

## IS JOHN BULL A BETTER PARTNER THAN JONATHAN?

To the Editor DRY GOODS REVIEW:

DEAR SIR,—We naturally think that biggest which looms up most to our own vision, and we are so near to "Statia" and see so much of her people that we easily follow her lead more than those who are far removed from us. Braggadocio has one advantage, it sets people talking, and though we may know it is brag, yet some of it is sure to stick. Jonathan teaches his children from the time they leave the cradle right on to their graves, that theirs is the biggest country on earth—the biggest rivers, the biggest lakes, the biggest mountains, the biggest everything, and the tarnation smartest people in the world; in fact, that smartness would atone for everything, and enable you to get along without honesty and humanity when these were not convenient. Now, we may admire a smart fellow, as one sometimes admires a smart girl. But to take one as a partner is another matter. There is always the fear that in a short time your partner may have your money and you will have the experience. One would naturally prefer a partner who was willing to let you have some of the money as well as the experience—to live and let live.

It was not many years since people across the line thought they would soon transfer the money centre of the world from London to New York. But they forgot they were living largely on borrowed money. Britain is the creditor nation of the world. The published trade returns of countries give usually only the exports and imports. Home consumption is lost sight of and the movements of money also. It is estimated that Britain receives annually from abroad \$400,000,000 in interest alone, not to speak of those investments which pay nothing. Britain does nearly half of the carrying trade of the world, and it is estimated that this in freight and passengers brings her in about \$600,000,000 a year. So she gets about \$1,000,000,000 a year which does not appear in the usual trade returns, and thus can afford to import a few hundred millions a year more than she exports and still have a nice pile to the good. Now, just here note the difference between her position and our own. We are a debtor nation. Our debt is owned abroad and not at home. Like all young countries, we had to borrow money to build our canals, railways and other public works, and also to carry on many of our other concerns. Therefore we must be careful that the value of our exports exceeds the value of our imports at least enough to pay the interest we owe abroad—and, therefore, every dollar's worth of goods that we can manufacture here instead of importing helps to reduce our foreign indebtedness and hasten the time when we can own our own debt. So it is impossible and impracticable to have free trade as they have in England, and necessary for us to protect our own industries, whether of the field, the farm, the forest or the factory.

Jonathan also is a debtor. It is estimated that "Statia" has to send to Europe \$120,000,000 a year for interest, as much more for the carrying trade, nearly all done on foreign ships, and as much more for her folks who go abroad, and live abroad and spend abroad, or say \$350,000,000 to \$400,000,000. For, while no one would question the intense conviction dwelling in the breast of every American that one man is as good as another and better—still they really do like a handle to their name and the attention which servants who don't live in the land of freedom are in the habit of giving. And as they have lots of professors, colonels, generals, etc., at home, no wonder they go abroad for other titles. Thus it comes that all their

surplus products and their gold are swallowed up by the needs of their outside indebtedness.

Now, while we should avoid their follies, we can learn from their mistakes. A drop in their tariff on woollens of one-half stagnated that business for 1894, improved it in 1895 (when they plunged heavily), and 1896 has brought the reaction. Thus, 1894 starvation, 1895 gorging, 1896 digestion. Now, it is better to have a moderate feed all the time, and the best thing for business all round is steady, regular diet, neither disturbed by tariff changes nor speculation.

Clearly, then, our best partner for money is Britain.

Now, then, for commercial character as a nation. Britain's boast is that her word is as good as her bond. The best people in "Statia" are of the same sort, but politically and nationally they are not so considered in Europe. There is a strong mistrust, and not without cause, that they will always consider themselves first and their creditors afterwards, if convenient. This is why their securities fell so sharply when Cleveland gave his Venezuelan message. Their buying is often purely speculative, everyone trying to squeeze the other fellow. They will put down enormous orders and crowd other people out if they think the market will advance, and then, if things don't turn out as expected, cancel without compunction. This is, of course, having its effect in this way: that they will not always get the first chance, and manufacturers will not put themselves out of the way to cater for their market. All the same, they make it very awkward for other people, and unsettle markets and hurt legitimate trade. So there is no getting over the fact that if we want a partner who has money, who is willing to lend it to decent people on decent terms, who can be trusted to do the fair thing and not squeeze you out of all you have, John Bull is the man every time.

Yours very truly,

Toronto, May 22, 1896.

P. H. BURTON.

[Mr. Burton is a staunch and able Englishman, who spends a great deal of his time on business abroad, and should be thoroughly posted as to the feeling across the ocean. We have no desire to take part in the controversy, except to remind him that England thinks a good deal of American trade, and that Canada has for thirty years kept on her statute books a "standing offer" of freer trade with the States.—ED. DRY GOODS REVIEW.]



"I SAID IN MY HASTE, ALL MEN ARE LIARS!"