

or remain the same, merely being redistributed; and secondly, if there is a decrease in total world trade, will the increased proportion of it which goes to the Empire be sufficient to offset the amount lost in the reduction of the total volume.

The British Delegation when they arrived at Ottawa certainly had as their objective the enlargement of Empire trade by reducing the inter-Empire restrictions without increasing the barriers to the outside world, and this desire was voiced in Mr. Baldwin's speech at the opening session. He said:-

"There are two ways in which increased preference can be given - either by lowering barriers among ourselves or by raising them against others. The choice between these two must be governed largely by local considerations, but subject to that, it seems to us that we should endeavour to follow the first rather than the second course. For however great our resources, we cannot isolate ourselves from the world. No nation or group of nations, however wealthy and populous, can maintain prosperity in a world where depression and impoverishment reign. Let us therefore aim at the lowering rather than the raising of barriers, even if we cannot fully achieve our purpose now, and let us remember that any action we take here is bound to have its reactions elsewhere."

In the results of the Conference, however, the hopes raised by this statement did not materialize. The way in which the alterations in the British tariff will affect the outside world is shown clearly in the following table, which is compiled from figures given in "The Economist" Ottawa Supplement. These figures show the proportion of Great Britain's imports from foreign countries which come within the difference brackets of taxation, and the calculations are based on the imports for the year 1930.

Protective Duties 1930		Ottawa Protective Duties before				after Ottawa Protective Duties			
Percentage of Foreign Imports		Percentage of Foreign Imports taxed at				Percentage of foreign Imports taxed at			
Free	Taxed	Free	10%	11-20%	Over 20%	Free	10%	11-20%	Over 20%
83.0	17.0	30.2	32.9	15.3	4.6	25.2	28.3	21.8	7.7

More detailed figures given in this Supplement show that not only did the Ottawa Agreements result in a serious increase in the proportion of Great Britain's total foreign imports subject to the higher ranges of duty, but also in the case of Denmark, Holland, Belgium, Sweden, Italy, Finland, Poland and Chile, the alteration of incidence is extremely onerous to those important customers for her exports. In the Canadian concessions to the United Kingdom tariffs on foreign goods were increased in 139 out of the 223 items affected. As far as the other inter-Empire agreements are concerned, it is not yet quite clear in all cases to what extent the increase in the Empire preference will be achieved by lowering the rate on Empire goods, and to what extent by raising the rate on foreign goods. It is fairly certain, however, that there will be some increase in the duties on foreign goods.

It is, of course, an impossible task to estimate in numerical terms what the effect of these agreements will be on the trade of foreign countries. The United States Department of Commerce in the middle of October stated that the alterations in Canadian tariff would in normal