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SMITING ONESELF ON THE OTHER CHEEK. **S**miting oneself on the "other cheek" does not appeal to the New York

Journal of Commerce as a particularly sensible proceeding. And it points out, what is indeed obvious, that United States tariff retaliation against Canada is a policy of just that sort. The Washington ruling of this week increases instead of mitigates the effect of Canadian restrictions upon trade in pulp wood, wood pulp and printing paper, and adds to the cost of them all to United States consumers.

Canadian trade within the Empire can scarcely fail to be benefited as a result. It would seem as though Great Britain's chief commercial competitors were steadily strengthening Imperial ties for her throughout the world—Germany by arousing the Empire to common defence, and the United States by diverting overseas Canadian trade that would ordinarily find its way to nearer markets.

So be it. Canada already has to thank her neighbour for teaching her self-reliance. Not the worst friends of the Dominion have been American "statesmen" who, in times past, sought to make her feel economic dependence. Their treatment has had a tonic effect scarcely anticipated. And now it looks as though a cousinly shove in the direction of closer Imperial trade is being given by that same good neighbour. Mayhap old Clio, muse of history and exploits heroic, will some day enroll the names of Payne and Aldrich with those of Chamberlain, Milner et al, as "architects of Empire."

FAILING TO SIZE UP THE SITUATION. **A**llegations of ineffectiveness are often heard regarding the Dominion's tariff preference to Great Britain. These come largely through

failure to size up the situation aright. The decade preceding the coming into effect of Canada's tariff preference in 1897 had been one when imports from the United Kingdom actually decreased by one-third—though those from the United States increased by one-quarter. But between 1898 and the record year ending March 31, 1908, there was an increase of nearly 193 per cent. in imports from Great Britain, as compared with under 168 per cent. increase in purchases from the United States and about 174 per cent in total Canadian buyings from abroad.

Australia's imports from the United Kingdom were 72.26 per cent. of its total imports in 1887. By 1897 the steady decrease in percentages had brought the proportion down to 66.22 per cent., while only 61.06 per cent. of imports in 1907 came from the motherland. Even though tariff preference were merely to check such declines, rather than notably increase colonial imports from the United Kingdom, it would still be achieving a good deal. And it may be expected that Australia's recently instituted tariff—even though its British preference is not very pronounced—will, like Canada's, have considerable effect upon trade tendencies.

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TARIFF PREFERENCE A WORKING COMPROMISE.

NO great believer in preferential tariffs within the Empire is Professor A. B. Clark, of Edinburgh. In his Winnipeg address before the Economic Section of the British Association this week, the professor gave as his view that the whole policy of preferential duties was economically unsound, and only defensible as a step in the direction of free trade—to which he owns unshaken allegiance.

The overseas dominions will not take it upon themselves to urge upon the motherland any change in her fiscal policy. They recognize that the matter is one where insular considerations must rightly prevail. If, to the United Kingdom itself, it seems that economic weal is best served by one-sided free trade for all time, well and good—the colonies are not likely to urge concessions or beg favours. Nor are those "prophets of woe" clear-sighted, who contend that the strengthening of Imperial bonds cannot continue unless Britain's fiscal policy is completely changed. Recent developments of mutual defence should dispel that foreboding.

Among British colonies and overseas dominions themselves, Professor Clark would apparently give some "faint praise" to preferential tariffs, as "being a step in the direction of free trade." Not all the advocates of tariff preference look upon it as ultimately tending to that end. But both those who do so consider it, and those who do not, are coming to recognize in increasing numbers that it may be a tenable working compromise.

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