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EDITORIAL

“THE FOREIGN TRADE MOVEMENT.”

By DANIEL DE LEON

“THE foreign trade movement,” for the sake of which wholesale wage reductions were recently made in this country, is occupying the attention of the financial writers on the capitalist press to an unusual degree. The November statement, showing the largest exports and export balances of any month but one in the country’s history, and its importance to the country in these times of industrial depression have served to give this movement prominence and to call attention to this country’s position abroad. Once more one catches the familiar strains of the song of prosperity. Once more is this country to invade Europe, and once more is this country’s indebtedness abroad to be cancelled and the country transformed from a debtor to a creditor nation instead.

This song, however, is not sung with all its former recklessness and gusto. Its notes are somewhat timorous, and given forth with caution and restraint. Once before, it is recalled, at the close of 1900, to be explicit, this country was credited with a balance abroad of at least \$100,000,000, yet in less than one year’s time, this condition was reversed with bewildering suddenness, so much so that \$300,000,000 was named as the amount of this country’s indebtedness abroad. The liquidation of this immense indebtedness is held to have precipitated the depression that followed,—and still holds sway.

But this is not all. As if to further change the rendering of this prosperity song, some facts are made public that lead to the conclusion that “the foreign trade movement” is based on conditions that are likely to react against this country. In the matter of cotton, for instance, the short crop, which was supposed to make for prosperity, it is now figured out, will eventually do just the reverse. Says a capitalist financial reviewer on this subject:

“On the short cotton-crop theory, shipments from farm to market, just now largely above last year’s, should presently fall to figures purely nominal. But this would mean that the planter’s profits were over the season.

"It would also mean, of course, that the American spinner would be badly 'squeezed' in getting material for manufacture, and that the cotton export trade, towards the end of the season, must fall to practically nothing. Under normal conditions, cotton exports, even in mid-summer, should contribute six to ten million dollars monthly to our outward trade. But with a crop of 9,900,000 bales or less, our future cotton exports would normally be as much below last year's as the export in November and October were above it. This would affect international exchange."

Again, in the matter of steel billets, a merchant engaged in the European steel trade is quoted as follows:

"Steel manufacturers in England are carrying their tongues in the side of their mouths at our attempts to increase export trade. Every time we cut the price of billets it becomes just that much harder for them to keep from laughing. They buy eagerly our cheap billets, from which their finished products are manufactured, and then undersell us on structural steel and plates. By cutting billets we create an artificial situation that reacts on us to the benefit of the English mills.

"Germany does exactly the same trick, expecting to make up the loss on billets by making a stiff price on finished articles, exactly as the Americans are doing on rails. At the end of a certain period the German manufacturers pool the loss on billets and pocket the profit on other articles.

"The railroad cut of $33\frac{1}{3}$ per cent. in export rates on steel reminds me of the Irish tradesman, who said: 'Oh, I am selling everything at a loss; but I make it up on the volume of business I am doing.'"

This "foreign trade movement" is not likely to produce a hysteria of joy in the breasts of the intelligent workingman. It has already cost him a considerable loss in the form of wage reductions and unemployment, that a reaction produced by present export conditions is likely to increase. He also knows from bitter experience of a very recent date that the country's change from a debtor to a creditor basis means decreased wages, intensified labor and increased mortality for the working class.

Such a workingman is not fooled by the "foreign trade movement." He knows the only movement of benefit to him and his class is the movement to abolish capitalism in favor of Socialism—that is, the Socialist Movement. To this movement alone he pins his faith.

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