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EDITORIAL

## “PROSPERITY” AND STRIKES.

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**T**HERE are a few general facts that, taken together, afford a fair view of the unparalleled “prosperity of the country”; by which is meant the prosperity of its owners and rulers, the capitalist class. If compared by any workingman with the special facts of his own condition, they will enable him to determine for himself the extent to which he is affected by that prosperity.

We shall first consider to-day the progress of the foreign commerce of the United States, which is peculiarly suggestive in many respects.

The following table shows at a glance, in round millions of dollars, “our” exports and imports of merchandise in the fiscal year ended June 30, 1890, and in every similar fiscal year from 1894 to 1901; also, the excess of exports over imports—or “balance of trade”—in each of those years.

Year.	Exports.	Imports.	Excess of Exports.
1890	857	789	68
1894	892	655	237
1895	807	732	75
1896	882	780	102
1897	1,050	765	286
1898	1,231	616	615
1899	1,227	697	530
1900	1,394	850	544
1901	1,500	800	700

From the above figures it appears that during the fiscal year ending June 30, 1894—that is, in the twelve months which immediately followed the crash of July, 1893—our imports of foreign goods were 134 million dollars less, but our exports were 35 million dollars more, than in the prosperous year 1890, when we passed England in the production of iron.

To be absolutely correct, let us observe here that imported goods to the value of

23 millions were re-exported; so that if this sum be deducted from the above given total of 892 millions, we find that the amount of domestic merchandise, or actual product of American labor, exported from July 1, 1893, to June 30, 1894, was 869 millions. In other words, during that black year of unparalleled industrial prostration, while vast numbers of working people were unemployed most of the time and actually starving, the amount of that portion of the surplus value created by their labor and appropriated by capitalists, for which these capitalists found a market abroad, was greater than it had ever been in any previous year.

From the nature of the exports, which no longer consisted almost exclusively in agricultural produce but comprised in addition a large variety of manufactures, it became apparent that foreign countries could be made to absorb an enormous amount of American goods, provided the wage reductions imposed after the crash could permanently be maintained in part if not in their entirety. With this object in view the next two years were a period of mechanical transformation, at the end of which the great establishments found themselves facing each other with the most improved enginery of production. As their purpose was not to destroy their domestic markets but to conquer the foreign ones, the movement of trustification, temporarily suspended by the crisis, resumed its activity on an unprecedented scale.

The capitalisms of Europe, apparently asleep, actually blind to the mechanical and economic transformations that were taking place on this continent, could offer no resistance to the invasion of giants so strongly armed industrially and so powerfully concentrated financially. The exports of the United States increased to 1231 millions in 1898, to 1384 millions in 1900 and to 1500 millions in the fiscal year just ended. In the meantime the imports remained substantially the same in value, owing to the purchase of special luxuries, art works, precious stones, etc., but largely decreased in important branches of manufacture: so that for the period of four years, 1898–1901, the balance of trade in favor of this country shows a grand total of about \$2,400,000,000, which Europe must have paid in part with American stocks and bonds previously bought by foreign investors, and in part also with foreign securities. It is indeed a well-known fact that one-half of the money borrowed by England to carry on the South African war was lent by American capitalists, that the whole of the sum needed by Switzerland for the purchase of her railways came from the same source, and that the bonds of some German municipalities are held in the United States. In other words, Wall Street is fast becoming the financial center of the world.

All this was rendered possible by the degradation of American labor. The reductions of wages imposed during the crisis, represented on an average 25 per cent.; that is to say, the working class, taken as a whole, received 25 per cent. less than formerly for a given quantity of labor. In some trades the reduction was less, in others more, and even in those which were most favored,—such, for instance, as the building trades—the actual earnings, owing to the scarcity of employment, were greatly diminished. In the mines, in the textile industries, where the rate of wages had been most mercilessly cut down, the earnings were hardly one-half of what they were in 1890. It is calculated that since then the average “increase,” or “recovery” has been five per cent; so that the working class, taken as a whole, is now receiving twenty per cent less than in 1890 for an equal quantity of labor. But the amount of enforced idleness, despite the “unexampled prosperity,” is still greater than it was in that year, and it seems quite safe to say that the average earnings are probably twenty-five per cent less than eleven years ago.

Hence, those attempts at gigantic strikes which we are to-day witnessing. But it is certainly not under the lead of corrupt and ignorant fakirs that the proletarian class of America can successfully cope with the powers which have just shown themselves strong enough to challenge the capitalisms of the whole world. Success can only be achieved by a class-conscious union, in the economic field upon the platform of the S.T. & L.A., and in the political field under the banner of the S.L.P.

Transcribed and edited by Robert Bills for the official Web site of the Socialist Labor Party of America.

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