

## THE TRADE FEATURES OF THE GREAT COMMERCIAL NATIONS

### XIII. THE TRADE FEATURES OF THE UNITED STATES

#### THE CHARACTER OF OUR EXPORT TRADE

HAVING reviewed the industrial and trading conditions of the other great commercial nations of the world, it should now remain for us to review these conditions in the United States. But the United States is so large a country, and its trading and industrial interests are so diversified and extensive, that it would be impossible for us in the limits of our space even barely to touch upon all these interests. So that with respect to the "Trade Features of the United States" we shall simply confine ourselves to one part of the subject—namely, the character, extent, and importance of our foreign trade. And we shall, further, have to restrict ourselves in the main to our exports. These will be found to be principally not manufactures, but the products of our great agricultural, mining, and forest industries. The total value of the manufactures of the United States amounts in round numbers to the immense sum of \$10,000,000,000 annually, a sum considerably more than a third (it is thirty five per cent.) of the total value of the annual manufactures of the world. But only a very small portion of this vast output is exported.

The greater portion of it is used to sustain the still vaster internal trade of our country, a trade which amounts to more than \$15,500,000,000 annually, an amount not far short of being one third of the total internal trade of the world, and not far short of being twice the internal trade of Great Britain and Ireland, the country whose internal trade comes next to ours. Our exports, therefore, are not in the main manufactured goods, but breadstuffs, provisions, and raw materials, the production of our farms, our plantations, our forests, and our mines. But principally they are the products of our farms and our plantations, for with the exception of cotton we do not export much raw material. Nearly all the raw material we produce (other than cotton) we use in our own manufactures. And even this is not enough, for in addition we have to import considerable quantities of raw material for our manufactures from other countries, the principal items being raw sugar, raw silk, raw wool, chemicals of various kinds including dye-stuffs, hides and skins, lumber, tin, nickel, and paper stock.

#### OUR EXPORT TRADE IN DETAIL

Our total exportation for the twelve months ended June 30, 1898, amounted to the unprecedented sum of nearly \$1,250,000,000 (\$1,231,329,950).<sup>1</sup> This is an amount almost a quarter of a billion dollars greater than ever before, the only years when the export even approximated this amount being 1897 and 1892, when the exportation was slightly over a billion dollars in each case. Of this exportation the sum of \$855,000,000, or seventy one per cent. of the whole, was for the PRODUCTS OF AGRICULTURE, the principal items being (1) "breadstuffs,"

<sup>1</sup> For the year ending June 30, 1899, the total exportation amounted to \$1,204,123,134.

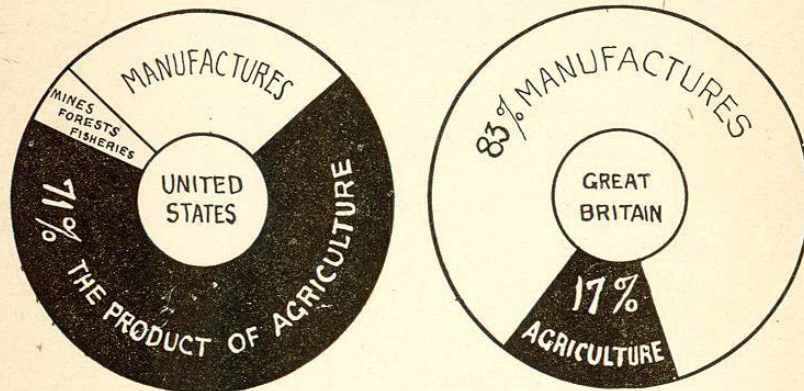
including wheat and wheat flour, corn and cornmeal, oats and oatmeal, rye and rye flour, \$335,000,000; (2) cotton, \$231,000,000; (3) "provisions," including beef and tallow, bacon and hams, pork and lard, oleomargarine, and butter and cheese, \$166,000,000; (4) animals, including cattle, horses, sheep, and hogs, \$47,000,000; (5) raw tobacco, \$23,000,000; (6) oil-cake, \$12,500,000, and (7) fruits and nuts, \$9,000,000. The exports of the products of our mines amounted to only 1.6 per cent. of the total export, or scarcely \$20,000,000, the principal items being (1) coal and coke, \$12,500,000; (2) crude petroleum, \$4,000,000, and (3) copper ore. The exports of the products of the forest amounted to only three per cent. of the total export, or \$38,000,000, the principal items being (1) sawed and hewn timber, logs, lumber, shingles, and staves, \$28,500,000, and (2) naval stores, including resin, tar, turpentine, and pitch, \$9,000,000. The exports of the products of our fisheries amounted to only \$4,500,000, or less than one half of one per cent. of the total exports. The exports of the products of our manufactures, according to the official returns, amounted to \$289,000,000, or twenty four per cent. of the total export. But this sum included many items which represent raw natural products converted merely into material for subsequent manufacture, as, for example, pig- and bar-iron, planed boards, sole leather, ingot- and bar-copper, cotton-seed oil, and pig- and bar-zinc. The principal items in the true "manufactures" list are (1) machinery, including metal-working machinery, steam-engines and locomotives, electrical machinery, pumping machinery, sewing-machines, typewriting-machines and printing-presses, and railway rails, hardware, and nails, \$65,000,000; (2) refined petroleum, \$50,000,000; (3) manufactures of cotton, \$17,000,000; (4) vegetable oils and essences, \$12,000,000; (5) agricultural implements, \$7,000,000; (6) cycles, \$7,000,000; (7) paper and

