

PUBLISHED EVERY FRIDAY

BY

The Monetary Times  
Printing Company  
of Canada, Limited

Publishers also of

"The Canadian Engineer"

# Monetary Times

Trade Review and Insurance Chronicle  
of Canada

Established 1867

Old as Confederation

JAS. J. SALMOND  
Managing Director

FRED. W. FIELD  
Editor

A. E. JENNINGS  
Advertising Manager

## Discussion of Tariffs After the War

**DEPARTMENT of London Chamber of Commerce suggests that  
Friendly Neutrals will be Expected to Pay Twice as Much as  
Allies — Enemy Countries would be Assessed Maximum Duties  
Running as High as 30 Per Cent.—Canada's Preferential Tariff.**

**D**IVISION of the countries of the world into economic strata separated by tariff walls and classified as Allies of the British Empire, friendly neutrals, unfriendly neutrals and enemy countries is urged by the London Chamber of Commerce in its programme for British post-war trade domination. To clear the ground for this world reconstruction, the Chamber concludes in its special report that abrogation of all "most favored nation" treaties, including that with the United States, is inevitable.

Free trade, England's historic policy, would be abandoned under the Chamber's plan and a series of graded tariffs proposed in line with the present war groupings of the nations. All imports, for instance, would be divided into the following classes: Wholly manufactured goods, semi-manufactured goods and articles solely used as raw materials in industries, manufactured foodstuffs and raw foodstuffs.

All parts of the British Empire and its Allies would pay the minimum duties. Friendly neutrals, which allow the United Kingdom the most favored treatment, would pay twice as much. Other neutrals, giving preferences to other Powers and including neutrals which might be swung into the Teutonic commercial system, would pay a still greater surtax; and all "enemy" countries would pay the maximum duties, running up as high as 30 per cent.

Roughly, it is estimated in the report that this change from free trade to protection would net a yearly revenue of about \$375,000,000.

Every precaution is urged in the report to assuage neutral nations to prevent them from making commercial alliances with enemy countries after the war to the detriment of the British Empire and the Allies. The difficulties are spoken of as follows:—

"It must also be remembered that our Allies have tariff arrangements still in force with other foreign countries which it is assumed must be abrogated before any preferential trade arrangements can be made with the British Empire as a whole. In addition, the United Kingdom has 'most favored nation' clauses with certain foreign countries, including the United States. These, it is assumed, would have to be terminated, with or without compensatory advantages."

British trade domination also would be furthered under the Chamber's plan by a reorganization of the

consular service, anti-dumping laws, the formation of a ministry of commerce, with a seat in the cabinet, and the founding of a large central credit bank. The Allies would be asked to give British shipping preferential treatment after the war and to impose special taxes on enemy shipping using their harbors.

In addition to the discriminatory tariffs, subjects of countries now at war with Great Britain would not be allowed to live or trade in England except under license.

An interesting discussion on tariffs occurred at a meeting of the London Chamber of Commerce last month, when the Canadian trade commission visiting Europe, were in attendance. This meeting was referred to in *The Monetary Times* last week. Mr. T. H. Wardleworth, vice-president of the commission, said that he believed Canada was the first to invent what was known as the now famous "dumping clause" in connection with their tariff. When Canada granted a preference to Great Britain some years ago, Germany replied by putting a heavy surtax upon Canadian exports to Germany. Canada was equal to the occasion, and immediately imposed a substantial surtax on German goods, the result being that in one year the importation of German goods into Canada shrank by 60 per cent. and remained at that diminished point until an alteration in the tariff through the treaty with France enabled them to come back to the old standard. German trade, curiously enough, was then immediately increased to what it was before the surtax was imposed. He mentioned that point to show that with the wise application of a surtax upon the products of a hostile nation they had the remedy in their own hands. He realized that after the war labor problems would be very serious indeed, and would, to a certain extent, affect Great Britain's power to supply Canada with goods, but he ventured to hope that the solution would be much more simple than it appeared to be to-day.

Mr. W. R. Lawson, a well-known financier and writer in London, spoke particularly of the Canadian preferential tariff. He pointed out that, although a very specific preference might be given on certain articles, even 33 1/3 per cent. or even 50 per cent., those articles might be of very small value, and there might be a preference to the United States on articles of a much higher value. Time had shown that on the whole of Canadian imports from the United Kingdom the average