

immediate cash for his labor and often for his materials. If he under these conditions is to sell on very long credits he must be paid for so doing in the prices that he must charge. Long credits, therefore, do not permit cheap goods for the buyer, but the reverse. The manufacturer who can close an account quickly and proceed to another transaction can afford through the rapid turn-over of his funds to sell at a margin impossible for him who by reason of long credits must do business on a more extended and more costly basis.

On the other hand, it is of course true that the solvent merchant who may not be able to afford cash with documents for goods which may be weeks in reaching him may still have credit amply good to warrant advances on the part of a banker to pay for actual merchandise from which when sold the seller will receive more than sufficient to repay the loan. The more normal process of trade, therefore, would seem to be not for the buyer to call upon the seller to grant long terms, with the corresponding disadvantage in prices, but for the banker to intervene, and seeking only normal interest on sound loans to carry the transaction over from the seller to the buyer in such wise as to be a burden to neither, while profiting himself for his useful service.

#### ABSOLUTE STANDARDS OF PRACTICE

There is, however, another side to this whole matter. Just as it is true that some houses prefer to buy cash against documents so it is true that there are large houses among our industries that are willing to sell on long terms. At this point, however, comes in another principle, which is quite as important as that either of prompt cash or long time, and this is the principle that however payment is to be arranged it should be the absolute standard of practice that it should be made just as it is arranged. If we must plead guilty in part to such ignorance of credits abroad on the part of some of our sellers as induces them at times unwisely to demand cash against documents, it is also true that sometimes our sellers who have extended the longer credits demanded have not received payment at their maturities. What is essential seems to me to be the carrying out of the transaction with equal accuracy in all its forms. If the buyer desires goods shipped by a certain steamer on a certain day he should himself be prepared to make his payment with similar certainty. If this one thing were done, a serious difficulty would immediately disappear from our mutual transactions. It is so evidently sound that I venture to hope the influence of those here assembled may be exerted strongly and continuously in its favor.

Having spoken thus frankly on one phase, let us now proceed with equal plainness to another. It is perfectly well known to our friends in Latin America that we of the north lack the more gracious and formal manners so pleasantly visible throughout our sister nations to the south. We have not the same courteous style in correspondence. We lack the recognition of the politenesses which so pleasantly illuminate the path of our Latin-American brethren. We are thought abrupt if not rude in manner and in speech—especially in written speech—and if this be taken relatively it has in it a certain measure of truth. Our business proverbs do not tend to cultivate the charm of business intercourse. We speak of "getting to the point," or we say the "gist of it is so-and-so," as if the commercial result were the sole thing involved in business intercourse. In this we may grant you we are losers, for in believing there is no sentiment in business we lose sight of the fact that there is after all a great deal of sentiment in commerce, which is indeed more influenced by sentiment than many of us like to think. We lose the charm of the personal and friendly touch and become too nearly automatic in our commercial affairs, turning our salesmen too nearly into selling machines and depriving them in their business work of the finer sides of life. All this is true. It has arisen in part out of the circumstances of our history and out of the differences of background. It does not mean, however, all that it seems to mean, for behind the abrupt word and the curt speech lie often the hand and heart of a willing friend. A man who signs himself "yours truly" may be as genuinely a friend as he of the more formal address; and if we upon our part have to learn something of the more stately courtesy of speech, possibly there may be need to be learned something also on the other hand of how much genuine character and good will may be crowded into brief words.

There is, I venture to think, sometimes a tendency in other lands to regard us as ill-bred because of this assumed brevity of speech or be-

cause of certain characteristics of language or of manner that seem, to say the least, peculiar to people accustomed to staterly ways of intercourse. I have no doubt that this conception has wrought a double harm. It has upon the one hand led to a misunderstanding of the genuine spirit behind the brusque words and actions and upon the other hand to a misapprehension on our part of the value of courtesies which make life both tolerable and comfortable. For my part I am willing to agree that we have much to learn in the amenities of commerce. I only plead for my countrymen concerning this, that they are kindlier, more genuine, more sincere, and altogether more worthy than they may seem to be when projected against a background to which they have had no opportunity to be accustomed.

May we think together now of certain matters that should be (to use our current phrase) "ironed out" before we shall reach that readiness of intercourse so greatly to be desired between us. Business to move freely should be as nearly automatic as possible. Its processes should be simple, direct, inexpensive. Anything which puts an obstacle in the way of the easy interchange of commerce affects that commerce only hurtfully. The currents of trade should flow for mutual good along the lines of least resistance. Practically, the question of licenses for commercial travelers is sometimes a serious one. We used to have them here in various forms between our several states, and in one or another way efforts have from time to time been made to tax in one state travelers coming from another. This has all passed away under the overshadowing protection of our federal constitution, under which commerce is absolutely free and unrestricted between the sovereign states which form this republic. I feel that between nations a tax in the form of licenses for commercial travelers is simply another way of restraining commerce from proceeding; that it is simpler, cheaper, and in the final result far wiser to avoid such forms of expense imposed on trade in order that from the larger trade which grows normally when it moves freely greater revenues may in more normal ways be secured.