stationery, \$5,500,000; (8) furniture and other manufactures of wood, \$5,000,000; (9) tobacco and cigarettes, \$5,000,000; (10) fertilisers, \$4,500,000; (11) boots and shoes, harness, and rubber shoes, \$3,500,000; (12) telegraph, telephone, and other instruments, \$3,000,000; (13) bags, cordage, and twine, \$2,500,000; (14) books and pamphlets, \$2,500,000; (15) sugar, syrup, molasses, candy, and confectionery, \$2,000,000; (16) spirits, including brandy and whisky, \$2,000,000; and (17) clocks and watches, \$2,000,000.

#### OUR EXPORTS AND THOSE OF GREAT BRITAIN COMPARED

The significance of these figures descriptive of our export trade will be better understood from a few comparisons. Our total exportation for the year 1897-8 was, as said before, in round numbers, \$1,250,000,000. For the year previous it was over \$1,000,000,000. The exportation of Great Britain for the year 1896 was \$1,500,000,000. For the year 1897 it was almost the same amount. For the year 1895 it was \$1,450,000,000. But whereas our exportation of breadstuffs, provisions, animals, fruit, etc., and of raw materials, such as cotton, lumber, ores, etc., amounts to probably 77 or 78 per cent. of our total exportation, while our exportation of manufactured goods amounts to not more than 22 or 23 per cent., the exportation of breadstuffs, provisions, raw material, etc., which Great Britain makes is not more than one sixth, or 17 per cent., of her total exportation, while her exportation of manufactured goods is five sixths, or 83 per cent., of her total exportation. For example, Great Britain's export of textiles alone amounts to over \$500,000,000 a year (for 1896 \$526,647,525), while our total export of textiles, including cottons, woollens, silks, and fibres, is

not more than \$19,000,000 a year. Great Britain's total export of hardware and machinery amounts to over \$250,000,000 a year; our total export of these articles



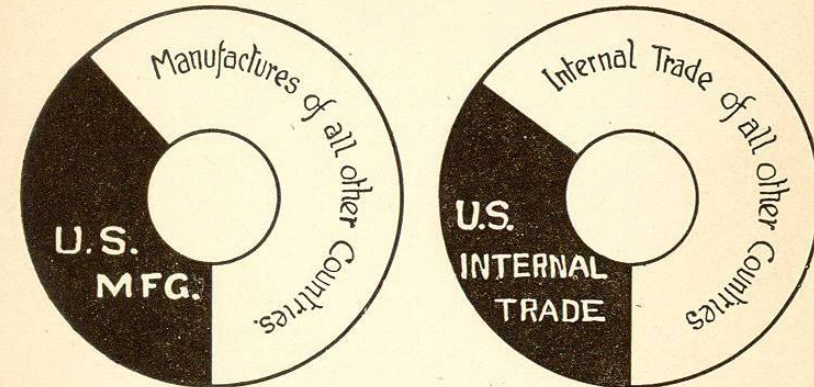
Export trade of the United States and Great Britain compared.

does not amount to more than a third of this sum. On the other hand, Great Britain's total export of raw materials of all sorts is not more than \$100,000,000 a year, while ours of cotton alone is almost two and one-third times that sum. And while Great Britain exports no breadstuffs or provisions to speak of, our exportation of these articles (including animals) amounts to the enormous sum of \$855,000,000 a year.

