

**AMERICA'S INTERESTS
AS AFFECTED BY THE
EUROPEAN WAR**

Published @ 2017 Trieste Publishing Pty Ltd

ISBN 9780649051076

America's Interests as Affected by the European War by American Academy of Political and Social Science

Except for use in any review, the reproduction or utilisation of this work in whole or in part in any form by any electronic, mechanical or other means, now known or hereafter invented, including xerography, photocopying and recording, or in any information storage or retrieval system, is forbidden without the permission of the publisher, Trieste Publishing Pty Ltd, PO Box 1576 Collingwood, Victoria 3066 Australia.

All rights reserved.

Edited by Trieste Publishing Pty Ltd.
Cover @ 2017

This book is sold subject to the condition that it shall not, by way of trade or otherwise, be lent, re-sold, hired out, or otherwise circulated without the publisher's prior consent in any form or binding or cover other than that in which it is published and without a similar condition including this condition being imposed on the subsequent purchaser.

www.triestepublishing.com

AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE

**AMERICA'S INTERESTS
AS AFFECTED BY THE
EUROPEAN WAR**

6

AMERICA'S INTERESTS AS AFFECTED BY THE EUROPEAN WAR



AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE
36TH AND WOODLAND AVENUE
PHILADELPHIA
1915

✓ Econ 7269.15.10

HARVARD COLLEGE LIBRARY
GIFT OF
ALBERT BUSHWELL HART
15 Sept. 1924

Copyright, 1915, by
AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE
All rights reserved

EUROPEAN AGENTS

ENGLAND: P. S. King & Son, Ltd., 2 Great Smith St., Westminster, London,
S. W.

FRANCE: L. Larose, Rue Soufflot, 22, Paris.

GERMANY: Mayer & Müller, 2 Prinz Louis Ferdinandstrasse, Berlin, N. W.

ITALY: Giornale Degli Economisti, via Monte Savello, Palazzo Orsini, Rome.

SPAIN: E. Dossat, 9 Plaza de Santa Ana, Madrid.

CONTENTS

PART I—AMERICA'S INTERNATIONAL TRADE AS AFFECTED BY THE EUROPEAN WAR

	Page
AMERICA'S INTERNATIONAL TRADE AS AFFECTED BY THE EUROPEAN WAR.....	1
William C. Redfield, Secretary of Commerce, Washington, D. C.	
THE FUTURE OF AMERICA'S FOREIGN TRADE.....	17
Theodore H. Price, New York.	
THE EFFECT OF THE EUROPEAN WAR ON AMERICA'S TRADE WITH INDIA.....	22
Daniel Folkmar, Editor of <i>Handbook of India</i> , Department of Commerce.	
TRADE POSSIBILITIES IN GERMANY AND AUSTRIA.....	35
Isaac Wolf, Jr., President of the American Association of Commerce and Trade, Berlin.	
COÖPERATION IN EXPORT TRADE.....	39
William S. Kies, of the National City Bank of New York.	
THE IMPORTANCE OF AN AMERICAN MERCHANT MARINE..	52
Bernard N. Baker, Baltimore, Md.	

