

TOWARD RECIPROCITY.

By coincidence, Premier BENNETT'S statement last week that Canada "earnestly desires" a reciprocal tariff agreement with the United States was timed with endorsement of such agreements by several witnesses appearing before the Senate Committee on Finance. One of these, Mr. ALDRICH of the Chase bank, gave a closely reasoned argument to show that restoration of balance in our economic life is impossible without recovery of export trade, and that the latter cannot be accomplished without reduction of tariffs. He thought that there was "great advantage in tying our reductions and reductions of other countries together by reciprocal agreements."

Over a wide front sentiment in favor of reciprocity is increasing, for reasons which are wholly logical. The value of world trade has declined by more than 50 per cent since 1929, with disastrous effects upon profits and employment. One factor in this loss has been the rapid multiplication of artificial barriers to the exchange of goods. Every government is aware of this. But all governments find it difficult to halt a suicidal race, partly because of the lag of public opinion and partly because nations with inadequate reserves of gold are driven remorselessly toward higher tariffs as a means of preventing an outflow of funds for the settlement of international balances. In this predicament the proposal for reciprocal agreements offers real hope of remedial action. For the method of give-and-take is a plain bargain in which concessions are exchanged for purposes of mutual advantage.

It has been argued that reciprocity is difficult to put into practice, because of the complexities of modern trade. This was not found to be the case by Belgium, Holland and Luxemburg, which succeeded recently in reaching a satisfactory agreement. It has also been argued that lack of experience in these matters would operate to the disadvantage of the United States, in case we embarked upon a policy of reciprocity. But on this point there is no good reason to mistrust what Mr. ROOSEVELT described some months ago as "our Yankee tradition of good old-fashioned trading." In many addresses during the campaign he advocated "the simple principle of profitable exchange arrived at through negotiated tariffs," and said, in his speech at Seattle: "If I am any judge of conditions, this policy will be initiated on March 4."