#### OUR IMPORTS AND THOSE OF GREAT BRITAIN COMPARED

Similar differences with respect to our import trade and that of Great Britain are observable. Our imports do not amount to more than from \$600,000,000 to \$800,000,000 a year. For the year ended June 30, 1897, they were

\$765,000,000. For the year ended June 30, 1898, they were \$616,000,000. The imports of Great Britain, on the other hand, amount to over \$2,000,000,000 a year. For



The United States manufactures and internal trade compared with the manufactures and internal trade of all other countries.

the year 1896 they were \$2,210,000,000. For the year 1897 they were \$2,225,000,000. But, while our imports, with the exception of coffee, sugar, tea, fruits, and fish, consist chiefly of manufactured articles, such as woollen goods, cotton goods, silk goods, and iron and steel goods, with only moderate amounts of raw material (for example, hides, skins, and furs, \$41,000,000; raw silk, \$32,000,000; raw wool, \$17,000,000), Great Britain, besides importing coffee, sugar, tea, fruits, and fish, the same as we do, and manufactured goods to a far greater amount than we do (not less than \$500,000,000 annually), imports likewise an enormous quantity of raw material for her manufactures, all duty free, and a still more enormous quantity of breadstuffs, provisions, etc., also all duty free. For example, for the year 1897 her imports of raw materials for her manufactures were not less than \$750,-

000,000, while her imports of duty-free food products were not less than \$825,000,000. The difference between the two countries, therefore, so far as their foreign trades are concerned is simply this: The United States is an immense exporter of food-stuffs, and also of raw materials for foreign manufacture; but for the raw materials for her own manufacture she depends principally upon her own products. In comparison she is only a moderate exporter of manufactured goods. Great Britain, on the other hand, is an enormous importer and consumer of food-stuffs and also of raw materials for her manufactures. She, in fact, depends very largely upon other countries for her food products and her raw materials, and obtains them wherever she can, very largely from the United States. She is also an enormous exporter of manufactures.

#### OUR COTTON PRODUCTION AND COTTON EXPORT

The one article of export that is of greatest importance in our commerce is COTTON. The production of cotton in the United States is enormous. It is not far short of 5,000,000,000 pounds per annum. This is probably four times the amount produced upon the whole globe elsewhere. Our export amounts annually to about 4,000,000,000 pounds, with a total value of about \$240,000,000. Our greatest competitors in the world's cotton markets are Egypt and India. The export of cotton from Egypt amounts to \$50,000,000 annually. The export of cotton from India amounts to \$45,000,000 annually. At least one half of our export of cotton goes to Great Britain. Our next greatest customers are (in order) Germany, France, Italy, Spain, and Russia. We send about \$7,500,000 worth annually to Japan, and \$4,000,000 worth annually to Canada. All our southeastern States produce

cotton, but the States that produce it most plentifully are (in order) Texas (about one third of the whole), Georgia, Mississippi, and Alabama. The area under cultivation in the whole country is about 21,000,000 acres, which is about one sixth of the area devoted to corn, wheat, and oats, or one half the area devoted to hay. The areas of greatest cotton production are (1) the "Yazoo bottom," a strip on the left bank of the Mississippi extending from Memphis to Vicksburg, and (2) the upper part of the right bank of the Tombigbee. The productivity of cotton is much higher in the United States than it is in India, averaging not far short of 200 pounds per acre, as against less than 100 pounds in India. In India, however, the cotton crop has been grown on the same soil for ages, whereas in the United States the practice is to substitute new soils for old ones as soon as crops begin to fail. On the other hand, the United States cotton crop is much less per acre than the crop in Egypt. There the yield per acre is from 300 pounds to 500 pounds. The remedy for this defect of productivity in our cotton crop as compared with that of Egypt is manuring. Where the manuring is properly attended to our cotton crop is comparable with Egypt's. But the cotton of Egypt is of better quality than the great mass of the cotton crop of the United States (the "upland" cotton crop). On the other hand in the low, flat islands off the coast of Georgia and South Carolina a species of cotton grows ("sea-island" cotton) which is the finest in the world, its fibres being the longest, finest, and straightest, of all cotton fibres produced anywhere, and the most beautiful in appearance in the mass. Of this "sea-island" cotton about three to four million dollars' worth is exported annually at a price averaging from two and one fourth to two and three fourth times the value per pound of the "upland" cotton. The great cotton ports of our country are (in order of

amount of exportation) NEW ORLEANS, GALVESTON, SAVANNAH, NEW YORK, CHARLESTON, MOBILE, and WILMINGTON. New Orleans' export is about a third of the whole, and Galveston's about a fifth.

