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Special Articles

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Our Best Citizens.

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Food Control in England.

From Our London Correspondent.

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Conditions in the West.

By E. Cora Hind.

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Tariff, Bounty, or Guarantee?

IN Canada, in a discussion of questions of political economy, it is usually assumed that the only matter involved is that of tariff protection. That protection, if deemed expedient, may be given in other forms is seldom thought of. At one time bounties were largely used to aid certain Canadian industries. The most important parts of this policy were placed on a sliding scale some years ago, and have since expired. What remains of the bounty system is neither large nor costly. Many people who were hostile to high tariffs were willing to support the bounty system for a period. The people interested in the particular industries concerned usually preferred tariff protection. That which is paid by way of bounty is clearly seen by the public, and if the industry is not generally recognized as one that the country needs, and that cannot be sustained without aid, the continued payment of the bounty is likely to be challenged from time to time. What the public pay under a system of tariff protection is not so distinctly seen, and is almost always a question of dispute between the friends and opponents of the system. What is paid into the public treasury in the way of customs duties is, of course, easily learned. The object of the protective duty, however, is not to increase revenue, but to restrict imports and increase the consumption of home manufactured goods. The higher duties, by increasing the cost of the imported article, give the home producer an opportunity to raise the price of his product. How far he avails himself of that opportunity to raise his price to the consumer is usually a much debated point.

In Great Britain there has been little direct advocacy of protective duties. The movement commonly designated as Tariff Reform, initiated so vigorously a few years ago by the late Joseph Chamberlain, was based on the principle of Imperial Preference. Duties were to be imposed on foreign goods, not so much to collect revenue from them as to help the British producer, and at the same time allow a preference to be given to the products of the colonies over those of foreign origin, either by their free admission or by their admission at lower rates.

Mr. Chamberlain very fully recognized that if his policy was to offer any attractions to Canada and other food producing Dominions it must include the imposing of duties on foreign breadstuffs. Preference on manufactures alone was never thought of by Mr. Chamberlain, who, of course, saw clearly that colonial manufactures could not compete in Great Britain with the long established British industries. It was along these lines that Mr. Chamberlain conducted his campaign, and after he

was laid aside by illness his associates continued his work. That the policy, while it enlisted the support of many able and influential men, never won the approval of the mass of the people of the Mother Country, is a simple fact now well known to all. In the later stages of the movement that which Mr. Chamberlain deemed to be an essential feature—the duty on breadstuffs—was sidetracked as much as possible, and at last Mr. Bonar Law, the new leader of the Conservatives, publicly jettisoned that part of the policy, so far as related to the next appeal that was to be made to the electorate. The outbreak of the war and the formation of a Coalition Government postponed the time for the appeal to the people. The events connected with the war naturally proved a stimulus to all Imperial sentiment, and consequently the principle of Imperial Preference has been received by many of the British people with more favor than in former times. It is to be noted, however, that in what ever is now said in England in favor of the movement, it is virtually assumed that there will be no preferential tariff on breadstuffs, about the only item which, as Mr. Chamberlain saw, made the original proposal attractive to the Canadian farmer and exporter.

A very prominent leader of the British Conservatives, Lord Selborne, has recently made an important speech bearing on this question, which is worthy of notice. Among the war measures of the Coalition Government was one to encourage the British farmer to greater production of grain by giving him a guarantee of a profitable price, the farm laborer being also encouraged by the fixing of a minimum wage, materially higher than he had been receiving. In time of peace such measures would probably have aroused much hostility, and would have been widely regarded as an unjustifiable departure from sound economy. But war is war, and when the enemy is in sight all theories and peace-time policies must stand aside. The British public have accepted the guarantee of the farmer's price as one of the conditions required to ensure the increased production of food.

What is to happen in this respect at the close of the war is a question to which the British farmer is even now giving some thought. It was in this connection that Lord Selborne made his speech at an important agricultural conference held a few days ago at Edinburgh. Lord Selborne, hitherto an advocate of tariff duties, frankly abandoned that part of his platform. The report of the meeting says:

"In regard to the report of the Agricultural Policy Sub-Committee, Lord Selborne said that as between tariff and guarantee the policy of guarantee was to be preferred, because it fell on the whole body of taxpayers. A tariff on food was really felt most by those who were the poorest, and it would be a very difficult