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Politics & Economics

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TRADE AND TARIFFS
OF
CERTAIN PACIFIC COUNTRIES

BY

PHILIP G. WRIGHT

Proof Edition

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INSTITUTE OF PACIFIC RELATIONS

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INSTITUTE OF PACIFIC RELATIONS

HONOLULU

1933

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THE LABORIOUS task of assembling from various Government sources the data displayed in the tables was performed with painstaking care by Mr. Charles R. Weaver.

FOREWORD

Commerce among the nations of the Pacific area forms the matrix for their international economic relations. From it evolves the complex mechanism of transportation and financial systems facilitating the exchange of goods, national industrial systems competing with or complementing each other and similar smaller groups within each national unit, industrial organizations which transcend political boundaries to threaten the validity of the concept of sovereignty, and various commercial policies in the pursuit of which nations often become involved in bitter political, and even military, struggles. Powerful minority groups, competing for financial advantage, in large part determine governmental policies which result in the erection of obstacles to trade in the form of tariffs coupled with official promotion of exports, or in free trade, or in some compromise between these extremes. It happens that of the nations treated in the following study, there is not one which in the period from 1920-1931 has not been engaged in a general trend toward national or imperial economic self-sufficiency.

The present study is the result of several years of preliminary work on the part of the various National Councils of the Institute of Pacific Relations in the field of trade and tariffs, work which in these pages is brought together into a coordinated whole. Dr. Philip G. Wright has provided the framework not only for more intensive local studies to be undertaken in the future, but also for a major part of the discussions on international economic relations of the Pacific area contemplated for the forthcoming Banff Conference.

Although these pages are recommended for study in connection with that Conference, the Institute does not assume responsibility for statements of fact or opinion contained in them.

INTRODUCTION

THE FOLLOWING countries border on the Pacific ocean. On the eastern shore are Canada, the United States, Mexico, Guatemala, Salvador, Honduras, Nicaragua, Costa Rica, Panama, Colombia, Ecuador, Peru, and Chile. On the western shore are Siberia, Japan, China, Indo-China, Siam, Federated Malay States, the Philippine Islands, Australia, and New Zealand. To these should be added for the purposes of this discussion India and the Dutch East Indies, and perhaps other countries which though remote from the Pacific have important interests involved in Pacific trade.

All of these countries are affected to a greater or less extent by the tariff policies which each of them adopts and, indeed, by the tariff policies of other countries not mentioned. A full study of the bearing of tariffs on Pacific trade would, therefore, be a world-wide study. In the present volume, however, attention will be given only to the countries having representation in the Institute of Pacific Relations. These are Australia, Canada, China, Great Britain, Japan, New Zealand, the Union of Socialist Soviet Republics, and the United States, including the Hawaiian Islands and the Philippines.

This study will center on the trade of these countries with one another. An attempt will be made to show how they supplement one another in their leading industries and in their needs, how each benefits from such international trade as they maintain among themselves, and how the tariff barriers which they impose one against another diminish to some extent the full economic benefit which each might receive from it. For, the primary effect of a tariff is to divert industry from more to less effective channels, both in the country which enacts it and in the countries against which it is enacted. This is, from a purely economic standpoint, an injury to both countries.

A protective tariff tends to promote the growth of the protected industry in the country levying the tariff and to depress that industry in the country against which it is levied; and such depression is likely to have international repercussions.

It is with the latter chain of consequences that this study is primarily concerned. A tariff may have some of the beneficial effects imputed to it by protectionists or all the ill effects imputed to it by free traders; but to the extent that these effects are confined to the country which enacts it, they are hardly matters of international concern. If the people of that country do not like the effects they have the remedy in their own hands. Besides, this aspect of the question has been threshed over so painstakingly, not to say acrimoniously, by different schools of thought during the past century or more, that little can here be added to the discussion.

But the effects of a tariff act do not end with the nation that imposes it, nor are the effects on other countries solely economic. The primary effect is, of course, on their foreign trade, but the business and industrial life of a people become adjusted to a certain status of foreign trade; and when foreign trade is disturbed, business and industrial life are thrown out of gear. The shock may create hardly a ripple or it may be serious, but some effect there is bound to be.

If the effect is at all serious, if plant and machinery are rendered idle, and laborers thrown out of employment, if life is made harder for the people and their customary standard of living is threatened, the next link in the chain of causation is likely to be psychological, a feeling of widespread indignation against the offending nation. But such an aroused national consciousness is the efficient cause of political or even military action. The aggrieved nation may resort to diplomatic protest, to retaliatory tariffs, to an economic boycott, or even to war.

In an organization such as the Institute of Pacific Relations, seeking by such methods as it has at its disposal to anticipate and allay sources of friction among the countries constituting its membership, it is believed that these international consequences are of more moment than the purely national consequences. On this account, a study of the actual trade among these countries, the effects of the tariffs which they impose upon this trade, and any subsequent effects bearing on their mutual good-will or likely to foment bitterness or rancor, should be of value.

With this general end in view, the first step taken in the preparation of this book was the collection and presentation of data in

tabular form. A considerable number of tables have been assembled from government sources, and these tables are presented in a form which it is hoped may prove useful to other students of the subject. That is, one of the first objects was to prepare a source book. The data here presented include tables showing (1) the total exports and the principal exports by commodities of each of the countries studied; (2) similar data for the total and principal imports of each of the countries, together with the duties imposed on the commodities listed; (3) the total exports and principal exports by commodities of each country to each country, together with the duty on each commodity. The data cover the years 1920 to 1931. The duties have been as far as possible reduced to an *ad valorem* basis. Frequently the title at the head of the column includes a considerable number of items differing in character or quality, as for example, silk or cotton fabric. In such cases an "average", or sometimes a "range", has been set down as the duty. Changes in the tariff between 1920 and 1931 have been noted.

The study is, however, something more than a source book. An attempt at some analysis of the data is made. A chapter is devoted to each country. Each chapter is introduced with a brief discussion of the leading characteristics of the country studied—its area, population, density of population, natural resources, and needs. Some attention is given to the question of its dependence on international trade as a means of obtaining its optimum development or of its comparative independence of foreign trade.

This general discussion is followed by tables with some comment on each. In presenting the tables, a uniform practice has been observed. First comes the table showing the total exports, and the exports arranged by principal commodities, for the years 1920 to 1931. The commodity exports are shown both as quantities (where ascertainable) and as values. A third column shows the percentage of the total exports (values) represented by the commodity in question. From this the relative importance of the several commodity exports in the country's total trade can be seen. It is also possible to notice changes in relative importance. A commodity showing a given percentage of the total in 1920 may increase or decrease in importance during the years between 1920 and 1931.

Following the general export table, with such comment as seemed desirable, comes the general import table. The arrangement of this table is similar in every respect to that of the export table. In addition are shown the duties to which each of the commodity imports is subjected at the ports of the country in question. From this it may be possible to draw some general inferences as to the tariff policy of that country—whether the duties are high or low; whether they have been increasing or decreasing; what class of commodities, if any, are admitted free of duty; and what class are subjected to high duties. It may be possible in some cases to note an inverse correlation between the importance of a given commodity in the country's total imports and the increase or decrease in duty to which that commodity has been subjected. That is, in the case of a given commodity, it may appear that the rate of duty has been increasing while the importance (as shown by the percentage column) of that commodity in the country's total imports has declined.

A comparison of the two tables makes it possible to show the relation between total exports and total imports. Comment is generally made on this point, and where possible some interpretation is given. The use of the popular terms, "favorable" and "unfavorable" balance of trade is, however, avoided because of the misleading implication of these terms.

Following the general export and import tables, tables are presented showing the trade of the country heading the chapter with each of the other countries covered in this study. These tables are arranged similarly to those just described. The first column shows the years—1920 to 1931; the next column the total exports to the given country, expressed as values and as percentages of the total exports to all countries. Succeeding columns show principal commodity exports to the country in question, expressed as quantities (where ascertainable), as values, and as percentages. These tables also show the duties encountered by the several commodities.

A word should be said in regard to the accuracy of the tariff rates included in the tables. From the necessity of the case they are greatly condensed. The item at the head of the column frequently covers a great number of commodities having different rates of duty. This is especially true of the textiles. The single item "Cotton Goods," as applied to tariff acts of the United States, covers a great variety of fabrics classified in accordance with the count of the yarn

of which they are composed, the stage of manufacture (whether bleached, unbleached, printed, dyed, or colored), and the purpose served (as tracing cloths, table damask, quilts, or sheets). Each of these items has a duty specified in the act. To enumerate all⁴ of these duties would obviously have been impossible in a work of this kind.

The duties shown in the tables are therefore derived in various ways. Sometimes they are the rates as specified in the act, sometimes the same reduced to *ad valorem* equivalents, sometimes the average of the duties charged on all the items actually imported, sometimes the rate assigned to articles under the head "n. s. p. f." (not specially provided for), or an equivalent phrase.

Again, rates are constantly changing. I am advised by Dr. Chalmers of the Bureau of Foreign Tariffs of the Department of Commerce that hardly a day passes in which he does not receive advices from one or more countries of changes in rates on certain commodities.

Finally, the duties may vary with the country from which the goods are imported. Three of the countries treated in this study are Dominions of the British Empire and make concessions one to another under the general principle of imperial preference. In the tables of "Principal Imports" the duties set down are full duties, without imperial preference. In the tables showing trade between two specific countries the duties are those assessed in the particular case shown in the table.

For these reasons it is apparent that the rates given in the tables cannot be relied on as sufficiently accurate for a merchant proposing to export or import goods and desirous of knowing what will be the duty assessed on them. It is thought, however, that they are sufficiently accurate to indicate clearly tariff policies and tariff trends.

In the case of specific duties the entry immediately following the rate is the unit of quantity, as, for example, in the table of exports from Australia to China, "11.20 picul" means 11.20 haikwan taels per picul.

It is obvious, as the tables show the trade of each country with each other country, that they would normally appear twice. For example, the tables showing the trade of Australia with the United States would appear both in the chapter devoted to Australia and in that devoted to the United States. To avoid such repetition,

the following plan has been adopted: The trade between any pair of countries is treated in the chapter devoted to that one of the two countries which comes first in the alphabet. For example, the trade between Australia and the United States is treated in the chapter devoted to Australia, and trade between China and New Zealand in the chapter devoted to China. It follows from this that the chapters will tend to be of decreasing length. Six pairs will be treated under Australia; five under Canada; four under China, and so on.

In dealing with pairs of countries, some comment is made on all the tables. The complementary nature of this trade is pointed out—the extent to which the resources and aptitudes of one dovetail with those of the other, and the extent to which this possibility of mutual advantage is interfered with by tariffs. The importance to each of their mutual trade is noted, and also the extent to which exports exceed or fall below imports.

Before dismissing the description of the tables, it should be stated that in all cases a sufficient number of commodities are selected to cover approximately 80 per cent of the total comprehended by the table. For example, in the table showing the total exports of Japan, the commodities enumerated cover about 80 per cent of Japan's total exports, and in the table showing the total exports of Japan to the United States the commodities enumerated cover about 80 per cent of Japan's total exports to that country. From this it follows that the number of commodities shown in one table may differ widely from those shown in another. In some cases, taking the commodities in the order of their importance, it will take only three or four to make 80 per cent, in other cases the percentages tail off so rapidly that it was necessary, in order to prevent the table from becoming too bulky, to stop the enumeration with the total still considerably short of 80 per cent.

The countries treated in the manner just described are Australia, Canada, China, Japan, New Zealand, the Philippine Islands, and the United States. Great Britain, Hawaii, and the Union of Socialist Soviet Republics also have representation on the Institute of Pacific Relations. It would have been desirable to have constructed tables for these countries similar to those constructed for the others and in every respect to have given them similar treatment. It was found impracticable, from the sources available, to obtain for the

Union of Socialist Soviet Republics data of the same detailed character as those tabulated for the countries mentioned at the beginning of this paragraph. Only meager data were available. This is unfortunate. Soviet Russia, if I may be permitted to use this term, is a country of vast size and resources, and from present indications is likely to bulk larger and larger in world affairs, particularly in her Pacific trade. It is in her power to supply many commodities greatly needed by Pacific countries, and they in turn are able to supplement her products by their exports. As Great Britain proper, except that she has representation on the Institute, there is no reason for extended treatment that would not apply equally well to other countries of Europe. However, as representing the interests of India, the Malay States, and other possessions bordering on the Pacific, detailed treatment would have been desirable. It would also have been desirable to include the Netherlands as representing the interests of Java, and France as representing those of Indo-China. As to the Hawaiian Islands, they are an integral part of the United States, much more so than are the Philippine Islands which under a recent Act of Congress are likely to receive complete independence in a limited number of years. The Philippine Islands at present enjoy free trade with the United States, but as regards other countries they have their own tariff, differing from that of the United States. The Hawaiian Islands, on the other hand, have no tariff distinct from that of the United States. Goods entering Honolulu pay the same duties as do goods entering any other American port.

It was a part of the original plan of this study to attempt a chapter which should be supplementary to the study of tariff level indices made under the auspices of the International Economic Conference of 1927 with reference to European countries' and the United States, extending the findings of the conference to the countries bordering on the Pacific herein treated. An analysis of the data collected, however, convinced the author that tariff level indices are in great danger of being misleading. Of course it would be possible to compare the rates actually charged on a list of specified commodities; but for practical purposes the height of a tariff is to be measured by the impediment which it offers to trade. A low tariff, on an article which, but for it, would be imported in great quantities, may be far more of an impediment to trade than would be a very high tariff on an article which would not be imported in any event. Certainly,

the height of a tariff cannot be measured by dividing the revenue collected by the value of all commodities imported, as was attempted in a recent political campaign. At first sight, this would seem to give a fair average *ad valorem* rate on all imports. But a moment's reflection shows that this result is very misleading. A country might have on nearly all commodities rates so high as to be virtually prohibitive—so high, that is, that they would yield no revenue at all; such a tariff might be a tremendous barrier to trade, yet if the country had a small free list the method just described would make it appear to be a free-trade country. Again, in deciding whether the rates of a given country are high we need to know the exporting potentialities of the countries against which they are levied. Its tariff schedule may present an almost impenetrable barrier to one country and practically no barrier at all to another. The only articles which the first country can export may all be highly dutiable, while the only articles which the second country can export may all be on the free list. In spite of these difficulties, some attempt will be made in the concluding chapter to analyze the obstructions to trade among the Pacific countries here studied by the tariffs actually existing.

In the last chapter an attempt is made to clarify, for the benefit of the lay reader, the general principles of international trade. The true significance of an excess of exports (or imports) over a number of years is explained, and the true benefits of international trade are elucidated. The reason why nations do not in practice pursue what, on these principles, would appear to be for their own self-interest is also explained. Some generalizations are attempted, based on the studies relating to trade between the countries made in the preceding chapters. These generalizations have to do with the productive capacity of the several countries, their relative self-sufficiency or dependence on trade, the extent to which their respective industries and needs dovetail with one another, tendencies observable with respect to their tariff policies, and the international bearing of these tendencies. Some comment is made on the relation between increasing tariffs and world depression and, finally, on the relation between increasing tariffs and the possibility of maintaining international peace through such agencies as the Kellogg Pact and the League of Nations Covenant.

CHAPTER I

AUSTRALIA

Area 2,974,000 square miles, population 6,425,386

THE TOTAL area of Australia does not fall far short of that of the continental United States, but its total population is less than that of the city of New York. Moreover, students of population estimate that the optimum population cannot exceed 20,000,000.¹ The reason for this low estimate is found in the physical conditions of the continent. In the center is a virtually rainless region in which, so far as can be foreseen, agriculture will never be possible. This region constitutes about a third of the continent. North of this region is the monsoon region of summer rains; south of it, the Mediterranean region of winter rains. Along the eastern shore the meteorological conditions producing these rains blend to such an extent that there are all-year rains. The climate in this region ranges from tropical to warm temperate. In this eastern region are mountain chains, so that even here a very considerable proportion is unsuitable for agriculture. Moving westward from these mountain chains, southward from the monsoon region, and northward from the Mediterranean region, rainfall gradually diminishes until the great central desert is reached. The desert extends to a part of the western coast and at some points nearly reaches the southern coast.

The continent lies between 9° and 39° south latitude; hence the northern third lies within the tropics. If we include Tasmania (area, 26,215 square miles, population, 216,000), the extreme south latitude is 44°, and the climate becomes comparable to that of the northern United States.

¹ See *Annals of the American Academy of Political and Social Science*, November, 1931, p. 12: "Griffith Taylor regards 20 million as a possible 'optimum'—a somewhat vague term. Dr. F. C. Benham makes the guess on purely economic grounds that the optimum is somewhere between 10 and 15 million. . . . Mr. M. H. Belz (basing his estimate on the logistic theory) concludes that 'the maximum population supportable by the country is about 13 millions.'"

The southeastern part of the continent is, and is likely to remain, the most densely populated region. Here lie the states of Victoria and New South Wales, with their capital cities of Melbourne and Sydney, and here are the most abundant rainfall and the greatest agricultural possibilities. The conditions of this region extend westward along the coast-line through South Australia and Western Australia, and northward along the eastern coast-line, gradually becoming more tropical as you advance further and further north in Queensland. Much of this region is suitable for wheat growing and the cultivation of the vine and citrus and other fruits. Dairying and sheep raising are also important. Indeed, the southern portion of New South Wales near the coast-line is the great dairying region of the continent. Moving northward from Sydney into Queensland, we find a region of good soils and sufficient all-year rainfall. In this region are dairying, wheat growing, and sheep raising; and in the tropical portions the chief crops are sugar cane and bananas. The low-lying coastal region in the far north is, however, very forbidding to white settlement.

As we move more inland from the southern coast, rainfall becomes less and less abundant. The limited rainfall comes in the winter and early spring and is sufficient for wheat growing, the crops becoming more and more precarious as the central desert is approached. This region may be designated as the wheat belt. Extending westward across the continent and southward from the northern coast is the pastoral zone. Here, in the hot grasslands, cattle raising is the chief industry. This vast region stretches nearly across the continent between the northern coast-line and the central desert. Much of this region lies in what is called the Great Artesian Basin, a region in which, though rainfall is scanty, water can be obtained from artesian wells.

Finally, running northward from the wheat belt, between the central desert and the eastern highlands are the warm-temperate grasslands, the seat of Australia's greatest industry. Here throughout the great sweep of the "Western Plains" sheep raising is the one great industry.

Aside from the products of agriculture and animal husbandry, Australia has valuable mineral resources. Among these may be

mentioned iron and coal, gold, silver, lead, copper, tin, and zinc. The deposits of iron and coal, the basic materials of modern industry, are abundant; indeed it has been stated that no single country in the southern hemisphere is endowed with greater coal reserves.² The value of the annual gold output is a little short of 10 million dollars, the output of silver and lead together are valued at about 12.5 million dollars, and that of coal at 50.5 million dollars. Prior to 1915, there could hardly be said to be an iron industry in Australia, but since that year it has rapidly grown. The seat of the industry is in New South Wales near the iron deposits. It comprehends all stages from the mining of the ore, fuel, and limestone to the smelting of pig iron and the manufacture of the various forms of steel.

From the foregoing outline of Australia's climate, physical geography, and resources, it is apparent that her maximum economic prosperity can only be maintained when domestic industry is supplemented by a large foreign trade. She can maintain a much larger population in greater comfort through an exchange of products than by attempting self-sufficiency. The enormous expanse of grasslands where rainfall is at best scanty and must be supplemented by artesian wells, lands which are suitable only for herds of cattle and flocks of sheep, makes it inevitable, if these resources are utilized, that the output of pastoral products should vastly exceed Australia's own requirements. The greater part of these vast areas would remain unutilized unless the products derived from them were shipped abroad. Then the credits derived from these exports must be somehow expended. There are several possibilities: they may be expended in buying and importing foreign commodities; they may be expended in paying interest on foreign loans; they may be expended (since the credit first appears in the accounts of private producers and merchants), in buying domestic goods; or in some combination of these methods of expenditure.

Expenditure solely in domestic products would, in the theory of international trade, be impossible. If, by prohibitory tariffs or other means, Australia refused to take commodity imports from other

² *Ibid.*, page 8.

countries there would be a continuous gold-flow into the country. In other words, gold would be the commodity which she would import willy-nilly in exchange for her wool and beef. She would become like some Oriental countries—a sink for draining off the gold supply of the world.

She could conceivably increase her national indebtedness indefinitely. In that case, the credits obtained from the shipment of wool and beef would be balanced by the interest claims of foreign creditors. A commodity export trade would be balanced by an "invisible" import trade. Such a policy might be justified, at least for a time, as a means of obtaining capital for developing the resources of a new country.

Finally, the credits obtained from her wool and beef could be expended in buying and importing foreign commodities for the production of which Australia was less well adapted than other countries. This trade, the exchange of commodities for commodities, would seem on the whole to be the kind of trade which would conduce most to her natural wealth. While endowed with mineral resources, especially coal and iron, which make self-sufficiency in many branches of manufacturing possible, she nevertheless is not so well adapted to manufacturing as are a number of other countries; and the heavy duties she imposes on iron and steel and manufactured products, in her efforts to attain self-sufficiency, are a serious burden on her people, especially those of them engaged in her export industries. The same may be said of her sugar industry. Australia imposes an embargo on sugar imports, fixes the domestic price at a figure sufficient to make domestic sugar production with white labor in a tropical country profitable, and permits the export surplus, which is considerable, to be sold in an overstocked world market at a price very much lower than that charged the domestic consumer.

In spite of these efforts to impede the natural course of trade, its manifest advantages have so far enabled it to overleap the barriers to a surprising extent. Australia ranks among the highest countries in the world in her per capita foreign trade, and this appears to be increasing. Her per capita exports were £12.30 at the beginning of the century and in recent years have risen to £23.85. These figures represent also, approximately, her import trade. Exports exceeded

imports from 1891 to 1921 and have been slightly less than imports since 1922.³

The United Kingdom is the principal country of destination for Australia's exports (about 40 per cent), and next in order is France, about 12 per cent, thus these two countries take over half of Australia's exports. The percentages received by the Pacific countries considered in this study are comparatively small—Canada, 0.5 per cent; China, 0.7 per cent; Japan, 7.8 per cent; New Zealand, 3.4 per cent; the Philippine Islands, 0.4 per cent; and the United States, 5.3 per cent.⁴

The following tables will show the total exports and imports of Australia, classified by commodities, the duties levied on imports (general tariff)⁵, and also her trade, classified by commodities, with each of the countries treated in this study, together with the duties encountered in these countries.

GENERAL EXPORTS AND IMPORTS

A study of Table I shows the paramount importance of animal husbandry in Australia's economy, at least so far as foreign trade is concerned. In 1929, sheep and cattle products constituted 59 per cent of her total exports, divided as follows (figures in percentages of total exports): sheep products—greasy wool, 39.4, scoured wool, 4.0, sheep skin, 3.2, mutton, 1.5, total, 48.1 per cent; products of cattle raising and dairying—butter, 5.3, milk and cream, 1.0, beef, 2.0, tallow, 1.0, preserved meats, 0.2, hides and skins, 1.0, sausage casings, 0.3, total 10.8 per cent. Other animal products are—rabbit skins, 1.9; preserved rabbit meat, 0.2; skins of other furred animals, 0.4. Next in importance to animal products are wheat, 14.3, and flour, 4.2. Other vegetable products are, cane sugar, 1.7; raisins, 1.1; fruits, 0.7; dried currants, 0.4; and preserved fruits, 0.3. The total of all the animal and vegetable products enumerated in this

³ At the beginning of the century, exports were 130.5 per cent of imports, and in 1930, 95 per cent. On this basis, imports at the beginning of the century would have been £9.46 per capita, and in 1930, £25.10.

⁴ For a detailed study of Australia—her population and resources, her production and trade, her industrial organization, her labor policies, and other matters, see *The Annals of the American Academy of Political Science*, November, 1931.

⁵ Lower rates are levied on imports from countries within the Empire. Duties levied on certain imports from Canada and New Zealand are shown in the tables of exports of those countries to Australia.

TABLE I. AUSTRALIA—PRINCIPAL EXPORTS*
Quantities as specified. Values in million pounds and as percentages of total.

