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HOW TO INCREASE EXPORTS.

It is a common remark that the machinery which is now applied to production in the United States is so effective on nearly every line of work that a few months' time, varying in different estimates from six to nine, would suffice to meet the necessary consumption of the people of this country under normal conditions. Hence the necessity for foreign markets. I believe all these estimates are exaggerated. There is but one product, cotton, of which more than one-half is exported. There are miscellaneous products of agriculture, such as grain, provisions, and dairy products—of which the export varies from ten (10) to twenty (20) per cent of the farm value, changing according to conditions and according to the relative product of this and other countries. There are very few branches of what are called manufacturing industries of which we now export in excess of ten (10) per cent, and from that down to a fraction of the total product.

Yet with here and there an exceptional period due to special conditions, such as the wide discredit and paralysis of industry which followed the silver craze of 1893, it is not often that the means of production of manufactured goods have been largely in excess of the consumption. The real truth is that it is now possible to increase productive mechanism either on the field, in the forest, in the mine, or the factory, with very great rapidity, thus very quickly meeting a renewed demand after a period of depression or any new export demand which may be opened. Supply is, therefore, pressing on demand, and the relief of export is, therefore, a constant need. It is also true that with the exception of a very few branches of industry, such as the woollen and worsted manufacture, in which, however low the prices may be, the cost of domestic production is yet greatly enhanced in this as compared to competing countries by heavy taxes on wool and other materials of foreign origin which are supplied to our competitors free of taxation, there is hardly a branch of production fitted to the climate of this country either in agriculture, forestry, metallurgy, or manufacturing, in which we have not now such an advantage over other countries as to enable us to increase our exports in very large meas-

ure so far as the power of export rests on the cost of the production of any article which is in demand in foreign countries.

VAST INCREASE IN EXPORTS.

The exports of the fiscal year ending June 30, 1897, before the foreign scarcity of grain had exerted any considerable influence, exceeded a thousand million dollars (\$1,000,000,000) in value. The exports of the last fiscal year exceeded twelve hundred million dollars (\$1,200,000,000) in value; the gain in the export of manufactured goods being relatively almost as great as the gain in the export of the products of agriculture even under the influence of the scarcity which prevailed in Europe. These goods consist of nearly every crude, partly manufactured, and finished product of the country with the exceptions named; namely, those of which the cost has been relatively enhanced by taxes on the import of the materials. These goods are sent to every corner of the globe.

Large quantities go to the manufacturing states of Europe with which we compete, notwithstanding the fact that the wages which are recovered from the sale of these goods in this country are twenty-five (25) to one hundred (100) per cent higher than they are in the manufacturing countries of Europe. Our goods are also sent in competition with the manufacturers of Europe to continents, nations, and states, in which the rates of wages are not one-quarter, and in some cases not one-tenth, as much as the wages earned on wheat and on other similar products are in this country. If the rate of wages governed the cost of labor, not one dollar's worth of any of our products could be sent to any part of the globe in competition with the products of the labor of other countries.

TO WHAT OUR SUPREMACY IS DUE.

Our manifest supremacy is due to several causes: First, this is the only manufacturing country which produces within its own area an excess of food, of fuel, of timber, of every metal except tin, an excess of cotton, the most important fibre. We do not produce an excess of wool, but whenever common sense is applied to the production of wool in the cotton states, alternately or concurrently with cotton on the same fields, we shall become large exporters of wool. It is not probable that we shall ever produce our own raw silk; certainly not so long as the reeling of the silk from the cocoon must be done by hand.

Our second paramount advantage is this: Our national taxes do not exceed two and a half (2½) per cent upon our annual product, of which they constitute a share set apart for the support of government. Even with the increase of taxation which may follow the present war, our national taxes cannot exceed

four (4) per cent of our product. I compute the national taxes of Great Britain, which are double ours per head, and which are derived from a lesser product, at six (6) to seven (7), possibly eight (8) per cent; Germany at ten (10) per cent; France at fifteen (15) to eighteen (18) per cent; while in poor Italy it is alleged that the national expenditures absorb a third of the entire product. Such are the relative disadvantages of militarism.

From the best information and study of the systems of taxation of all countries I am of the opinion that the advantage of this country in the ratio which taxation for national purposes bears to the total annual product is not less than 4 per cent in our favor, as compared to Great Britain, and from 8 to 15 per cent as compared to the manufacturing states of continental Europe. Our average advantage is not less than 6 per cent upon our total product. Now, as 6 per cent is a large margin to be carried to profit and loss account in this country, where other countries would have no margin, we may deem our advantage in this matter apparently established unless we ourselves have the folly to enter upon a period of imperialism and militarism, with the consequent result of a very large increase in the burden of taxation.

Our third advantage is in the stimulus of climate applied throughout the more northern or distinctly manufacturing sections of the country to the most versatile, energetic, and well-trained body of workmen taken as a whole that can be found in the world. Under these conditions high wages have become a synonym for low cost of production, and we are now seeking how to extend the benefits of our commerce throughout the world.

PUBLIC MIND GRAVELY MOVED.

The public mind is being gravely moved on this question. Each section, each state, and the representatives of every branch of industry are turning their attention to the widening of their market. Admitting that the home market is and will always be the largest and most important, yet the representatives, especially of agriculture, have found out that the price of their entire product is fixed by what the surplus will bring for export. The export demand is the balance wheel of the whole traffic of this country. The prosperity, indeed the very existence of our present system of agriculture, depends upon the development of exports, and since half the population is occupied either directly in agriculture or in the secondary processes of converting the crude products of the farm into their secondary forms for sale, the prosperity of manufacturers depends upon that of the farmers, who are their principal customers. May their not be a great deal of misdirected energy unless the principles which gov-