#### OUR PRODUCTION AND EXPORT OF BREADSTUFFS

The item in the official returns that figures largest for exports is that which is set down as BREADSTUFFS. This term includes wheat, corn, oats, rye, and other grains, and the flours or meals made from these. For the year ending June 30, 1898, our total export of breadstuffs was \$334,000,000. This is an enormous increase over the year before, when the amount was not quite \$200,000,000.<sup>1</sup> A large part of this increase was due to the high prices for breadstuffs which prevailed in the European markets during the past autumn and winter, but a part of the increase was due to an increased acreage and to good crops. The main products that composed this vast exportation were: wheat, \$146,000,000; wheat flour, \$70,000,000; corn, \$75,000,000; cornmeal, \$2,000,000; oats and oatmeal, \$22,500,000; rye and rye flour, \$9,000,000, and barley, \$5,500,000. The magnitude of our breadstuffs exportation can be judged from the magnitude and importance of our exports of wheat and flour as compared with those of other countries. Our average WHEAT EXPORT is two and one half times that of Russia, four and one third times that of Argentina, five and one half times that of India, and almost twenty-five times that of Canada, while it is also four and one half times that of all other countries in the world combined. Our FLOUR EXPORT (\$70,000,000) is without a rival. The export from Canada is now not much more than \$1,500,000 a year, and the export from Hungary not more than \$2,500,000 a year,

<sup>1</sup> For the year ending June 30, 1899, the amount was \$274,000,000.

and these are the only countries with which we have to compete in the western European markets. Still it must be remembered that Hungarian flour, owing to the dryness of the climate in which it is made, is the best in the world, while the flour of Canada made from Manitoba hard wheat is alike unsurpassed. As a rule much more than one half of our total exports of breadstuffs goes to Great Britain. Germany is our next best customer, but her imports of our breadstuffs are not more than a fifth to a tenth of those of Great Britain. France comes next, but her importation of our breadstuffs is still more uncertain, ranging from a half to a hundredth of that of Great Britain. Our other principal customers for our breadstuffs are (1) the other states of Europe, (2) Canada, (3) the countries of South America, (4) the West Indies, (5) Hongkong, (6) the islands of the Pacific, and (7) British Africa. Our exportation of breadstuffs to Japan and China (direct)<sup>1</sup> is still inconsiderable. Since the close of the War of the Rebellion our exportation of wheat has increased thirtyfold and our exportation of flour fifteenfold. Our chief wheat-growing States are Minnesota and California, each with about 50,000,000 bushels a year; then Kansas, North Dakota, Illinois, and South Dakota, each with about 30,000,000 bushels a year; and then Ohio, Indiana, Nebraska, Pennsylvania, Missouri, and Michigan. The best wheat is grown in the deep black soil, rich in organic matter, of the Red River valley of Minnesota, and in the dry, sunny climate of California. The total yield for 1897 was 530,000,000 bushels, which was about 70,000,000 bushels more than recent averages. The estimate for this year (1898) is over 600,000,000 bushels, which was also the yield for 1891. The total area sown to wheat was for several years about 35,000,000 acres, but