PART II—RELATIONS OF THE UNITED STATES WITH CENTRAL AND SOUTH AMERICA AS AFFECTED BY THE EUROPEAN WAR

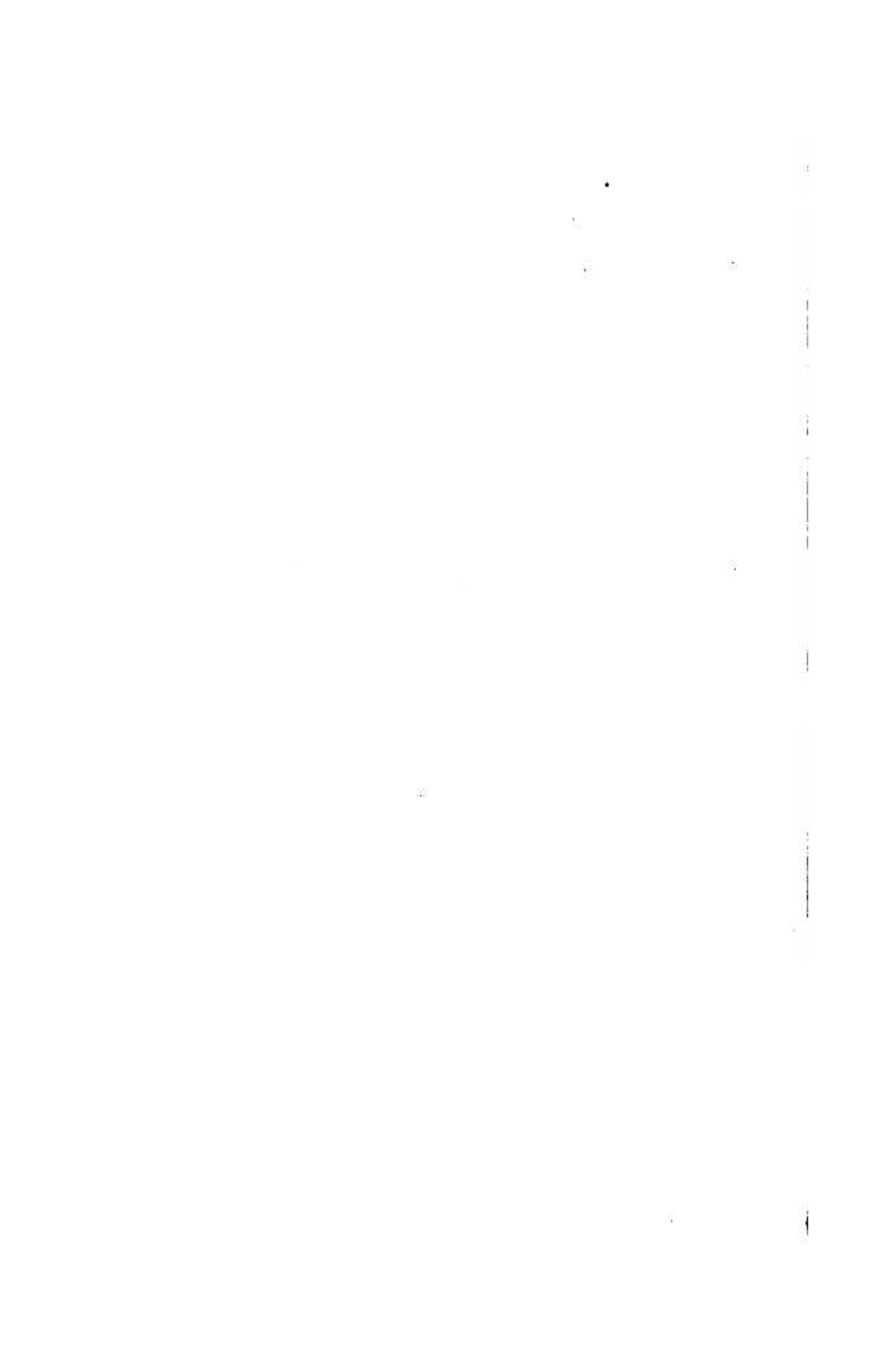
THE FUNCTION OF GOVERNMENT IN ITS RELATION TO INDUSTRY.....	58
Joseph E. Davies, Chairman, Federal Trade Commission, Washington, D. C.	
CENTRAL AND SOUTH AMERICAN TRADE AS AFFECTED BY THE EUROPEAN WAR.....	60
James A. Farrell, President of the United States Steel Corporation and Chairman of the National Foreign Trade Council.	
TRADE RELATIONS WITH CENTRAL AND SOUTH AMERICA AS AFFECTED BY THE WAR.....	69
John Hays Hammond, New York City.	
TRADE RELATIONS IN LATIN AMERICA AS AFFECTED BY THE EUROPEAN WAR.....	72
Edward Ewing Pratt, Chief, Bureau of Foreign and Domestic Commerce, Washington, D. C.	