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Year	Total Value	Wool, Greasy			Wheat			Butter			Flour			Wool, Scoured and Tops		
		Thousand cents	Value	Per Cent	Million cents	Value	Per Cent	Billion lbs.	Value	Per Cent	Million cents	Value	Per Cent	Thousand cents	Value	Per Cent
1920...	144.6	5,523	38.4	26.6	49.5	22.6	15.6	39.0	3.3	2.3	10.4	8.9	6.2	911	12.1	8.4
1921...	126.4	4,179	25.3	20.0	46.1	34.5	27.3	92.4	11.1	8.8	4.6	4.9	4.0	681	8.5	6.7
1922...	123.5	7,107	39.0	31.6	60.0	28.6	23.2	127.6	8.0	6.5	7.2	5.5	4.5	1,086	9.0	7.3
1923...	114.7	5,983	45.8	39.9	18.9	8.4	7.3	79.6	6.1	5.3	7.9	4.5	3.9	1,128	11.3	9.8
1924...	116.2	4,840	48.7	41.9	35.9	14.0	12.1	66.0	4.9	4.2	10.2	5.3	4.6	474	7.5	6.5
1925...	158.9	4,923	55.6	35.0	62.1	34.6	21.8	145.3	10.0	6.3	9.0	6.2	3.9	436	7.7	4.8
1926...	145.7	7,691	56.5	38.8	32.5	17.2	11.8	97.9	7.0	4.8	10.0	6.8	4.7	560	6.7	4.6
1927...	142.1	7,123	53.4	37.6	44.3	20.8	14.6	76.8	5.5	3.9	9.9	6.2	4.4	577	6.6	4.6
1928...	138.9	6,889	58.8	42.3	31.8	14.6	10.5	99.2	6.9	6.0	8.7	5.2	3.8	539	7.3	5.3
1929...	141.7	7,634	55.9	39.4	49.1	20.3	14.3	102.4	7.5	5.3	11.3	6.0	4.2	472	5.7	4.0
1930...	122.3	6,994	32.9	26.9	24.2	10.0	8.2	107.7	7.0	5.7	9.3	4.9	4.0	449	3.7	3.0
1931...	88.9	7,690	29.4	33.1	71.6	14.7	16.5	163.2	8.1	9.1	10.5	3.5	3.9	457	2.6	2.9

Year	Lead, Pig and Matte			Beef, Cold Process			Preserved Meats—Cold Process, Mutton and Lamb			Skins—Sheep			Sugar, Cane		
	Thousand tons	Value	Per Cent	Thousand cents	Value	Per Cent	Thousand cents	Value	Per Cent	Million	Value	Per Cent	Thousand tons	Value	Per Cent
1920.....	74.8	2.7	1.9	1,211	2.5	1.7	2,470	5.5	3.8	10.2	2.6	1.8	2.8	.1	.1
1921.....	21.0	.7	.6	1,796	3.8	3.0	549	1.6	1.3	5.2	1.2	.9	4.2	.2	.2
1922.....	73.3	1.7	1.4	1,242	1.9	1.5	917	2.1	1.7	7.4	1.3	1.1	1.9	.1	.1
1923.....	99.5	2.6	2.3	1,529	1.8	1.6	1,676	4.3	3.7	10.8	3.0	2.6	5.1	.2	.2
1924.....	110.0	3.3	2.8	1,052	1.3	1.1	398	1.2	1.0	7.7	3.2	2.8	15.6	.4	.3
1925.....	117.7	4.1	2.6	2,836	4.1	2.6	503	1.5	.9	6.3	3.8	2.4	82.7	2.2	1.4
1926.....	130.4	4.5	3.1	2,141	3.3	2.3	857	2.4	1.6	8.7	3.5	2.4	208.8	5.3	3.6
1927.....	129.6	3.8	2.7	1,122	1.6	1.1	935	2.0	1.5	9.4	3.4	2.4	66.5	1.1	.8
1928.....	163.8	3.5	2.5	1,691	2.4	1.7	464	1.2	.9	11.4	4.4	3.2	154.6	2.2	1.6
1929.....	144.6	3.2	2.3	1,891	2.9	2.0	849	2.2	1.5	11.4	4.6	3.2	199.5	2.4	1.7
1930.....	161.1	3.4	2.8	1,567	2.6	2.1	1,004	2.4	1.9	12.2	3.1	2.6	181.7	2.2	1.8
1931.....	154.7	2.4	2.7	1,556	2.2	2.5	1,093	2.1	2.4	12.3	2.0	2.2	199.2	1.8	2.0

Years end June 30.

* Source: Overseas Trade, Commonwealth Bureau of Census and Statistics, Canberra, Australia.

TABLE I Continued

Year	Raisins, Dried			Fruits, Fresh			Timber, Not Dressed			Zinc, Bars, Blocks, etc.			Skins, Calf, Cattle, etc.		
	Thousand cents	Value	Per Cent	Thousand cents	Value	Per Cent	Million sup. ft.	Value	Per Cent	Million cwt.	Value	Per Cent	Million	Value	Per Cent
1920.....	88.4	.4	.2	427	.5	.3	54	.5	.3	..	.1	.1	.7	1.7	1.2
1921.....	118.2	.5	.4	517	.5	.4	108	1.3	1.0	..	.1	.1	.3	.4	.3
1922.....	132.1	.6	.5	973	1.0	.8	96	1.2	1.0	..	.2	.2	.5	.6	.5
1923.....	192.4	.7	.6	1,084	1.0	.9	90	1.1	1.0	.5	.8	.7	.7	.8	.7
1924.....	264.0	.8	.7	789	.9	.8	100	1.3	1.1	.6	1.1	.9	1.1	.9	.8
1925.....	560.4	1.4	.9	1,013	1.1	.7	100	1.6	1.0	.6	1.1	.7	1.4	1.4	.9
1926.....	355.6	1.0	.7	1,497	1.6	1.1	100	1.4	1.0	.6	1.1	.8	1.2	1.2	.8
1927.....	440.8	1.3	.9	758	.8	.6	100	1.4	1.0	.5	.9	.6	1.0	1.0	.8
1928.....	542.9	1.4	1.0	1,866	1.8	1.3	100	1.8	1.3	.8	1.2	.9	1.1	1.8	1.0
1929.....	752.1	1.6	1.1	827	.9	.7	90	1.1	.8	.6	.9	.6	1.4	1.5	1.0
1930.....	793.2	1.5	1.2	1,960	1.9	1.5	80	1.0	.8	.6	.8	.7	1.0	.9	.7
1931.....	891.6	1.6	1.8	1,680	1.6	1.8	60	.7	.8	.9	.7	.8	1.8	.7	.8

Year	Tallow, Unrefined			Milk and Cream			Fruits, Preserved			Currants, Dried			Skins—Furred, Rabbit and Hare		
	Thousand tons	Value	Per Cent	Thousand cents	Value	Per Cent	Million lbs.	Value	Per Cent	Thousand cents	Value	Per Cent	Thousand cents	Value	Per Cent
1920.....	36.0	2.9	3.0	355.0	1.6	1.1	.....	.5	.4	79.5	.2	.2	142.8	3.7	2.5
1921.....	26.5	1.4	1.1	374.0	2.2	1.7	.....	.2	.2	59.9	.2	.2	55.6	1.0	.8
1922.....	44.8	1.4	1.1	367.0	2.1	1.7	.....	.8	.6	109.4	.3	.2	83.3	.8	.6
1923.....	51.4	1.6	1.4	212.3	1.3	1.1	.....	.1	.1	145.0	.4	.3	137.6	2.0	1.7
1924.....	22.6	.8	.8	177.6	1.1	.9	.....	.5	.4	164.6	.4	.3	87.3	1.3	1.2
1925.....	43.6	1.7	1.1	291.7	1.7	1.1	17.1	.4	.3	215.6	.5	.3	130.7	2.5	1.6
1926.....	41.9	1.6	1.1	259.1	1.5	1.0	16.9	.3	.3	188.4	.4	.3	150.3	2.9	2.0
1927.....	42.0	1.4	1.0	177.6	1.1	.8	10.1	.2	.1	192.1	.4	.3	142.1	2.8	2.0
1928.....	33.4	1.1	.8	206.4	1.2	.9	21.9	.4	.3	82.1	.2	.1	126.1	2.5	1.8
1929.....	38.9	1.4	1.0	254.0	1.4	1.0	20.9	.4	.3	298.5	.6	.4	112.9	2.6	1.9
1930.....	30.0	1.0	.8	165.0	1.0	.8	31.4	.6	.5	333.0	.6	.5	87.7	1.9	1.2
1931.....	26.4	.6	.7	123.5	.6	.7	36.2	.6	.7	322.1	.6	.7	71.4	.6	.7

TABLE I Continued

Year	Silver—Bar, Ingot, Sheet, etc.			Zinc—Concentrates			Wine, Fermented			Skins—Furred, All Other			Preserved Meats—Cold Process, Rabbit and Hare		
	Million oz.	Value	Per Cent	Million cwt.	Value	Per Cent	Million gal.	Value	Per Cent	Thousand cents	Value	Per Cent	Million cents	Value	Per Cent
1920.....	4.1	1.0	.7	...	...	...	.8	.2	.2	....	...	..	9.6	.8	.5
1921.....	.6	.1	.1	...	...	...	1.1	.3	.3	16.0	.8	.6	3.9	.4	.3
1922.....	5.3	1.0	.6	...	...	...	.6	.2	.2	12.0	.4	.3	4.8	.4	.3
1923.....	7.6	1.1	1.0	6.9	1.5	1.3	.7	.2	.2	20.6	.9	.8	4.3	.3	.3
1924.....	7.5	1.1	.9	5.4	1.2	1.0	1.0	.2	.2	22.5	.9	.8	3.5	.3	.3
1925.....	7.4	1.1	.7	4.5	1.1	.7	.9	.2	.1	15.2	.4	.3	3.4	.3	.2
1926.....	7.8	1.1	.8	5.3	1.3	1.0	1.7	.4	.3	16.7	.7	.5	4.0	.4	.3
1927.....	7.7	.9	.6	2.0	.5	.4	3.1	.8	.6	20.2	1.2	.8	3.3	.3	.2
1928.....	7.5	.9	.6	6.1	1.5	1.1	3.8	1.1	.8	20.0	1.1	.8	3.4	.3	.2
1929.....	7.7	.9	.6	3.8	.9	.6	1.7	.5	.4	16.3	.6	.4	3.6	.3	.2
1930.....	8.9	.8	.7	3.1	.9	.8	2.2	.6	.5	20.3	1.0	.8	3.9	.3	.3
1931.....	8.4	.6	.7	3.1	.5	.6	2.2	.5	.6	28.4	.4	.4	5.9	.4	.4

Year	Sausage Casings			Preserved Meats—Cold Process in Tins		
	Thousand cwt.	Value	Per Cent	Thousand cents	Value	Per Cent
1920.....	....	.3	.2	480.2	2.8	1.9
1921.....	....	.2	.2	86.2	.4	.3
1922.....	....	.3	.2	94.7	.3	.3
1923.....	36.3	.5	.4	110.1	.3	.3
1924.....	23.3	.3	.3	52.0	.2	.2
1925.....	40.8	.4	.3	93.1	.3	.2
1926.....	38.9	.6	.4	110.3	.4	.3
1927.....	39.9	.5	.4	96.5	.3	.2
1928.....	37.8	.4	.3	48.4	.2	.1
1929.....	48.1	.4	.3	47.1	.2	.1
1930.....	45.0	.4	.3	43.1	.2	.1
1931.....	28.9	.3	.3	43.9	.1	.1

TABLE II. AUSTRALIA—PRINCIPAL IMPORTS^a
With duties levied. Values in million pounds and as percentages of total.

Year ^b	Total Value	Metals and Manufactures (No machines)		Textiles		Machinery		Oils, Fats and Waxes		Paper and Stationery		Yarns and Mfgd. Fibre	
		Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	100	..	....	..	....	..	....	..	....	..	....	..	....
1921.....	164	..	....	..	....	..	....	..	....	..	....	..	....
1922.....	103	..	....	..	....	..	....	..	....	..	....	..	....
1923.....	132	24	17.4	31	23.5	11	8.3	6	4.5	6.3	4.5	5.4	3.4
1924.....	141	31	22.0	27	19.1	13	9.2	7	5.0	6.4	4.3	4.5	3.5
1925.....	147	32	21.8	29	19.7	14	9.5	9	6.1	6.9	4.8	6.2	4.1
1926.....	152	31	20.4	27	17.8	15	10.0	10	6.6	7.0	4.6	5.8	3.9
1927.....	164	35	21.3	29	17.7	17	10.4	11	6.7	7.9	4.9	6.5	4.3
1928.....	147	27	18.4	26	17.4	16	10.9	10	6.8	7.9	5.4	5.6	3.8
1929.....	143	28	19.6	24	16.8	15	10.5	11	7.7	7.8	5.4	6.4	4.5
1930.....	131	22	16.8	23	17.6	14	10.7	12	9.2	7.9	6.0	5.3	4.0
1931.....	61	6	9.8	11	18.0	6	9.8	7	11.5	4.6	8.2	3.8	6.6
Tariff of:													
1921.....		10%		17%		40%		1d. (gal.)		25%		15%	
1926.....		90s. (ton)		15% to 50%		50%		1d. (gal.)		45%		35%	
1928.....		90s. (ton)		15% to 50%		50%		1d. (gal.)		45%		35%	
1929.....		95s. (ton)		15% to 60%		50%		4d. (gal.)		55%		55%	
1930.....		125s. (ton)		15% to 60%		60%		4d. (gal.)		55%		55%	
1931.....		125s. (ton)		15% to 60%		60%		7d. (gal.)		55%		55%	

^a 1920, 1921, and 1922 unavailable for comparison. Quantities not available for comprehensible list of major imports. Source: *Oversea Trade*, Commonwealth Bureau of Census and Statistics, Canberra, Australia.

^b Years end June 30.

TABLE II *Continued*

Year	Apparel		Drugs, Chemicals and Fertilizers		Wood and Wicker		Tobacco (All)		Rubber and Manu- factures	
	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920	...	...	...	...	...	...	...	...	...	...
1921	...	...	...	...	...	...	...	...	...	...
1922	...	...	...	...	...	...	...	...	...	...
1923	8.1	6.1	3.9	3.0	4.8	3.8	2.2	1.5	2.0	1.5
1924	6.3	4.3	3.9	2.8	6.2	4.3	3.2	2.1	2.9	2.1
1925	7.4	4.8	4.1	2.7	3.0	3.4	2.4	1.4	2.9	2.0
1926	6.5	4.6	4.3	2.6	3.9	3.9	2.8	2.0	3.3	3.3
1927	7.1	4.3	3.0	3.0	3.3	3.7	2.7	1.8	3.1	3.0
1928	6.3	4.4	4.8	3.3	3.8	3.9	3.0	2.0	3.7	2.5
1929	3.9	4.1	3.2	3.6	4.9	3.4	2.7	1.9	2.3	1.7
1930	4.6	3.3	3.1	3.9	4.6	3.3	2.4	1.8	1.7	1.3
1931	1.3	1.6	3.1	4.9	1.1	1.6	1.6	3.3	.7	1.6
Tariff of:										
1921	43%		Not ascertained		3% to 45%		3s. 4d. lb.		40%—Crude free	
1926	50%		Not ascertained		3% to 45%		3s. 4d. lb.		40%—Crude free	
1928	50%		Not ascertained		3% to 45%		3s. 4d. lb.		40%—Crude free	
1929	60%		Not ascertained		3% to 55%		6s. 4d. lb.		40%—Crude free	
1930	60%		Not ascertained		3% to 65%		6s. 4d. lb.		50%—Crude free	
1931	60%		Not ascertained		3% to 65%		8s. 6d. lb.		50%—Crude free	

paragraph constituted 84.2 per cent of her total exports in 1929. There were some mineral exports—silver, 0.6; zinc bars, blocks, etc., .6; zinc concentrates, .6; lead, 2.3; making a total of 4.1 per cent. Forestry products constituted 0.8 of one per cent.

From this analysis it appears that nearly 90 per cent of Australia's exports consist of the products of agriculture, animal industry, mining, and forestry. Exports of manufactured articles are relatively insignificant.⁶

As has already been noted, the percentages of Australia's exports going to the countries discussed in this study are comparatively small. However, they are by no means negligible—especially the exports going to Japan and the United States—and might be much larger were it not for tariff barriers.

Table II shows Australia's imports classified by principal commodities. It will be seen that during the years covered by the table exports exceeded imports in 1920, 1922, 1925, and 1931, and fell short of imports in 1921, 1923, 1924, 1926, 1927, 1928, 1929, and 1930. The average annual exports for the twelve years were 130.3 million pounds and the average imports 132.1 million pounds, the

⁶The overwhelming predominance of raw materials, products of the farm, ranch, forest, or mine, or of products only slightly removed from these, is shown in the following table:

AUSTRALIA'S EXPORTS OF HOME PRODUCTS
Annual Averages 1923-24 to 1927-28

Commodity	£1,000	Per Cent	Commodity	£1,000	Per Cent
Wool	61,761	44.00	Gold	4,449	3.17
Hides and skins	8,232	5.86	Lead	3,874	2.76
Meats	5,607	3.99	Concentrates	1,542	1.10
Tallow (unrefined)	1,338	1.00	Zinc	1,089	.81
Wheat	20,239	14.42	Silver	1,045	.74
Flour	5,965	4.25	Coal	1,016	.72
Sugar (cane)	2,651	1.89	Tin (ingots)	456	.32
Fruits (dried)	1,575	1.12	Copper	282	.20
Fruits (fresh)	1,227	.87	Timber	1,348	.96
Wine	530	.38	Pearl-shell	374	.27
Barley	311	.22	Sandalwood	252	.18
Butter	6,848	4.88	Leather	628	.45
Milk and cream	1,304	.97	Tobacco (mfd.)	378	.27
Cheese	233	.17	Soap	289	.21
Eggs in shell	108	.08	All other	5,427	3.87
			Total	140,382	100.00

This table is derived from *The Export Trade and Imperial Preferences* by Roland Wilson, B.Com. (Tas.), D.Phil. (Oxon.), Ph.D. (Chicago), published in *The Annals of the American Academy of Political and Social Science*, November, 1931, p. 90.

average excess of imports over exports being thus 1.8 million pounds. Imports and exports approach fairly close to equality—as is to be expected on general principles of theory. There are, however, several "invisible" items of trade some of which tend to cause an excess of exports and some an excess of imports. Australia has a considerable foreign indebtedness. So far as this is made up of newly contracted loans, it would tend to cause an excess of commodity imports. So far as it is affected by interest and repayment of principal, it would tend to cause an excess of exports. Australia is a gold-producing country. Gold produced in excess of her own needs would tend to cause an excess of commodity imports.

As will be seen from the table, a comparatively few commodities are imported in such large quantities as to account for about 80 per cent of the total. The important part played by mental manufactures, machinery, and textiles (including apparel), will be noted, these items alone accounting for over 50 per cent of the total. Doubtless these and other imports would increase but for the Australian tariff policy. Heavy duties are imposed on iron and steel products and of course such barriers imposed on imports tend to cut down exports of the agricultural and pastoral products in which Australia is at so great a comparative advantage. From a strictly economic standpoint, that is, the attainment of a maximum national wealth with a minimum expenditure of labor and capital, these duties are a mistake. However, there is this much to be said in their favor. A country permitting her natural economy to become too dependent on foreign trade is giving hostages to fortune. A sudden and violent change in the tariff policies of other nations, excluding Australian wool and beef and wheat, or a sudden slump in the prices of these articles (such as has, indeed, taken place in recent years) might perhaps involve Australia in greater economic loss than that which she sustains from her protective tariff.

TRADE WITH OTHER PACIFIC COUNTRIES

AUSTRALIA—CANADA

Canada and Australia have many points in common. They both have large areas and both, as compared with more highly industrialized countries, are sparsely populated. They both have agri-

cultural, forest, and mineral resources, permitting them to go far in the direction of self-sufficiency, if they so desire. They are both members of the British Empire, and their people inherit British political and economic traditions. Trade, however, is based on differences rather than resemblances, and hence it is perhaps not surprising that Australia's exports to Canada constitute less than 1 per cent of Australia's total exports, and that Canada's exports to Australia constitute less than 2 per cent of Canada's total exports. Their very remoteness, one from the other, also constitutes a barrier to trade. Whether goods are shipped from eastern Canada to Australia by way of the Suez Canal or from western Canada to Australia across the Pacific Ocean, the voyage is about half-way around the globe.

However, there are differences as well as resemblances: Each has a comparative advantage over the other in important items of production; and ocean transportation even over great distances is inexpensive.

A study of Table III shows Australia's exports to Canada. The principal items, arranged in order of importance, are, sugar, 27.8 per cent; currants, 13.5 per cent; mutton, 8.8 per cent; hides, 8.5 per cent; raisins, 8.2 per cent; worsted tops, 5.3 per cent; butter, 5.1 per cent; wool, 4.4 per cent; canned fruit, 3.1 per cent; and gelatin, 2.1 per cent.

This is the order for the average of the three years 1928-1930. A striking feature is the shifting in order from year to year. Sugar constituted 51.9 per cent in 1928 and only 10.2 per cent in 1930; raisins only 7.0 per cent in 1928 and 17.1 per cent in 1930; worsted tops 2.8 per cent in 1928 and 7.8 per cent in 1929. In each of these cases the duties remained unchanged throughout the three years. Of the enumerated exports to Canada, only raisins, dried currants, and cattle hides are admitted free. All of the others are dutiable at varying rates. The duty on sugar (96° centrifugal) is 1.74 cents per pound, which at recent prices of raw sugar is equivalent to over 100 per cent of the world price.

Most of the exports shown in the table can easily be accounted for as consisting of products in which Australia has a distinct comparative advantage. The case of sugar, however, calls for some comment as illustrating one of the vagaries of protectionist practice. Some

TABLE III. AUSTRALIA--EXPORTS TO CANADA*

With duties encountered. Quantities as specified. Values in thousand dollars and as percentages of total.

Year	Total	Per Cent of Total Exports	Raisins			Sugar			Worsted Tops			Canned Fruits ^b		Currants, Dried		
			Million lbs.	Value	Per Cent	Million cwt.	Value	Per Cent	Thousand lbs.	Value	Per Cent	Value	Per Cent	Million lbs.	Value	Per Cent
1920....	1,400	.2	....	....	....	....	....	....	....	....	....	14	1.0	1.4	187	13.4
1921....	800	.1	.2	30	3.8	....	....	....	101	99	12.4	114	14.3	....	7	.9
1922....	1,100	.2	....	....	....	....	....	....	641	398	36.2	20	1.8	.1	10	.9
1923....	1,500	.3	....	....	....	....	....	....	659	441	29.4	10	.7	....	2	.1
1924....	1,000	.2	....	5	.5	....	....	....	346	270	2.7	14	1.4	.2	26	2.6
1925....	2,600	.3	.2	19	.7	269	1,473	56.7	393	359	13.8	10	.4	.2	18	.7
1926....	3,000	.4	.1	10	.3	120	678	22.6	155	169	5.6	14	.5	.4	42	1.4
1927....	6,300	.9	.8	121	1.9	793	4,451	70.7	210	227	3.6	52	.8	.9	107	1.7
1928....	5,300	.8	3.7	373	7.0	560	2,752	51.9	138	147	2.8	27	.5	5.0	535	10.1
1929....	3,500	.5	1.7	241	6.9	204	750	21.4	244	272	7.8	101	2.9	5.1	663	18.9
1930....	4,200	.7	6.0	717	17.1	201	430	10.2	223	219	5.2	251	6.0	3.8	441	10.5
1931....	4,600	1.1	10.7	1,073	23.3	50	276	6.0	470	366	8.0	373	8.1	3.9	404	8.8
1932....	5,700	....	16.7	1,625	28.5	425	1,150	20.2	1,342	650	11.4	510	8.9	5.4	488	8.6
Tariff of:	1922.....	....	3¢ per lb.	....	....	\$2.24 (100 lbs.) ^a	....	....	15%	....	....	2½¢ per lb.	....	3¢ per lb.	....	....
	1925.....	....	Free	....	....	\$1.77 (100 lbs.) ^a	....	....	15%	....	....	3¢ per lb.	....	Free	....	....
	1931.....	....	Free	....	....	\$1.74 (100 lbs.) ^a	....	....	15%	....	....	1 ¢ per lb.	....	Free	....	....

Years end March 31.

^a Source: *Trade of Canada*, Department of Trade and Commerce, Dominion Bureau of Statistics, Ottawa, Can.^b Jellies, etc.^c Rates apply to polarization of 96 degrees. When imported for refining purposes only, a lower schedule prevails in place of these duties.

TABLE III *Concluded*

Year	Butter			Wool, Raw			Gelatin			Mutton and Lamb			Cattle Hides		
	Million lbs.	Value	Per Cent	Thousand lbs.	Value	Per Cent	Thousand lbs.	Value	Per Cent	Thousand lbs.	Value	Per Cent	Thousand cwt.	Value	Per Cent
1920.....	.1	21	1.5	.....	...	....	...	...	...	.....	...	....	.2	8	.7
1921.....	...	...	....	65	17	2.1	2	1	.1	68	9	1.1	....	...	....
1922.....	.3	89	8.1	1,342	359	32.6	...	...	...	104	8	.7	1	9	.8
1923.....	...	4	.3	1,810	578	38.5	...	...	...	169	19	1.3	4	60	4.0
1924.....	...	...	....	1,222	497	49.7	28	7	.7	140	14	1.4	1	11	1.1
1925.....	...	...	....	766	358	13.8	41	11	.4	118	13	.5	12	155	6.0
1926.....	2.4	910	30.3	728	384	12.8	162	35	1.2	215	29	1.0	6	99	3.3
1927.....	.8	289	4.6	676	279	4.6	227	56	.9	895	113	1.8	5	69	1.1
1928.....	.6	215	4.1	320	167	3.1	266	62	1.2	1,179	154	3.0	38	526	9.9
1929.....	.2	93	2.6	275	136	3.9	401	96	2.7	2,942	378	10.8	16	319	9.1
1930.....	.9	358	8.5	464	266	6.3	391	99	2.4	4,351	534	12.7	20	279	6.5
1931.....	2.4	750	16.3	762	188	4.1	471	106	2.3	1,257	133	2.9	21	189	4.1
1932.....	.8	241	4.2	583	145	2.5	521	99	1.7	1,245	94	1.6	8.	73	1.3
Tariff of: 1922..	4¢ per lb.			Free				27 $\frac{1}{2}$ %		3¢ per lb.			Free		
1925..	1¢ per lb.			Free				12 $\frac{1}{2}$ %		3¢ per lb.			Free		
1931..	5¢ per lb.			Free				12 $\frac{1}{2}$ %		3¢ per lb.			Free		

TABLE IV. CANADA—EXPORTS TO AUSTRALIA*

With duties encountered. Quantities as specified. Values in thousand pounds and as percentages of total.

