

This change in the policy of armaments is faithfully expressed in the gradual changes in opinion of President Wilson. The *New York Evening Post*, in its April 4 issue, very aptly summarizes this change in the President:

"The stages of the President's changes of opinion are perfectly clear. In December, 1914, he was absolutely opposed to turning America 'into an armed camp.' In December, 1915, he yielded to the demands for preparedness. In January, 1916, he desired 'incomparably the greatest navy in the world.' In April, 1917, he yields to the principle of conscription to which he has hitherto been opposed or at least withheld his consent. From the beginning of the war he argued eloquently against our going into it, and because of his having kept us out of it he is re-elected to the Presidency. In April, 1917, he decides for war, and thereby, curiously enough, wins the acclaim of the very business interests that most bitterly fought his re-election."

The chronology of the President's changes is significant. It fits in remarkably with the three stages of America's reaction to the war that I have previously described. In President Wilson there is seen, accordingly, a man who expresses accurately the needs and demands of the economic interests dominant in the country.

What are the economic facts that have produced this complete change in American opinion and preparations for war, and that lie at the roots of our developing Imperialism?

The credit balance of American foreign trade from the outbreak of the war to January 31, 1917, represents a huge total of \$5,574,000,000. The statistics, as given by the *New York Times*, are as follows:

The foreign trade of the United States, imports and exports combined, since the outbreak of the war in Europe at the end of July, 1914, has amounted to the huge sum of \$15,622,785,853. Exports during this period were a little more than double the imports, and the balance of trade in favor of this country resulting from these thirty months of trade was \$5,501,568,835. This table shows how this vast trade has accumulated and the huge movement of gold which resulted from it:

	MERCHANDISE		Credit Trade
	Exports	Imports	Balance (Excess of Exports)
January, 1917.....	\$613,441,020	\$241,674,851	\$371,766,169
Year, 1916.....	5,481,423,589	2,391,654,335	3,089,769,254
Year, 1915.....	3,554,670,847	1,778,596,695	1,776,074,152
Aug. 1 to Dec. 31, 1914....	912,641,888	648,682,628	263,959,260
Total since outbreak...	\$10,562,177,344	\$5,000,608,509	\$5,501,568,835
	GOLD		Excess of
	Exports	Imports	Imports
January, 1917.....	\$20,719,898	\$58,926,258	\$38,206,360
Year, 1916.....	155,792,927	685,990,234	530,197,307
Year, 1915.....	31,425,918	451,954,590	420,528,672
Aug. 1 to Dec. 31, 1914....	104,972,197	23,252,604	*81,719,593
Total since outbreak...	\$312,910,940	\$1,220,123,686	\$907,212,746

Our credit balance from merchandise trade was augmented by our net exports of silver. The balance in our favor was offset by gold imports, the purchase of foreign securities, the repurchase of our own securities and by other items. The two sides of the account in round numbers may be put thus in the shape of a balance sheet:

BALANCE SHEET OF OUR FOREIGN TRADE

Sent Out	Taken In
Excess of merchandise exports	Net gold imports..... \$907,000,000
\$5,501,000,000	Foreign securities bought
Net exports of silver 73,000,000	2,400,000,000
	American securities re-purchased
	2,200,000,000
	Other items
	67,000,000
Total	Total
\$5,574,000,000	\$5,574,000,000

The "other items" include payments to foreign ship owners for freight on part of our imports, the net amount of interest and dividends on our stocks and bonds still held abroad and other less important items.

There is nothing in the annals of economic history to compare with this achievement. It marks an industrial and financial revolution in America.

*Excess of imports.