

coal to Chili and gets back Chilian ores and other Chilian products by direct trade, or sends the coal to any other country and through the world's network of exchanges gets back the ores or other things from many other countries. The question is one merely of economy, and the respective buyers and sellers will take care of that for themselves.

The principle of international trading is the same as that of individual training. Individuals do not prosper most by the direct trades they make—as when the hatter swaps hats with the shoemaker for shoes, or with the tailor for clothes; but by their indirect trades—as when the hatter sells hats to all buyers, and with the money, check or other certificate of barter he gets for them, buys shoes or clothes or what-not from whomsoever will serve him best in those respects. It is by that principle, also, that nations prosper most; or would, if tariff tinkers and other meddlers would leave their people alone to trade in freedom. But if the Engineering and Mining Journal writer has not advanced far enough to see this, he at any rate has got his eyes turned in this direction. In saying that if we would export to Chili we must import from Chili, he does see, however densely—like seeing men, may be, as trees walking—that importing is as vital to trade as exporting. And that is a long way in advance of the absurd notion, now embalmed in the republican platform, that excessive exporting is the only profitable commerce.

On the question of the value of customhouse statistics of trade balances in showing the prosperity of a country we beg to refer to a comparison of the American with the British statistics. The trade balance of England is what our astute statisticians call "unfavorable"—that is, it shows a continuous excess of imports. Yet the British do not appear to be troubled by it. The more it is so, the better they like it. For they under-

stand that excessive imports mean excessive profits, and that excessive exports mean excessive loss. We append a comparison of the statistics for ten years, the American figures being taken from the official "Statistical Abstract" for 1899 and the British from the "Statesman's Year Book" for the same year:

	United States.		Great Britain.	
	Exports.	Imports.	Exports.	Imports.
1889.....	\$7,30,226,609	£7,45,131,682	£248,986,195	£427,637,535
1890.....	845,283,288	283,630,588	420,631,987	420,631,987
1891.....	872,270,233	247,225,150	35,441,264	35,441,264
1892.....	1,015,752,011	227,216,399	42,763,882	40,188,173
1893.....	821,630,758	216,006,637	408,344,810	416,889,688
1894.....	868,204,587	216,289,718	411,888,984	411,888,984
1895.....	868,532,580	226,128,246	451,028,960	470,604,186
1896.....	868,200,487	234,219,708	470,604,186	470,604,186
1897.....	1,032,007,688	516,049,554	470,604,186	470,604,186
1898.....	1,210,291,913	571,620,630,988	£2,356,986,182	£2,356,986,182
Reduced to dollars at \$1.87 to the £1.....	\$1,062,707,046	£1,417,176,197	£21,489,176,197	£21,489,176,197
Reduced to dollars at \$1.87 to the £1.....	\$1,062,707,046	£1,417,176,197	£20,944,552,402	£20,944,552,402
			British exports.....	11,469,176,197
			"Favorable" balance.....	\$1,442,077,078
			British imports.....	£20,944,552,402
			"Unfavorable" balance.....	£9,475,376,205

Comparing these totals we find that during the ten years ending with 1898 the following were the balances of trade upon the customhouse returns, respectively, of the two countries:

U. S. exports.....	\$9,062,707,046
U. S. imports.....	7,620,630,988
"Favorable" balance.....	\$1,442,077,078
British imports.....	£20,944,552,402
British exports.....	11,469,176,197

Could greater violence be done to language than to call Great Britain's excessive income of \$9,475,376,205 during the past ten years an "unfavorable" balance? Yet that is what it must be called if the excessive outgo of the United States of \$1,442,077,078 during the same decade is to be accounted a "favorable" balance. For one is the antithesis of the other. Oh, ye protectionists who account men and nations the richer

the more they give and the poorer the more they get—go to, go to!

It is to be read in the papers of the day that the economic saving already effected by the trusts in the United States equals \$6,000,000 daily. In that form, the statement seems to imply that the people of the country are growing rich at a most rapid rate, since \$6,000,000 saved usually means \$6,000,000 earned. But in this case, unfortunately, that is exactly what the statement does not mean. The words "economic saving" signify that labor has been dispensed with. With natural opportunities for employment in other directions restricted, that kind of saving implies a heavy loss to the working people. Incidentally, too, it would mean that the producers of America have a home market of enormously less value. As the home market is averred to be worth more than any foreign market, and is certainly worth vastly more than any possible tropical market, it seems that present "economic saving" and eventual economic loss may come to much the same thing. Possibly this is one of the instances in which trade follows the flag—downward.

DOES TRADE FOLLOW THE FLAG?

"Does trade follow the flag" is a question opportune at a time when men under the pretext that our trade must be increased, advocate the adoption of a policy of colonization and imperialism by the United States. Leaving out the moral principles involved in imperialism, is it a factor in determining the volume of a nation's trade? In other words, will imperialism pay?

I make the proposition that while tariff and navigation laws affect the commerce of a nation to such an extent that they may almost totally destroy it, imperialism does not affect it at all.