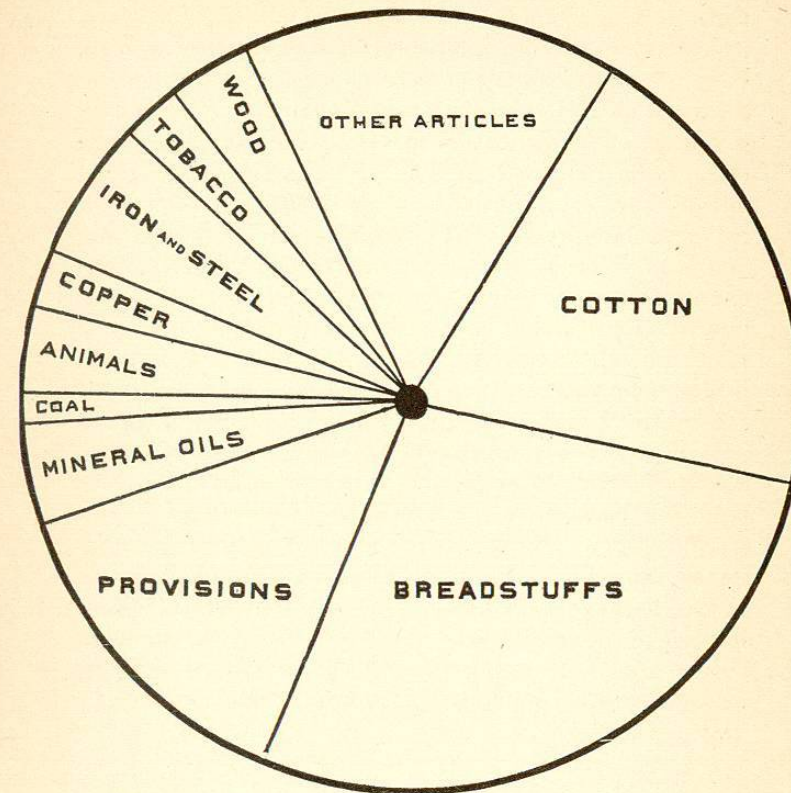
<sup>1</sup> A portion of the exportation of breadstuffs made to Hongkong is no doubt intended for consumption in China and Japan.

the average is now increased to about 40,000,000 acres. Large as is the gross production of our wheat, however, the yield per acre is somewhat small, being only from 12 to 13 bushels as against 18 bushels in Ontario, 20 in Manitoba, 26½ in New Zealand, and 30 in Great Britain. In fact, the wheat yield per acre is lowest in the United States of all the great wheat-producing countries of the world, except Australia (7 to 11½), Italy (10½), Germany (10¼), India (9¼), and Russia (8). But far greater than our production of wheat is our production of CORN. Of corn we have nearly 85,000,000 acres under cultivation and a production of nearly 2,500,000,000 bushels. Our export of corn, however, is proportionately not large, and figures only to about 210,000,000 bushels a year, with a value (including cornmeal) of about \$76,000,000. As is well known, CHICAGO is the great commercial centre of the continent for breadstuffs. NEW YORK is the great port of export for the Atlantic seaboard, SAN FRANCISCO for the Pacific seaboard. DULUTH is the great receiving point for the wheat of the Red River valley and the northern Mississippi. BUFFALO is the great point where the wheat brought down from Chicago, Duluth, etc., in barges, "whale-backs," and immense propellers, is transhipped to the small boats of the Erie Canal for carriage to New York. MINNEAPOLIS is the great milling point of the continent, its mills being the largest and most capacious in the world.

#### OUR EXPORT OF PROVISIONS AND ANIMALS

The next most important item in our list of exports is PROVISIONS. But, like "breadstuffs," "provisions" also is a composite term, including two main divisions, "meat products" and "dairy products." Practically there are three main divisions, "beef products," "hog products," and "dairy

products." We have in these great products of our country an export trade of \$165,500,000 per annum, and if we



Principal articles of domestic exports of the United States.<sup>1</sup>

add "animals," a similar item, we have \$46,500,000 more, or a total of \$212,000,000 per annum. Our export of fresh beef is nearly 300,000,000 pounds a year. Almost the

<sup>1</sup> For the year ended June, 1898.

whole of this goes to Great Britain. Our export of canned beef runs from 40,000,000 to 60,000,000 pounds a year. About three fifths of this goes to Great Britain, the remainder going principally to Germany and other parts of Europe and to British Africa. We have about 50,000,000 cattle upon our farms and ranches, and our production of beef is estimated to be the enormous amount of 5,400,000-000 pounds a year, which is between a third and a fourth of the total quantity produced throughout the world. Of course the greater portion of this is retained for our own home consumption, for we eat more meat per inhabitant than any other people in the world except the English. In addition to our beef we export about 400,000 cattle annually, more than seven eighths of which are taken by Great Britain, our other principal customers being the West Indies and Canada. The principal export, however, among our "provisions" is our HOG PRODUCTS. We export annually of these products 100,000,000 pounds of pork, 850,000,000 pounds of bacon and hams, and 700,000-000 pounds of lard, with a value greater than \$110,000,000. As with our beef products, so with our hog products—by far the greatest share goes to Great Britain. Great Britain, however, does not import largely of our pork or of our lard. And though she purchases from us over four fifths of our total export of bacon and hams, she does not pay for them so much as she does for the bacon and hams of Ireland, Denmark, and Canada. The reason for this is that as a rule our corn-fed bacon and hams are too fat—a fault that could be easily remedied. After Great Britain our next best customers for our hog products are Germany (principally in lard), the Netherlands, Sweden, and the West Indies (the latter principally in pork). We keep on our farms from 40,000,000 to 50,000,000 hogs, and our production reaches nearly to 4,600,000,000 pounds of pork, bacon, hams, lard, etc., per annum. A great draw-

