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If Trade Doesn't Flow, the Wheels of Industry Will Slow Down

market will not be kept for all these products, the importance of overseas trade to the farmer is indicated by these 1935-39 averages for acreage devoted to export:

Cotton	45%
Tobacco	30
Rice	15

The Department of Agriculture estimates that if exports were cut off, the farmers of the U. S. would have to retire 25,000,000 to ...000,000 acres of crop land. The higher figure is almost 16 per ...t of the country's crop acreage.

One in every 10 workers in manufacturing industries works for export. Foreign countries in peace will want almost as much of America's industrial product as they do in war. In the year July, 1943-June, 1944, we exported $6,800,000,000 worth of munitions. In addition there were $2,900,000,000 of industrial materials and products. That share of the national product provided employment for an estimated 3,000,000 workers. They will have jobs after the war only if the foreign market for their work is maintained.

Through the whole business community there is evident an eagerness to expand abroad. Business understands the necessary link between credit and trade. The 31st National Foreign Trade Convention said October 11, 1944:

"This convention recognizes that it is in the interest of this country to extend sound credit in one form or another to assist other nations which are taking steps to rehabilitate their economies and monetary systems."

economy is dependent on foreign trade is an underestimate. While that is the percentage of the total, he points out that key industries on which the whole American economy depends must export up to 50 per cent of their output.

The General Policy Comes First

Any foreign loan policy, of course, can be only a part of the wider question of general commercial policy. It must be integrated with lowered tariff and quota restrictions here and in the rest of the world, with the discouragement of restrictive cartels, with S.E.C. safeguards on investment. Our own share in this program was summed up by Charles P. Taft, director of the State Department's Wartime Economic Affairs Division, when he said in San Francisco on November 14, 1944:

"We are the world's creditor nation, and what we need is not the isolationism of a policy of no loans, but the development of the skills of a creditor nation."

During the period between the two World Wars, the U. S. continued to behave like a debtor nation, exporting more than it imported. Those supposedly hardboiled policies really meant that *we were giving away, without even the pleasure that comes from acting like Santa Claus, a very big share of our produce.* It is a creditor nation's privilege to import more than it exports, and thereby to use its strength not only for the development of other countries, but also for better standard of living at home.

Under a soundly financed system of foreign trade, bulwarked by stable monetary systems, the postwar overseas commerce of the U. S. would reach new heights for peacetime. Projecting the anticipated rise to the year 1950, and basing values on dollars of current (early 1945) worth, we could expect a balance sheet like this:

EXPORTS

All figures given in millions of dollars.

Farm products	$1,200
Machinery	2,400
Automobiles, etc.	1,440
Other metals and metal manufactures	1,220
Oil, textiles, paper, chemicals, etc.	2,040
Total	$8,300

IMPORTS

Food, beverages, etc.	$2,110
Raw materials and semi-manfactures	2,465
Manufactures	1,160
Balance for shipping services	365
Total	$6,100