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Imperial Preference

A statement made a few days ago by Mr. Walter Long, Colonial Secretary in the Lloyd George Cabinet, indicates that a further step has been taken in the direction of Imperial preferential trade. Canada, as is well known, led the way in this movement in 1897. The idea of a British preference found general favor in Parliament, but a very material difference arose as to how the question should be treated. The Conservative party were not willing to grant the preference, except on the condition that Great Britain would forthwith grant a reciprocal tariff preference to Canadian products. The Liberal Government at Ottawa held that Great Britain would not at once adopt such a policy, that the movement could not be promoted by bartering, and that the wiser policy was to grant the preference to the Mother Country unconditionally, and leave the matter to the development of an Imperial sentiment, which they believed would be more likely to spring from such voluntary and unconditional action by Canada than from a demand for concessions which the public opinion of Great Britain at the time would certainly refuse.

The action of Canada led to somewhat similar action on the part of several of the larger colonies, and the movement in Great Britain, soon taken up by Mr. Joseph Chamberlain, made considerable progress. The greatest obstacle to its growth was the question of duties on foodstuffs. Since foodstuffs were the chief articles of export from the colonies, a preferential tariff which did not cover them could hardly be of much value to the colonial shipper. The British Liberals, strong free traders, took a very pronounced position against duties on food; and the Conservatives who at first favored the Chamberlain policy ultimately had to agree to set aside the question, as respects the issues to be raised at the next general election. That was the situation when the war broke out and thrust aside all issues other than the prosecution of the war. Now, according to Mr. Long's speech, the preference question is again being seriously dealt with. "The Imperial War Conference," he said, "was making real and active preparations for a campaign which must succeed the war to keep trade in the Empire for the Empire. Last year it was decided there must be a system of Imperial preference. He had presided over the committee on draft schemes by which this could be put into effect and the committee had produced a clearly worked out scheme for the adoption of preference within the Empire. That scheme had the approval of the Government and he believed would have the approval of the Empire. The committee had dealt with the question of raw materials, to secure them

first for the Empire, and the whole series of reports had been approved by the Imperial War Conference and War Cabinet."

If the British Government, including among its members some of the Liberals who have hitherto opposed the preferential proposals, have now been able to agree on a scheme which will be generally acceptable, they will give the movement a new impulse. It is a case, however, in which one may well reserve opinion until details of the plan are made public. The subject has in the past proved so thorny, and has so often produced division among British statesmen, that it is not easy to suppress a fear that grave difficulties may yet be found in the way of this wide acceptance of the principle which Canada adopted in 1897 and has since adhered to.

If the leaders of all parties in Great Britain have agreed to include duties on foodstuffs in a preferential scheme, the chief obstacle will have been overcome. But if the preference scheme to which Mr. Long refers ignores that aspect of the question, the preference, so far as Canadian exports are concerned, will be one in name only, since Canada's chief exports to Great Britain are in the form of foods, and preference on things that we cannot expect to sell there would be a delusion. We must be content to "wait and see."

Since the foregoing was put in type two interesting facts have been supplied by later cablegrams.

The first is that the announcement by Mr. Long did not arise from any action of the Imperial Conference of this year. Sir Robert Borden has taken the trouble to explain that that Conference did not discuss the question at all. The statement of preferential policy was made, apparently, by Mr. Long to serve some purpose of the British Government, though what were the circumstances calling it forth is not made clear.

The second interesting fact touches a part of the question referred to above. Mr. Long, in answer to questions, has stated that the preferential scheme which he had in mind when he spoke does not include any taxation of food. This simply says in another form that while there is to be much talk of an Imperial preference, it is not to be a real preference to the Dominions—Canada for instance—since it will apply to things that we cannot hope to sell in England, and will specifically exclude the things which form the great bulk of our exports. Canada will not complain if the British people adhere to their objections to food duties. But preference without such duties can hardly be a preference to Canada.