating the “unceremonious suppression” of the “hard fought sovereignty” of Caribbean (p.82). To be sure, the bankers were not unassailed, even if at times only by their own graft. The banks’ occupations marked an increased importance of the region in the ledgers of the bankers, and a move towards a culture of occupation within American imperialism (Renda

2001). And so, from behind mahogany desk, the bankers presided over “police state[s] overseen by US marines” which occupied the country from 1915 until 1934 (p.109). Hudson’s discussion here recapitulates the political economy of the Monroe Doctrine.

“Foreign Regulation” mediated the operations of the banks, and this is the focus of Chapter 4. Ostensibly motivated by an interest in the political stability of the region and empowered by the Federal Reserve System established in 1913, the bankers built an international branch network in the Caribbean. In very few places did the bankers show their mastery and circumvention of banking regulations as they did in Cuba. Hudson’s account recalls the 1920s as a period of “an iridescent and delirious dreamworld of speculation” (p.117). The guileful use of securities affiliates as stockholding adjuncts to get around the National Bank Act of 1863 facilitated the leveraging of the Caribbean’s future “as collateral to US capitalism” (p.120). The evasion of legislation meant to curtail the monopoly of banking and the concentration of money meant that the banks were almost unchecked in their dominance of Caribbean finance—a dominance that allowed them to dictate fiscal policy and banking reform. Spatial and racial imaginaries were as central to the outward expansion of Wall Street as was the American domestic monetary regulation.

Chapter 5, “American Expansion”, shows how the spread of Wall Street was the spatialization of Americanism. Geographically, Hudson shows that the expansion reordered the landscapes of the Western hemisphere. Most striking are the urban geographic transformations

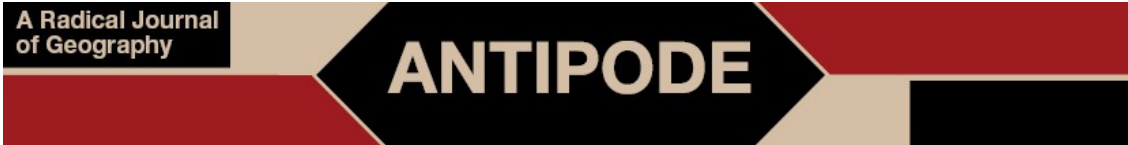
that emerged once the Caribbean had been brought under the gaze of US finance capitalism. The edifices of power constructed to inspire confidence or reverence in the banks disrupted the landscapes, “highlighting the unfolding architectural history and the spatial contradictions and transformations” of the bankers’ empire (p.151). The bankers demonstrated cunning awareness of the incommensurable geographies of regulation and the plural legal regimes between the homeland and Caribbean states where the new branches were established. However, their imperial project was “not a tale of invincibility and triumph, but one of vulnerability and failure” (p.153). This failure was brought on by both the discrepant spatial and fiscal discontinuities the bankers thought they had stealthily overcome, and by the attitude of triumphalism that emboldened their increasingly improper fiscal practices.

In Chapter 6, “Imperial Government”, Hudson traces the notions of thrift and progress that were a driving force for the bankers, but which the bankers also propagated to entice the average American to become an investor. In either mode, the notions encouraged a redefinition of the nation-state and the citizen. As the bank became the sovereign, the self-governing citizen was expected to discipline themselves in line with discourses of race, gender and political economy defining development. For Hudson, the idea of the middle-class citizen as an investor in the 1920s was essential to Wall Street’s imperialism. The feminized and infantilized representation of the Caribbean, particularly Cuba, legitimated and was re-inscribed in hyper-masculine white Americanism (cf. Pérez 2008; Weber 1999). That this hailing of

entrepreneurship was so often supportive of violent dictatorships reflects, for Hudson, “the banality of empire and the everyday practices of finance capitalism” (p.83).

Unsurprisingly, the aggressive expansion of the bankers’ Caribbean empire culminated in crises of political sovereignty and fiscal stability which are the subject of Chapter 7, “Odious Debt”. The consequent conflicts over the cumbersome debts incurred by primarily by self-interested politicians and local elites raised questions as to the legality and morality of the financial arrangements underwriting the bankers’ regional empire. The “speculative delirium of the dance of millions” from 1914 to the 1920s, Hudson describes, devastated Cuba and highlighted the inevitable instability of a culture of reckless lending, poor management and inconsistent fiscal policy (p.229).

The study concludes with a reiteration of Hudson’s diagnosis of the logics of modern financial power and American expansionism accompanying Wall Street’s operation in the Caribbean—“Racial Capitalism”. Hudson asserts that “it was through the preternatural assumptions of white superiority that the first ledgers of US finance capitalism and imperial banking in the Caribbean were written” (p.270). Importantly, Hudson also delineates the role of local ethno-nationalism which sought both to resist racial US financial imperialism, but also reproduced racial hatred among Caribbean people. The domination of an imperial power is never uncontested and while Hudson does acknowledge this, too often his account leaves the countries once the banks have been shuttered or bankers die. The reader is left curious about the local



resistance aimed at the bankers and banks. Notwithstanding this, as a study in the economic history and political geography of banking in the Caribbean, the text stands apart for its coverage of the Caribbean and Latin America. The book's other strengths include its focus on individual banks and bankers while situating them in the broader prevailing financial climate, and the breadth of the archival and primary sources on which Hudson draws.

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