

The truth of the statement that competition is the life of trade is now in this country generally accepted. What is equally true, but not so generally recognized is the reverse of this principle—"that monopoly is the death of trade". There are of course varying degrees of monopoly, not all monopolies are absolute. In the field of international trade many countries are shaping their foreign or trading policy with a view to creating monopolies for their domestic manufacturers in the home markets. This policy carried to its natural conclusion is, of course, the death of trade.

Competition is now generally recognized as the best stimulator and regulator of trade in both domestic and international markets, but it must itself be regulated. It is only by the adoption of a program of scientific regulation that trade and prosperity can be increased. To put it another way, if trade contracts or shrinks by reason of the adoption of national policies designed to create national monopolies, world depression is inevitable. Competition in international trade must be encouraged. Every country must be encouraged to "export" and to "import".

Two countries trading with each other, both of whom have approximately the same wage level, require little in the way of tariffs to regulate trade between them. The greater freedom that can be given to the trade between any two such countries on the same wage level, the better. Such conditions are favourable to expanding trade and prosperity.

When a high wage country trades with a low wage country it is desirable that there should be a movement of goods in both directions—from high to low and from low to high. When goods move from the low wage country to the high wage country a scientific tariff should equalize the imported cost of the goods produced in the low wage country with the cost of similar goods produced in the high wage country.

When goods move from a high wage country to a low wage country the scientific tariff should also equalize the imported cost of goods produced in the high wage country with the cost of similar goods produced in the low wage country.

It is necessary that we enable our own exporters as well as the exporters of other countries to compete in both high wage countries and low wage countries. Expanding trade requires markets in low wage countries as well as in high wage countries. When Canada, a high wage country, sell its goods in Japan, a low wage country, it is necessary that it be able to compete in that market with goods of Japanese production, and also with goods produced in other countries which are imported into Japan. A scientific tariff must be able to equalize prices for goods moving from the upper levels down to the lower levels, as well as being able to equalize the prices of goods moving from the lower levels to the upper levels.

A scientific tariff should encourage competition by equalizing prices. It will enable and encourage the weak to trade with the strong and vice versa. It will also encourage the weak to become strong by encouraging the weak to raise wages and to raise standards of living.

The old concept of imposing taxes or tariffs on imports and using the money collected in this way to defray the expenses of government must give way for something more progressive. It is utterly wrong to discourage trade by embargoing it or by unfairly taxing it. Trade is the keystone on which all our prosperity depends. It must be encouraged on a competitive basis. Exporting countries must be encouraged to sell their products in the markets of all trading countries. This can only be done by a scientific tariff internationally acceptable, that equalizes prices down as well as up. Trading monopolies must give way to competition, for competition is still the life of trade.