Year	Total	Per Cent of Total Exports	Printing Paper			Fish, in Tins			Motor Car Chassis and Parts		Timber (Undressed)		Timber (Dressed)	
			Thousand tons	Value	Per Cent	Thousand cents	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920..	2,600	1.0	25.4	503	19.3	36.8	191	7.3	448	17.2	99	3.8	13	.5
1921..	4,600	1.9	30.7	981	21.3	30.8	131	2.8	595	12.9	207	4.5	78	1.7
1922..	3,100	2.0	26.3	704	22.7	69.0	292	9.4	782	25.2	186	6.0	17	.5
1923..	5,100	2.6	22.7	474	9.3	58.5	218	4.3	1,937	38.0	337	6.6	67	1.3
1924..	5,060	2.3	2.6	64	1.3	76.0	284	5.7	1,983	39.7	503	10.1	95	1.9
1925..	3,400	1.5	.7	20	.6	78.2	306	9.0	1,268	37.3	175	5.1	54	1.6
1926..	3,800	1.4	12.1	248	6.5	95.2	407	10.7	924	24.3	174	4.6	76	2.0
1927..	4,300	1.6	41.6	684	15.9	103.9	490	11.4	1,084	25.2	144	3.3	81	1.9
1928..	2,300	1.3	48.2	910	27.6	87.8	408	12.4	265	8.0	245	7.4	102	3.1
1929..	4,900	1.8	54.5	955	19.4	115.8	487	9.9	1,675	34.2	78	1.6	105	2.1
1930..	3,500	1.5	52.0	894	25.5	120.5	545	15.6	656	18.7	307	8.8	104	3.0
1931..	1,400	1.2	29.2	439	31.4	68.6	237	16.9	135	9.6	94	6.7	38	2.7
Tariff of: 1921.....			3 pounds per ton			2½d. per lb.			10 %		10%		7s. (100 sup. ft.)	
1926.....			Free			1 d. per lb.			12½%		10%		7s. (100 sup. ft.)	
1929.....			Free			1 d. per lb.			12½%		10%		14s. (100 sup. ft.)	
1930.....			Free			1 d. per lb.			27½%		30%		15s. (100 sup. ft.)	
1931.....			Free			1 d. per lb.			27½% ^b		20%		15s. (100 sup. ft.)	

Years end June 30.

* Source: Overseas Trade, Commonwealth Bureau of Census and Statistics, Canberra, Australia.

^b 32½% in 1932.

TABLE IV *Continued*

Year	Agricultural Implements		Other Vehicles and Parts		Elec. Appliances and Machinery		Gloves		Iron and Steel Pipes and Tubes		Rubber and Manufactures		Boots and Shoes	
	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	223	9.0	60	2.3	19	.7	3	.1	77	3.0	312	12.0	75	2.9
1921.....	425	9.2	57	1.2	16	.3	4	.1	156	3.4	257	5.6	113	2.5
1922.....	289	9.3	69	2.2	14	.5	38	1.2	56	1.8	93	3.0	27	.9
1923.....	226	4.4	196	3.8	50	1.0	22	.4	80	1.6	400	7.8	56	1.1
1924.....	291	5.8	201	4.0	40	.8	35	.7	72	1.4	540	10.8	70	1.4
1925.....	387	11.4	144	4.2	30	.9	41	1.2	35	1.0	269	7.9	42	1.2
1926.....	377	9.9	121	3.2	43	1.1	26	.7	59	1.6	505	13.3	46	1.2
1927.....	362	8.4	134	3.1	59	1.4	49	1.1	49	1.1	355	8.3	75	1.7
1928.....	309	9.3	62	1.9	59	1.8	56	1.7	39	1.2	156	4.7	43	1.3
1929.....	312	6.4	159	3.3	67	1.4	41	.8	86	1.7	41	.8	35	.7
1930.....	144	4.1	108	3.1	51	1.4	30	.8	76	2.2	28	.8	26	.8
1931.....	51	3.6	35	2.5	15	1.1	14	1.0	12	.9	6	.4	2	.1
Tariff of:														
1921.....	30%		55%		40%		32% ^a		40%		40%		45%	
1926.....	30%		50%		50%		32%		5%		30%		45%	
1929.....	30%		50%		50%		25%		5%		30%		45%	
1930.....	30%		55%		60%		50%		5%		30%		60%	
1931.....	30%		55%		60%		50%		10%		30%		60%	

^a Gloves made of textiles taxed 10% in a trade agreement of 1925. The general average on all gloves was reduced to approximately 25% in 1932.

parts of Australia are well enough adapted in soil and climate to the production of cane sugar. They are not as well adapted, however, as some other regions of the world (notably Cuba, which is much nearer to Canada than Australia), particularly when we take into account Australia's unwillingness to use any other than white labor even in the tropical parts of the continent which, however well they may be adapted to sugar production, are not well adapted to the white race. In order, therefore, that Australians may be compelled to eat Australian-produced sugar, the sugar interests have succeeded in imposing an embargo on sugar imports, and in fixing a high price on so much of the sugar as is domestically consumed. The surplus is sold abroad in the world market at a world price. That is, in effect (though not in intent) Australians in their sugar policy tax themselves pretty severely, with the result that Canadians, among others, enjoy cheap sugar; or perhaps it would be more accurate to say, since the Canadian duty on sugar is over 100 per cent of the world price, that Australians are taxing themselves for the benefit of the Canadian treasury.

Canada's exports to Australia (Table IV) contributed in 1929, 1.8 per cent of her total exports. They consist of commodities much further advanced in manufacture than do Australia's exports to Canada. The principal items (1929), expressed in percentages of total exports to Australia, are printing paper, 19.4; motor cars and parts, 34.2; canned fish, 9.9; timber, dressed and undressed, 3.7; agricultural implements, 6.4; and other manufactured goods—including electrical appliances, machinery, gloves, pipes and tubes of iron, rubber manufactures, and boots and shoes. All of these items, except printing paper, are subject to duties ranging from 10 to 60 per cent, the latter being the rate assessed on electric appliances, machinery, and boots and shoes.

As nearly as can be judged from the tables, Australian duties on Canadian products appear to be higher than Canadian duties on Australian products. Australia's exports are in a much less advanced stage of manufacture; and it is characteristic of protectionist practice to assess such products at lower rates than finished products of manufacture.

In spite of these heavy duties, Canada's exports to Australia greatly exceed Australia's exports to Canada. For the years 1920

to 1931 inclusive, Australia's exports to Canada averaged \$2,942,000, while during the same period Canada's exports to Australia averaged \$17,846,000.

AUSTRALIA-CHINA

Australia's exports to China, as shown by Table V, constitute an even smaller percentage of her total exports than do her exports to Canada. They are generally less than 1 per cent, in some years much less. Such exports as there are, are all of commodities in the production of which Australia has a distinct comparative advantage.

The principal items in 1929 were (expressed in percentages): wheat, 57.2; milk and cream, 7.3; butter, 5.1; and leather, 8.1. The percentages varied greatly in different years, apparently reflecting changing conditions in Australia's supply and China's demand. In some years no wheat imports were recorded, in one year (1931), on the other hand, wheat imports constituted 85.7 per cent of the total.

The principal commodities which China exports to Australia in exchange for the foregoing imports, and the duties encountered, are shown in Table VI. The total value of China's exports to Australia in 1929 was £630,000; and the total value of Australia's exports to China in the same year was £1,114,000. This constituted only an insignificant part of the total export trade of either country, 0.5 per cent of China's and 0.8 per cent of Australia's. In that year the value of Australia's exports to China greatly exceeded the value of China's exports to Australia, leaving a large balance for China to pay, derived from credits for exports to other countries. In other years, however, the value of China's exports was in excess. In a general way, it appears that the years in which Australia's exports were in excess were the years in which large shipments of wheat were made to China.

It will be noted that the items enumerated in the table which, taken together, cover the value of about 62 per cent of China's total exports to Australia, do not in general consist of the articles enumerated in the table of China's principal exports (Table XXVII). Tea, silk fabric, and cotton fabric appear; but the remaining items are among those of minor importance not included in the table of general exports. This was probably due in part to Australia's ability

TABLE V. AUSTRALIA—EXPORTS TO CHINA*

With duties encountered.^b Quantities as specified. Values in thousand pounds and as percentages of total.

Year	Total	Per Cent of Total Exports	Wheat			Milk and Cream			Butter			Leather		Sandalwood		
			Thousand cents	Value	Per Cent	Thousand cents	Value	Per Cent	Thousand cents	Value	Per Cent	Value	Per Cent	Thousand tons	Value	Per Cent
1920....	543	.4	.....	.....	....	1.4	6.2	1.1	9.1	89.2	16.4	29.9	5.5	1.3	18.3	30.4
1921....	328	.2	.....	.....	.....	.8	4.2	1.3	6.8	91.2	27.8	27.2	8.3	2.4	39.8	12.1
1922....	509	.4	85	34	6.7	.7	3.5	.7	10.5	88.4	17.4	22.3	4.4	.6	7.6	1.5
1923....	278	.2	23	10	3.6	.7	4.6	1.7	4.8	43.1	13.5	34.4	12.4	2.4	30.9	11.1
1924....	1,947	1.7	2,704	1,015	52.1	1.2	10.4	.5	7.1	61.6	3.2	82.1	4.2	3.7	83.4	4.3
1925....	525	.3	.....	.....	.....	4.1	40.3	7.7	8.5	64.9	12.4	82.8	15.8	1.7	53.0	10.1
1926....	745	.5	591	305	40.9	3.0	35.8	4.8	6.4	50.4	6.8	155.7	20.9	2.2	66.6	8.9
1927....	404	.3	.....	.....	.....	3.2	43.7	10.8	9.7	62.0	15.3	94.8	23.5	4.0	114.6	28.4
1928....	308	.2	.....	.....	.....	4.5	57.3	18.6	10.5	73.9	24.0	92.7	30.1	.8	25.2	8.2
1929....	1,114	.8	1,601	652	57.2	6.3	83.5	7.3	8.3	58.7	5.1	92.1	8.1	3.5	103.5	9.1
1930....	274	.2	.....	.....	.....	7.6	99.5	36.3	8.3	58.6	21.4	41.4	15.1	.7	19.5	7.1
1931....	3,345	3.7	14,640	3,038	85.7	7.5	87.5	2.5	7.9	41.0	1.2	21.3	.6	.3	6.4	.2
Customs Tariff: 1929.....				5%			3.00 picul			11.20 picul		15%			2.17 picul	
1930.....				5%			5.00 picul			19.60 picul		15%			3.80 picul	
1931.....				5%			20%			34.00 picul		25%			3.80 picul	

Years end June 30.

* Source: Overseas Trade, Commonwealth Bureau of Census and Statistics, Canberra, Australia.

^b Specific rates, 1929, in haikwan taels; 1930 and 1931 rates in Customs Gold Units. (1 customs gold unit = 40 gold cents.)

TABLE VI. CHINA—EXPORTS TO AUSTRALIA*

With duties encountered. Quantities as specified. Values in thousand pounds and as percentages of total.

Year	Total	Per Cent of Total Exports	Tea			Cushions, Cosies, etc.		Preserved Ginger			Piece Goods, Silk or Containing Silk		Hats and Caps		Nuts, Edible		Bristles	
			Thousand cents	Value	Per Cent	Value	Per Cent	Thousand cents	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920....	1,094	.8	11.0	67	6.1	2.0	.2	6.2	36.0	3.3	187	17.1	14.0	1.3	60.0	5.5	....	...
1921....	1,034	1.0	6.0	40	3.8	3.0	.3	6.6	30.0	2.8	210	20.3	10.0	.9	47.0	4.5	....	...
1922....	950	.8	11.0	55	5.8	3.0	.3	9.5	26.0	2.7	175	18.4	4.0	.4	71.0	7.4	....	...
1923....	870	.7	16.4	78	9.0	7.9	.9	9.7	28.1	3.2	146	16.8	4.0	.5	61.0	7.0	53.3	6.1
1924....	930	.7	43.6	179	19.3	8.4	.9	10.6	32.0	3.4	89	9.5	1.7	.2	62.4	6.7	61.7	6.8
1925....	750	.6	19.8	97	13.0	6.8	.9	12.8	45.4	6.1	47	6.3	.9	.1	64.5	8.6	52.4	7.0
1926....	690	.5	12.3	63	9.2	8.4	1.2	11.2	40.4	5.9	24	3.4	2.1	.3	100.0	14.5	50.0	7.2
1927....	790	.6	16.0	92	11.7	12.9	1.6	12.2	37.4	4.7	43	5.4	10.9	1.4	116.8	14.8	42.4	5.4
1928....	690	.5	9.7	60	8.7	21.9	3.2	11.3	27.4	4.0	21	3.1	24.4	3.5	51.4	7.4	38.7	5.7
1929....	630	.5	8.9	47	7.5	25.4	4.0	13.5	31.4	5.0	19	3.0	50.6	8.0	55.3	8.8	33.4	5.3
1930....	570	.7	9.5	55	9.6	30.7	5.4	18.9	44.9	7.9	14	2.4	29.6	5.2	40.6	7.1	35.0	6.1
1931....	350	.6	19.0	57	16.4	26.8	7.7	17.4	23.2	6.6	20	5.8	17.5	5.0	16.8	4.8	16.7	4.8
Tariff of: 1921.....			1d. per lb.			35%		4s. per doz. pts.			20%		45%		3d. per lb. ^b		Free	
1926.....			1d. per lb.			35%		4d. per lb.			35%		45%		3d. per lb.		Free	
1929.....			1d. per lb.			45%		4d. per lb.			4s. per lb. plus 50%		60%		3d. per lb.		Free	
1930.....			5d. per lb.			45%		4d. per lb.			4s. per lb. plus 50%		60%		3d. per lb.		Free	
1931.....			5d. per lb.			45%		4d. per lb.			4s. per lb. plus 50%		60%		3d. per lb.		Free	

Years end June 30.

* Source: *Overseas Trade*, Commonwealth Bureau of Census and Statistics, Canberra, Australia.

^b Unshelled, free.

TABLE VI *Continued*

Year	Rice			Tung Oil, Turkey Red, etc.			Piece Goods, Linen and Cotton		Piece Lace for Attire		Drugs		Fire Works		Wicker and Bamboo		Feathers, Not Dressed	
	Thousand cents	Value	Per Cent	Thousand gallons	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	71	189	17.1	..	....	...	1.1	.1	88.0	8.0	28.0	2.6	14.0	1.3	14.0	1.3	...	...
1921.....	122	140	13.6	..	....	...	1.1	.1	101.0	9.6	17.0	1.6	10.0	.9	21.0	2.0	...	...
1922.....	95	99	10.4	..	....	...	1.3	.1	117.0	12.3	18.0	1.9	20.0	2.1	17.0	1.9	...	...
1923.....	63	67	7.7	72	20.7	2.4	1.2	.1	107.6	12.4	16.8	1.9	18.5	2.1	12.8	1.5	1.5	.2
1924.....	60	63	6.8	115	43.5	4.7	.4	.0	57.4	6.2	18.6	2.0	12.5	1.3	18.4	2.0	.7	.1
1925.....	56	61	8.2	99	36.6	4.9	.8	.1	36.1	4.8	19.6	2.6	9.7	1.3	15.0	2.0	2.4	.3
1926.....	53	57	8.2	111	32.6	4.7	7.6	1.1	24.8	3.6	14.5	2.1	9.8	1.4	9.7	1.4	1.9	.3
1927.....	70	55	6.9	113	34.0	4.3	1.0	.1	18.9	2.4	18.7	2.4	14.0	1.8	15.0	2.0	5.7	.7
1928.....	45	45	6.5	119	37.2	5.4	.7	.1	12.5	1.8	15.6	2.3	12.4	1.8	8.4	1.2	3.1	.4
1929.....	43	43	6.7	136	39.1	6.2	.7	.1	11.1	2.8	11.5	1.8	12.2	1.9	11.7	1.9	5.2	.8
1930.....	41	35	6.2	42	11.7	2.1	.6	.1	10.2	1.8	9.1	1.6	11.5	2.0	6.0	1.1	6.7	1.2
1931.....	24	16	4.5	69	12.6	3.6	8.1	2.3	6.5	1.9	5.2	1.5	4.2	1.2	4.0	1.1	2.6	.7
Tariff of:																		
1921...	Free			8d. per gallon			17%		20%		20%. Crude, free		40%		50%. Unmfd., free		15%	
1926...	3s. per cental ^a			8d. per gallon			35% ^d		22½%		30%. Crude, free		40%		50%. Unmfd., free		15%	
1929...	1d. per lb.			8d. per gallon			4s. per lb. plus 50%		30%		30%. Crude, free		40%		65%. Unmfd., free		15%	
1930...	1½d. per lb. (all)			8d. per gallon			4s. per lb. plus 50%		30%		30%. Crude, free		40%		65%. Unmfd., free		15%	
1931...	1½d. per lb. (all)			8d. per gallon			4s. per lb. plus 50%		40%		30%. Crude, free		40%		65%. Unmfd., free		15%	

^a Uncleaned, free.^d Rates in 1926 range from 15% to 50%, and other years accordingly.

to produce these articles herself to better advantage than she could import them, and in part to Australia's high tariff. China, it would seem, exported whatever goods she could to Australia against which the tariff was not prohibitory. Even in the case of the articles she did succeed in exporting, the rates were high—60 per cent on hats and caps, 30 per cent on silk fabric, and 40 per cent on cotton.

The tendency of Australia's rates to increase will also be noted.

AUSTRALIA—JAPAN

Australia's trade with Japan is much more important than her trade with either Canada or China. Indeed, Japan takes a larger percentage of Australia's exports than does any other country considered in this study. It was 9.4 per cent in 1928 and 1929, and 7.7 per cent in 1930. The principal items of this trade are shown in Tables VII and VIII.

Japan's industries are distinctly complementary to those of Australia. There is probably no country, certainly no Pacific country, with respect to which an exchange of products is more to the economic benefit of both than it is in the case of Australia and Japan. Japan is densely populated. So much of the area is mountainous or otherwise unsuited to agriculture that only about a quarter of an acre per capita is left to provide food and clothing for her dense population, or raw materials for her factories. Japan needs Australia's wool and wheat and beef, and is only too eager to pay for them with her silk and potteries and cotton goods; and indeed this exchange of goods has developed to large proportions, but it is seriously impeded by Australia's heavy duties—40 per cent on cotton goods, 30 per cent on silk goods, 50 per cent on chinaware, and similar rates on the innumerable manufactured products on the export of which Japan's prosperity so largely depends. Japan herself impedes this traffic, so essential to her economic well-being, by duties on Australia's products. Wool and iron ore, it is true, are admitted free, but duties are imposed on wheat, tallow, zinc, and lead.

The actual trade between Australia and Japan is in line with the analysis of reciprocal resources and needs just made. Australia's principal exports to Japan are wool, wheat, beef, condensed milk—all products of her pastoral industries—and shells of mollusca, zinc, and lead. Japan's principal exports to Australia are raw silk, silk

TABLE VII. AUSTRALIA—EXPORTS TO JAPAN*

With duties encountered. Quantities in thousands of piculs. Values in millions of yen and as percentages of total.

Year	Total Exports to Japan	Per Cent of Total Exports to All Countries	Sheep's Wool			Wheat			Beef Tallow		
			Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	62	4.4	108.3	31.7	51.1	1,032	10.1	16.3	69.0	3.2	5.2
1921.....	36	2.9	214.1	26.5	73.6	118	.8	2.2	199.2	3.6	10.0
1922.....	82	6.8	320.3	25.1	30.6	1,252	8.2	9.9	92.8	1.8	2.2
1923.....	97	8.7	319.1	43.2	44.5	1,830	11.4	11.8	105.5	2.3	2.4
1924.....	120	10.6	434.3	66.0	55.0	4,901	30.1	25.1	228.3	6.0	5.0
1925.....	150	9.7	521.9	96.7	64.5	3,354	31.2	20.8	158.3	4.8	3.2
1926.....	128	9.0	552.4	74.0	57.8	4,269	35.1	27.4	222.5	5.8	4.5
1927.....	123	8.9	743.9	94.5	76.8	1,954	14.0	11.4	217.4	4.6	3.7
1928.....	130	9.4	827.0	105.1	80.8	1,372	9.7	7.5	201.8	4.8	3.7
1929.....	133	9.4	793.1	99.0	74.4	2,403	15.4	11.6	187.6	4.5	3.3
1930.....	94	7.7	848.3	72.3	76.9'	1,706	8.7	9.3	185.6	3.5	3.7
1931.....	113	6.1	1,372.3	83.3	73.7	8,554	22.5	19.9	209.2	2.4	2.1
Tariff of: 1910.....				Free			.77 yen per 100 kin			20%	
1926.....				Free			1.50 yen per 100 kin			1.20 yen per 100 kin	
1932.....							2.50 yen per 100 kin				

* Source: *Annual Return of the Foreign Trade of Japan*, Department of Finance, Tokio, Japan.

TABLE VII *Continued*

Year	Zinc—Ingots Grains and Slabs			Condensed Milk			Shells of Mollusca			Lead—Ingots and Slabs		
	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	.8	...	...	8.1	.5	.8	37.0	1.7	2.7	153.5	3.0	4.8
1921.....	1.7	...	...	12.1	.9	2.5	15.5	.4	1.1	103.4	1.3	3.6
1922.....	112.3	1.8	2.2	18.7	1.9	2.3	33.9	.8	1.0	194.8	2.6	3.2
1923.....	226.5	4.5	4.6	21.8	2.1	2.2	23.8	.5	.5	224.7	3.1	3.2
1924.....	297.1	6.1	5.1	15.6	1.7	1.4	23.8	.6	.5	258.5	5.0	4.2
1925.....	253.9	6.6	4.4	12.8	1.6	1.1	28.1	1.4	.9	158.7	3.8	2.5
1926.....	195.7	4.5	3.5	10.0	1.1	.9	30.8	1.5	1.2	85.5	1.8	1.4
1927.....	158.1	3.2	2.6	9.3	1.0	.8	27.9	1.2	1.0	69.5	1.2	1.0
1928.....	199.9	3.6	2.8	10.1	1.2	.9	27.2	1.2	.9	.....	.8	.6
1929.....	175.9	3.2	2.4	10.1	1.2	.9	33.9	1.6	1.2	92.0	1.3	1.0
1930.....	149.7	2.0	2.1	8.0	.9	1.0	27.6	1.1	1.2	51.7	.6	.6
1931.....	143.4	1.2	1.1	7.0	.7	.6	30.1	.8	.7	27.6	.2	.2
Tariff of: 1910	.70 yen per 100 kin			5%			Free			.316 yen per 100 carties		
1926	3.00 yen per 100 kin			11 yen per 100 kin			Free			.40 yen per 100 kin		
1932				20 yen per 100 kin			?			.40 yen per 100 kin		

TABLE VIII. JAPAN—EXPORTS TO AUSTRALIA^a
 With duties encountered. Values in thousand pounds and as percentages of total.

Year	Total	Per Cent of Total Exports	Piece Goods				Animal Sub- stances ^b		Earthenware, China ware, etc.		Fish		Logs and Timber—Dressed		
			Cotton and Linens		Silk		Value	Per Cent	Value £	Per Cent	Value	Per Cent	Million sup. fr.	Value	Per Cent
			Value	Per Cent	Value	Per Cent									
1920.....	4,262	2.2	522.0	12.2	1,444.0	35.9	.....	.....	328.8	7.7	2.3	.1	6.4	188.6	4.4
1921.....	5,348	4.3	893.0	16.7	1,582.0	29.6	.....	.....	620.0	11.6	2.4	.0	5.7	210.1	3.9
1922.....	3,582	2.2	409.0	11.4	2,014.0	56.2	.....	.....	202.3	5.6	5.9	.2	3.9	86.7	2.4
1923.....	3,936	2.7	612.6	15.6	1,927.1	49.0	.....	.....	221.2	5.6	8.9	.2	6.1	130.5	3.3
1924.....	3,558	2.0	490.1	13.8	1,918.6	53.9	.....	.....	181.7	5.1	9.2	.3	5.1	113.2	3.2
1925.....	4,146	1.8	708.0	17.1	2,241.2	54.1	.....	.....	147.2	3.6	15.4	.4	7.9	197.9	4.8
1926.....	4,372	2.1	663.1	15.2	2,428.6	55.6	.....	.....	156.0	3.6	24.4	.6	6.8	135.5	3.1
1927.....	5,183	2.6	596.0	11.5	3,163.2	61.0	224.2	4.3	155.3	3.0	52.4	1.0	8.3	176.2	3.4
1928.....	4,283	2.2	350.7	8.2	2,729.1	63.7	226.4	5.3	126.5	3.0	54.3	1.3	7.5	165.1	3.9
1929.....	4,707	2.2	277.3	5.9	3,024.5	64.3	229.0	4.9	148.6	3.2	89.0	1.9	7.5	146.6	3.1
1930.....	4,182	2.8	291.3	7.0	2,387.2	57.1	342.4	8.2	123.1	2.9	122.2	2.9	7.3	149.1	3.6
1931.....	2,380	2.1	224.8	5.2	1,259.9	52.9	337.0	14.6	74.9	3.1	59.3	2.5	1.0	15.0	.6
Tariff act: 1921.....			17%		20%—av.		10%		50%		19%		5%	to 45%	
1926.....			15% to 50%		22 1/4%		Free		50%		19%		5%	to 45%	
1929.....			15% to 60%		30%		Free		50%		19%		5%	to 55%	
1930.....			15% to 60%		30%		Free		60%		13%		5%	to 65%	
1931.....			15% to 60%		30%		Free		60%		20%		5%	to 65%	
1932.....			15% to 60%		30%		Free		50%		20%		5%	to 65%	

^a Source: *Oversea Trade*, Commonwealth Bureau of Census and Statistics, Canberra, Australia.

