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EDITORIAL

THE GERMAN INVASION.

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CW. Wellman, general manager of the Wellman-Seaver-Morgan Engineering Co., of Cleveland, O., has made public an interesting statement, one that reflects the conditions confronting American capital and labor and that is, consequently, worthy of consideration.

“Germany,” to quote Mr. Wellman, “is the one nation with which the United States really competes for foreign trade * * * The so-called American invasion is not what is worrying England or any other European country. It is the German invasion now. * * * Six years ago the American manufacturer could compete with Germany. To-day it is out of the question. Wages have doubled in that time * * * Before the United States can hope to regain her prestige as a power in foreign trade wages in this country must be reduced 40 per cent. Then, and only then, will we be in a position to compete with Germany.”

That German competition in the world’s markets is proving effective cannot be doubted. That this effectiveness is caused by the doubling of American wages is false. There has been no such doubling. The census figures of 1900 show a decrease of 2 per cent. in the wages of that year as compared with those of the year 1890. In addition, the same figures record an increase in production of 10 per cent. Thus, the decrease actually amounted to 12 per cent. Even in the recent attempts of Carroll D. Wright to show that, during “prosperity,” prices and wages had increased in equal proportions, the figures given—17 per cent.—though false, are far from showing a nominal, much less a real, doubling of wages. No matter from what standpoint the figures given are viewed they do not show a doubling of wages in six years. Such doubling exists only as the work of an artistic imagination, inspired by capitalist interests.

The secret of the effectiveness of German competition, and, therefore, the

necessity for a wage reduction on the part of American capitalism, is to be found in other causes than the alleged doubling of American wages. It is to be found, in a great measure, in Germany's development. Germany is no longer a collection of principalities and kingdoms that is being welded into a great empire. Germany is an industrial country which aspires to be a world power, an aspiration that, the Wellman statement shows, is nearing realization. Germany is noted for its progress in scientific technique as applied to production and distribution. Its technical schools and achievements are the models of the world. It is no accident that Germany produced the 130 miles-an-hour electric railway. Germany, stimulated by the entrance of the United States into the markets of the world, has adapted the trust form of organization, and is famed as a country of trusts, second only to the United States. Representative Littlefield estimates the number of trusts in this country at 793. According to the *Wall Street Journal*, those of Germany number over 400. Three hundred of these are manufacturers', and 80, dealers' trusts. The manufacturers' trusts are affiliated with a national association whose influence is reflected in German legislation and action, especially against the American trusts, particularly the Standard Oil Co. In Germany's development, stimulated by American competition and enforced by adaptations of American industrial organization, coupled with cheap and highly skilled labor, is found the secret of its competitive effectiveness.

"The doubling of wages" cry is merely a pretext to reduce wages in order to enable the capitalist class of this country to maintain the present rates of profit secured in the struggle now going on in the markets of the world. The Steel trust has already led the way by reducing wages 10 per cent., and concentrating its works, i.e., displacing labor, in order to offset the reduced prices demanded by export trade and insure the payment of dividends. Thus the expansion policy of this country, which stimulated German development, is seen reacting on the working class of this country. "Prosperity," like everything else in capitalism, moves, as Marx demonstrated, in a vicious circle, and will so continue to move until capitalism is abolished. In the meanwhile the working men of the United States, having voted for "prosperity" with all its results, must now prepare to reap the harvest. Wage reductions are inevitable. They may not amount to 40 per cent., but it is evident

that if the capitalist can secure that amount, secured it will be. At all events the reductions will exceed 10 per cent.

Workingmen, abolish capitalism with its “prosperity” and other frauds and swindles that it perpetrates on you. Inaugurate Socialism!

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

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