

## MY BUSINESS PARTNER, THE GOVERNMENT.

WHEN I went into business, I associated myself with men whose characters and methods I knew, and with whom I could advantageously co-operate for the purpose of making money. It happened that the business undertaken was the exportation of American merchandise to foreign countries. We began it in the faith that so long as we carried on a legitimate trade we could do it without let or hinderance, but we were destined to be speedily undeceived. We had scarcely begun operations before we discovered that we had another partner, self-injected, who actively interfered in various ways, prohibiting the doing of many things, rendering difficult the doing of others, and whose meddling was dangerous to our prosperity, even when he was kindly disposed. This partner was the Government of the United States.

We soon had occasion to ship some merchandise to a foreign country, when we found that our partner had a business office called the custom-house, in which we were obliged to file a list of all articles shipped, with their value. He told us that this clearance was for statistical purposes only, and sacredly guarded; yet it soon appeared that any one for a small "tip" could get a copy of it, and thus acquire valuable information that might be used to the injury of our trade. It was desirable to have trustworthy statistics of exports, even at the expense of this unnecessary violation of business confidence; but examination disclosed that while many millions of dollars of American exports crossed the frontiers of Mexico and were shipped through Canada, no account was taken of them, and the statistics were thus rendered inaccurate and misleading.

We speedily became aware that our partner took a share of his profits in advance by exacting a tax on many foreign products brought into the country to be used in the manufacture of the merchandise which we were exporting. Our partner saw that this made it difficult to sell against our foreign competitors, and so he tried to help us. He devised a system of returning this tax when the goods were exported, but he arranged it so clumsily that only large manufacturers could

afford to take the trouble to get this advantage, and even then the manufacturing methods in many cases could not be adapted to his requirements, for our partner was very fearful of giving back more than he received, and required oaths, bonds, and documents innumerable, tracing the foreign materials from their arrival here through the factories, on board the vessel, and to their actual landing in the foreign market.

At the time our partner deputed Mr. McKinley to reorganize his custom-house and tariff, we learned accidentally that this system was to be changed. The object seemed to be to relieve certain of his custom-house clerks of some labor and responsibility, at the expense of the merchant. Under the proposed system, it would have been practically impossible to comply with the regulations; returns of duties would not have been collectible and a fine of millions of dollars would have been levied on the export trade. We could not learn that any exporting manufacturers or merchants had been consulted, although a considerable part of their trade would have been ignorantly destroyed. With some difficulty the clauses were changed back to their original clumsiness.

In spite of these and other interferences, business grew, and it seemed possible to realize a further profit by buying sailing-vessels and steamships to carry goods to our customers and at the same time to fix a larger share of the carrying trade in American hands. Then we found that our partner, the Government, had arranged with certain other partners of his, in the ship-building business, that we should buy only ships built by them. But the ships built by them were so dear that we could not run them at a profit against foreign-built vessels, and we were forced to hire alien ships and carry on our business under foreign flags. Besides this, many staple raw materials were shut out by his tariff, which made freight dearer and raised the cost of delivering our goods in foreign ports. In some cases it became necessary to hire vessels in ports thousands of miles away and to bring them to the United States in ballast, while in the very ports they sailed from with empty holds cargoes of goods were stored, whose owners were eager to sell, while our people were equally as anxious to buy.

Our partner, the Government, tried to devise a plan to fix this without injury to the monopoly granted to his ship-building partners. We were to get a money payment for carrying the mails under the American flag. This promised well, and might have helped us to pay

the high prices asked for American ships, but the law was exacting and the details were put in the hands of his Postmaster-General for settlement. This official was accustomed to driving shrewd bargains for himself, and applied his skill for the benefit of the Government. He prepared advertisements asking bids for carrying the mails over more than fifty routes. The conditions for the North Atlantic, New Orleans, and Norfolk routes were financial absurdities. Those for Brazil utterly ignored the character of commerce with that country. They required the steamers to call at so many ports, and allowed so short a period for a voyage that, after deducting the necessary loss of time for stipulated stops, the speed between ports must be equal to a voyage from New York to Queenstown in four days. In order to approximate this speed the ships would necessarily be of such large size that they could not enter some of the specified ports of call, and they would have to carry so much coal that they could take no cargo. The established line did not even bid, and has now ceased building American ships and is chartering English "tramps." These ridiculous advertisements were withdrawn, but those substituted for them were in large part preposterous, and few even of the established lines were willing to take our partner's money on the specified conditions. One of the few lines of steamers which did accept the terms offered was that running to Venezuela. The contract was hardly entered into before our partner, the Government, imposed a discriminating duty on Venezuelan products, and the owners must suffer a loss of freights homeward which seems likely to consume more than all the line may receive for carrying the mails. A story is told that the high official asked the owner of a steamship line why he did not run his steamers direct to a certain South American city, to which the owner replied that he would like to accommodate the Government, but the town stood some distance inland and upon a mountain. The whole thing was so mismanaged that few bids were made. Some of these were from irresponsible people, and scarcely a new line has been started, or appears likely to be, by reason of the measure.