^b Mostly raw silk. Not recorded prior to 1927.

and cotton fabric, earthen and china ware, logs and dressed timber, and marine products. These few items constitute over 80 per cent of her total exports to Australia. These exports encounter duties as follows: on cotton goods, from 15 to 60 per cent; on silk goods, 30 per cent; on earthen and china ware, 50 per cent.

AUSTRALIA-NEW ZEALAND

Australia, Canada, and New Zealand are British Dominions and enjoy in their trade with one another tariff rates more favorable than are granted to other countries. Though New Zealand has a much smaller population than Canada, she absorbs a much larger proportion of Australia's exports. In fact, she takes around $2\frac{1}{2}$ per cent, while Canada takes less than one per cent. Like Canada, New Zealand has many points of resemblance with Australia. Both Australia and New Zealand have a few major industries; wool growing, cattle raising and dairying, both have forest and mineral reserves, though Australia is much better supplied with the latter; both are rather sparsely populated; and both, though at considerable economic disadvantage, can, if they see fit, approach a self-contained economy. As just stated, such an economy, while feasible, involves considerable unnecessary cost in labor and capital, because, while both can produce directly most of the manufactured goods which they need, they can only do so at much greater cost than many other countries having more abundant mineral resources and having populations of sufficient magnitude to make possible all the economies of larger scale production.

Australia and New Zealand, therefore, are not so clearly complementary to one another as, say, Australia and Japan. Neither needs so urgently the products of the other to supplement its own. Trade between them more resembles trade between two adjacent States of the United States, for example, Illinois and Wisconsin, doubtless beneficial to both from its stimulating effects on competition, but not imperative.

This comparison must not be taken too literally. There are important differences as well as resemblances. Australia extends far into the torrid zone, while New Zealand lies wholly in the temperate zone and extends into much colder latitudes. While sheep and cattle and wheat may be raised to advantage on large areas of

TABLE IX. AUSTRALIA—EXPORTS TO NEW ZEALAND*

With duties encountered. Quantities as specified. Values in thousand pounds and as percentages of total.

Year	Total	Per Cent of Total Exports	Tobacco and Preparations			Coal			Raisins, Dried			Oranges			Musical Instruments (Phonographs and Records)		Drugs and Medicine, N. E. Is.	
			Million lbs.	Value	Per Cent	Thousand tons	Value	Per Cent	Million lbs.	Value	Per Cent	Million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920	8,600	6.0	1.4	378	4.4	462	493	5.7	5.4	255	3.0	1.9	37	.7	17	.2	110	1.3
1921	5,500	4.3	1.2	339	6.2	330	399	7.3	2.0	89	1.6	3.2	47	.9	8	.1	108	2.0
1922	3,300	2.7	.8	179	5.4	430	511	15.5	2.7	128	3.9	2.3	36	1.1	8	.2	92	2.8
1923	3,700	3.2	1.4	373	10.1	445	519	14.0	2.0	103	2.8	2.4	41	1.1	11	.3	93	2.3
1924	5,700	5.0	1.4	367	6.4	670	774	13.6	2.9	107	1.9	2.7	50	.9	9	.2	71	1.2
1925	5,200	3.2	1.5	424	8.2	571	680	13.1	3.1	115	2.2	5.3	77	1.5	14	.3	74	1.4
1926	4,600	3.1	1.3	370	8.0	483	619	13.5	3.2	133	2.9	4.2	68	1.5	49	1.1	71	1.5
1927	3,900	2.7	1.3	356	9.1	377	515	13.2	3.9	134	3.4	2.1	44	1.1	94	2.4	76	1.9
1928	3,500	2.5	1.2	316	9.0	248	342	9.8	2.6	90	2.6	4.7	55	1.6	150	4.3	72	2.1
1929	3,300	2.3	1.4	369	11.2	214	275	8.3	3.2	102	3.1	3.1	53	1.6	192	5.8	75	2.3
1930	3,300	2.7	1.0	266	8.1	152	191	5.8	3.1	86	2.6	5.9	69	2.1	146	4.4	71	2.2
1931	2,400	2.7	.7	201	8.4	179	193	8.0	4.4	125	5.2	7.8	99	4.1	80	3.3	68	2.8
Tariff of: 1921.....			4s. 8d. per lb.			Free			Free ^b			1d. per lb.			35%		35%	
1922.....			4s. 2d. per lb.*			Free			Free			Free			20%		20%	
1927.....			4s. 2d. per lb.			Free			Free			Free			20%		20%	

* Source: *Trade and Shipping of the Dominion of New Zealand*, Census and Statistics Office, Wellington, N. Z.^b Suspended duty 2d. per lb.^c Cigarettes, 25s. 6d. (1,000).

TABLE IX Continued

Year	Fruits, Preserved		Wheat			Wheat Flour			Stationery (Books)		Wine, Fermented			Sensitized Paper (Photo)		Lead (Unmanufactured)		
	Value	Per Cent	Thousand cents	Value	Per Cent	Thousand cents	Value	Per Cent	Value	Per Cent	Thousand Gals.	Value	Per Cent	Value	Per Cent	Tons	Value	Per Cent
1920 ..	136	1.6	1,143	586	6.8	....	....	...	66	.8	114	91	1.1	33	.4	1,087	48	.6
1921 ..	27	.5	184	95	1.7	2.	2.	...	70	1.3	58	53	1.0	28	.5	553	17	.3
1922 ..	19	.6	3	1	....	....	....	...	64	1.9	51	42	1.3	39	1.2	982	25	.8
1923 ..	37	1.0	.....	.....	.....	....	....	...	56	1.5	75	58	1.6	44	1.2	1,540	45	1.2
1924 ..	95	1.7	2,129	1,040	18.2	....	....	...	61	1.1	90	60	1.1	56	1.0	2,930	86	1.5
1925 ..	62	1.2	1,345	794	15.3	162.	122.	2.3	60	1.2	118	62	1.2	55	1.1	1,825	74	1.4
1926 ..	72	1.6	953	569	12.4	531.	416.	9.0	60	1.3	130	74	1.6	63	1.4	2,016	65	1.3
1927 ..	75	1.9	438	226	5.8	243.	174.	4.5	65	1.7	91	55	1.4	60	1.5	1,680	43	1.1
1928 ..	51	1.5	448	225	6.4	71.	50.	1.4	62	1.8	91	56	1.6	58	1.7	1,196	27	.8
1929 ..	81	2.5	95	46	1.4	74.	48.	1.5	68	2.1	104	60	1.8	55	1.7	1,288	31	.9
1930 ..	72	2.2	73	30	.9	68.	39.	1.2	71	2.2	110	55	1.7	54	1.6	1,574	32	1.0
1931 ..	58	2.4	34	9	.4	116.	52.	2.2	54	2.2	75	35	1.5	48	2.0	1,008	17	.7
Tariff of:																		
1921 ..	40%		2s. per cental ^d			2s. 6d. per cental ^d			Free		5s. per gal.			15%		3s. per (cwt.) ^a		
1922 ..	35%		1s. 6d. per cental			£3 10s. (2,000 lb.)			Free		4s. per gal.			Free		Free		
1927 ..	35%		1s. 6d. per cental			£3 10s. (2,000 lb.)			Free		4s. per gal.			Free		Free		

^d Plus a sliding scale.

^a Suspended.

TABLE IX *Continued*

Year	Lead (Manufactured)		Tin (Unmanufactured)			Confectionery		Soap		Hardware		Paints and Varnishes		Currants, Dried			Dairy Machinery (Misc.)		
	Value	Per Cent	Thousand cwt.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Million lbs.	Value	Per Cent	Value	Per Cent	
1920.....	38	.4	5	86	1.0	67	.8	67	.8	52	.6	116	1.3	3.0	116	1.3	40	.5	
1921.....	26	.5	3	25	.5	19	.3	34	.6	28	.5	84	1.5	.2	6	.1	34	.6	
1922.....	21	.6	3	30	.9	19	.6	17	.5	17	.5	28	.8	1.3	49	1.5	15	1.5	
1923.....	29	.8	4	40	1.1	47	1.3	19	.5	17	.5	16	.4	1.3	38	1.0	29	.8	
1924.....	18	.3	5	61	1.1	68	1.2	34	.6	15	.3	11	.2	1.2	35	.6	22	.4	
1925.....	13	.2	4	64	1.2	84	1.6	29	.6	19	.4	17	.3	.8	23	.4	35	.8	
1926.....	8	.2	5	77	1.7	70	1.5	45	1.0	58	1.3	41	.9	.6	18	.4	36	.8	
1927.....	26	.7	5	79	2.0	80	2.1	39	1.0	44	1.1	27	.7	1.1	33	.8	24	.6	
1928.....	26	.7	4	49	1.4	73	2.1	44	1.3	41	1.2	28	.8	1.0	33	.9	33	.9	
1929.....	22	.7	4	51	1.5	46	1.4	44	1.3	33	1.0	39	1.2	1.1	34	1.0	32	1.0	
1930.....	18	.5	3	28	.8	41	1.2	16	.5	24	.7	38	1.1	1.1	31	.9	28	.8	
1931.....	2	.1	2	17	.7	41	1.7	23	1.0	25	1.0	28	1.2	1.5	40	1.7	20	.8	
Tariff of:																			
1921.....	5s. per cwt.			10%		3d. per lb.		45%		35%		25%		Free ¹			10%*		
1922.....	4s. 6d. per cwt.			Free		2d. per lb.		30%		30%		20%		Free			Free		
1927.....	4s. 6d. per cwt.			Free				25%		30%		20%		Free			Free		

¹ Suspended duty of 2d. per lb.

TABLE IX *Continued*

Year	Seeds		Mandarins and Grapefruit			Drapery		Tanning Materials (Crude)		Bottles		Salt			Electric Machinery N. E. I.	
	Value	Per Cent	Million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Thou- sand tons	Value	Per Cent	Value	Per Cent
1920.....	38	.4	...	..	..	5	.1	51	.6	..	..	14	53	.6	9	.1
1921.....	10	.2	...	..	..	2	..	33	.6	..	..	6	25	.5	12	.2
1922.....	7	.2	1.2	21	.6	5	.2	16	.5	28	.8	4	12	.4	6	.2
1923.....	12	.3	1.3	20	.5	3	.1	5	.1	49	1.3	5	16	.4	2	.1
1924.....	5	.1	1.0	17	.3	3	.1	3	.1	25	.4	2	5	.1	8	.1
1925.....	16	.3	1.7	20	.4	6	.1	3	.1	17	.3	5	16	.3	11	.2
1926.....	20	.4	1.2	18	.4	9	.2	1	.0	21	.5	5	14	.3	10	.2
1927.....	16	.4	1.0	16	.4	18 ^a	.5	7	.2	22	.6	8	21	.5	22 ^b	.6
1928.....	29	.8	1.8	20	.6	21	.6	22	.6	30	.9	8	19	.5	20	.6
1929.....	33	1.0	1.0	19	.6	22	.7	10	.3	18	.5	7	15	.5	23	.7
1930.....	19	.6	2.2	18	.5	18	.5	17	.5	14	.4	8	16	.5	24	.7
1931.....	10	.4	1.9	14	.6	13	.5	10	.4	11	.5	6	13	.5	25	.2
Tariff of:																
1921.....	Free		1d. per lb.			35%		Free		10%		15%			35%	
1922.....	Free		Free			25%		Free		Free		Free			20%	
1927.....	Free		Free			25%		Free		Free		Free			20%	

^a Includes lace from 1927 on.

^b Increased number of items in listing.

TABLE X. NEW ZEALAND—EXPORTS TO AUSTRALIA^aWith duties encountered.^b Quantities as specified. Values in thousand pounds and as percentages of total.

Year	Total	Per Cent of Total Exports	Timber		Hides and Skins						Wool			Sausage Casings		
			Value	Per Cent	Cattle and Horse		Calf		Sheep		Thousand centals	Value	Per Cent	Tons	Value	Per Cent
					Value	Per Cent	Value	Per Cent	Value	Per Cent						
1920....	2,400	5.2	674	28.1	424	17.7	26	1.1	13	.5	....	....	....	....	4.0	.2
1921....	2,300	5.1	881	38.3	366	15.9	34	1.5	10	.4	2.0	5.0	.2	....	5.0	.2
1922....	1,700	4.0	663	39.0	243	14.3	65	3.8	41	2.4	1.1	3.8	2.2	....	4.0	.2
1923....	2,000	4.3	535	26.8	308	15.3	132	6.6	48	2.4	8.8	44.0	2.2	49	4.0	.2
1924....	2,500	4.7	511	20.4	370	14.8	71	2.8	89	3.6	63.1	426.0	17.0	85	7.1	.3
1925....	2,200	4.0	596	27.1	294	13.4	82	3.7	39	1.8	29.0	317.3	14.4	98	9.4	.4
1926....	2,700	6.0	671	24.9	249	9.2	80	3.0	100	3.7	13.7	77.4	2.9	124	14.1	.5
1927....	3,100	6.2	551	17.8	221	7.1	45	1.5	98	3.2	39.1	266.4	8.6	148	23.4	.7
1928....	3,300	5.9	437	13.2	230	7.0	66	2.0	59	1.8	81.0	687.4	20.8	96	15.0	.5
1929....	2,200	4.0	485	22.0	312	14.2	63	2.9	54	2.5	41.9	333.4	15.2	133	17.5	.8
1930....	1,700	3.8	459	27.0	153	9.0	58	3.4	24	1.4	29.4	163.6	9.6	115	15.2	.9
1931....	1,000	2.8	192	19.2	90	9.0	9	.9	8	.8	20.2	74.8	7.5	87	8.9	.9
Tariff of: 1921.....			4s. 100 sup. ft.		3s. per hide		3s. per hide		Free						Free	
1922.....			Free		3s. per hide		3s. per hide		Free						Free	

^a Source: *Oversea Trade*, Commonwealth Bureau of Census and Statistics, Canberra, Australia.^b All revisions since 1926 specify that they shall not apply to New Zealand except by mutual consent or six months' notice.

1921: general rates.

1922: special agreement and British Preference.

TABLE X Continued

Year	Meats									Flax and Hemp			Fish—Cold Process		
	In Tins			Bacon and Hams			Cold Process			Thousand tons	Value	Per Cent	Thousand cents	Value	Per Cent
	Thousand cents	Value	Per Cent	Thousand cents	Value	Per Cent	Thousand cents	Value	Per Cent						
1920.....	.3	3	.1	...	...	...	...	...	...	4.6	164	6.8	5.5	17.0	.7
1921.....	1.1	11	.5	...	...	...	...	...	...	6.3	242	10.5	9.2	32.0	1.4
1922.....	1.7	15	.9	.2	1.0	.1	...	...	...	5.1	168	9.9	12.8	39.0	2.3
1923.....	1.5	13	.7	1.3	7.2	.4	3.9	15.2	.8	3.0	89	4.5	15.6	40.9	2.1
1924.....	5.0	39	1.6	3.1	18.2	.7	17.4	65.8	2.6	2.9	97	3.9	20.2	51.3	2.0
1925.....	2.8	22	1.0	2.9	16.6	.8	11.5	41.2	1.9	3.6	136	6.2	19.4	57.4	2.6
1926.....	3.7	31	1.1	4.8	32.2	1.2	6.6	25.7	1.0	2.7	100	3.7	16.4	44.3	1.6
1927.....	3.4	29	.9	3.5	21.4	.7	7.7	32.9	1.1	3.8	129	4.1	19.6	58.2	1.9
1928.....	3.3	26	.8	3.4	19.8	.6	21.8	70.1	2.1	2.7	85	2.6	26.1	78.9	2.3
1929.....	5.7	40	1.8	4.0	22.6	1.0	23.3	77.4	3.5	3.0	93	4.2	25.1	70.5	3.2
1930.....	3.0	22	1.3	2.0	11.8	.7	4.1	13.5	.8	2.7	84	4.9	22.5	63.7	3.7
1931.....	1.0	6	.6	.2	1.3	.1	.3	.9	.1	2.0	48	4.8	18.0	42.0	4.2
Tariff of: 1921..	2½d. (lb.)			4d. (lb.)			3d. (lb.)			20%			1½d. (lb.)		
1922..	2 d. (lb.)			2d. (lb.)			10%			10%			Free		

TABLE X *Continued*

Year	Seeds		Horses			Beans and Peas			Oakum and Tow			Fish (In Tins)		
	Value	Per Cent	No.	Value	Per Cent	Thousand cents	Value	Per Cent	Tons	Value	Per Cent	Thousand cents	Value	Per Cent
1920.....	130	5.4	85	21.0	.9	21	27	1.1	2,476	35	1.5	1.3	17	.7
1921.....	82	3.6	77	19.0	.8	18	26	1.1	2,075	37	1.6	.6	8	.3
1922.....	79	4.6	231	45.0	2.6	12	16	.9	1,945	30	1.8	1.8	15	.9
1923.....	74	3.7	217	38.8	2.0	19	25	1.3	1,567	32	1.7	1.8	15	.8
1924.....	59	2.4	176	30.4	1.2	11	17	.7	1,297	29	1.2	1.9	25	1.0
1925.....	92	4.2	240	68.3	3.1	16	25	1.1	2,000	53	2.4	1.5	16	.7
1926.....	79	2.9	186	57.8	2.1	23	37	1.4	1,629	42	1.6	1.4	21	.8
1927.....	59	1.9	232	67.6	2.2	29	49	1.6	1,676	39	1.3	1.2	15	.5
1928.....	51	1.5	206	51.4	1.6	36	51	1.5	1,225	29	.9	2.5	18	.5
1929.....	59	2.7	261	47.6	2.2	29	36	1.6	1,250	27	1.2	1.4	19	1.1
1930.....	48	2.8	241	84.1	4.9	26	31	1.8	904	18	1.1	1.4	19	1.1
1931.....	31	3.1	76	26.7	2.7	23	26	2.6	386	6	.1	.8	9	.8
Tariff of: 1921.....	6s. cental ^a			Free			Free			Free			2½d. lb.	
1922.....	3d. lb.			Free			Free			Free			Free	

^a Oil seeds free. Mainly linseed.

TABLE X *Concluded*

Year	Tallow, Unrefined			Milk, Preserved, etc.			Paper and Stationery	
	Thousand cwt.	Value	Per Cent	Thousand cwt.	Value	Per Cent	Value	Per Cent
1920.....	....	....	...	5.7	31.0	1.3	5.0	.2
1921.....	....	....	...	.5	2.0	.1	13.0	.1
1922.....	....	....	...	....	....	...	14.0	.8
1923.....	11.4	21.7	1.1	2.1	5.9	.3	8.8	.5
1924.....	56.0	108.6	4.4	1.4	3.8	.2	9.9	.4
1925.....	16.5	30.2	1.4	1.2	3.1	.1	9.4	.4
1926.....	13.3	26.6	1.0	1.8	3.8	.1	12.9	.5
1927.....	3.1	6.0	.2	3.8	7.8	.3	13.9	.5
1928.....	18.2	32.1	1.0	7.6	15.4	.5	10.1	.3
1929.....	8.9	17.5	.8	6.1	12.2	.6	11.9	.5
1930.....	6.9	11.1	.6	10.3	21.0	1.0	10.9	.6
1931.....	41.8	39.8	3.9	4.5	9.1	.9	7.4	.7
Tariff of: 1921.....		22½% ^d			2½d. (lb.)		25% ^d	
1922.....		Free			25%		20% ^d	

^d Average.

New Zealand, these areas have alternative uses. On enormous areas in Australia, sheep and cattle and wheat *must* be raised if anything is raised at all; the soil and climate are suitable for animal husbandry and wheat farming, but for little or nothing else. The very fact that so considerable a trade has developed is evidence that Australia has a comparative advantage in the production of some products and New Zealand in others, and that both are benefiting by such trade. Still, both countries see fit to impede this trade by import duties and hence in part neutralize the mutual benefits which they might enjoy. The nature of Australia's exports to New Zealand and the duties encountered are shown in Table IX.

This table and Table X, showing the exports of New Zealand to Australia, indicate very clearly the nature of the trade. It consists of an interchange of a great number of commodities, in the production of which the exporting country is probably at some comparative advantage, though in most cases the comparative advantage does not appear to be great enough to preclude domestic production; that is, the trade is to a great extent competitive. Australia exports tobacco, coal, raisins, wheat, flour, stationery, wine, confectionery, and numerous other articles which are also produced in New Zealand; and New Zealand exports timber, hides, wool, meats, horses, beans, peas, tallow, milk, and paper, which are also produced in Australia. On the whole, a study of the tables shows that the Australian exports are somewhat further advanced in manufacture than the New Zealand exports. We find among them raisins, drugs, preserves, flour, wine, confectionery, paints, hardware, dairy machinery, bottles, and electrical machinery. The enumerated exports of New Zealand to Australia are all direct products of the extractive industries or very close to such products—timber, hides, tallow, and milk. A few of the Australian exports may be accounted for by her warmer climate—oranges, mandarins, and perhaps the grape and its products. Australia also appears to have some advantage in mineral reserves. She exports rather than imports coal, lead, and tin.

All of this trade is clearly to the advantage of both countries. Doubtless, since most of the commodities entering into it are produced in both countries, it involves competition, perhaps in some cases keen competition; but neither country, in its internal trade, has abandoned the theory that competition is desirable. It is in-

herent in the theory of private enterprise. Doubtless, competition is as keen between producers in the Australian states of Queensland, New South Wales, Victoria, and South Australia, between which trade is free. Moreover, the people of Australia and New Zealand are of the same race and language, and maintain the same standard of living. There is not the excuse for protection that exists between traditionally hostile countries whose statesmen assert that protection is necessary for self-sufficiency, and that self-sufficiency is essential to security. Both New Zealand and Australia are part of the British Empire and are loyal to the same crown.

In spite of all these reasons for encouraging the greatest freedom of trade, both New Zealand and Australia impose fairly heavy duties on each other's products. Some of the articles, it is true, are on the free list. This is the case with some non-competitive imports, and imports of raw materials, but practically all the competitive imports, particularly such as are advanced in manufacture beyond the crude stage, are taxed by both countries. Australia's exports of tobacco preparations, musical instruments, drugs, preserved fruits, wheat and wheat flour, wine, sensitized paper, confectionery, soap, hardware, paints, drapery, and electric machinery are taxed in New Zealand; and New Zealand's exports of hides, canned meats, bacon, flax, hemp, fish, beans, pears, tallow are taxed by Australia.

AUSTRALIA-PHILIPPINE ISLANDS

The trade between Australia and the Philippine Islands is shown in Tables XI and XII. It will be seen that Australia's exports to the Philippine Islands average about 4.9 million pesos, or 0.4 per cent of her total exports, while Philippine exports to New Zealand average £187,000, or .7 per cent of her exports to all countries. These averages, expressed in dollars, give about \$2,450,000 as the exports of Australia to the Philippine Islands and only \$935,000 as the exports of the Philippine Islands to Australia; that is, the former are nearly three times as great as the latter. One of the principal export products of the Philippine Islands is sugar; and sugar is excluded from Australia by that country's sugar policy. Moreover, the general range of duties in the Australian tariff is high, while the Philippine Islands have free access to the great United States

TABLE XI. AUSTRALIA—EXPORTS TO PHILIPPINE ISLANDS^a

With duties encountered. Quantities in millions of kilos or otherwise as indicated. Values in millions of pesos and as percentages of total.

