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## The Journal of Commerce

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- The Submarine Campaign and Our 1917 Export Trade.**  
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- Banking and Business Affairs in the U. S.**  
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- Comments on Current Commerce.**  
By E. S. Bates.
- Conditions in the West.**  
By E. Cora Hind.

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## Imperial Preference

**A**N interesting and important announcement comes from London which, if correct, means that Great Britain is about to take a step in her trade policy that will be a material departure from the attitude hitherto displayed. The statement is made that a committee, appointed by the Asquith Government some months ago to inquire into matters of trade, has unanimously agreed to recommend the adoption of a tariff which will give a preference to colonial products. The report has not yet come in an official shape, and the matter is one in which past experience suggests the wisdom of reserving full judgment until the precise terms of the recommendation are known. Ever since Canada led the way in 1897 the question of adopting a preferential tariff in England has been much discussed. While the action of Canada was warmly appreciated in the Mother Country, suggestions of a similar policy for Great Britain always met difficulties which, down to the present time, have not been overcome. Mr. Joseph Chamberlain, who at the opening of the Imperial Conference of 1902 was by no means a supporter of preference, seemed to have been converted by the proceedings of that assembly and a little later endeavored to lead the Conservative party to adopt the preferential system. His inability to carry his colleagues with him led to the resignation of his seat in the Cabinet. He then conducted a vigorous campaign in support of the movement, assisted by a body of men known as the "Tariff Commission." The impression frequently received that this was an official body was erroneous, the "Commission" being composed of unofficial persons, including many influential business men, who desired to support Mr. Chamberlain's efforts. The project received considerable support from the Conservatives, but it did not prove a bond of unity among them. Many influential members of the party either opposed the preferential idea or gave it a doubtful approval. Mr. Balfour's resignation of the leadership was believed to have been due, to some extent, to his unwillingness to become responsible for the new movement. Mr. Bonar Law, who succeeded Mr. Balfour, was a more cordial supporter of preference and for a time was pronounced in his advocacy of it. He, however, met with difficulties in consequence of the evident unwillingness of an influential portion of the party to agree to duties on breadstuffs, and without duties on breadstuffs of foreign origin it was not easy to see how there could be an effective preference to the Colonies which were large producers of wheat and flour. As a temporizing measure, to avoid further breaks in the party line, Mr. Law an-

nounced that, for the purpose of the then expected general elections, the question of food duties was to be suspended, a very positive assurance being given that if the Conservatives were returned to power they would not impose duties was to be suspended, a very positive people. The British Liberals had throughout the discussion taken the ground that duties on foodstuffs would be a departure from free trade principles which they were not prepared to support.

This was the situation of the question of preference when the outbreak of war pushed the subject, with many others, aside.

If the report that now comes over the cable is to be relied on the question is to be revived as a part of an after-the-war policy, and if it be true that the committee has unanimously agreed to recommend preference there is every probability that their recommendation may receive sufficient support to carry the policy hitherto so strongly resisted. The committee has for its chairman Lord Balfour of Burleigh, an able business man, a leading Conservative, but hitherto an opponent of preference, so far at all events as it related to food duties. Support of the preference system by him would unquestionably have much influence on the minds of many who have hitherto opposed it.

But even with Lord Balfour's powerful approval the scheme is not likely to be carried without much opposition. The question may again prove to be so thorny that it will have to bear a further postponement. The British Liberals who have so strongly opposed preference have urged that the conditions which made preference possible in Canada did not exist in England. Canada had a high tariff system. The Canadian Liberals in adopting the preference were reducing the taxation of the people. Britain had no such tariff. To grant preference in Great Britain to the Colonies it would be necessary to impose new duties on foreign products, in order that Colonial products might be exempted, wholly or partly, from such taxation. If it be determined, as a part of the new conditions arising from the war that Great Britain must have a broader tariff, the question of preference will present itself in an easier form than in the past. But in any case there will be keen discussion of the whole subject before Great Britain makes such an important change.

Beyond the question of preference within the Empire is the larger question of trade relations between Great Britain—perhaps the whole Empire—and foreign countries, allies, neutrals and enemies. The Paris conference of a few months ago laid down some lines on this question, but they were very general and left each country to apply them in its own way. Lord Balfour's committee, apparently, has not touched this larger question.