Our partner had been for a long time in a most amiable mood towards the other American republics, and he wished to unite them to himself in bonds of exclusive amity. He saw both good politics and good business in it. To accomplish this end, he devised a scheme called "The Pan-American Congress." While we ourselves rate friendship alone at a moderate value as a basis for business, and believe that the average merchant will buy where he gets most for his

money, yet friendship lubricates transactions, and we fully appreciated these efforts. To further the commercial object of this congress, my partner established a "Bureau of American Republics." It went zealously to work and published some attractive books about the countries south of us. They contain pleasing pictures and give many interesting facts, historical, geographical, and statistical. As sources of information they are superior to a school geography, inferior to an encyclopædia. Private enterprise produces annually in this and other countries dozens of commercial handbooks and trade directories far superior to the books of the bureau, and hundreds of salesmen representing American firms traverse these countries yearly. It scarcely seems likely that the labors of the bureau will prove worth the money spent in this amateur promotion of business.

Our partner's beloved sister-republic, Chili, recently passed through a trying political crisis, which eventuated in a civil war. The winning side believed that our partner had zealously favored the defeated, and friendship was replaced by dislike. As one of the results, certain sailors were badly treated there. The just resentment thus aroused was manifested with little of the kindly consideration which such a big, burly fellow might well have shown to his distressed friend. Insult was returned for insult, and an apology was forced in a way to leave soreness for many a day. The other republics looked on with a fear that their time might come some day, and some of them now show distrust rather than liking.

As exporters, we found the attitude of our Government partner benevolent and impartial in so far as we did not interfere with more favored partners, and that the meddling, which made exporting more difficult, arose from ignorance. But after a time some of our customers in foreign countries wanted us to sell goods for them in the United States. As soon as they sent any merchandise, our powerful partner assumed a very different attitude towards us. As importers we were presumably of bad character, to be watched as men who did not have the good of the country at heart. When the goods got here, that wonderful McKinley administration-bill met us. Strange and complicated oaths were required. Getting goods through his custom-house was possible only by hiring an expert. Part of the goods were taken to the appraiser's warehouse and kept an indefinite time. The great machine for restraining trade became very active. It were better that a thousand innocent importers should suffer annoyance and loss than that a single guilty one should escape. Some of the over-zealous

custom-house clerks of our partner, under cover of the complexity and uncertainty of his tariff, rendered strained decisions to the disadvantage of the importer. The courts were filled with custom-house litigations in which a large majority of the judgments were in favor of the importers, but from which, even when successful, they suffered grievous damage and annoyance. On inquiring why importers were treated so, we learned that our partner had a number of favored associates. These men had his ear, and they insisted that they should be ruined unless importations were made difficult. Some of them supported their position by truthful representations as to the conditions of their industries. Others imposed upon him by false statements, which was easy, as he is necessarily very ignorant about such things. They pleaded the baby act for stalwart industries; they bribed with funds for campaign purposes; they frightened by threatening withdrawal of political support, and disquieted their workmen by gloomy predictions. As a result they had their will.

When we went to their favorites to buy goods for export we met various receptions. Some of them had tied the makers of one class of articles into a trust. They put their prices just under the importing point, and told us they did not care anything about foreign trade. They had the home market by the throat, and did not propose undertaking a fight outside the protective wall. We could do little with such combinations. They had a sure thing, they thought they could keep it, and they cared nothing for business involving competition. Others had crouched so long behind a protective wall that they could not believe it possible to battle successfully on even terms for a share of the trade of a billion consumers in non-manufacturing nations. Many were persuaded to make the effort; some fought half-heartedly; but numbers, believing in the skill and ingenuity of their workmen, poured as much energy into their foreign trade as into their domestic business and found it fully as valuable.

When our Government partner had outdone himself in serving his favorites, he deigned to look upon the exporters, and devised a helpful plan. He bargained for advantages in the custom-houses of certain countries. High hopes arose with the negotiation of the Brazilian and Spanish reciprocity treaties, which gave us certain exclusive advantages. These hopes are beginning to be realized. Other treaties have been negotiated, but all are not alike. The reciprocal concessions are not always exclusive. The treaty with the British West Indies is a case in point. The lower duties are granted, not to our

partner alone, but to all the world, and the advantage comes in the cheapening to the consumer and the consequent increase of the consumption of articles which the islands must buy from us. But these advantages had in part to be paid for. It seemed possible to obtain them only by a threat of the imposition of duties on coffee, sugar, and hides. Some countries rely upon the exactions of the tariff for their chief revenue, and cannot afford to make tariff concessions. As a consequence, the rapidly growing commerce with Venezuela must be checked, the fine line of American steamers running to Venezuelan ports will suffer, and the trade with the less important but considerable markets of Hayti and Colombia will be checked.