Year	Total	Per Cent of Total Exports	Fresh Beef			Wheat Flour			Coal			Frozen Butter			Cattle (Except carabao)			Hams and Shoulders (Dried, Smoked and Cured)		
			Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity 1,000 number	Value	Per Cent	Quantity	Value	Per Cent
1920..	8.1	.6	...	...	....	...	...	....	...	...	....	...	...	....	..	...	...	...	...	...
1921..	4.5	.4	2.4	1.0	22.2	6.2	1.1	24.4	81.5	1.1	24.4	...	...	....	..	.01	.2	.12	.21	4.7
1922..	5.6	.5	3.2	1.2	21.4	9.7	1.2	21.4	110.5	1.1	19.6	...	...	....	5	.28	5.0	.13	.21	3.7
1923..	4.8	.4	2.5	.9	18.7	10.7	1.3	27.1	88.7	1.0	20.8	...	...	....	6	.27	5.6	.10	.16	3.3
1924..	4.9	.4	3.7	1.2	24.5	10.3	1.2	24.5	138.3	1.3	26.5	...	...	....	3	.12	2.4	.11	.15	3.1
1925..	5.8	.4	3.8	1.4	24.1	9.2	1.5	25.9	109.6	1.1	19.0	...	...	....	9	.44	7.6	.12	.19	3.3
1926..	5.8	.4	4.8	1.7	29.3	16.9	1.6	27.6	109.3	1.2	20.7	.19	.31	5.3	6	.27	4.7	.10	.19	3.3
1927..	4.5	.3	4.2	1.6	35.6	6.9	.9	20.9	44.7	.5	11.1	.22	.32	7.1	8	.34	7.6	.11	.20	4.4
1928..	4.9	.4	3.7	1.4	28.6	6.6	.9	18.0	80.8	1.0	20.4	.32	.50	10.2	9	.39	8.0	.11	.19	3.9
1929..	4.3	.3	3.6	1.4	32.6	9.0	1.1	25.6	11.1	.1	2.3	.33	.51	11.9	9	.34	7.9	.08	.13	3.0
1930..	2.3	.2	2.1	.8	36.5	6.5	.7	31.7	7.8	.1	3.5	.29	.40	17.4	4	.14	6.1	.09	.13	5.7
1931..	3.1	.4	2.2	.7	23.5	9.2	.7	21.9	43.7	.5	14.5	.48	.60	19.4	2	.07	2.3	.10	.12	3.9
Tariff of 1909.....			\$1.00 (100 kilo)			\$.47 (100 kilo)			25¢ (1,000 kilo)			6¢ (kilo)			\$2.00 each			\$4.50 (100 kilo)		

^a Source: *Annual Report of the Insular Collector of Customs*, Department of Finance, Bureau of Customs, Manila, P. I.

TABLE XII. PHILIPPINE ISLANDS—EXPORTS TO AUSTRALIA*

With duties encountered. Quantities as specified. Values in thousand pounds and as percentages of total.

Year	Total	Per Cent of Total Exports	Timber		Flax and Hemp			Hats and Caps		Tobacco					
			Value	Per Cent	Thousand tons	Value	Per Cent	Value	Per Cent	Raw			Cigars		
										Thousand cents	Value	Per Cent	Thousand cents	Value	Per Cent
1920.....	200	.7	4	2.0	2.2	151	75.5	.5	.2	1.0	9.6	4.8	.7	36.0	18.0
1921.....	200	1.1	24	12.0	2.1	141	70.5	.6	.3	.9	13.2	6.6	.5	29.5	14.7
1922.....	150	.7	33	22.0	2.1	101	67.3	.4	.3	.7	4.2	2.8	.2	9.3	6.2
1923.....	170	.7	58	34.1	2.3	91	53.5	.6	.4	1.1	4.2	2.5	.3	12.9	7.6
1924.....	170	.6	42	24.7	2.6	109	64.1	.3	.2	1.2	4.6	2.7	.3	12.3	7.2
1925.....	250	.8	102	40.8	1.9	126	50.4	1.5	.6	1.1	9.0	3.6	.2	8.5	3.4
1926.....	310	1.1	156	50.3	1.9	138	44.4	2.0	.6	.6	2.7	.9	.2	11.0	3.5
1927.....	220	.7	88	40.0	1.6	98	44.5	14.0	6.4	1.1	4.4	2.0	.1	7.1	3.2
1928.....	210	.6	60	28.6	1.6	103	49.0	32.0	15.0	.7	2.5	1.2	.2	8.8	4.2
1929.....	160	.5	61	38.1	1.3	61	38.1	22.0	13.7	.7	3.0	1.9	.1	8.8	5.5
1930.....	170	.6													
1931.....	40	.2													
Tariff of: 1921.....			25%		Free			45%		5s. 4d. per lb.				13s. per lb.	
1929.....			30%		Free			60%		6s. 4d. per lb.				18s. per lb.	
1930.....			35%		Free			60%		6s. 4d. per lb.				18s. per lb.	
1931.....			35%		Free			60%		8s. 6d. per lb.				20s. per lb.	

Years end June 30. Figures unavailable since 1929.

* Source: *Oversea Trade*, Commonwealth Bureau of Census and Statistics, Canberra, Australia.

market. It is, therefore, not surprising that in this trade the Philippine Islands should have a great excess of imports.

The great bulk of Philippine Islands exports to Australia consist of timber, on which the duty is 35 per cent, and flax and hemp, which are admitted free of duty. These two items in 1929 covered over 77 per cent of the total. Other items are hats and caps, raw tobacco, and cigars.

Australia's exports to the Philippine Islands are chiefly products of her great pastoral and wheat-growing areas. Expressed in percentages, they were in 1929, fresh beef, 32.6; wheat flour, 25.6; frozen butter, 11.9; cattle, 7.9; and beans, 3.0. These five items aggregate 81 per cent of the total.

AUSTRALIA—UNITED STATES

The United States of America is a country of such extent, of such differences in soil and climate, and of such vast and varied natural resources that it can approach nearer to complete self-sufficiency with less inconvenience and economic cost than any other country treated in this study, except perhaps China. As we read the items in Table I, showing Australia's principal exports, we perceive that there is not one of them but what can be produced in the United States or some of its insular possessions, and for the most part with less cost than in Australia. There is no compelling reason for trade between them. Were one entirely cut off from the other, as on separate planets, while both would suffer some inconvenience, neither would suffer seriously.

Nevertheless, there is the basis of a mutually beneficial trade. Such a trade in fact exists. Even under present tariff conditions, the United States takes around $4\frac{1}{2}$ per cent of Australia's total exports, a higher percentage than that of any other Pacific country, except Japan. With the removal of tariff barriers this trade could be greatly extended, and both countries would be the better off. It is one thing to say that mutual exclusion is possible. It is quite another thing to say that it is desirable.

Of the items shown in Table X, all except tin are produced in the United States or some of its possessions; and even in the case of tin, Australia is not the principal source of supply. Both the United States and Australia produce merino wool, but its produc-

TABLE XIII. AUSTRALIA—EXPORTS TO UNITED STATES*

With duties encountered. Quantities as specified. Values in million dollars and as percentages of total.

Year	Total	Per Cent of Total Exports	Wool						Furs Undressed		Shells Unmanufactured		
			Combing			Clothing			Value	Per Cent	Million lbs.	Value	Per Cent
			Million lbs.	Value	Per Cent	Million lbs.	Value	Per Cent					
1920....	46.0	6.5	....	....	....	37.4	11.6	25.2	12.2	26.5	2.6	1.2	2.6
1921....	22.8	3.7	....	....	....	38.0	12.5	54.8	2.1	9.2	1.4	.5	2.2
1922....	35.8	6.0	42.7	17.5	48.9	5.9	1.1	3.1	.9	2.5	3.0	1.0	2.8
1923....	41.4	7.4	49.5	24.6	60.0	3.8	1.5	3.6	1.2	2.9	3.6	1.2	2.9
1924....	32.9	5.8	34.3	20.0	60.8	.9	.5	1.5	5.8	17.6	3.3	1.2	3.6
1925....	55.1	7.1	52.6	34.4	62.4	3.0	1.5	2.7	10.7	19.4	2.5	1.0	1.8
1926....	45.7	6.4	47.5	22.9	50.1	3.7	1.7	3.7	11.8	25.8	2.8	1.2	2.6
1927....	38.6	5.6	34.9	17.0	44.0	4.4	1.9	4.9	10.9	28.2	3.5	1.1	2.8
1928....	31.6	4.7	20.0	10.9	34.5	6.3	6.1	19.3	5.7	18.1	3.7	1.3	4.1
1929....	32.0	4.6	20.1	8.5	26.6	3.3	2.5	7.8	7.1	22.2	5.2	1.9	5.9
1930....	17.4	3.0	17.8	4.6	26.4	4.3	1.2	6.9	2.3	13.2	4.5	1.7	9.8
1931....	12.5	2.9	11.1	4.2	33.6	1.9	.9	7.2	2.2	17.6	2.6	.9	7.2
Tariff of: 1922.....			31¢ per lb. abt. 55%			31¢ per lb. abt. 53%			Free		Free		
1930.....			34¢ per lb. abt. 89%			34¢ per lb. abt. 89%			Free		Free		

Years end June 30.

* Source: *Commerce and Navigation*, Bureau of Foreign and Domestic Commerce, Dept. of Commerce, Washington, D. C.

TABLE XIII *Concluded*

Year	Sausage Casings			Copra (Not Prepared)			Sheep Skin			Tin, Bars, Blocks, etc.		
	Million lbs.	Value	Per Cent	Million lbs.	Value	Per Cent	Million lbs.	Value	Per Cent	Million lbs.	Value	Per Cent
1920.....	1.8	1.0	2.2	51.9	3.9	8.5	6.8	2.2	4.8	3.0	1.6	3.5
1921.....	.8	.6	2.6	25.3	.9	3.9	1.0	.1	.4	.6	.2	.9
1922.....	2.1	1.3	3.6	20.4	.7	2.0	1.3	.2	.6	1.1	.3	.8
1923.....	2.1	1.7	4.1	13.3	.4	1.0	5.8	.9	2.2	1.0	.4	1.0
1924.....	1.5	1.0	3.0	.4	.0	0.0	1.2	.3	.9	1.3	.6	1.8
1925.....	1.7	1.3	2.4	11.2	.6	1.1	3.5	1.0	1.8	1.6	.9	1.6
1926.....	2.2	2.2	4.8	9.0	.5	1.1	2.7	.6	1.3	1.9	1.2	2.6
1927.....	2.3	1.8	4.7	5.0	.2	.5	2.6	.5	1.3	1.5	1.0	2.6
1928.....	2.1	1.3	4.1	21.1	1.0	3.2	3.3	.7	2.2	1.7	.8	2.5
1929.....	2.9	1.7	5.3	69.6	3.0	9.4	4.7	1.0	3.1	1.3	.6	1.9
1930.....	2.5	1.6	9.2	35.6	1.3	7.5	2.0	.3	1.7	.5	.1	.6
1931.....	1.6	.9	7.2	12.4	.3	2.4	3.6	.2	1.6	.9	.2	1.6
Tariff of: 1922.....		Free			Free			Free			Free	
1930.....		Free			Free			Free			Free	

TABLE XIV. UNITED STATES—EXPORTS TO AUSTRALIA*

With duties encountered. Quantities as specified. Values in thousand pounds and as percentages of total.

Year	Total	Per Cent of Total Exports	Vehicles						Petroleum								
			Motor Cars				All Other Except Bicycles		Spirit (Gas)			Lubricating Oil			Kerosene		
			Chassis & Parts		Bodies & Parts				Million gal.	Value	Per Cent	Million gal.	Value	Per Cent	Million gal.	Value	Per Cent
			Value	Per Cent	Value	Per Cent	Value	Per Cent									
1920..	23,800	1.4	1,753	7.4	115	.5	270	1.1	9	819	3.4	3	287	1.2	11	638	2.7
1921..	35,600	3.9	2,428	6.8	104	.3	250	.7	14	1,670	4.7	9	1,196	3.4	15	1,271	3.6
1922..	18,800	2.4	1,167	6.2	89	.5	151	.8	13	1,300	6.9	4	469	2.5	13	706	3.8
1923..	24,900	2.9	2,789	11.2	364	1.5	385	1.5	19	1,649	6.6	6	606	2.4	17	691	2.8
1924..	34,600	3.7	3,835	16.9	900	2.6	838	2.4	32	2,333	6.7	8	748	2.2	18	760	2.2
1925..	38,700	3.8	6,524	16.9	771	2.0	1,340	3.5	47	3,210	8.3	9	851	2.2	17	665	1.7
1926..	37,200	3.8	6,792	18.3	934	2.5	1,072	2.9	66	3,891	10.5	11	917	2.5	19	753	2.0
1927..	41,400	4.1	7,897	19.1	1,262	3.0	1,144	2.8	79	3,599	8.7	13	1,129	2.7	23	972	2.3
1928..	35,000	3.3	5,339	15.3	1,022	2.9	887	2.5	107	3,669	10.5	12	920	2.6	22	754	2.2
1929..	35,300	3.3	5,985	17.0	1,188	3.4	1,058	3.0	96	3,258	9.2	17	1,286	3.6	28	925	2.6
1930..	30,300	3.8	3,994	13.2	583	1.9	760	2.5	131	4,076	13.5	13	1,097	3.6	26	768	2.5
1931..	11,400	2.3	343	3.0	7	.1	118	1.0	91	2,173	19.1	10	683	6.0	22	490	4.3
Tariff of: 1921.....			10%		55%		40%		1d. (gal.)			3½d. (gal.)			Free		
1926.....			17%		55%		55%		1d. (gal.)			3½d. (gal.)			Free		
1928.....			25%		55%		55%		1d. (gal.)			3½d. (gal.)			Free		
1929.....			40%		55%		55%		4d. (gal.)			3½d. (gal.)			Free		
1930.....			40%		55%		55%		4d. (gal.)			3½d. (gal.)			Free		
1931.....			45%		55%		55%		7d. (gal.)			4½d. (gal.)			Free		

Years end June 30.

* Source: *Overseas Trade*, Commonwealth Bureau of Census and Statistics, Canberra, Australia.

TABLE XIV *Continued*

Year	Tobacco, Raw			Elec. Machinery and Appliances		Motive Power Engines		Piece Goods				Paper and Stationery		Socks and Stockings	
	Thousand cents	Value	Per Cent	Value	Per Cent	Value	Per Cent	Cotton & Linen		Silk		Value	Per Cent	Value	Per Cent
								Value	Per Cent	Value	Per Cent				
1920.....	155.1	2,563	9.9	.....	...	194	.8	621	2.6	95	.4	1,288	5.4	670	2.8
1921.....	205.2	3,208	9.0	.....	...	415	1.2	946	2.7	83	.2	1,326	3.7	1,162	3.3
1922.....	163.7	2,053	10.9	.....	...	169	.9	404	2.1	62	.3	523	2.8	359	1.9
1923.....	149.2	1,789	7.2	1,219	4.9	429	1.7	505	2.0	86	.3	631	2.5	514	2.1
1924.....	252.0	2,722	7.9	1,287	3.7	861	2.5	389	1.1	70	.2	678	2.0	366	1.1
1925.....	185.9	1,915	4.9	1,403	3.6	953	2.5	393	1.0	56	.1	630	1.6	249	.6
1926.....	215.5	2,178	5.9	1,423	3.8	885	2.4	583	2.3	112	.3	680	1.8	343	.9
1927.....	212.7	1,920	4.6	1,943	4.7	1,253	3.0	690	1.7	115	.3	714	1.7	455	1.1
1928.....	231.4	2,077	5.9	1,486	4.2	1,271	3.6	524	1.5	149	.4	679	1.9	526	1.5
1929.....	206.0	1,828	5.2	1,449	4.1	1,358	3.8	512	1.5	210	.6	744	2.1	478	1.4
1930.....	199.6	1,739	5.7	1,364	4.5	943	3.1	310	1.0	189	.6	733	2.4	342	1.1
1931.....	221.3	1,388	12.2	539	4.7	281	2.5	158	1.4	145	1.3	384	3.4	29	.3
Tariff of:															
1921.....	5s. 4d. (lb.)			40%		40%		17%		20%		25%		45%	
1926.....	5s. 4d. (lb.)			50%		60%		35%		55%		45%		50%	
1928.....	5s. 4d. (lb.)			50%		60%		50%		50%		45%		50%	
1929.....	6s. 4d. (lb.)			50%		60%		4s. (lb.) plus 50%		4s. (lb.) plus 50%		55%		60%	
1930.....	6s. 4d. (lb.)			55%		75%		4s. (lb.) plus 50%		4s. (lb.) plus 50%		55%		60%	
1931.....	8s. 6d. (lb.)			60%		75%		4s. (lb.) plus 50%		4s. (lb.) plus 50%		55%		60%	

TABLE XIV Continued

Year	Tools of Trade		Rubber and Manufactures		Sulphur			Yarns		Lamps and Lampware		Printing Machinery	
	Value	Per Cent	Value	Per Cent	Thousand tons	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	404	1.7	502	2.1	22	130	.5	27	.1	90	.4	72	.3
1921.....	617	1.7	746	2.1	70	435	1.2	56	.2	171	.5	193	.5
1922.....	295	1.6	307	1.6	42	193	1.0	43	.2	98	.5	378	2.0
1923.....	403	1.6	773	3.1	37	168	.7	100	.4	167	.7	454	1.8
1924.....	673	1.9	1,315	3.8	58	213	.6	73	.2	287	.8	473	1.4
1925.....	521	1.3	1,251	3.2	55	214	.6	93	.2	268	.7	361	.9
1926.....	493	1.3	1,600	4.3	79	309	.8	202	.5	274	.7	335	.9
1927.....	535	1.3	1,180	2.9	85	402	1.0	280	.7	303	.7	371	.9
1928.....	435	1.2	768	2.2	86	439	1.2	169	.5	254	.7	251	.7
1929.....	458	1.3	446	1.3	78	395	1.1	348	1.0	334	.9	250	.7
1930.....	366	1.2	260	.9	113	553	1.8	289	1.0	255	.8	217	.7
1931.....	156	1.4	99	.9	39	188	1.6	119	1.0	54	.5	61	.5
Tariff of: 1921.....			40%—crude free			50s. (ton) ^b		15%		35%		10%	
1926.....	10%		40%—crude free			50s. (ton) ^b		35%		35%		10%	
1928.....	10%		40%—crude free			50s. (ton) ^b		35%		35%		10%	
1929.....	10%		40%—crude free			50s. (ton) ^b		55%		35%		10%	
1930.....	75%		50%—crude free			50s. (ton) ^b		55%		35%		10%	
1931.....	75%		50%—crude free			50s. (ton) ^b		55%		35%		10%	

^b Volcanic, free.

TABLE XIV Concluded

Year	Fruits, etc., Preserved		Sewing Machines		Cash Registers		Adding and Computing Machines		Turpentine and Substitutes			Gums and Resins		
	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Million gal.	Value	Per Cent	Tons	Value	Per Cent
1920....	37	.2	179	.8	...	..	...	..	.4	182	.8	4,915	195	.8
1921....	29	.1	402	1.1	...	..	...	..	.8	332	.9	4,533	181	.5
1922....	35	.2	153	.8	...	..	...	..	.4	133	.7	3,053	53	.3
1923....	73	.3	191	.8	60	.2	45	.2	.6	195	.8	2,368	46	.2
1924....	80	.2	179	.5	73	.2	96	.3	.8	253	.7	3,919	70	.2
1925....	96	.2	142	.4	51	.1	55	.1	.6	145	.4	5,793	89	.2
1926....	119	.3	149	.4	96	.3	102	.3	.6	142	.4	4,671	127	.3
1927....	163	.4	200	.5	107	.3	128	.3	.9	167	.4	3,457	119	.3
1928....	160	.5	162	.5	74	.2	129	.4	.9	145	.4	3,719	128	.4
1929....	159	.5	115	.3	112	.3	109	.3	.9	106	.3	3,247	70	.2
1930....	165	.5	136	.4	109	.4	108	.4	1.0	117	.4	3,936	94	.3
1931....	0	.0	51	.4	22	.2	56	.5	1.1	69	.6	2,655	45	.4
Tariff of:														
1921..	4s. (doz. pts.)		40%		10%		10%		1d. (gal.)			Free		
1926..	4s. (doz. pts.)		10% plus £3, 10s.		10%		10%		1d. (gal.)			Free		
1928..	4s. (doz. pts.)		10% plus £3, 10s.		10%		10%		1d. (gal.)			Free		
1929..	5s. (doz. pts.)		10% plus £3, 10s.		10%		10%		1d. (gal.)			Free		
1930..	5s. (doz. pts.)		£3, 10s. (ea.)		10%		10%		1d. (gal.)			Free		
1931..	7s. (doz. pts.)		£3, 10s. (ea.)		10%		10%		(Turpentine, free)			Free		

tion in the United States involves a higher cost. On the other hand, no country in the world is so well adapted to large-scale machine methods of production as is the United States. Australia has some ore, she can produce iron, and manufacture it and the various commodities that are made from iron, but it is at a much greater expenditure of labor and capital than in the United States. The people of the United States would have warm clothing at a less expense, and the people of Australia would have iron for their railroads, their machinery, and their building operations at a less expense, if iron were admitted free of duties into Australia, and wool were admitted free of duty into the United States. As it is, both countries deprive themselves of this benefit by their tariff policies. The United States imposes a specific duty on wool equivalent to about 89 per cent ad valorem, and Australia imposes an almost prohibitory duty on iron.

The items included in Table XIII comprise about 80 per cent of Australia's total exports to the United States. With the exception of wool and wool clothing, all of these items are admitted free of duty. From this the impression might be conveyed that, so far as Australia was concerned, the American tariff was liberal. Such an impression would be misleading. The tariff appears low because it is really so high that many articles which Australia could export to the United States are excluded and do not appear at all—at least as major items shown in the table. Moreover, since wool is Australia's great export, and since the American duty on wool is very high, the American tariff—so far as Australia is concerned—can hardly be classed as liberal.

CHAPTER II

CANADA

Area 3,504,688 square miles, population 9,934,500

THE AREA of Canada is somewhat greater than that of the Continental United States, but its population is only one-twelfth as great, nor is it likely that it ever will be as great. Even in the United States, the region lying along the northern boundary is in the cooler part of the temperate zone, and all Canada lies to the north of this. Less than a sixth of the total area is suitable for agricultural or pastoral purposes. It is probable that no more than a comparatively narrow strip—say, three or four hundred miles wide—lying north of the boundary line between the United States and Canada will ever be extensively appropriated to agricultural or industrial development. Yet this area, larger than the United Kingdom, Germany, France and Italy, taken together, is capable of supporting a large and prosperous population. The country is abundantly supplied with natural resources. Its forest reserves are magnificent, its Prairie Provinces are unrivaled for the production of spring wheat. Its rivers furnish unsurpassed water power, and it has great reserves of gold, silver, nickel, copper, cobalt, chromite, iron, zinc, lead, coal, asbestos, and petroleum. Among its greater industries are the production of pulp and paper, of wheat, of cattle and dairy products. Other important products are fish and furs.

GENERAL EXPORTS AND IMPORTS

The extent of Canada's natural resources is indicated by Table XV, showing her principal exports. Her great agricultural resources are evidenced by her exports of wheat, 30.9 per cent of her total exports in 1929; wheat flour, 4.7 per cent; barley, 1.9 per cent; rye, .8 per cent; and oats, .7 per cent; these agricultural products constituting 39 per cent of the total. Closely associated with agriculture is animal husbandry. Her adaptation to this pursuit is shown

TABLE XV. CANADA—PRINCIPAL EXPORTS*
Values in millions of dollars and as percentages of total

Year	Total Exports	Wheat			Printing Paper			Wheat Flour			Planks & Boards		Wood Pulp		
		Quantity ^b	Value	Per Cent	Quantity ^c	Value	Per Cent	Quantity ^d	Value	Per Cent	Value	Per Cent	Quantity ^e	Value	Per Cent
1920.....	1,287	78	185	14.4	14	53	4.1	9	94	7.4	..	...	15	41	3.2
1921.....	1,210	129	311	25.7	15	79	6.5	6	67	5.5	..	...	14	72	5.6
1922.....	754	136	180	23.9	15	65	8.6	7	53	7.0	..	...	12	36	4.8
1923.....	945	215	252	26.7	20	73	7.7	10	60	6.3	64	6.8	17	43	4.6
1924.....	1,059	257	268	25.3	24	89	8.4	12	63	5.9	76	7.2	17	46	4.3
1925.....	1,081	192	252	23.3	25	92	8.5	11	71	6.6	61	5.6	16	42	3.9
1926.....	1,329	250	364	27.4	30	102	7.7	10	70	5.3	67	5.0	20	50	3.8
1927.....	1,268	248	353	27.8	35	116	9.1	10	69	5.4	60	4.7	19	50	3.9
1928.....	1,251	267	352	28.1	29	129	10.3	9	60	4.8	55	4.4	18	47	3.8
1929.....	1,389	370	429	30.9	45	142	10.2	11	65	4.7	48	3.5	17	45	3.2
1930.....	1,145	177	216	18.9	50	146	12.7	8	45	3.9	49	4.3	17	45	3.9
1931.....	817	217	177	21.7	45	127	15.5	7	33	4.0	32	3.9	14	35	4.3
1932.....	588	191	116	19.7	40	103	17.5	5	19	3.2	19	3.2	12	28	4.8

Year	Automobiles			Fish			Copper		Barley			Cheese		
	Quantity ^a	Value	Per Cent	Quantity ^a	Value	Per Cent	Value	Per Cent	Quantity ^b	Value	Per Cent	Quantity ^c	Value	Per Cent
1920.....	24	15	1.2	..	41	3.2	14	1.1	14	20	1.6	1.3	36	2.8
1921.....	20	14	1.2	..	33	2.7	13	1.1	9	11	.9	1.3	37	3.1
1922.....	14	8	1.1	..	29	3.8	6	.8	13	10	1.3	1.3	25	3.3
1923.....	49	27	2.9	..	28 ^e	3.0	8	.8	14	9	1.0	1.1	21	2.2
1924.....	70	33	3.1	..	31	2.9	12	1.1	15	9	.8	1.2	23	2.2
1925.....	56	26	2.4	..	33	3.1	13	1.2	23	18	1.7	1.3	24	2.2
1926.....	81	36	2.7	4	37	2.8	16	1.2	33	23	1.7	1.5	34	2.6
1927.....	72	32	2.5	4	34	2.7	15	1.2	39	26	2.1	1.4	25	2.0
1928.....	47	25	2.0	4	34	2.7	16	1.3	29	23	1.8	1.1	21	1.7
1929.....	104	43	3.1	5	35	2.5	28	2.0	36	26	1.9	1.1	25	1.8
1930.....	80	35	3.1	4	35	3.1	40	3.5	15	10	.9	.9	18	1.6
1931.....	37	16	2.0	3	28	3.4	23	2.8	3	1	.1	.8	13	1.6
1932.....		4	.7	4	24	4.1	20	3.4	24	10	1.7	.9	11	1.9

Years end March 31. Other exports: Hides, Leather, Aluminum Machinery, Fertilizers, Milk, Flaxseed, etc.

