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# PAPER READ

BY

G. H. JONES

BEFORE

THE BRITISH CHAMBER OF COMMERCE

PARIS



1907

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# L'ENTENTE CORDIALE

Its Origin - Present Phase - What it should lead to

Paper Read by G. H. JONES before

*The British Chamber of Commerce*

PARIS

OCTOBER 10<sup>th</sup> 1907

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The night was black. Luna's pale face was hid by the thick clouds that were frantically chasing one another in all directions. The Spirit of discord was on wing. Men feared what the dawn might bring.

Such a time was the last quarter of the year 1899. England's dire position in South Africa was only equalled by her experiences among the peoples of this continent and, perhaps, specially in France. It was a time when we men, or our wives, were insulted in Tram Cars or when walking in the streets. When the gutter press was pouring out its venom at all hours of the day. It was at that moment, in November 1899, that one of the members of your chamber, whose name my natural modesty forbids me to mention, thought well to enquire into „Our position as regards the French people". There were grave doubts expressed as to the advisability of speaking upon such a topic at such a time. The speaker divided the question into three parts, viz :

Our Commercial, National & Social position ; showing the chief cause of our estrangement was ignorance. The year following, February 1900, you elected your President on the

*G. Barclay*

understanding that an invitation should be addressed to the Association of Chambers of Commerce of the United Kingdom, to hold their Annual Congress in Paris. The meeting was held at the Trocadero and proved an immense success. The French government received the delegates right royally. On all hands were they fêted. Thus began the series of visits, between Frenchmen and Englishmen, that succeeded in dispelling that direful ignorance which was diagnosed as being the great divider of the two peoples. I think it is very necessary to fix the historic fact that our British Chamber of Commerce was the pioneer, and has remained the constant abettor, of the happy change that has taken place in the relations between France and England. It is necessary because many of those who remained outside the palings while the foundations of the mansion were being laid, and came in only when the superstructure had been added, and the plaster had dried, now speak of *their great part* in the monumental work; when all they did was, perhaps, to put the paper on the walls of one room. I charitably, ascribe their silence as to your work to the fact that you have done so little to inform them of what your Chamber so happily initiated.

Thus far I have spoken of the origin of what is now called „*L'Entente Cordiale*”. Now let us consider its present stage. In the first place let us rejoice that our sojourning in a foreign land has become so pleasant. When I look over that speech of November 1899 I am tempted to think the speaker was somewhat of a prophet. He treated of the causes of estrangement between England and France such as our occupation of Egypt, Fashoda and the Transvaal war. He expressed his belief that if Englishmen were bold enough to explain, clearly our national position we should find Frenchmen fairly ready to understand it, and thus our dwelling here would be much more agreeable. That time has arrived. The personal position, however, is not the important one. To day England is understood. The phrase „*Perfide Albion*” has been obliterated from French literature. A treaty of arbitrage

has been made. Here we must not forget the work of one of our members, Sir T. Barclay, or that of monsieur Mascuraud. I believe I am correct in saying that, as a result of the innumerable journeys and speeches of those two indefatigable gentlemen, something like 270 resolutions from French Municipalities and Chambers of Commerce in favour of a treaty of arbitration were poured into the „ Ministère des Affaires Etrangères ” producing the desired result. Our glorious King, the great Ambassador of Peace, then placed his seal upon the work in which so many of his subjects had laboured, and by his happy personality and tactful, graceful words impressed upon the hearts of Frenchmen a truer image of our dear old land.

Since then all troublous questions between the two countries have been settled. Our position in Egypt has been accepted. At Algeiras France had a sufficient proof of England's loyalty so that, to-day, the French Ministers can rest in peace as far as regards the European situation.

The *present* phase then of „ l'Entente Cordiale ” is all that can be desired. It is an endless succession of visits Parliamentary, Municipal, Scientific, Literary, Musical, Commercial, Industrial. In fact many are beginning to say it is being overdone. Yes, truly, we have had enough of banquetting and patting one another on the back. Let us get to business.

Now I come to the subject given on the notice paper viz : „ The outcome, industrial and commercial, of the „ Entente Cordiale ” movement ”.

