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Statistical Systems.

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Germany's Economic Aims.

By W. W. SWANSON.

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Preferential Troubles

IN Canada, happily, so far as Canadian policy is concerned, the question of a tariff preference to Great Britain has not lately been one of controversy. In the earlier days of the discussion, that preference was a much disputed matter. Representatives of one political party frequently assailed it, and ultimately the partly placed themselves on record in the House of Commons as opposed to the concessions that had been granted to the mother country. When, in later years, the responsibility of power came to the party, they gave their endorsement to those concessions, which have since been accepted without contention. In England, during all these years, the question has been a troublesome one, and there is now a revival of former controversy concerning it. The recent announcement by Mr. Long, the Colonial Secretary, that the British Government had decided on the adoption, after the war, of a system of preferential trade within the Empire, is much discussed in the British press and has been the subject of remark in the House of Commons, arising incidentally from answers to questions by members. When the announcement was made it was assumed by many to mean an acceptance of the policy advocated so vigorously by the late Joseph Chamberlain. The matter was deemed of too much importance to be allowed to stand in a doubtful position. In Parliament and outside there was a call for some clearer statement, as to what was to be the character of the preference to be granted in Great Britain to the products of the colonies. The imposing of duties on food had been the rock on which the movement had repeatedly been wrecked. How was this difficulty to be met now? The question was squarely put to Mr. Bonar Law, Chancellor of the Exchequer, both in the House and in a letter from a correspondent. Did the contemplated scheme include the taxation of food? Mr. Law's reply was clear enough on that point. The scheme did not contemplate the imposing of any new food duties; the preference would apply only to any food at present taxed. The principal food tax at present imposed is on sugar. Preference on that would, of course, favor the sugar producing colonies, but that would be of no benefit to the large part of the Empire, which produces no sugar for export.

Some journals, both in Great Britain and Canada, seem disposed to be so pleased with the name of preference that they do not stop to consider what is the meaning of the proposal as now made. In Canada a preference to Canada in the market of the United Kingdom has always been understood to mean a preference on foods, which are the chief articles of export. Mr. Chamberlain fully understood that a preference which did not include the taxation of foreign grain, and the admission of Canadian grain free or at a reduced

rate, would be no preference at all so far as this Dominion was concerned. Hence the taxation of food was an essential part of the scheme of preference that he advocated. Mr. Long's recent announcement, as interpreted by his colleague, Mr. Bonar Law, amounts to an abandonment of the main feature of Mr. Chamberlain's scheme. This fact, which is ignored by many journals in discussing the question, is very frankly recognized by that staunch advocate of preference, the London Morning Post. Admitting that preference on sugar may be an advantage to the West Indies, India, Natal, Queensland and Mauritius, the Post continues:

"But what benefit, we ask, are Canada and New Zealand and the great majority of the South African and Australian States to derive from this restricted preference? Canada gives us a 33 1-3 preference on British manufactures. Are we to reward Canada with a preference on sugar and tea which she cannot produce? Are we to give Natal, Queensland and the West Indies a return for the preference they give to us and give no return to those far greater and more valuable markets in which we now have a substantial preference, and which probably hold the industrial future of the world in their hands? Those markets are now, and will become more and more, among the most valuable markets on earth. They offer us a privileged position; they have given it to us; they have proved themselves our true and loyal sons in the war. Are we now to deny them reciprocity while giving it to Colonies which are no more loyal and no more important to our economic life than they are?"

These are pertinent questions, the answers to which lay bare the fact that what Mr. Long and Mr. Bonar Law propose is really no preference at all to Canada.

When the preferential system was adopted in Canada in 1897 it was as a part of a scheme of tariff reduction. The problem has been much more difficult in England, because, to create an effective preference it was necessary that duties be imposed where there were none, on breadstuffs, articles which the people of the United Kingdom had long had on their free list. From the Englishman's point of view it must be admitted that a strong case can be made out against the taxation of the people's food. No Canadian who gives the matter serious thought will complain of the Englishman's desire to keep food free from taxation. Canada will, we are sure, offer no protest against the decision of the British Government on that question. But let it be clearly understood that what is proposed in the name of preferential trade is not a preference to Canada.