* Source: *Trade of Canada*, Department of Trade and Commerce, Dominion Bureau of Statistics, Ottawa, Canada.

^b In millions of bushels.

^c In millions of hundredweights.

^d In millions of barrels.

^e In thousands.

TABLE XV Continued

Year	Raw Furs		Whiskey			Nickel			Meats		Rubber Tires			Farm Implements	
	Value	Per Cent	Quantity ¹	Value	Per Cent	Quantity ²	Value	Per Cent	Value	Per Cent	Quantity ³	Value	Per Cent	Value	Per Cent
1920.....	21	1.6	.5	1.5	.1	.4	9	.7	96	7.5	...	7.4	5.7	12	.9
1921.....	12	1.0	.4	1.7	.1	.5	9	.7	45	3.7	...	8.2	.7	13	1.1
1922.....	15	2.0	.2	.9	.1	.1	3	.4	30	4.0	...	2.8	.4	5	.7
1923.....	16	1.7	.4	3.0	.3	.4	9	1.0	28	3.0	...	5.0	.5	6	.6
1924.....	18	1.7	1.2	9.0	.8	.6	9	.8	23	2.2	...	6.5	.6	9	.8
1925.....	17	1.6	1.2	11.0	1.0	.6	10	.9	29	2.7	...	7.4	6.8	11	1.0
1926.....	17	1.3	1.3	16.0	1.2	.7*	13	1.0	37	2.8	2.0	14.0	1.1	14	1.1
1927.....	21	1.7	1.5	19.0	1.5	.6	13	1.0	29	2.3	2.7	19.0	1.5	17	1.3
1928.....	24	1.9	1.8	21.0	1.7	.8	17	1.4	24	1.9	3.4	20.0	1.6	16	1.3
1929.....	24	1.7	2.4	24.0	1.7	1.1	24	1.7	19	1.4	3.3	19.0	1.4	16	1.2
1930.....	19	1.7	2.9	26.0	2.3	1.1	25	2.2	15	1.3	3.2	18.0	1.6	18	1.6
1931.....	15	1.8	3.2	19.0	2.3	.8	18	2.2	6	.7	2.2	12.0	1.5	7	.9
1932.....	12	2.0	2.5	12.0	2.0	.5	12	2.0	5	.9	1.1	5.0	.9	3	.5

Year	Cattle			Pulpwood			Raw Gold		Silver Ore and Bullion			Asbestos, Raw		
	Quantity ⁴	Value	Per Cent	Quantity ^b	Value	Per Cent	Value	Per Cent	Quantity ¹	Value	Per Cent	Quantity ¹	Value	Per Cent
1920.....	515	45	3.5	...	...	...	6.0	.5	12	14.0	1.1	...	8.7	.7
1921.....	296	27	1.7	...	...	...	3.0	.2	13	11.0	.9	...	12.7	1.0
1922.....	212	8	1.1	...	...	...	2.5	.3	14	8.7	1.2	...	4.6	.6
1923.....	258	9	1.1	1.1	11.0	1.2	5.4	.6	17	11.5	1.2	...	7.2	.8
1924.....	189	11	1.0	1.4	14.0	1.3	17.0	1.6	18	11.6	1.1	...	8.7	.8
1925.....	218	13	1.2	1.4	14.0	1.3	29.0	2.7	19	12.3	1.1	...	7.8	.7
1926.....	295	18	1.4	1.3	13.1	1.0	26.0	2.0	18	12.4	.9	270	9.9	.7
1927.....	221	12	.9	1.5	15.4	1.2	6.9	.5	22	13.0	1.0	266	10.6	.8
1928.....	289	14	1.1	1.5	15.2	1.2	9.0	.7	21	11.8	.9	264	10.6	.8
1929.....	241	15	1.1	1.4	14.2	1.0	12.4	.9	21	11.8	.8	269	11.3	.8
1930.....	239	13	1.1	1.3	13.9	1.2	34.4	3.0	22	11.6	1.0	486	12.1	1.1
1931.....	49	3	.4	1.2	12.0	1.5	17.8	2.2	25	8.9	1.1	219	7.7	.9
1932.....	58	4	.7	.8	8.2	1.4	13.7	2.3	18	5.2	.9	147	4.6	.8

¹ In millions of gallons.² In millions.^b In millions of cords.³ In millions of ounces.⁴ In thousands of tons.

TABLE XV *Concluded*

Year	Lead			Rye			Oats		
	Quantity ^a	Value	Per Cent	Quantity ^b	Value	Per Cent	Quantity ^b	Value	Per Cent
1920.....	.2	1.2	.1	2.1	3.5	.3	11.0	9.0	.7
1921.....	.1	1.5	.1	3.2	6.2	.5	14.0	14.0	1.2
1922.....	.4	1.7	.2	3.2	3.5	.5	36.0	19.0	2.5
1923.....	.5	2.3	.2	10.1	8.2	.9	29.0	15.0	1.6
1924.....	.7	4.0	.4	6.8	4.4	.4	23.0	11.0	1.0
1925.....	1.5	10.4	1.0	7.5	7.0	.6	33.0	16.0	1.5
1926.....	2.0	13.4	1.0	5.4	5.0	.4	43.0	24.0	1.8
1927.....	2.2	13.5	1.1	6.5	6.1	.5	15.4	8.6	.7
1928.....	2.5	11.9	.9	10.4	10.6	.8	7.2	4.3	.3
1929.....	2.7	11.1	.8	9.5	10.8	.8	15.7	10.2	.7
1930.....	2.4	10.6	.9	1.5	1.5	.1	6.4	4.1	.4
1931.....	2.2	7.0	.9	1.3	.5	.1	3.3	1.1	.1
1932.....	2.2	4.4	.7	4.4	2.0	.3	13.8	4.7	.8

TABLE XVI. CANADA—PRINCIPAL IMPORTS*

With duties levied. Quantities as indicated. Values in millions of dollars and as percentages of total.

Year	Total Value	Rolling Mill Products		Machinery		Auto Parts		Coal			Wool		Alcoholic Beverages		Autos			Farm Implements	
		Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity Million tons	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity 1,000 number	Value	Per Cent	Value	Per Cent
1920.....	1,065	40	3.8	37	3.5	13	1.2	17	60	5.6	63	5.9	9	.8	13	15	1.4	15	1.4
1921.....	1,240	70	5.6	46	3.7	12	1.0	20	111	9.0	67	5.4	35	2.8	7	12	1.0	24	1.9
1922.....	748	20	2.7	24	3.2	10	1.3	17	78	10.4	35	4.7	25	3.3	9	11	1.5	8	1.1
1923.....	803	37	4.6	24	3.0	14	1.7	14	72	9.0	46	5.7	21	2.6	12	14	1.7	8	1.0
1924.....	893	49	5.5	28	3.1	17	1.9	20	88	9.9	47	5.3	21	2.4	11	11	1.2	12	1.3
1925.....	797	35	4.4	26	3.3	14	1.8	16	63	7.9	48	6.0	19	2.4	9	10	1.3	6	.8
1926.....	927	41	4.4	32	3.5	23	2.5	17	56	6.0	46	5.0	25	2.7	16	16	1.7	13	1.4
1927.....	1,031	47	4.6	41	4.0	30	2.9	17	62	6.0	51	4.9	29	2.8	32	27	2.6	19	1.8
1928.....	1,109	44	4.0	49	4.4	34	3.1	18	59	5.3	49	4.4	46	4.1	40	34	3.1	30	2.7
1929.....	1,266	60	4.7	60	4.7	56	4.4	18	56	4.4	54	4.3	49	3.9	50	43	3.4	40	3.2
1930.....	1,248	62	5.0	70	5.6	36	2.9	18	56	4.5	47	3.8	45	3.6	38	34	2.7	30	2.4
1931.....	907	41	4.5	44	4.9	20	2.2	17	52	5.7	34	3.7	35	3.9	20	17	1.9	16	1.8
1932.....	579	21	3.6	24	4.1	13	2.2	13	35	6.0	20	3.5	26	4.5	5	5	.9	3	.5
Tariff of: 1922....		35%		25%		35%		53¢ ton (soft) ^b			Free		\$10.00 gal. ^c		35%		15%		
1930....		35%		30%		30%		53¢ ton (soft)			Free		\$10.00 gal.		35%		25%		
1931....		40%		35%		30%		75¢ ton (soft)			Free		\$10.00 gal.		30%		25%		

Fiscal years ending March 31.

* Source: *Trade of Canada*, Department of Trade and Commerce, Dominion Bureau of Statistics, Ottawa, Canada.

^b Hard free until 1931, then 40¢ a ton.

^c Rum, etc.

TABLE XVI *Continued*

Year	Petroleum (Crude)			Sugar		Silk and Mfgs.		Raw Cotton			Electric Apparatus		Green Fruits		Cotton Mfgs.		Engines and Boilers	
	Quantity million gals.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	234	13	1.2	74	6.9	34	3.2	96	34	3.2	16	1.5	20	1.9	54	5.1	13	1.2
1921.....	312	23	1.9	86	6.9	30	2.4	99	29	2.3	17	1.4	19	1.5	71	5.7	10	.8
1922.....	391	20	2.7	44	5.9	22	2.9 ^d	95	16	2.1	11	1.5	19	2.5	36	4.8	5	.7
1923.....	398	20	2.5	40	5.0	21	2.6	125	28	3.5	12	1.5	17	2.1	41	5.1	7	.9
1924.....	419	17	1.9	53	5.9	22	2.5	96	28	3.1	14	1.6	18	2.0	38	4.9	9	1.0
1925.....	441	20	2.5	42	5.3	20	2.5	101	25	3.1	14	1.8	18	2.3	34	4.3	7	.9
1926.....	471	26	2.8	37	4.0	26	2.8	129	29	3.1	16	1.7	20	2.2	33	3.6	13	1.4
1927.....	596	32	3.1	40	3.9	30	2.9	136	20	1.9	17	1.6	21	2.0	34	3.3	15	1.5
1928.....	710	31	2.8	39	3.5	30	2.7	133	25	2.3	19	1.7	25	2.3	33	3.0	17	1.5
1929.....	954	39	3.1	32	2.5	30	2.4	139	28	2.2	27	2.1	26	2.1	25	2.0	19	1.5
1930.....	1,101	48	3.8	28	2.2	28	2.2	126	22	1.8	38	3.0	24	1.9	32	2.6	15	1.2
1931.....	987	36	4.0	25	2.8	19	2.1	107	12	1.3	27	3.0	21	2.3	23	2.5	10	1.1
1932.....	1,014	22	3.8	22	3.8	13	2.2	101	8	1.4	15	2.6	15	2.6	16	2.8	7	1.2
Tariff of: 1922..	Free			\$2.39 (100 lbs.)		37½%		Free			27½%		25%		25%		27½%	
1930..	Free			\$1.89 (100 lbs.)		35% ^d		Free			30%		20%		25% and 4¢ lb.		30%	
1931..	Free			\$1.89 (100 lbs.)		35%		Free			30%		20%		25% and 4¢ lb.		30%	

^d 1928. Raw silk free all years.

TABLE XVI *Continued*

Year	Gasolene			Rubber, Raw			Furs		Books and Printed Matter		Corn			Paper		Copper		Raw Hides	
	Quantity million gals.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million bu.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920 ...	...	..	...	24	12	1.1	13	1.2	11	1.0	9	14	1.3	10	.9	9	.8	23	2.2
1921 ...	...	..	...	13	9	.7	7	.6	14	1.1	10	13	1.0	14	1.1	10	.8	11	.9
1922 ...	...	..	...	19	3	.4	8	1.1	12	1.6	14	9	1.2	8	1.1	3	.4	6	.8
1923 ...	...	..	...	25	6	.7	7	.9	11	1.4	11	8	1.0	8	1.0	6	.7	8	1.0
1924 ...	49	6	.7	29	8	.9	9	1.0	12	1.3	9	8	.9	9	1.0	8	.9	7	.8
1925 ...	77	10	1.3	34	10	1.3	8	1.0	12	1.5	8	8	1.0	9	1.1	6	.8	8	1.0
1926 ...	83	12	1.3	47	32	3.5	11	1.2	12	1.3	8	8	.9	9	1.0	7	.8	9	1.0
1927 ...	88	12	1.2	50	22	2.1	13	1.3	14	1.4	13	11	1.1	11	1.1	7	.7	9	.9
1928 ...	112	12	1.1	58	21	1.9	17	1.9	15	1.4	15	13	1.2	12	1.1	7	.6	14	1.3
1929 ...	153	18	1.4	78	17	1.3	17	1.3	17	1.3	14	14	1.1	14	1.1	13	1.0	12	1.0
1930 ...	170	19	1.5	73	15	1.2	12	1.0	18	1.4	15	14	1.1	15	1.2	15	1.2	8	.7
1931 ...	142	15	1.7	60	7	.8	9	1.0	16	1.8	10	7	.8	12	1.3	7	.8	5	.5
1932 ...	84	8	1.4	55	4	.7	5	.9	13	2.2	9	4	.7	9	1.6	2	.3	3	.5
Tariff of																			
1922	1 ¢ gal.			Free			15%		25%		7½¢ bu.		25%		10%		Free		
1930	2½¢ gal.			Free			15%		25%		7½¢ bu.		25%		10%		Free		
1931	2½¢ gal.			Free			15%		30%		7½¢ bu.		25%		10%		Free*		

* 15% in 1932.

TABLE XVI *Continued*

Year	Wood Mfgs.		Tea			Vegetable Oils (Not food)		Clay and Products		Settlers' Effects		Glass and Ware		Stone and Products	
	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920 ...	8	.8	32	8	.8	14	1.3	6	.6	12	1.1	7	.7	4	.4
1921 ...	12	1.0	33	10	.8	9	.7	11	.9	11	.9	11	.9	5	.4
1922 ...	7	.9	39	9	1.2	6	.8	7	.9	8	1.1	5	.7	3	.4
1923 ...	7	.9	40	10	1.2	5	.6	7	.9	6	.7	7	.9	4	.5
1924 ...	8	.9	40	13	1.5	8	.9	8	.9	6	.7	8	.9	5	.6
1925 ...	8	1.0	36	12	1.5	7	.9	7	.9	6	.8	7	.9	4	.5
1926 ...	8	.9	37	12	1.3	9	1.0	8	.9	6	.6	7	.8	5	.5
1927 ...	10	1.0	37	12	1.2	11	1.1	9	.9	8	.8	9	.9	6	.6
1928 ...	11	1.0	39	12	1.1	11	1.0	10	.9	9	.8	8	.7	6	.5
1929 ...	12	.9	39	12	.9	11	.9	10	.8	10	.8	10	.8	8	.7
1930 ...	13	1.0	38	11	.9	11	.9	12	1.0	11	.9	10	.8	9	.7
1931 ...	8	.9	53	13	1.4	10	1.1	9	1.0	11	1.2	8	.9	6	.7
1932 ...	5	.9	43	7	1.2	7	1.2	7	1.2	8	1.4	6	1.0	4	.7
Tariff of															
1922	25%		10¢ per lb.			Free		30%		Free		25%		30%	
1930	25%		10¢ per lb.			Free		35%		Free		30%		30%	
1931	25%		8¢ per lb.			Free		35%		Free		30%		30%	

in her exports of meat and dairy products: cattle, 1.1 per cent; meats, 1.4 per cent; cheese, 1.8 per cent; in all 4.3 per cent. Though these do not appear in the table, she also exports large quantities of hides, leather, milk, butter, and flaxseed, all products of agriculture or animal husbandry. From her world-renowned fisheries are derived 2.5 per cent of her total exports. Her vast forest expanses account directly or indirectly for exports of wood and pulp, 3.2 per cent; pulpwood, 1.0 per cent; planks and boards, 3.5 per cent; and printing paper, 10.2 per cent; in all 17.9 per cent. In this connection may be mentioned her exports of furs, 1.7 per cent. Her mineral resources show in her exports of copper, 2.0 per cent; nickel, 1.7 per cent; gold, 0.9 per cent; silver, 0.8; lead, 0.8 per cent; and asbestos, 0.8 per cent; in all 7.0 per cent. Progress in industrialization is indicated by her exports of automobiles, 3.1 per cent; rubber tires, 1.4 per cent; farm implements, 1.2 per cent; whiskey, 1.7 per cent; in all 7.4 per cent; and in this connection may be repeated her exports of paper, pulp, and lumber, already mentioned.

The table shows about 80 per cent of her total exports and is probably considerably weighted in favor of products of the extractive industries. Canada has made rapid progress in industrialization in recent years. A complete table would doubtless show a somewhat higher percentage of manufactured goods.

The table of imports (Table XVI) includes about 66 per cent of the total imports and, like the preceding table, indicates Canada's comparative self-sufficiency. The export table gives evidence of her great and varied resources and of sufficient progress in industrialization to utilize them for her own varied needs. The import table shows no single commodity or small group of commodities preponderating over all the others to such an extent that deprivation of them would seriously disrupt her economic life. Nevertheless, some of the imports are of great importance: a few Canada could not produce herself, others she could produce only at much greater cost, and still others simply supplement her own output. Among the imports upon which she is most dependent, commodities which, to meet her present consumption, she could produce herself only with great difficulty or not at all, are (figures for 1929) raw rubber, 1.3 per cent; petroleum and petroleum products, 4.5 per cent; raw cotton, 2.2 per cent; silk, 2.4 per cent; sugar, 2.5 per cent; corn, 1.1

per cent; and tea, 0.9 per cent. These items cover some 15 per cent of her total imports.

While, as just stated, Canada has made considerable progress in industrialization, one important group of imports indicates that in the field of large-scale, heavy production, other countries are still at a distinct comparative advantage. This is shown by the presence of the following items among Canada's imports (figures for 1929): rolling-mill products, 4.7 per cent; machinery, 4.7 per cent; automobiles and parts, 7.8 per cent; farm implements, 3.2 per cent; electric apparatus, 2.1 per cent; engines and boilers, 1.5 per cent. These items together constitute some 24 per cent of Canada's imports, and doubtless many others not enumerated come in this class. The percentage, large as it is, would undoubtedly be much larger but for Canada's protective tariff. The countries from which these commodities are imported must be at a considerable comparative advantage to overcome the duties imposed against them. This is equivalent to saying that Canadian interests producing these commodities have persuaded their government to deprive the Canadian people of a considerable part of the advantage which they might have enjoyed in importing these commodities, instead of producing them, themselves.

Several of the items shown in the tables appear among both the imports and the exports: paper, automobiles, copper, farm implements; and doubtless there are many more of this class among the items not enumerated. Canada is a large country, and in some parts of its territory it may be advantageous to import, in other parts to export. Moreover, just as in the United States there is much competitive trade, the commodities passing both ways across State lines, so there is much of this kind of trade across the border between the United States and Canada, and there would be much more, to the advantage of both countries, were it not for the tariff barriers which both countries impose against it.

Canada maintains a three-rate tariff. For each of the items enumerated, three rates are provided. The British preferential tariff applies, with some exceptions, throughout the British Empire.¹ The intermediate rates apply by treaty to certain specified countries. The general rates apply to all others. United States exports pay the

¹ With Australia there is an exchange of preferences on a restricted line of goods.

general rates. In 1932, a conference was held in Ottawa at which representatives of the several countries comprising the British Empire convened for the purpose of adjusting tariffs with a view to promoting trade among themselves. The agreements that issued from this conference had as their declared purpose the increase of "purchases from¹ each other of many commodities now largely obtained by the various British areas from outside the Empire."² Inasmuch as Canada's trade with the United States is far more important than her trade with any other country treated in this study, further development of the respective tariff policies of these two countries as they bear upon one another is reserved for the section dealing specifically with the trade between them.

TRADE WITH OTHER PACIFIC COUNTRIES

For trade with Australia, see Chapter I, page 30.

CANADA-CHINA

China, like Canada, is a country of great area and varied resources. Both countries can, if they erect sufficiently high tariff walls, approach self-sufficiency, yet nature has been more bountiful to Canada in some respects and to China in others. Some articles can be produced in one country with much less cost than in the other, and some articles can be produced readily in one and not at all in the other. Moreover, Canada has advanced farther in what is called western civilization, and is at present producing manufactured articles calling for machine methods and large-scale production more effectively than China, while China excels in the handicrafts. Among her products are, for example, exquisite carvings and hand-made lace. More important, as bearing on the magnitude of the trade, Canada has vast wheat areas and vast forest reserves, while China's dense population can hardly supply itself with food. China's soil is cultivated in small patches by primitive methods with enormous expenditure of the most toilsome form of human labor. Canada's sparsely populated prairies lend themselves to the use of the most improved farm machinery, where great output is obtained with a comparatively small expenditure of labor. Driven by necessity to

¹ *Foreign Affairs and Commercial Policies during 1932*, U. S. Department of Commerce, 1933.

TABLE XVII. CANADA—EXPORTS TO CHINA*

With duties encountered. Quantities in millions of picul. Values in millions of Haikwan Taels and as percentages of total.

Year	Total	Per Cent	Wheat			Wheat Flour			Timber (Soft)		Fish (Salt Herring)			Zinc—Powdered and Spelter Sheets, etc.			
			Quantity	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	
1920.....	20.2	1.9	...	....	....	...	....	....	.7	3.5	..	...	...	...	...	...	...
1921.....	11.8	.7	...	....	....	...	....	....	.4	3.4	..	...	...	...	...	...	...
1922.....	8.4	.9	.0	.0	.0	.1	.3	3.6	1.0	11.9	..	...	...	...	.004	.0	.0
1923.....	10.3	.9	.3	1.1	10.7	.5	2.3	22.3	1.3	12.6	..	...	...	...	.001	.0	.0
1924.....	15.6	1.2	2.2	7.0	44.9	.6	2.8	17.9	1.3	8.3	..	...	...	...	.002	.0	.0
1925.....	7.2	.6	.6	2.4	33.3	.3	1.5	20.8	.2	2.8	.1	.4	5.6	.010	.1	1.4	
1926.....	24.0	1.4	3.1	13.0	54.2	.9	5.2	21.7	.7	2.9	.3	1.1	4.6	.004	.1	.4	
1927.....	12.9	.7	1.3	5.4	41.9	.7	3.9	30.2	.1	.8	.2	.7	5.4	.003	.1	.8	
1928.....	16.4	.9	.8	2.9	17.7	1.2	6.4	39.0	.5	3.0	.2	1.0	6.0	.005	.1	.4	
1929.....	38.5	1.9	4.2	15.4	40.0	3.1	16.8	43.6	1.2	3.1	.3	1.3	3.4	.002	.0	.0	
1930.....	13.5	.8	1.0	4.7	34.8	.4	2.7	20.0	1.7	12.6	.2	1.2	8.9	.007	.1	.7	
1931.....	22.6	1.8	3.3	14.6	64.6	.1	.9	4.0	2.5	11.1	.2	1.1	4.9	.012	.1		
Tariff of: 1929.....				5%			Free		4.00 (sq. ft.) (10%)		.225 (picul)				.92 (picul)		
1930.....				5%			Free		8.00 (1,000 sup. ft.)		.39 (picul)				1.61 (picul)		
1931.....				5%			Free		7.00 (1,000 sup. ft.)		20%						

* Source: *Foreign Trade of China*, published by order of Inspector General of Customs, Shanghai, China.

TABLE XVII *Concluded*

Year	Vehicles (Motor Cars)		Lead (Pigs or Bars)			Butter		
	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	.4	2.0	...	..	...	....	.0	.0
1921.....	.1	.8	.01	.1	.8	....	.0	.0
1922.....	.1	1.2	.01	.1	1.2	....	.0	.0
1923.....	.0	.0	.04	.3	2.9	.003	.2	1.9
1924.....	.2	1.3	.03	.3	1.9	.003	.2	1.3
1925.....	.5	6.9	.02	.3	4.2	.003	.2	2.8
1926.....	.6	2.5	.07	.8	3.3	.003	.2	.8
1927.....	.3	2.3	.06	.7	5.4	.003	.2	1.6
1928.....	.4	2.4	.05	.5	3.0	.003	.2	1.2
1929.....	.2	.5	.02	.2	.5	.003	.3	.8
1930.....	.2	1.5	.03	.3	2.2	.003	.3	2.2
1931.....	.2	.9	.04	.5	...	.001	.1	...
Tariff of: 1929.....	22 $\frac{1}{2}$ %			.70 (picul)		11.20 (picul)		
1930.....	22 $\frac{1}{2}$ %			1.23 (picul)		19.60 (picul)		
1931.....	30%					34.00 (picul)		

TABLE XVIII. CHINA—EXPORTS TO CANADA*

With duties encountered. Quantities as specified. Values in thousand dollars and as percentages of total.