We do not suggest, nor have we in the back of our thought, that any privilege should be extended us not granted on equal terms to others. We want no special favors in the peaceful contests of commerce. We think it would be better for all concerned if there were as little as possible in the way of obstacles put in the way of the trade of all peoples. The least necessary friction on the flow of commerce seems to us the wisest course.

We think it should be made a matter of care that your great commercial centers should be connected with those of all the world on an equal basis. It should be as cheap and convenient for you to communicate from your cities with ours as with those of Europe. At present it is possible for you to cable from some of your cities to European points at a considerably less cost than to our own, and in some cases the difference is striking. Without knowing how far this matter may be within the direct control of your several governments, it seems to me that a sound policy can be laid down on this subject in this way: It should be as easy and as cheap for all America to communicate with itself as it is for it to communicate with lands across the sea. There ought to be no handicap or telegraphic rates between American countries in favor of European ones. We of America are in a sense of one international family and we should see to it that the family is not at a disadvantage in this important respect.

#### TRANSPORTATION LINES NEEDED

The same thing is true in matters of transportation. I suppose no nation has ever paid so great a premium on behalf of its commerce as we have paid in the cost of the Panama canal. If we are to get the results of that investment there must be ships under our own control to navigate that canal wherever and as often and of such a character as the needs of our commerce require. This one might think is purely a matter for ourselves, but it is not wholly so. It ought to be the case that all of the peoples here represented shall be bound together by ocean transit lines as frequent and as good as those which ply from any land to our common ports.

Upon these general statements most men will agree, save, perhaps, those whose direct interest in this subject may lead them to look with normal hesitancy upon a larger competition in their own field of activity. The nations require better means of transportation. More and better ships are necessary to bring your goods to us and

ours to you; aye, to bring you here and take us yonder. It is a vital necessity that if America is to be more closely knit together it should be made as easy and as rapid as possible for us to go and for you to come and for our letters and our goods to move frequently and with speed. We are in this country in the humiliating position of doing our foreign trade by the consent of those other peoples who have the ships to carry it. This consent is of course given so long as it is profitable for them to give it. The danger of the situation lies in the fact that our interests may not always be common, and when they diverge they may if they will divert the means whereby our commerce lives. So long as they need the things that we produce and can profit by moving them for us they will of course do it; but if some sterner necessity arose with them that might neither be able nor willing so to do, and then we would suffer. I do not think the people of the United States, when once they realize that it has been by the protection of foreign navies only that we have been able to carry on our foreign commerce in recent months, will be willing long to have it remain so. The question is one for which we are earnestly seeking a solution, and contributions that can be made to sober and to progressive thought upon the subject will be welcome to us from whencever they may come.

#### AFFIRMATIVE ACTION NECESSARY

We have suffered no little here from men who rose to speak on this theme with negatives in their minds, whose first expression was "Thou shalt not," and unhappily these negatives have been far too powerful thus far, so that the merchant fleet of the United States is all too near itself being a pure negation. We hope that a more affirmative spirit may arise in which the getting of a marine into active service may be understood to be so vital a matter that the men with the negatives will cease to be so powerful as hitherto they have been, and this people of ours, which prides itself upon being an affirmative people, may in some manner get that which they are beginning to see as essential at once to their prosperity and their self-respect. We earnestly desire the development of a marine which shall facilitate intercourse between us, which shall make the names of your ports and of your mercantile houses both welcome and common among us.

It is frankly recognized that there are readjustments necessary in some of our commercial ideas and methods if we of the United States are to develop our commerce with South and Central America in the most helpful and permanent way. We must learn not so much to offer the things we want to sell as to make and offer those which the customer wants to buy. It is not to be expected that markets in other lands will wish to use the goods which please us here. The mere fact that we happen to like an article of a certain design or color is no reason why anyone else should like it. It does not follow at all that because something sells well here therefore it will sell well elsewhere. Some of us must learn to do our business more intelligently in this respect, and I am happy to say that there is a growing, and I think now a fairly general understanding of this primary fact.

Again, we must learn not to put our business in other lands in the hands of those citizens of other countries whose interests may be at least as great in the products of their own land as they are in those of this country, if indeed they are not much greater. The producers of the United States must not only offer their wares in other countries of such a kind as please the people in those countries but they must do it through media which takes a primary interest in the products of the United States and not a secondary or possibly an adverse one.

May a word be said in strong assertion of the fact (sometimes in some places questioned) that the merchants and manufacturers of the United States are honorable men, seeking to do business by methods that are open, sincere, and morally sound. We know that such a thing as substitution of goods for others which were ordered has happened. We know that there are those who have insisted that they know better what the buyer wants than he does himself. We know that instructions have been ignored and that matters which were not understood by us did not receive the attention that should have been given. These things are true, though not to the extent, I hope, that has at certain times been alleged. They are not evidences of indifference or of purpose to do wrong. They are, rather, normal indications of beginning to do a kind of commerce the nature of which was not fully un-