

countries manufactured goods, and machinery for their own industrial development, on more favourable terms (by reason of the export subsidy). Such a benefit is twice blessed. "It blesseth him that gives as well as him that receives". This follows as a result of increasing trade between the two countries and as a consequence of this, increasing both production and consumption in both countries.

The great gain which the International Tariff Plan has to offer all trading countries is this gain of increased trade. It does not require a great deal of imagination to see the benefits of such an increase. We each of us know the benefits to be derived from increased trade in our own business. The other fellow is in no wise different from ourselves, be he in the Eastern group or the Western group. Take for example any daily worker in the Eastern group. It does not matter what work he is engaged in—it may be carving ivory, or hammering brass, or growing wheat. In all of these occupations his problem is the same—to sell his product for the best price he can obtain for it. If his sales are limited to the village market in which he resides, the market may be small and the demand limited, in which case the price he obtains will be small also. If the market is not limited to the immediate locality but includes the other national markets within the boundaries of the country, then the demand will be greater and probably the price higher. If, however, the market can be still further extended to include world markets, the demand is still further increased and price correspondingly advanced. The greater the market the greater the demand and the greater the demand the greater the price. This means that the Eastern worker is in this way encouraged to produce more goods because he can sell more, and he receives more for his labour in return, partly because he has more produce to sell, and partly because there is a greater demand for the products of his labour.

If the goods produced in the East are exchanged for goods produced in the West, both groups gain from this increase in trade. In this way standards of living are raised and the threat of war removed.

In the exchange of goods between countries the operation of an International Tariff Plan is only one of the links in the chain. Some of the other links or elements in this international trade movement are Foreign Exchange or Currency Exchanges and the influence of national policies. It is an old saying that no chain is stronger than its weakest link. It is important, therefore, that all the links in the chain of international trade be strong if the best results are to be obtained.

Freedom of currencies and freedom of exchange rates is a necessary condition of a free society. Freedom from embargoes and from trade restrictions is also a necessary condition for the successful operation of any international tariff plan. Accessibility to markets in other countries and accessibility to sources of supply in other countries for all international sellers and buyers is an important link in the chain of events in expanding international trade. In other words, the trading countries who may wish to participate in the plan must do so with a free will and a desire to improve international conditions as well as to improve national conditions.