

# The Journal of Commerce

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## The Journal of Commerce

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### Special Articles

Questionable Promotion Method.

The Interest Rate on the Next War Loan.

By H. M. P. Eckardt.

The Great Lock-Out in New York.

By W. W. Swanson.

Conditions in the West.

By E. Cora Hind.

Our London Letter.

By W. E. Dowding.

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## Fiscal Policy After the War

IT is not too early to give attention to some of the many problems which will present themselves for the consideration of the British Empire at the close of the war. Some of them may be intelligently anticipated and plans may even now be made for meeting the new conditions. The making of provision for the treatment of the wounded soldiers, and for obtaining suitable employment for the many thousands of men when military life will no longer claim them, are matters that may well engage the attention of all thoughtful people at this time. There is, however, one great question upon which nobody is in a position to come to an intelligent decision at present.

It is the question whether after the war there can be a common commercial policy for all parts of the Empire and, if so, what that policy shall be. There are speakers and writers who apparently are ready to settle this question, in principle, if not in detail, without any delay. All that is necessary, in their view, is that the Empire shall accept the particular ideas which they themselves happen to entertain. It seems to be assumed that because we are at war with the Germans and Austrians we must legislate to prevent trade with them after the war. This line of argument, however, overlooks some important facts. It is quite a mistake to suppose that British people have bought German goods to please the Germans. They have bought to please themselves. They will be less desirous of doing so hereafter. No legislation will be necessary to create a dislike for German products. The brutal manner in which Germany began and has carried on the war has made an impression on the British mind which will not soon pass away. Nothing will be bought from Germany for a long time to come that can be obtained on anything like fair terms at home or from friendly neutral countries. But trade has two sides. It involves selling as well as buying. British people may have things to sell which Germany will want; and they may wish to buy things which Germany can supply advantageously; and out of these mutual interests there may grow again a considerable volume of trade even where the war has left on both sides the most bitter recollections. It will be well to reserve judgment upon such a renewal of trade relations until a later day.

An article recently published in an English journal advocates, as the tariff policy of the future, a preference to the products of all parts of the Empire, with moderate duties on the products of neutral countries and duties that will practically be prohibitive against the products of the countries that are our enemies. Such measures would follow to a considerable extent the lines of the fiscal policy adopted

by Canada in 1907, which in principle, though not in all details, has continued until the present time. Canada has in reality four tariffs. First, there is the British Preferential Tariff, applicable to the products of Great Britain and most of the British possessions. Secondly, there is the Intermediate Tariff, designed to be a basis for negotiations with countries desirous of having reciprocal friendly commercial relations with us. Thirdly, there is the General Tariff, applicable to the products of countries having no such arrangements with Canada. Then, fourthly, there is the provision in the Customs Act for imposing a surtax as a measure of retaliation upon any country which unfairly discriminates against Canada, a provision which was used most effectively for some years as a reply to Germany's hostile treatment of Canadian trade.

The adoption by the different parts of the Empire of a policy of this character might find favor in Canada, though what would be reasonable rates of duty under such a plan would naturally be a matter of debate. But it is not so easy to make such a policy commend itself to the people of the Mother Country. The fiscal question has been one of keen controversy in Great Britain for many years. The movement for Tariff Reform, as it was called, initiated by Mr. Joseph Chamberlain and adopted by the British Conservative party, made progress for a little while. But the more it was discussed the more it became objectionable to the British people. After repeated failures to win public approval for it, and finding that it was opposed by many influential members of the party, the Conservative leaders virtually dropped it. Some of the special advocates of the change, thinking that the conditions created by the war afford an opportunity to revive the movement, are busy in presenting it as a policy that will become necessary at the close of the war. Efforts have been made to have Great Britain declare for such a policy at the Economic Conference of the Allies now being held at Paris. It should, however, be obvious that a present agreement respecting a fiscal policy that has been the subject of such warm dispute in the past is not to be expected, and that any serious effort to force a declaration concerning it as this time would disrupt the British Coalition Government.

During the war all theories and policies that are found to interfere in any way with free and effective action by the British Government in the prosecution of the conflict are very properly set aside, in order that there may be unity of purpose and action in support of the great cause. But what shall be the commercial policy in the years to come after the war is another matter, upon which it is evident there will be in the United Kingdom much difference of opinion, as there has been

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