For many years our partner had been buying silver bullion and coining it into light-weight dollars; but as he was always ready to give a gold dollar for one of these tokens, little harm seemed to result. Lately he has been buying silver bullion and paying for it with paper certificates which circulate as money. Having piled up a great heap of these tokens, he is now adding an immense weight of silver bars. He has based it all on a gold foundation, which is getting no broader, and there is a fear that the heap may soon topple over. Under the influence of this alarm and an enormous output, the market value of silver bullion is dropping lower and lower, and a gold premium is in sight unless this buying is stopped. But instead of stopping what experience shows to be a blunder, he has lately been talking of going further, and allowing any one in the world to force us to accept 412½ grains of silver in lieu of a dollar in the payment of a debt.

We therefore anxiously look to see what is the experience of our customers in silver-standard countries, among which my partner would thus wish to range himself. We find them groaning under the premium of 40 per cent which they are obliged to pay on importations from manufacturing countries. They are bewildered by the fluctuations in their standard of value. The risks of their international commerce are rendered greater by these frequent and often violent changes; they are working with an inferior tool and doing inferior work. The margins of business are already so small that they cannot be reduced. They therefore advance their prices to the consumer, and deduct from the price they pay a domestic producer enough to cover the possible losses from an unstable standard. So it is evident that the greater damage will not fall on us, but upon the consumer and the producer, and our injury will be secondary and mainly due to the unprosperous condition of the multitude, who are unable to pass on the loss to some one else.

When I had to go to England and open an office for a time, I tried to discover why my English competitor was such a dangerous enemy. I found that his government let him very much alone, his secrets were sacredly guarded, he could buy what ships he would. It was not wicked to be an importer; return cargoes awaited him in every port. In the few cases where he came in contact with the government, the presumption was in his favor. He was neither coddled nor scolded, but permitted to manage his own affairs.

An avaricious man of great ability and powerful will for many years controlled the destinies of a South American republic; it was his custom to send for one and another merchant and say to him, "I am now a partner in your business"; but he so managed it that such firms had special opportunities and made great profits, of which he took his full share. This method was more frank and direct and less harmful than that to which we are subjected. My partner, who is the partner of many others, has been trying to be wise for us all, and so far as my own field of activity is concerned I see some benefit here and there, but it is more than offset by the friction and confusion due to ignorance in meddling powerfully with that infinitely complex and sensitive thing, commerce.

The law forbids a special partner to interfere with the management of a business in which he has an interest. This is to protect the general partners from inexpert meddling. I cannot but long for the day when my uninvited special partner, the Government of the United States, shall be prohibited from blundering interference and be relegated to his proper function. Then the business energy now wasted in overcoming unnecessary friction in rectifying blunders and in doing things in a poor way when a better way exists (all of which arises from the interference of my partner, the Government) could be expended in the extension and enlargement of a business which would give a profit to ourselves and a larger foreign outlet to the surplus products of American manufacturers.

ULYSSES D. EDDY.



## THE DEVELOPMENT OF MUSIC IN AMERICA.

I APPRECIATE the delicacy of the task before me when I attempt to discuss publicly the subject of musical culture in America. For several years I have been identified with German music, and I fear that I shall consequently be considered a German partisan. But at the outset of this article I wish to state that it is my purpose to make a plea, not for German music, but for the interpretation of the best music and the encouragement of the best musical culture in this country.

America may now be said to be in a state of transition with regard to music. It would be a platitude to say that musical taste has always existed in this country, for a love of music is characteristic of nearly all people. But music has not been scientifically encouraged here to any great extent until within the past few seasons. New York has had for many years productions of opera of more or less merit. It is only within the past half-dozen years, however, that these have been on a scale to compare with the productions of the best opera-houses in Europe. For several seasons we have had German opera presented in a manner that was elaborate in every particular; but through a strange combination of circumstances, though the public gave every sign of satisfaction with it, it was discontinued, and the old school of opera, which many of those who had the interest of music at heart hoped had been superseded by the higher forms of music developed within the last half-century, was substituted in its place. It is maintained by the advocates of the old style that this change was due to the lack of popularity and support of German opera by the New York public. This theory, however, can find no support from the facts.

Any one who has closely studied the music-loving public of America cannot fail to have been struck by the intense enthusiasm with which German music in nearly all of its forms has been received here. If opera in this country were given for the benefit of the public, such a change of policy as we have witnessed recently at the Metropolitan Opera-House, in New York, from German to Italian opera, would be a reasonable sign of a change in the popular taste; but as the conditions are different here, the same fact is not indicative of a similar circumstance. Opera in America does not