What then should be the practical effect of the Revolution that has taken place in the minds of our French friends? You will observe I limit that great change to the French people, for I am absolutely certain we Englishmen have not modified our estimation of Frenchmen. We think of them to-day as we did 25 years ago. They are a bright and interesting race. Ever ready to take the last article in their daily paper to be unchangeable truth. Rarely disposed to give themselves the trouble to find out what is right ; but always inclined to mount

the high horse after some imaginary enemy. With all their faults we like them still, especially those of us who recognise what a grand opportunity there is, here, of preaching the gospel of liberty and freedom. For our British Chamber of Commerce remains the privilege of expounding that gospel with reference to Commerce. The outcome of the „ Entente Cordiale ” movement SHALL be more liberty of trading. We will begin by asking for a Treaty of Commerce to follow on the treaty of Arbitrage.

It is impossible to understand that the state of chaos now existing in the Commercial transactions between the two countries can continue. I will not attempt to recount the incessant annoyances our commerce meets with at the Customs. It is a state of continual warfare, resulting in loss to the British importer as well as to the French customer. I may say that the greatest sufferer is invariably the poor French purchaser. If we can do away with the ignorance surrounding that little fact we shall have made a great step on the way to a Treaty of Commerce. My view of the matter is that *France* has all to gain in reducing her import duties, and putting her Customs regulations in order. England does not need to send more goods to France, for every pair of hands is fully occupied. I do not say there are no unemployed in England but I do say those poor people out of work *cannot* be employed, because they cannot bring to an employer enough to guarantee him giving them a wage. There is no room for *charity* in business. Therefore, I say, France has all to gain by reducing the duties on goods coming from abroad. At present the position of the industrial classes in France is deplorable. We find wheat grown in France is sold as dear as if it was imported under the 7 francs per quintal duty. The Treasury does not get a penny, yet the poor French family has to pay 50 % more for bread than does the English family. Meat is 25 % dearer, and so are all the necessaries of life going under the name of groceries, while sugar is double. As regards clothing I have no definite figures but judging by the import duties, which

always fall upon the consumer, I think they would work out at 30 to 40 % above the cost in England. On the other hand examine the wages paid. I am indebted to Monsieur Yves Guyot for the following figures which he compiled from French Governmental sources. Taking into consideration the *whole industrial male* workers in France the average daily wage is.

|   | Unskilled<br>Workers. | Skilled<br>Workers. |
|---|-----------------------|---------------------|
| All Departments including the Seine Dept. | 3.                    | 4.05                |
| All Departments excluding the Seine Dept. | 2.75                  | 3.75                |

I hesitate to say how much more our English workers gain ; but if I said 50 % I feel sure I should be under the mark.

Beyond the above disadvantages accruing to the French Industrial classes, their hours of labour are longer than those of their English comrades. Seeing then the longer hours, the 50 % less wages coupled with the 30 % extra cost for the necessaries of life, what shall we say of those French Manufacturers who are now clamouring for extra duties on imports? I am informed that a Commission is sitting in France to study the revision of the Tarif, and it has before it 800 dossiers all crying out for increase in the duties. We know that any increase will fall upon those whose sad lot I have stated above. If you would see the pernicious influence of high import duties upon the industry of France, look at her Exports of Manufactures alongside those of England.

France 1906 : £ 112.000.000.

Increase 9 months 1907 : £ 6.500.000.

England : £ 305.000.000.

Increase 9 month 1907 : £ 31.000.000.

If I had the time, I would show you how it is that cheap labour is a result of high import duties, and at the same time how those duties restrict the exportation of Manufactures. The fact is France *must* open her doors and windows, so that a regenerating breeze of Commercial freedom may enter. It

is said that Import duties are a necessity in France because, otherwise, she could not find the money needed to meet her national expenses. Let us see what she gains by the fearful inconveniences to commerce of her high duties ! The Customs duties of 1906 brought into the Treasury £ 22.000.000. To obtain the net amount remaining in the Treasury we must deduct the cost of collection. When England's tarif was like the French actual tarif, Mr. Gladstone estimated the cost of collection at 60 %. Seeing that in France salaries are always less than in England I will deduct 50 % ; altho' it is a known fact that, in this country, fonctionnaires are more numerous than across the Channel. Deducting, then, one half for collecting Expenses we arrive at the comparatively small sum of £ 11.000.000 to compensate for the interference with every form of industry and commerce. To get at such a poor result the French *consumer* pays £ 22.000.000 plus 20 % = 4.400.000 being the profit that any merchant must add to his outlay for duties.