Year	Total	Per Cent of Total Exports	Nuts		Peanut Oil for Refining			Silk and Mfgs.		Wool Carpets (Orientals)		Eggs and Egg Products			Bristles		
			Value	Per Cent	Thousand cwt.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Thousand lbs.	Value	Per Cent	Thousand lbs.	Value	Per Cent
1920....	1,200	.2	211	17.6	...	.....	.....	127	10.6	32	2.7	.....	...	.....	80	107	8.9
1921....	1,900	.4	94	4.9	...	.....	.....	89	4.7	41	2.2	.....	...	.....	105	184	9.7
1922....	1,400	.3	292	20.9	...	.....	.....	164	11.7	58	4.1	.....	...	.....	47	44	3.1
1923....	1,500	.2	182	12.1	18	177	11.8	58	3.9	64	4.3	.....	...	.....	23	31	2.1
1924....	2,700	.4	359	13.3	104	931	34.5	41	1.5	62	2.3	.....	...	.....	...	...	...
1925....	2,500	.4	529	21.2	103	834	33.4	23	.9	82	3.3	560	89	3.4	2	14	.6
1926....	2,500	.4	628	25.1	72	622	24.9	24	1.0	66	2.6	1,206	209	8.4	7	9	.4
1927....	5,000	.8	868	17.4	274	2,496	49.9	53	1.1	74	1.5	1,318	242	4.8	42	44	.9
1928....	2,600	.4	901	34.7	29	244	9.4	46	1.8	100	3.8	762	187	7.2	42	47	1.8
1929....	3,100	.5	997	32.2	...	.....	.....	60	1.9	56	1.8	1,723	417	13.4	36	38	1.2
1930....	3,000	.7	984	32.8	20	138	4.6	160	5.3	69	2.3	186	102	3.4	50	63	2.1
1931....	4,800	1.5	1,208	25.2	224	1,674	34.9	162	3.4	50	1.0	979	404	8.4	64	55	1.1
1932....	3,700	...	1,190	32.2	259	1,167	31.5	249	6.7	54	1.5	61	22	.6	6	4	.1
Tariff of: 1922.....			2¢ per lb.			Free			37½% ^b		35%		10%				Free
1930.....			2¢ per lb.			Free			45% and 40¢ per lb. (Sept.)		40% and 20¢ per sq. ft. (Sept.)		30%				Free
1931.....			2¢ per lb.			Free			45% and 7¢ per oz.		40% and 20¢ per sq. ft. (Sept.)		30%				Free

Years end March 31.

* Source: *Trade of Canada*, Department of Trade and Commerce, Dominion Bureau of Statistics, Ottawa, Canada.^b Textile mfgs. (av.). Raw silk, free.

extract the utmost possible of nutriment from her land, even in hilly and mountainous regions, China has denuded her territory of forests. The land is badly eroded and the country subject to devastating floods. Canada has forest resources of such magnitude that, with even moderate attention to scientific forestry, they may be made inexhaustible.

It would seem that, because of these differences in resources, in the genius of the people, and the density of their population, a large and mutually beneficial trade would have developed between the two countries. Yet China's exports to Canada constitute less than one-half of one per cent of her total exports, and Canada's exports to China are equally insignificant.

Canada's chief exports to China (Table XVII) are along the line of her comparative advantage. They consist (some 55 to 80 per cent) of wheat and wheat flour, and products of her forests and fisheries in considerable quantities. Dairy products, butter, and canned cream, may also be mentioned as well as some minerals, zinc and lead. Of manufactured articles, vehicles and cars alone are of sufficient importance to be classed among major exports. The articles just enumerated constitute from 70 to over 90 per cent of Canada's total exports to China, the wide range being accounted for by the wide fluctuation in China's demand for Canadian wheat on the one hand, and fluctuations in the Canadian wheat crop on the other.

China's principal exports to Canada (Table XVIII) are nuts, peanut oil, silk (raw and manufactured), wool carpets, eggs and egg products, and bristles. All of these items are among the products in which China has a distinct comparative advantage; and moreover two of them, peanut oil and bristles, are admitted free of duty. However, all the others are dutiable. The duty on nuts is two cents a pound; on silk fabric, 40 cents a pound plus 45 per cent *ad valorem*; carpets, 20 cents per square foot plus 40 per cent *ad valorem*, and eggs and egg products, 30 per cent. Some of these duties, it will be seen, are very high. Moreover, the enumerated items constitute only about 50 per cent of China's total exports to Canada. The others consist of a great number of items, each one constituting but a small percentage of the total. Because of Canada's increasing tendency to pursue a nationalistic policy, it may be assumed that,

for the most part, these also are subject to duty. It would appear, therefore, that the Canadian tariff imposes a considerable barrier to China's exports to that country; and as a barrier to exports is necessarily also a barrier to imports, independently of whatever further barrier China may impose in pursuance of her declared policy of asserting tariff autonomy, it is evident that both countries deprive themselves of what might be, except for their tariff policies, a large and mutually advantageous trade.

CANADA-JAPAN

Japan's exports to Canada constitute about 1.2 per cent of her total exports, an even smaller percentage than that of her exports to Australia. Her imports from Canada are also small, constituting only 2.0 per cent of her total imports. Yet, as between Japan and Canada there would seem to be opportunity for a large and mutually advantageous trade. Canada's chief products are extractive. She has vast forest and mineral resources. She has 16 per cent of the coal reserves of the world, and is the chief source of supply for nickel and asbestos. She produces a large export surplus of hard wheat and flaxseed. All of these products are needed by Japan, either as materials or foods. On the other hand, though Canada has made considerable advance in manufacturing, she is still to be classed as a country predominantly agricultural. It would seem that an exchange of products of the farm, the forest, and the mine, for various manufactured products in which Japan excels would be to the great advantage of both countries.

Such exchange does in fact take place. Canada's exports to Japan (Table XIX) are of the nature to be expected on the principle of comparative advantage. They consist of foodstuffs (wheat, fodder, and salt fish), forest products, including wood pulp for paper making, and minerals (lead, zinc, and aluminum).

Japan's exports to Canada (Table XX) are also in the line of comparative advantage. Her chief export is silk. In fact, silk manufactures constitute over 50 per cent of her total exports to that country.⁸ Other exports of importance, though far less important than silk, are (in approximate percentages of total) china-ware,

⁸ The percentage, as well as the total quantity, of silk exports has fallen off considerably since 1930.

TABLE XIX. CANADA--EXPORTS TO JAPAN*

With duties encountered, specific duties in yen

(Quantities in thousands of piculs)

(Values in millions of yen and as percentages of total)

Year	Total	Per Cent	Wheat			Wood		Lead (Ingots & Slabs)			Fodder			Zinc (Ingots, Slabs & Grains)		
			Quantity	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	5	.2	.....	.....	.....	.3	6.0	.....	.....	.....	.....	.....	.8	.....	.....
1921.....	10	.4	61	.4	4.0	1.6	16.0	18.4	.2	2.0	.....	.....	.....	20.7	.3	3.0
1922.....	17	1.1	362	2.4	14.1	2.2	12.9	91.7	1.1	6.5	.....	.....	.....	150.2	2.2	12.9
1923.....	24	1.3	627	3.9	16.2	3.0	12.5	165.0	2.3	9.6	.....	.....	.....	170.7	3.0	12.5
1924.....	40	1.9	2,194	14.7	36.7	6.6	16.5	194.2	3.9	9.7	.....	.....	.....	160.8	3.6	9.0
1925.....	37	1.7	1,513	13.5	36.5	1.9	5.1	270.9	6.5	17.6	.....	.....	.....	93.3	2.5	6.8
1926.....	64	2.4	4,177	32.8	51.3	4.0	6.3	470.8	10.0	15.6	.....	.....	.....	234.6	5.7	8.9
1927.....	36	2.2	2,879	19.3	34.5	11.5	20.5	449.6	7.5	13.4	.....	.....	.....	150.2	3.2	5.7
1928.....	66	2.6	5,592	31.7	48.3	6.9	10.5	488.0	7.1	10.8	724	3.5	5.3	201.8	3.7	5.6
1929.....	69	2.5	6,650	35.3	51.2	5.1	7.4	535.5	8.2	11.9	1,266	5.8	8.4	192.2	3.5	5.1
1930.....	46	2.0	2,957	14.8	32.2	6.7	14.6	408.0	5.0	10.9	889	3.6	7.8	148.4	2.0	4.3
1931.....	36	2.2	2,598	7.9	21.9	7.8	21.7	430.6	4.2	11.7	887	2.6	7.2	152.6	1.5	4.2
Tariff of: 1910.....			.77 (100 kin)			1.80 yen per cu. meter		.316 (100 cattles)			5%			.451 (100 cattles)		
1926.....			1.50 (100 kin)			3.00 yen per cu. meter		.40 (100 kin)			Free			3.00 (100 kin)		
1932.....			2.50 (100 kin)			4.00 yen per cu. meter										

* Source: *Annual Return of Foreign Trade of Japan*, Department of Finance, Tokio, Japan.

TABLE XIX *Concluded*

Year	Salted Fish			Pulp for Paper Making			Aluminum (Ingots, Grains & Slabs)		
	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	.....	...	...	238.5	3.4	68.0	.....	...	...
1921.....	.....	...	...	353.5	5.1	51.0	.....	...	...
1922.....	.....	...	...	201.1	2.0	11.8	.....	...	...
1923.....	.....	...	...	225.1	2.1	8.7	3.0	.2	.8
1924.....	.....	...	...	506.1	5.1	12.7	1.3	...	...
1925.....	.....	...	...	539.8	5.8	15.7	.....	...	...
1926.....	.....	...	...	527.2	4.9	7.7	.4	...	...
1927.....	.....	...	...	715.7	6.1	10.9	.....	...	...
1928.....	225.3	1.9	2.9	491.5	6.2	9.4	.....	...	...
1929.....	188.1	1.6	2.3	587.6	4.6	6.7	.7	...	...
1930.....	143.3	1.0	2.2	739.4	5.4	11.7	65.6	3.2	7.0
1931.....	278.3	1.7	4.7	363.9	.8	2.2	.....	...	...
Tariff of:									
1910.....	2.00 (1 cu. meter)			.25 (100 kin)			3.20 (100 kin)		
1926.....	10%			.25 (100 kin)			3.20 (100 kin)		

TABLE XX. JAPAN—EXPORTS TO CANADA*

With duties encountered. Quantities as specified. Values in thousands of dollars and as percentages of total.

Year	Total	Per Cent of Total Exports	Silk Manufactures		Tea			Chinaware		Oranges		Cotton Clothing ^c		Beans	
			Value	Per Cent	Million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	13,637	1.4	7,321	53.7	5.0	1,291	9.5	439	3.2	217	1.6	127	.9	586	4.3
1921.....	11,361	1.8	4,603	40.5	3.5	993	8.7	711	6.3	113	1.0	117	1.0	107	.9
1922.....	8,195	1.0	4,424	54.0	2.7	703	8.6	568	6.9	194	2.4	49	.6	141	1.7
1923.....	7,211	1.0	3,665	50.8	2.6	696	9.6	408	5.6	222	3.1	45	.6	186	2.6
1924.....	6,298	.7	2,666	42.4	2.6	668	10.6	390	6.2	276	4.4	36	.6	279	4.4
1925.....	6,985	.6	3,438	49.2	2.8	584	8.4	243	3.5	167	2.4	40	.6	231	3.3
1926.....	9,564	.9	5,353	56.0	3.8	646	6.7	332	3.5	221	2.3	50	.5	106	1.1
1927.....	11,170	1.1	6,381	57.1	3.7	672	6.0	438	3.9	287	2.6	90	.8	147	1.3
1928.....	12,505	1.3	8,250	66.0	3.6	644	5.1	400	3.2	316	2.5	77	.6	220	1.7
1929.....	12,921	1.3	8,146	63.1	3.4	632	4.9	403	3.1	341	2.6	72	.5	298	2.3
1930.....	12,537	1.7	7,288	58.1	3.4	604	4.8	466	3.7	361	2.9	72	.6	333	2.6
1931.....	9,343	1.6	4,247	45.5	3.1	479	5.1	402	4.3	320	3.4	220	2.3	197	2.1
1932.....	5,990	....	2,023	33.8	3.5	409	6.8	353	5.9	283	4.7	46	.8	21	.3
Tariff of: 1922.....			35% ^b		10¢ lb. (30%)			27½%		Free		35%		25¢ bu. (13%)	
1925.....			30%		10¢ lb. (30%)			27½%		Free		35%		25¢ bu. (13%)	
1930.....			30%		10¢ lb. (10%)			20%		Free		22½%		25¢ bu. (5%)	
1931.....			40%		8¢ lb.			20%		Free		27% plus 3.15¢ lb.		2¢ lb.	

Years end March 31.

* Source: *Trades of Canada*, Department of Trade and Commerce, Dominion Bureau of Statistics, Ottawa, Canada.

^b Raw silk, free.

^c Undershirts and N. O. P.

TABLE XX Concluded

Year	Uncleanned Rice			Buttons		Toys		Containers		Canned Fish		Brushes	
	Million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	4.5	484	3.6	206	1.5	159	1.2	112	.8	...	.0	208	1.5
1921.....	1.2	75	.7	288	2.5	289	2.5	179	1.6	11	.1	354	3.1
1922.....	3.7	215	2.6	109	1.3	129	1.6	120	1.5	8	.1	129	1.4
1923.....	2.6	122	1.7	176	2.4	85	1.2	99	1.4	7	.1	128	1.8
1924.....	1.0	62	1.0	160	2.5	65	1.0	98	1.6	7	.1	273	4.3
1925.....	2.6	147	2.1	178	2.5	36	.5	86	1.2	14	.2	128	1.8
1926.....	7.5	450	4.7	162	1.7	39	.4	109	1.1	32	.3	170	1.8
1927.....	5.1	304	2.7	170	1.5	48	.4	141	1.3	52	.5	186	1.7
1928.....	5.8	301	2.4	138	1.1	50	.4	141	1.1	63	.5	120	1.0
1929.....	5.3	261	2.0	168	1.3	80	.6	157	1.2	98	.8	123	1.0
1930.....	4.5	224	1.8	185	1.5	148	1.2	157	1.3	153	1.2	202	1.6
1931.....	5.0	196	2.1	185	2.0	173	1.8	157	1.7	136	1.4	119	1.3
1932.....	7.5	225	3.8	88	1.5	137	2.3	146	2.4	97	1.6	87	1.4
Tariff of:													
1922.....		Free		30%-10% ^d		27½%		17½% to 22%		30%		25%-10% ^d	
1925.....		Free		30%-10% ^d		27½%		17½% to 22%		30%		25%-10% ^d	
1930.....		Free		30%-10% ^d		27½%		17½% to 22%		30%		25%-10% ^d	
1931.....		25%		35%-10% ^d		27%		17½% to 22%		30%		30%-10% ^d	

^d Ten per cent preference because of Most-Favored-Nation clause.

4.5; buttons, 1.8; toys, 1.2; and brushes, 1.8. She also exports some food products, oranges, 2.8; beans, 2.2; and rice, 2.4. In some years the percentages for any one commodity are greater, and for some years less. The figures just given are averages.

This trade is advantageous to both countries and doubtless could be made more so were it not for the tariff, especially the duties imposed by Canada. Silk manufactures were subject to a duty of 30 per cent until 1931, in which year the duty was raised to 40 per cent; cotton clothing, prior to 1930, to a duty of 22½ per cent, and since 1930 to a duty of 27 per cent; and buttons, toys and brushes, all to duties ranging from 27 to 35 per cent. Beans and canned fish are also subject to similar duties. Uncleaned rice, however, until 1931 was admitted free; since that year the duty has been 25 per cent. Even tea, though in this case there can be no question of competition, is subjected to a duty of 8 cents a pound.

CANADA-NEW ZEALAND

Canada's exports to New Zealand in 1929 were valued at £4,800,000, or about 1.7 per cent of her total exports. New Zealand's exports to Canada in the same year were valued at \$12,800,000 (£2,634,000), or 4.6 per cent of her total exports. The value of Canada's exports to New Zealand were thus nearly twice as great as the value of New Zealand's exports to Canada. In the next year, however, the values approached nearer to equality. They were: Canada to New Zealand, £3,800,000, 1.6 per cent of her total exports; New Zealand to Canada, \$16,300,000 (£3,534,000), 7.3 per cent of her total exports.

Both Canada and New Zealand are agricultural-pastoral countries; both have made some advance in manufacturing, Canada much more than New Zealand; both lie in the temperate zone, though the climate of New Zealand is milder and subject to less violent extremes of temperature than that of Canada. There are few products of the soil and industry of the one that are not produced, or at least cannot be produced, in the other. They are separated from one another by a vast expanse of ocean. Their needs and adaptability to produce the commodities which will satisfy them do not dovetail with one another so manifestly as do those of some other pairs

TABLE XXI. CANADA—EXPORTS TO NEW ZEALAND*

With duties encountered. Quantities as indicated. Values in thousands of pounds and as percentages of total

Year	Total	Per Cent	Passenger Cars		Printing Paper			Boots and Shoes		Hosiery n.e.i.		Fish (in Tins)			Wire Fencing	
			Value	Per Cent	Quantity 1,000 cwt.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity 1,000 lbs.	Value	Per Cent	Value	Per Cent
1920...	2,500	.9	383	15.3	218	336	13.4	33	1.3	37	1.5	...	118	4.7	53	2.1
1921...	1,700	.7	112	6.6	214	371	21.8	39	2.3	23	1.4	.8	31	1.8	22	1.3
1922...	1,600	1.0	292	18.3	251	271	16.9	44	2.7	33	2.1	1.6	64	4.0	58	3.6
1923...	3,000	1.5	928	30.9	220	232	7.7	89	3.0	32	1.1	1.5	58	1.9	174	5.8
1924...	3,900	1.8	1,495	38.3	208	242	6.2	113	2.9	26	.7	2.6	99	2.5	108	2.8
1925...	3,900	1.8	959	24.6	248	247	6.3	132	3.4	34	.9	2.9	118	3.0	108	2.8
1926...	3,400	1.2	474	13.9	290	278	8.2	180	5.3	24	.7	2.5	111	3.3	84	2.5
1927...	2,700	1.0	200	7.4	307	266	9.9	158	5.9	27	1.0	2.2	101	3.7	83	3.1
1928...	3,300	1.3	536	16.2	325	268	8.1	138	4.2	52	1.6	2.4	105	3.2	108	3.3
1929...	4,800	1.7	1,304	27.2	400	319	6.6	256	5.3	110	2.3	2.6	117	2.4	112	2.3
1930...	3,800	1.6	888	23.4	371	291	7.7	218	5.7	138	3.6	2.5	103	2.7	63	1.7
1931...	1,200	.7	44	3.7	278	220	18.3	103	8.6	89	7.4	1.3	47	3.9	22	1.8
Tariff of: 1921.....			10% and £10 ea.			Free		25%		25%		2d. lb.			Free	
1927.....			35% and 15%			Free		25%		25%		2d. lb.			Free	
1930.....			35% and 15%			Free		25%		27½%		2d. lb.			Free	
Nov. 1931..			35%			20%		30%		55%		3d. lb.			10%	
1932.....			10 to 25% + 11¼%			Free		25%		32½%		2 d.lb.			Free	

* Source: *Trade and Shipping of the Dominion of New Zealand*, Census and Stat. Office, Wellington, N. Z.

TABLE XXI *Concluded*

Year	Iron and Steel (Bars, Bolts and Rods)			Iron and Steel (Tubes)			Apparel (n.e.i.)		Wrapping Paper			Agricultural Implements ^b		Electrical Ma- chinery (n.e.i.)	
	Quantity 1,000 tons	Value	Per Cent	Quantity 1,000 tons	Value	Per Cent	Value	Per Cent	Quantity 1,000 cwt.	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	2.5	46	1.8	.4	20	.8	.94	3.8	22	53	2.1	51	2.0	..	...
1921.....	1.0	17	1.0	3.5	146	8.6	.60	3.5	30	70	4.1	54	3.2	12	.7
1922.....	.4	6	.4	2.1	59	3.7	.52	3.3	22	38	2.4	23	1.4	23	1.4
1923.....	.9	13	1.4	2.8	76	2.5	102	3.4	36	62	2.1	20	.7	25	.8
1924.....	2.4	38	1.0	2.4	67	1.7	.78	2.0	42	64	1.6	30	.8	35	.6
1925.....	8.0	92	2.4	2.3	58	1.5	.75	1.9	33	57	1.5	28	.7	39	1.0
1926.....	10.1	66	2.5	2.6	58	1.7	.63	1.9	36	60	1.8	34	1.0	79	2.3
1927.....	13.7	113	4.2	2.4	50	1.9	.50	1.9	30	50	1.9	48	1.8	75	2.8
1928.....	9.4	78	2.3	3.0	62	1.9	.66	2.0	28	47	1.4	33	1.0	72	2.2
1929.....	9.7	77	3.6	3.5	70	1.5	.69	1.4	29	48	1.0	39	.8	17	.4
1930.....	7.7	63	1.7	2.2	44	1.2	.60	1.6	27	44	1.2	31	.8	12	.3
1931.....	1.3	11	.9	.5	11	.9	.32	2.7	14	21	1.7	4	.3	4	.3
Tariff of: 1921.....	Free			0 to 20%			25%		20%			Free or 10%		20%	
1927.....	Free			0 to 20%			25%		20%			Free or 10%		Free	
1930.....	Free			0 to 20%			27½%		20%			Free or 10%		Free	
Nov. 1931.....	20%			20% to 40%			55%		50%			Free or 35%		25%	
1932.....	Free			0 to 20%			50%		25%			Free or 35%		Free	

^b Reapers, drills, mowers, harrows and n.e.i.

TABLE XXII. NEW ZEALAND—EXPORTS TO CANADA*

With duties encountered. Quantities as specified. Values in thousand dollars and as percentages of total.

Year	Total	Per Cent of Total Exports	Sausage Casings		Raw Wool			Hides, Cattle			Hides, Calf		
			Value	Per Cent	Million lbs.	Value	Per Cent	Thousand cwt.	Value	Per Cent	Thousand cwt.	Value	Per Cent
1920.....	3,500	1.6	87	2.5	1.6	873	24.9	4	287	8.2	38	1,386	39.6
1921.....	4,200	1.9	135	3.2	...	2	.0	4	268	6.4	23	723	17.2
1922.....	1,800	.9	74	4.1	1.7	256	14.2	5	96	5.3	21	240	13.3
1923.....	2,000	.9	120	6.0	3.0	548	27.4	1	29	1.5	28	334	16.7
1924.....	2,200	.9	267	12.1	2.9	812	36.9	1	26	1.2	18	179	8.1
1925.....	1,200	.4	667	55.6	.6	230	19.2	1	35	2.9	6	72	6.0
1926.....	2,700	1.2	1,024	37.9	1.3	391	14.5	2	55	2.0	7	100	3.7
1927.....	4,600	1.9	1,412	30.7	3.0	806	17.5	5	101	2.2	14	183	4.0
1928.....	8,300	2.9	1,855	22.3	3.5	988	11.9	5	134	1.6	9	147	1.8
1929.....	12,800	4.6	1,919	15.0	3.2	1,163	9.1	2	83	.6	16	337	2.6
1930.....	16,300	7.3	1,327	8.1	1.9	612	3.7	2	61	.4	9	126	.8
1931.....	6,700	3.9	1,736	25.9	1.7	337	5.0	4	89	1.3	11	133	2.0
1932.....	1,100	...	456	41.5	1.9	305	27.7	10	79	7.2	7	57	5.2
Tariff of: 1922.....			Free			Free			Free			Free	
1925.....			Free			Free			Free			Free	
1931.....			Free			Free			Free			Free	

Years end March 31.

* Source: *Trade of Canada*, Department of Trade and Commerce, Dominion Bureau of Statistics, Ottawa, Canada.

TABLE XXII *Concluded*

Year	Butter			Beef, Fresh		
	Million lbs.	Value	Per Cent	Thousand lbs.	Value	Per Cent
1920.....	.1	59	1.7	.....	...	...
1921.....	1.5	919	21.9	91	9	.2
1922.....	2.3	714	39.7	.....	...	...
1923.....	1.9	635	31.8	.....	...	...
1924.....	1.3	513	23.3	.....	...	...
1925.....	.2	60	5.0	.....	...	...
1926.....	2.3	928	34.4	.....	...	...
1927.....	4.9	1,728	37.6	.....	...	...
1928.....	13.6	4,818	58.0	.....	...	...
1929.....	24.7	8,685	67.8	1,876	141	1.2
1930.....	39.7	13,620	83.6	2,151	169	1.0
1931.....	13.8	3,950	59.0	1,336	101	1.5
1932.....	.1	17	1.5	35	3	.3
Tariff of: 1922..		3¢ per lb.			2¢ per lb.	
1925..		1¢ per lb.			3¢ per lb.	
1931..		5¢ per lb.			3¢ per lb.	

of countries discussed in this study; and, indeed, the trade between them is not great, either in absolute value or in percentages.

