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## Canada's Economic Future After the War

*ALL Nations Will Undergo Economic Struggle—Extension of the Canadian Preferential Tariff System Advocated—League of Nations May Be Constituted to Promote Free Intercourse Between Countries—Professor W. W. Swanson's Views of the War After the War.*

THE war has profoundly affected the economic life of every nation in the world, and all signs point to an economic struggle for world supremacy at the termination of hostilities, such as has never before been known. It will be well, therefore, before discussing the economic outlook in Canada to consider the various methods used by the Great Powers to safeguard and strengthen their industrial and commercial interests. This is essential in view of the fact that during the course of the struggle economic instruments have been hammered out that will have a potent effect in controlling and conserving trade at the close of the war. Moreover, these instruments and methods so intimately touch the economic life of Canada and the United States that it is of imperative importance that they be thoroughly examined and appraised in order that measures may be adopted to cope with them effectively, by those who guide the economic life of America." This is the view expressed by Professor W. W. Swanson, Department of Political Economy, University of Saskatchewan, in an interesting article in the quarterly supplement of the Alexander Hamilton Institute, New York.

"It is possible that a League of Nations may be constituted at the termination of hostilities, to bring about some measure of harmony in the economic as well as in the political affairs of the world. If, however, the present alliance of the Western Powers, including the United States, falls apart, bitter trade wars in the future will be inevitable. We shall then return to a condition even worse than that existing before August, 1914, inasmuch as the balance-of-power idea will be superseded by a struggle for individual, national supremacy. It will again be a case of the survival of the fittest; and the struggle for economic as well as political supremacy will be more severe than anything hitherto experienced in the world. It goes without saying that Canada and the United States are equally interested in promoting free intercourse among the nations. Canada's economic life will lack any semblance of stability unless the agricultural products of the nation find a market abroad; and it is equally true that permanent prosperity in the United States depends in very great measure upon the maintenance of its foreign trade. Sane observers hope, therefore, that the peace that terminates the present war will be a real peace as well as a lasting one.

"It is not necessary to emphasize the fact that trade benefits both buyers and sellers alike—that the one class

does not, and cannot, gain permanently at the expense of the other. Should the economic programme adopted by the Allies at Paris in the spring of 1915, be actually put into practice, it would be a calamity not only to our present enemies but to the Entente Powers and the United States as well. Everything, therefore, depends upon the nature of the peace that shall be proclaimed. If the leaders of liberal thought and action in Germany should win in the struggle with the forces of reaction, it is not conceivable that the dream of the military caste, who hope to establish political and economic hegemony from the North Sea to the Persian Gulf, will ever become a reality. With the failure of such aspirations, it is safe to predict that the close of this colossal struggle will open up commercial and industrial opportunities to nations enterprising enough to take advantage of them, such as have never been known before. Although the present outlook is dark, nevertheless, it is to be hoped that there will be no war after the war.

"The war has introduced many novel and exceedingly efficient economic methods and practices. In former trade struggles to secure commercial advantages and a place in the sun, each of the old weapons—bounties, subsidized exports, preferential duties and Imperial tariffs—was effective in its own way, and all of them wrought economic changes of considerable magnitude. German export bounties on sugar, for example, destroyed the value of sugar plantations in the British West Indies and in South America; and preferential duties constituted a favorite weapon in the hands of almost every European Power when seeking trade advantages. At the close of the Russo-Japanese war, Germany, by rattling the sword in its scabbard, was able to extort from Russia many heavy tariff concessions. All these methods, however, appear crude and clumsy in the light of developments since the outbreak of the present struggle. Perhaps the most efficient of these new economic weapons is the export monopoly.

"A nation can draw wealth from foreign countries, by making use of the export monopoly, whether the monopoly is one that controls the supply of copper, coal, rubber, cotton, wool, tobacco, potash or what not. It is well known, for example, that a British corporation, working in conjunction with large American interests, has been able to determine tobacco prices in Virginia and other tobacco-growing states. It will thus be seen that international trusts and combines, under the development