Several countries of Europe and especially Great Britain have many large colonies and dependencies. If trade follows the flag these countries ought to prove it.

Great Britain has been engaged for centuries in developing India and her

neighboring possessions in the Indian archipelago, countries whose population certainly amounts to 300,000,000. The annual trade of these countries with Great Britain amounted in 1897 to only \$350,000,000, while the annual trade of Great Britain with the United States, having a population less than one-fourth that of India, amounted to over \$700,000,000—some twice as much. Considering the whole trade of Great Britain we find that the annual value of the imports from the colonies to Great Britain was during 1896 and 1897 less than \$450,000,000, and in the same years the annual value of the exports was \$440,000,000, while the annual value of the exports from Great Britain to foreign countries during the same years was about \$990,000,000, and of imports considerably over \$1,500,000,000. A fair estimate of the population of the world would be 1,400,000,000, and of the British empire 400,000,000, and using this estimate we find that the annual value of the trade—imports and exports—between Great Britain and her colonies is \$2.22 per capita for the persons engaged in it, while the value of the trade between Great Britain and foreign countries is \$2.49 per capita. When we consider that Great Britain expends many millions of pounds annually on her foreign possessions and many more millions on the army and navy with which she defends and keeps them in check, we can see in Great Britain's case at least that trade does not follow the flag and that imperialism does not pay.

France has been engaged for the past 50 years in forming an empire, the trade of which with the mother country is so small that the colonial expenditure alone amounts to more than its whole value.

Germany, too, has such a slight trade with her colonies that her colonial expenditure also exceeds the total value of the imports and exports involved in it.

Italy spends annually for the defense and development of her one colony, Eritrea, more than ten times as much as the whole value of the imports and exports of that colony—notwithstanding the fact that its trade is largely a matter of handling and transhipment.

It seems to me axiomatic that the best goods at the lowest prices will always be bought, no matter where they come from nor who sells them. If this be true, then trade does not follow the flag; it follows the line of least resistance like everything else in nature.

It is perhaps true that if we were, for example, to put a heavy tariff on the imports of the Philippines from the rest of the world, and allow our own goods to go in free, we should increase our commerce with the Philippines. But such a policy is now followed by Portugal alone of all the European countries; while if we levied such a discriminating tariff other countries with colonies would in all probability follow suit. This would counterbalance a hundredfold any possible increase of our trade with the Philippines.

Great Britain herself, involved more than any other country in imperialism, does not defend her course on the ground that it is necessary for her trade, but on the ground that it is her duty to carry her civilization to less civilized peoples. Great Britain's trade, then, is not due to her colonies. And since she has no special natural advantages over other nations for commerce, it must be due to some institutions or laws differing from those of other countries.

Now, Great Britain has largely abolished restrictions on trade, the two principal of which are tariffs and harassing navigation laws. Certainly no one can deny that tariffs and laws which deny ships not built in the country the protection of its laws, are restrictions on trade. As restrictions on trade they necessarily hinder the development of trade.

Great Britain formerly had high protective tariffs. Feeling that her trade was hindered by these tariffs, in 1846 she abolished the principal duties provided by them, retaining only a few, such as those on tobacco and spirits. Notwithstanding the dire predictions of British protectionists, Great Britain's trade grew enormously. The very reverse of this process has taken place in the United States. Up to the time of the civil war our tariffs were comparatively light and our carrying trade was only second to Great Britain's and was growing rap-

idly. Then came the civil war, which destroyed our commerce by destroying and rendering inactive our ships, which did not dare to put to sea when it was alive with confederate cruisers. The war over—under successive administrations — heavy tariffs were levied; and since then our merchant marine has been insignificant.

Great Britain once had a set of the most stringent navigation laws ever enforced; but these, to the great advantage of her trade, were repealed in 1852. In America by comparatively recent enactments it is rendered practically impossible for a ship not built in the United States to fly the American flag. These laws were passed in order to increase the ship building industry. What is the result? Competition with Europe having been taken away, the prices of ships were increased while their quality was lowered. This caused American merchants to give up their business, European merchants taking their places. The result has been to destroy those interests it was purposed to foster, and to assist the tariff laws to ruin our commerce.

If we would increase our trade, let us abolish restrictions on trade, instead of securing unprofitable colonies at an enormous expense.

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NEWS

Rumors of a serious nature and of an alarmist hue have followed in quick succession from China during the past week, each succeeding one painting the situation in darker colors. These reports, which were carried from Peking to Tientsin and Shanghai by native runners, doubtless reflect the excited and panicky views of their bearers, and should not be accepted without reserve. Two of these reports, however, may be considered authentic—the usurpation of the supreme power by Prince Tuan, the leader of the Boxer element, the assassination of the German minister and the extreme peril of the ministers and foreign colony in Peking.

Prince Tuan, who is the father of the heir-apparent, has long been the leader of the anti-foreign element in China, and as the commander in chief