We have seen low wages, long hours, dear living as the lot of the French artisan — all resulting from excessive import duties. At the same time, those duties, having increased the cost of manufacturing, have by so much restricted the export of Manufactures. Now let us examine one of the belated means for increasing the exports of Manufactures foisted upon France by her benighted commercial policy. I speak of the subsidies and bounties given to ship builders and ship owners. Those subsidies and bounties cost France in 1914 £ 1.600.000. In all fairness I ought to add that amount to the £ 26.400.000 stated above. One would think, at first, that such a sum would considerably help the gentlemen in that line of business. Sad to relate the business is in a worse state than when that genial idea was first applied to the „Marine Marchande”. The explanation is not far to seek for the amount of the bounty scarcely compensates for the extra price paid for every-thing entering into the making of a ship, extra price caused by import duties. Then high import duties reduce the cargoes coming

in, as they are intended to do, and at the same time make the export of manufactures more difficult so there is little to carry. It is this fact which led to the subsidising of ships, the subsidy increasing with the length of the journey. A French writer, Mr Harduin, wittily stated it was possible for an *empty ship* to make a *profitable* journey — at the cost of the French tax payer. In France, with bounties, subsidies and all kinds of favours, the Mercantile Marine is 1,350,000 tons; whereas, in free England, without such favours, it is 17,000,000 : bringing into England, as price of its services, £ 90,000,000 of merchandise.

Now gentlemen, you see the pitiable position of France from an industrial and commercial standpoint. You have seen how we changed the ideas of Frenchmen as regards our National position. We have now to open the eyes of our *friends* as to our commercial ways. We must make it clear to them that real strength can only be developed in liberty. We do not require to inundate France with our imports, but as we are strong we would that our *friends* were strong also. Our native land has been brought out of Tariff darkness into a great light so that we stand far away at the head of Commercial nations.

England is the birthplace of freedom.

*Personal* freedom, when a thousand years ago was first set up trial by jury and a unanimous vote of twelve men was necessary to convict a fellow man. *Political* and *religious* freedom were established over 300 years ago. Freedom of *thought* and *speech* were fully enjoyed in England 70 years ago, when the tax on paper was removed and then, in the *fulness of time* — Freedom of Commerce — Liberty of Trading — was revived. Today this Liberty of Trading is, to my mind, the most vital question that can occupy the thoughts of man and, I say, we Englishmen are bound in duty to work for the system which confers on humanity the privilege of being able to profit by the produce of all climes. I, for one, will not falter in preaching that evangel, and I am confident I shall

have some small consolation in seeing a commencement of a liberal policy in France as regards Tarif duties.

Before closing this paper I desire to give you a little suggestion which may turn out to be important.

Some little time ago, at the Dejeuner to which we invited the Canadian Ministers, I profitted by the opportunity of addressing a few words to Sir Wilfred Laurier. He had spoken of his country of origin, France, as producing the best wine this earth can give. I thereupon asked him why he did not let his countrymen enjoy more freely that glorious wine. It was a great pleasure to me to read quite recently that a lowering of the duty on French wine was at the top of the notice in the Newspapers when writing upon the new Franco-Canadian treaty. Both countries will profit by the new duty; France in being able to send more wine to Canada; but Canadians will profit still more for they will now be able to drink more freely of that „best of Nature's gifts" which renders the heart of man glad. To help France on the way to a better commercial policy nothing would be more successful than to do what Canada has gone. If England could see her way to reduce the duty on French wine and at the same time allow wine in bottles to enter at the same rate as in cask, I firmly believe a change in commercial views on this side would be brought about as great as that we have witnessed in national ideas. I estimate there are 3.000.000 of people dependant upon wine growing in France, and 100.000 engaged in the cotton industry. If these latter endeavoured to prevent a treaty of commerce being made with England, a treaty in which wine and cotton would be the important points, the 3.000.000 of the South would soon be up in arms and would sweep out of their path the cotton gentlemen. They would want to know what has been the result of the exorbitant duties they were beguiled into voting for the cotton industry. They would soon find out that the outcome has been an enormous increase in the cost of the article, a decrease in the wages of the workers and a general shrinkage in the industry.

Once the battle is commenced victory will follow on very rapidly, and then light will be let into the dark places of French industry and commerce. We, Englishmen, can do much to further the advent of this great movement, and I call upon you all to exercise your influence to the extreme extent of your opportunities.