back to our swine-raising industry is the terrible swine plague which so frequently devastates our swine herds. Were this plague stamped out by thorough preventive measures our swine industry would soon become very much larger and more profitable. The third principal item in our provisions export trade is "dairy produce." Our export of butter now amounts to 30,000,000 pounds a year. Our cheese export, once much greater, is now about 50,000,000 pounds a year. As in our beef products and in our hog products so again in our dairy products Great Britain is our chief customer. But our butter export to Great Britain is only one twelfth of her total importation of butter, and our cheese export to Great Britain is only about one eighth of her total importation of cheese. Our cheese has lost its hold on the English market because of its relative deterioration of quality, and its export is not more than a half or a third of what it once was. Much of our butter also is not suited to the English taste. But both our cheese and our butter are now improving in quality. Our great competitor in the cheese export trade is Canada. Canada's export of cheese to Great Britain is \$15,000,000 annually, while ours is only a fifth of that amount. Our great competitor in butter is Denmark. Denmark's export of butter to Great Britain is \$32,000,000 while ours is not more than a fourteenth of that sum. Our competitors in the markets of Britain for cattle are Canada and Argentina, but their exports together, however, are less than a third of ours. Our competitors in the British markets for the sale of meats are principally the Australasian colonies and Argentina, but their principal exportation so far is chilled mutton, which they send to Britain to the amount of many million dollars annually (Argentina alone \$5,000,000 a year, New Zealand alone \$10,000,000 a year), while our exportation of mutton is practically nil. We do, however, export \$1,000,000

worth of sheep a year, but in this item we are frequently far exceeded by Canada. CHICAGO is, of course, the great commercial centre of the continent for "provisions" and "live stock," and NEW YORK the great shipping port. Of the entire export trade of the whole country New York does two fifths. BALTIMORE comes next with about one ninth. Then (in order) come PHILADELPHIA, BOSTON, and NEW ORLEANS. The chief centres of our great provision and live-stock trade, other than Chicago, are CINCINNATI, KANSAS CITY, INDIANAPOLIS, BUFFALO, and OMAHA.

#### OUR FOREIGN CARRYING TRADE

One aspect of our foreign trade is not so well understood as it ought to be. Our foreign commerce is carried on largely in foreign ships. The reason is that no vessel is allowed to be registered as belonging to a United States owner unless she is built in the United States, and it therefore seems as if our ship-builders could not compete (in price) in the building of steel and iron ships with those of Great Britain and Germany. Formerly, when wooden ships were used, our foreign trade was carried on in our own vessels, and our "clipper" sailing vessels beat the world. In 1859 seventy per cent. in value of our foreign trade was carried in American vessels. Since that date the proportion has decreased steadily until in 1896-97 it was only eleven per cent., and for 1897-98 it was even less than this. During the five years 1881-85 it averaged barely twenty per cent. Taking into consideration tonnage only the proportion at present varies from twenty five to thirty per cent., showing that the American vessels are used for carrying the cheaper sorts of goods. The aggregate tonnage burden of vessels belonging to the United States registered as engaged in the foreign trade 1896 was for 792,870 tons. For the same year the aggregate

tonnage burden of vessels belonging to Great Britain engaged in the foreign trade was considerably more than ten times that amount. Of our export trade to Europe United States vessels carry only five and one half per cent., and of our export trade to Africa only four and one half per cent. But of our export trade to Asia and Oceania our own vessels carry twenty six and one half per cent., while of our export trade to other countries on the American continent our own vessels carry nearly forty per cent. But as our Atlantic trade is seventy six per cent. of the whole, and as our trade elsewhere than on the Atlantic is more than one third carried by sailing-vessels, it is evident how largely our steamship ocean carrying trade has been allowed to fall into the hands of foreigners. Seven tenths of our total export trade, and nearly two thirds of our total foreign trade, both export and import, are carried in British vessels. The next greatest carriers of our foreign trade are, first, the Germans, then ourselves, then the Norwegians, then the Dutch, then the French, then the Belgians.