EXISTING OBSTACLES TO THE EXTENSION OF OUR TRADE WITH CENTRAL AND SOUTH AMERICA.....	98
Maurice Coster, Export Manager, Westinghouse Electric and Manufacturing Company, New York City.	
 <i>PART III—AMERICA'S FINANCIAL POSITION AS AFFECTED BY THE EUROPEAN WAR</i>	
THE PRESENT FINANCIAL SITUATION.....	104
Frank A. Vanderlip, President, National City Bank, New York.	
THE EFFECT OF THE WAR ON AMERICA'S FINANCIAL POSITION.....	106
Thomas W. Lamont, Member, firm of J. P. Morgan & Company, New York.	
THE RESULTS OF THE EUROPEAN WAR ON AMERICA'S FINANCIAL POSITION.....	113
W. P. G. Harding, Federal Reserve Board, Washington, D. C.	
AMERICA'S FINANCIAL POSITION AS AFFECTED BY THE WAR.....	119
Alexander J. Hamphill, Chairman, Guaranty Trust Company, New York City.	
THE FINANCIAL MENACE TO AMERICA OF THE EUROPEAN WAR.....	123
Simon N. Patten, Ph. D., Wharton School of Finance and Commerce, University of Pennsylvania.	
THE PROBABLE CONDITION OF THE AMERICAN MONEY MARKET AFTER THE WAR IS OVER.....	130
Joseph French Johnson, D. C. S., School of Commerce, Accounts and Finance, New York University.	
THE SITUATION OF THE UNITED STATES AT THE CLOSE OF THE WAR AS A QUESTION OF NATIONAL DEFENSE.....	138
Edward S. Mead, Ph. D., Wharton School of Finance and Commerce, University of Pennsylvania.	
THE EFFECT OF THE EUROPEAN WAR ON AMERICAN BUSINESS.....	143
A. B. Leach, President, Investment Bankers Association, New York City.	
 <i>PART IV—AMERICAN NEUTRALITY AND THE EUROPEAN WAR</i>	
THE MEANING OF NEUTRALITY.....	145
John Bassett Moore, Professor of International Law, Columbia University.	

CONTENTS

v

THE NEUTRALITY RULES ADOPTED BY BRAZIL.....	147
His Excellency, the Brazilian Ambassador, Senhor Dom Domicio Da Gama.	
NEUTRAL RIGHTS AND OBLIGATIONS OF AMERICAN RE- PUBLICS.....	155
Paul Fuller, New York City.	
THE RIGHT OF CITIZENS OF NEUTRAL COUNTRIES TO SELL AND EXPORT ARMS AND MUNITIONS OF WAR TO BELLIG- ERENTS.....	168
William Cullen Dennis, Lawyer, Washington, D. C.	
THE SALE OF MUNITIONS OF WAR BY NEUTRALS TO BELLIG- ERENTS.....	183
Charles Noble Gregory, LL. D., Washington, D. C.	
AN ARGUMENT AGAINST THE EXPORTATION OF ARMS.....	192
Edmund von Mach, Cambridge, Mass.	
GERMANY AND AMERICAN POLICIES.....	195
Bernhard Dernburg, Formerly Minister of Colonial Affairs of Germany.	
FORCE AND PEACE.....	197
H. C. Lodge, United States Senator.	
UNARMED NEUTRALITY.....	213
Albert Bushnell Hart, Harvard University.	
SIX ESSENTIALS TO PERMANENT PEACE.....	222
August Schvan, Stockholm, Sweden.	
AMERICA'S POSSIBLE CONTRIBUTION TO A WORLD PEACE..	230
Oscar S. Straus, Former Ambassador and member of the Permanent Court of Arbitration at the Hague.	
INDEX.....	235
CUMULATIVE INDEX.....	244



AMERICA'S INTERNATIONAL TRADE AS AFFECTED BY THE EUROPEAN WAR

BY WILLIAM C. REDFIELD,
Secretary of Commerce, Washington, D. C.

It is substantially accurate to say that prior to the outbreak of the European war there were three great competitors for the international trade of the world whose position in that trade, measured by the respective shares of business done, were Great Britain, Germany and the United States. We do not ignore the fact that other nations held an important place in the same markets. France, Belgium, Holland, Italy, the Scandinavian countries, all had their share. The business of Belgium was large in proportion to her size. The share of France was one peculiarly individual. No one, however, will deny that the three great nations first named were preëminent among the rest. Each of these three showed certain marked and different characteristics in the competition which they carried on. America was potentially a large exporter of food. During recent times, indeed, when her own crops were short, she imported food largely, but this has been reversed as current records show. Germany was regularly an importer of foodstuffs. England imported a very large portion of her food supply.

The competition on the part of Germany was distinguished by the application of science to business to an unparalleled degree. Her commercial power was based upon research and upon the application of the facts found by research to an extent unknown elsewhere. To this scientific spirit she added thoroughness in organization and preparation. Her men were not only organized but were trained for the contests of commerce as they were for those of war. She presented a spectacle of organized competence, utilizing her resources in men and material more effectively than anyone else. She was steadily building up a great merchant marine as the servant of her commerce and was reaching her financial fingers out into every portion of the world. The commerce of Great Britain lacked the application of science to work. It was not