However, there are differences as well as resemblances; and these differences give rise to a comparative advantage for New Zealand in some products and to Canada in others. New Zealand's milder winters give her a comparative advantage in animal husbandry, particularly in dairying, while Canada's greater population and further advance in industrialization give her a comparative advantage in manufactured products. As is shown by Tables XXI and XXII, the actual trade follows in a general way the lines of comparative advantage. Canada's exports to New Zealand are all, so far as shown in the table, the products of a more or less advanced stage of manufacture. They were in 1929 (expressed in percentages of the total) passenger cars, 27.2; printing and wrapping paper, 7.6; boots and shoes, 5.3; hosiery, 2.3; fish in tins, 2.4; wire fencing, 2.3; iron and steel (various forms), 5.1; apparel, 1.4; agricultural implements, 0.8; electric machinery, 0.4. New Zealand's enumerated exports to Canada, on the other hand, are all products of animal husbandry. They were, in 1929, butter, 67.8; sausage casing, 15.0; raw wool, 9.1; hides, 3.2; fresh beef, 1.2. It is significant that the comparatively numerous items shown in the table for Canada's exports to New Zealand constitute only some 54 per cent of her total exports to New Zealand, while the five items (butter, sausage casings, wool, hides, and beef) shown in the table for New Zealand's exports to Canada, constitute 96 per cent of her total exports to that country. It indicates that the field in which New Zealand has a comparative advantage is rather narrow. The field in which Canada has a comparative advantage would appear to be much broader. It includes a great variety of manufactured products, and if table XXI had been extended to include as high a percentage of Canada's exports as Table XXII shows of New Zealand's, this difference would be even more marked. There would be a great number of commodities, each showing only a very small percentage of Canada's total exports to New Zealand.

It will be noted that of the exports from New Zealand to Canada, sausage casings, raw wool, and hides, are admitted free of duty. Beef and butter, however, are subjected to duty. Still, the duty on butter in 1931, as compared with the duty levied by the United

States, is moderate—5 cents a pound as against 14 cents a pound. On the other hand, it will be seen that nearly all the commodities exported from Canada to New Zealand are subject to duty. Some of the duties by 1931 reached a high figure—paper, 50 per cent; boots and shoes, 50 per cent; hosiery, 55 per cent; apparel, 55 per cent; and electric machinery, 25 per cent. It will further be noticed that between 1921 and 1931 these rates of duty show a tendency to increase. In 1932, however, they show a marked decline.

All of this indicates that in manufactured goods Canada's comparative advantage must be very marked to make it possible for her to export so considerable a quantity of her products to New Zealand over these high tariff barriers, and that the people of New Zealand, for the sake of consuming home-made rather than imported products, put themselves to considerable unnecessary expense.

CANADA-PHILIPPINE ISLANDS

Canadian exports to the Philippine Islands in 1929 were valued at 558,000 pesos (\$279,000), or about .02 per cent of her total exports. Philippine exports to Canada in the same year were valued at \$197,000, or about 0.12 per cent of her total exports. Canada's exports to the Philippine Islands were considerably larger in that year than the Philippine exports to Canada—\$279,000 as against \$197,000. In the following year they were more nearly equal—\$180,000 as against \$171,000. Whether expressed as absolute values or as percentages of total exports, the trade between these two countries was relatively insignificant.

One reason for the comparative insignificance of Canadian-Philippine trade is the fact that the Philippine Islands are at present an insular possession of the United States, and between the United States and the Philippine Islands there is absolute free trade in the products of the soil and industry of either country in the ports of the other. The United States and Canada are sufficiently similar in their soil, climate, and industries to bring it about that their needs for Philippine products would be similar, and the needs of the Philippine Islands for the products of either would also be similar. Hence, the existence of free trade between the Philippine Islands and the United States is a barrier to trade between the Philippine Islands and Canada. A Canadian merchant shipping to the Philip-

TABLE XXIII. CANADA—EXPORTS TO PHILIPPINE ISLANDS*

With duties encountered. Quantities in thousands of kilos. Values in thousands of pesos and as percentages of totals.

Year	Total	Per Cent	Wheat Flour			Frozen Butter			Auto Tires		Printed Matter	
			Quantity	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920	...	...	...	...	...	..	..	...	..	...	..	...
1921	652	.03	40	6	.9	..	..	...	..	...	..	...
1922	350	.02	70	9	2.6	..	..	...	..	...	..	...
1923	132	.01	400	40	30.3	5	8	6.1	..	...	..	...
1924	307	.01	500	70	22.8	80	100	32.6	..	...	..	...
1925	195	.01	300	60	30.8	..	..	...	..	...	4	2.1
1926	305	.01	900	200	65.6	9	10	3.3	6	2.0	3	1.0
1927	461	.02	2,200	340	73.8	10	20	4.3	10	2.2	4	.9
1928	798	.03	3,500	520	65.2	20	30	3.8	10	1.2	6	.8
1929	558	.02	2,800	360	64.5	20	30	5.4	10	1.8	4	.7
1930	361	.02	2,200	280	77.6	10	20	5.5	4	1.1	7	1.9
1931	440	.03	3,900	330	75.0	10	10	2.3	9	2.0	2	.5
Tariff of 1909			\$.47 (100 kilos)			6¢ (kilo)			25%		25%	

Duties on other exports (1909): Canned salmon 15%; canned sardines 15%; beef and pork, fresh and frozen, \$1.00 (100 kilos); potatoes, Irish, free.

* Source: *Annual Report of the Insular Collector of Customs*, Department of Finance, Bureau of Customs, Manila, P. I.

TABLE XXIV. PHILIPPINE ISLANDS—EXPORTS TO CANADA*

With duties encountered. Quantities as specified. Values in thousand dollars and as percentages of total.

Year	Total	Per Cent of Total Exports	Manila Grass			Wood Unmanufactured		Flax, Hemp and Jute		Other Vegerable Fibers ^b		
			Thousand cwt.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Thousand cwt.	Value	Per Cent
1920.....	47	.0	4.0	33.2	70.6	2.0	4.3	..	....	....	....	....
1921.....	230	.3	9.8	110.1	47.9	15.6	6.8	48	20.9	1.6	31.0	13.5
1922.....	189	.2	21.2	144.5	76.5	....	....	26	13.8	....	....	....
1923.....	128	.1	14.5	91.1	71.2	....	....	27	21.1	....	....	....
1924.....	109	.8	2.6	11.0	10.1	1.1	1.0	61	56.0	....	....	....
1925.....	126	.8	.4	3.6	2.9	7.4	5.9	23	18.3	3.3	39.4	31.3
1926.....	74	.5	....	....	....	19.0	25.7	26	35.1	.4	4.9	6.6
1927.....	179	.1	3.2	38.3	21.4	15.4	8.6	79	44.1	3.1	34.0	19.0
1928.....	159	.13	8.5	106.0	66.7	5.9	3.7	..	....	4.0	43.5	27.4
1929.....	197	.12	19.0	172.2	87.4	....	....	4	2.0	.3	2.0	1.0
1930.....	171	.13	3.0	23.3	13.6	13.2	7.7	11	6.3	11.7	114.2	66.8
1931.....	154	.1-	12.3	71.5	46.4	12.2	7.9	10	6.4	8.1	55.1	35.8
1932.....	118	....	17.0	77.1	65.3	15.6	13.2	4	3.6	.7	2.7	2.3
Tariff of: 1922.....				Free			Free		Free		Free	
1930.....				17½%			Free		Free		17½%	
1931.....				17½%			Free		Free		17½%	

Years end March 31.

* Source: *Trade of Canada*, Department of Trade and Commerce, Dominion Bureau of Statistics, Ottawa, Canada.

^b Includes sisal.

pine Islands finds his goods subjected to the Philippine tariff, while his American competitor shipping the same kind of goods encounters no such tariff. Since the Philippine merchant shipping to the United States can command the American tariff-protected price, the Canadian merchant importing from the Philippine Islands has also to pay this price; and when the goods arrive at a Canadian port, he will also have to pay the Canadian duty, if the goods are dutiable.

Under such handicaps, it is not surprising that the trade is small. Still, there is some trade, and, as shown by tables XXIII and XXIV, it consists of commodities in which the countries have each a decided comparative advantage. In 1928, 97.4 per cent of the Philippine exports to Canada consisted of vegetable fiber—manila grass, hemp, jute, and others. In 1929, the percentage was 90.4, and in 1930, 94.8. A small amount of wood was also exported—presumably some special kind of wood not obtainable in Canada.

The bulk of Canada's exports to the Philippine Islands consists of wheat flour and frozen butter. These are commodities in which Canada has a distinct comparative advantage. Both are subject to heavy duties in the United States, and duties not quite so heavy in the Philippine Islands. Hence in these products there is some opportunity for trade.

CANADA—UNITED STATES

Canadian exports to the United States in 1929 were valued at \$503,500,000, or 36.3 per cent of her total exports. Exports from the United States to Canada in the same year were valued at \$868,000,000, or 16.6 per cent of her total exports. It will be seen that the United States' exports to Canada greatly exceeded the exports of Canada to the United States. Moreover, the ratio of excess has tended to increase in recent years. It was 45 per cent greater in 1927, 47 per cent in 1928, 73 per cent in 1929, 111 per cent in 1930, and 120 per cent in 1931. Finally, the percentage of total American exports going to Canada has also increased. It was 14 per cent in 1928, 16.6 per cent in 1929, 22 per cent in 1930, and 24.1 per cent in 1931. On the other hand, Canadian exports to the United States (expressed as a percentage of her total exports) have shown a slight tendency to decline in recent years. The figures were

TABLE XXV. CANADA—EXPORTS TO UNITED STATES*

With duties encountered. Quantities as indicated. Values in millions of dollars and as percentages of total.

Year	Total Value	Per Cent of total exports	Standard Newsprint			Copper Ore Bars, etc.			Boards, etc.			Wood Pulp Sulphite			Wheat			Pulpwood	
			Quantity billion lbs.	Value	Per Cent	Quantity Million lbs.	Value	Per Cent	Quantity billion board ft.	Value	Per Cent	Quantity Million tons	Value	Per Cent	Quantity Million bu.	Value	Per Cent	Value	Per Cent
1920.....	611.9	47.5	1.4	63.7	10.4	....	....	....	1.3	55.9	9.1	.3	38.1	6.2	35.0	74.0	12.1	16.8	2.7
1921.....	335.4	27.7	1.3	66.2	19.7	....	....	....	.8	28.6	8.5	.2	12.0	3.6	23.3	35.9	10.7	15.3	4.6
1922.....	364.0	48.3	1.8	64.1	17.6	49.8	7.2	2.0	.5	16.1	4.4	.2	18.7	5.1	22.6	25.9	7.1	10.9	3.0
1923.....	416.0	44.0	2.2	84.8	20.4	64.4	8.8	2.1	1.9	61.4	14.8	.3	21.6	5.2	19.5	19.2	4.6	13.2	3.2
1924.....	399.1	37.7	2.4	91.3	22.9	79.9	10.1	2.5	1.7	50.9	12.8	.3	21.6	5.4	15.5	15.6	3.9	13.0	3.3
1925.....	454.2	42.0	2.6	94.2	20.7	94.6	12.3	2.8	1.8	54.3	12.0	.4	25.2	5.5	13.9	19.3	4.2	15.0	3.3
1926.....	475.9	35.8	3.3	111.9	23.5	100.6	13.3	2.8	1.8	52.8	11.1	.4	25.8	5.4	14.1	19.7	4.1	14.1	3.0
1927.....	475.0	37.5	3.5	118.7	25.0	102.5	11.9	2.5	1.7	45.9	9.7	.4	23.4	4.9	11.7	15.3	3.2	16.1	3.4
1928.....	489.3	39.1	3.8	126.2	25.8	144.8	18.5	3.8	1.4	37.0	7.6	.3	22.8	4.7	18.8	22.0	4.5	16.0	3.3
1929.....	503.5	36.3	4.4	132.3	26.3	193.4	30.4	6.0	1.4	39.6	7.9	.4	23.6	4.7	14.6	16.2	3.2	14.4	2.9
1930.....	402.3	35.1	4.0	116.5	29.0	205.6	28.3	7.0	1.1	26.3	6.5	.3	21.1	5.2	20.0	19.5	4.8	15.3	3.8
1931.....	266.4	32.6	3.5	96.8	36.3	73.2	6.2	2.3	.7	14.5	5.4	.3	15.3	5.7	15.7	10.0	3.8	10.5	3.9
Tariff of: 1922.....				Free			Free			Free			Free			30%=30¢ bu.			Free
1930.....				Free			Free			Free			Free			55%=42¢ bu.			Free
1932.....				Free			4¢ lb.—content			\$3.00 per M. ft.			Free						

Years end June 30.

* Source: *Commerce and Navigation*, Bureau of Foreign and Domestic Commerce, Dept. of Commerce, Washington, D. C.

TABLE XXV Continued

Year	Calcium Cyanide			White Potatoes			Fresh Water Fish and Eels			Shingles		Leather		Poles			Cattle Hides		Agricultural Machinery	
	Quantity 1,000 tons	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity millions	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920 ...	60	4.1	.7	5.1	10.6	1.7	....	...	...	11.3	1.8	...	...	...	...	..	7.0	1.1	5.1	.8
1921 ...	16	1.0	.3	1.6	1.1	.3	....	...	...	7.4	2.2	...	...	...	...	..	2.1	.6	1.0	.3
1922 ...	41	2.2	.6	99.3	1.1	.3	11.5	.8	.2	9.2	2.5	3.8	1.0	.1	.3	.1	4.0	1.1	1.3	.4
1923 ...	58	3.2	.8	37.7	.6	.1	34.5	3.8	.9	9.8	2.4	4.1	1.0	.5	2.3	.6	4.5	1.1	1.8	.4
1924 ...	65	3.3	.8	20.0	.3	.1	42.0	3.4	.9	9.3	2.3	4.9	1.2	.6	2.9	.7	3.5	.9	1.2	.3
1925 ...	82	4.1	.9	138.5	2.8	.6	40.8	3.8	.8	10.0	2.2	6.3	1.4	.7	3.0	.7	4.9	1.1	2.3	.5
1926 ...	79	3.4	.7	319.6	7.5	1.6	48.7	4.8	1.0	8.9	1.9	6.8	1.4	.8	3.3	.7	4.3	.9	3.9	.8
1927 ...	106	4.2	.9	300.5	4.5	.9	52.8	5.0	1.1	6.7	1.4	8.2	1.7	.8	3.3	.7	6.5	1.4	4.1	.9
1928 ...	137	4.7	1.0	208.3	2.5	.5	52.9	5.3	1.1	7.6	1.5	8.6	1.8	.8	3.3	.7	7.6	1.5	3.7	.8
1929 ...	184	6.2	1.2	243.1	3.8	.8	56.5	5.7	1.1	6.8	1.3	6.3	1.2	1.0	4.1	.8	5.8	1.2	5.2	1.0
1930 ...	144	4.9	1.2	286.8	4.7	1.2	50.5	4.6	1.1	4.1	1.0	3.7	.9	.9	3.6	.9	3.3	.8	2.7	.7
1931 ...	51	1.5	.6	266.4	2.9	1.1	43.9	3.6	1.4	2.6	1.0	1.1	.4	.4	1.5	.6	1.1	.4	1.1	.4
Tariff of																				
1922		Free		50¢ (100 lbs.)	=21%		13%			Free		Free		Free			Free		Free	
1930		Free		75¢ (100 lbs.)	=61%		13%			Free		15%		Free			10%		Free	
1932										\$3.00 per M. ft.				\$3.00 per M. ft.						

TABLE XXV *Continued*

Year	Laths		Maple Sugar & Syrup			Bituminous Coal			Fresh Meats			Sausage Casings			Clover Seed		
	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million tons	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent
1920.....	4.2	.7	8.3	2.0	.3	1.0	6.0	1.0	47.8	8.9	1.5	2.2	.6	.1	4.4	1.4	.2
1921.....	5.1	1.5	1.9	.2	.1	1.0	6.4	1.9	33.2	4.4	1.3	2.4	.6	.2	12.6	1.7	.5
1922.....	7.8	2.1	3.3	.4	.1	1.3	8.4	2.3	25.0	3.6	1.0	2.6	.8	.2	12.5	1.5	.4
1923.....	9.2	2.2	3.0	.6	.1	1.0	5.7	1.4	20.1	2.5	.4	2.3	1.0	.2	14.4	1.5	.4
1924.....	9.9	2.5	3.0	.4	.1	.3	1.7	.4	15.2	2.0	.5	2.6	1.2	.3	16.7	1.9	.5
1925.....	10.5	2.3	4.8	.7	.2	.5	2.2	.5	20.0	3.3	.7	2.4	1.9	.4	17.0	2.3	.5
1926.....	9.7	2.0	5.6	.7	.1	.4	1.9	.4	24.0	3.9	.8	3.5	1.4	.3	16.8	2.0	.4
1927.....	7.2	1.5	6.7	1.2	.3	.4	2.2	.5	53.8	8.2	1.7	3.8	2.0	.4	12.2	2.1	.4
1928.....	6.2	1.3	7.3	1.2	.2	.4	2.0	.4	38.3	6.7	1.2	3.5	1.3	.3	11.2	1.5	.3
1929.....	3.5	.7	13.3	2.5	.5	.4	2.0	.4	23.4	3.9	.8	2.4	1.1	.2	9.8	1.4	.3
1930.....	1.4	.3	7.3	1.3	.3	.2	1.2	.3	5.9	1.0	.2	2.2	.9	.2	4.2	.5	.1
1931.....	1.2	.4	2.7	.5	.2	.2	1.0	.4	1.8	.2	.1	1.9	.6	.2	.1	.2	.1
Tariff of:																	
1922.....	Free		4¢ lb. =20%			9% (countervail)			3¢ lb. =26%			Free			3¢ lb. =28%		
1930.....	Free		8¢ lb. =47%			10% (countervail)			5¢ lb. =50%			Free			5¢ lb. =40%		
1932.....	\$3.00 M. ft.																

TABLE XXVI. UNITED STATES—EXPORTS TO CANADA^a

With duties encountered. Quantities as indicated. Values in millions of dollars and as percentages of totals.

Year	Total	Per Cent of total exports	Machinery (Except Agricultural)		Fruits		Coal (Anthracite)			Petroleum (Crude)			Coal (Bituminous)			Auto Parts	
			Value	Per Cent	Value	Per Cent	Quantity million tons	Value	Per Cent	Quantity million gals.	Value	Per Cent	Quantity million tons	Value	Per Cent	Value	Per Cent
1920.....	801	9.7	34.3	4.3	30.6	3.8	5.1	....	...	149	10.5	1.3	11.6	27.4	3.4	12.7	1.6
1921.....	856	19.1	42.0	4.9	28.4	3.3	4.7	38.9	4.5	206	20.1	2.3	15.3	72.1	8.4	11.7	1.4
1922.....	516	13.5	21.6	4.2	26.1	5.0	4.3	38.9	7.5	255	13.0	2.5	12.6	39.1	7.6	10.2	2.0
1923.....	541	13.0	22.6	4.2	23.6	4.4	2.8	25.7	4.8	262	13.0	2.4	10.4	40.5	7.5	14.1	2.6
1924.....	601	13.1	24.6	4.1	23.6	3.9	4.6	41.8	7.0	331	14.0	2.3	15.4	43.2	7.2	16.7	2.8
1925.....	510	10.4	22.2	4.4	23.5	4.6	3.8	34.1	6.7	363	16.2	3.2	11.4	25.6	5.0	14.1	2.8
1926.....	609	12.7	27.2	4.5	24.3	4.0	2.5	20.8	3.4	356	19.1	3.1	13.3	28.5	4.7	23.0	3.8
1927.....	687	14.1	35.7	5.2	27.0	3.9	4.0	32.7	4.8	505	26.0	3.8	13.1	27.0	3.9	23.9	3.3
1928.....	719	14.0	42.3	5.9	30.1	4.2	3.3	25.4	3.5	470	18.9	2.6	12.7	25.9	3.6	27.5	3.8
1929.....	868	16.6	54.6	6.3	31.2	3.6	3.2	24.6	2.8	613	24.8	2.9	13.1	25.4	2.9	47.8	5.5
1930.....	847	22.0	62.7	7.4	27.4	3.2	3.2	24.0	2.8	839	35.9	4.2	13.8	25.9	3.1	30.4	3.6
1931.....	584	24.1	39.5	6.8	22.2	3.8	2.7	20.1	3.4	667	25.1	4.3	12.9	23.3	4.0	19.4	3.3
1932.....	352	....	21.1	6.0	15.5	4.4	2.1	15.3	4.3	713	14.7	4.2	9.7	14.4	4.1	13.4	3.8
Tariff of: 1922.....			25%		25%			Free			Free			53¢ ton		35%	
1930.....			30%		20%			Free			Free			53¢ ton		30% (1926)	
1931.....			35%		20%			40¢ ton			Free			75¢ ton		30%	

^a Source: *Trade of Canada*, Department of Trade and Commerce, Dominion Bureau of Statistics, Ottawa, Canada.

TABLE XXVI Continued

Year	Rolling Mill Products		Electrical Apparatus		Wood and Products		Books and Printed Matter		Raw Cotton and Linters			Settlers' Effects		Engines and Boilers		Gasolene		
	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million gals.	Value	Per Cent
1920.....	41.7	5.2	.....	....	21.5	2.7	9.9	1.2	96.5	33.8	4.2	8.0	1.0	.....	....	.....	.....	....
1921.....	65.5	7.7	16.1	1.9	29.0	3.4	11.1	1.3	97.9	28.2	3.3	8.9	1.0	9.2	1.1	9	2.6	.3
1922.....	18.0	3.5	10.0	1.9	14.7	2.8	9.9	1.9	95.0	16.2	3.1	6.0	1.2	4.7	.9	19	4.0	.8
1923.....	30.0	5.5	10.4	1.9	16.1	3.0	8.6	1.6	125.2	28.3	5.2	5.0	.9	6.7	1.2	27	5.6	1.0
1924.....	41.1	6.8	12.3	2.0	18.8	3.1	9.6	1.6	95.2	28.3	4.7	4.8	.8	8.4	1.4	49	6.4	1.1
1925.....	25.4	5.0	12.5	2.5	16.1	3.2	9.4	1.8	100.7	24.9	4.9	5.2	1.0	6.6	1.3	77	9.6	1.9
1926.....	31.4	5.2	13.7	2.2	17.6	2.9	9.8	1.6	135.4	29.4	4.8	5.1	.8	12.1	2.0	83	11.6	1.9
1927.....	39.5	5.7	14.6	2.1	21.2	3.1	11.1	1.6	149.6	20.9	3.0	6.3	.9	14.1	2.1	87	12.4	1.8
1928.....	36.2	5.0	16.8	2.3	22.9	3.2	11.9	1.6	146.2	25.6	3.6	7.7	1.1	15.9	2.2	112	11.5	1.6
1929.....	49.8	5.7	24.4	2.8	26.5	3.0	13.4	1.5	150.8	28.9	3.3	9.3	1.1	18.0	2.1	153	17.9	2.1
1930.....	50.2	5.9	34.2	4.0	25.4	3.0	14.7	1.7	125.5	22.2	2.6	10.1	1.2	13.8	1.6	170	18.9	2.2
1931.....	31.0	5.3	23.4	4.0	15.9	2.7	12.9	2.2	105.7	12.2	2.1	10.6	1.8	9.1	1.6	130	13.6	2.3
1932.....	13.0	3.7	12.6	3.6	9.6	2.7	9.6	2.7	99.1	7.8	2.2	7.6	2.2	6.8	1.9	65	6.7	1.9
Tariff of:																		
1922...	35%		27½%		25%		25%		Free			Free		27½%		1½ gal.		
1930...	35%		30%		25%		25%		Free			Free		30%		2½ gal.		
1931...	40%		30%		25%		30%		Free			Free		30%		2½ gal.		

TABLE XXVI Continued

Year	Paper (Total)		Vegetables		Silk (Raw)			Vegetable Oils (not food)		Fur Skins		Autos (passenger)		Rubber (Raw)			Glass and Ware		
	Value	Per Cent	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	
1920.....	9.3	1.2	5.3	.7	.3	3.0	.4	...	...	11.0	1.4	11.2	1.4	6.4	2.9	.4	5.9	.7
1921.....	12.2	1.4	4.9	.6	.3	2.1	.2	6.8	.8	4.7	.5	8.3	1.0	7.5	2.0	.2	7.1	.8	
1922.....	6.8	1.3	3.6	.7	.4	2.4	.5	5.2	1.0	7.0	1.4	9.1	1.8	13.3	2.3	.4	3.0	.6	
1923.....	7.2	1.3	3.8	.7	.4	2.7	.5	4.7	.9	5.8	1.1	11.7	2.2	14.5	3.4	.6	3.1	.6	
1924.....	7.7	1.3	4.4	.7	.3	2.7	.4	6.1	1.0	6.6	1.1	9.4	1.6	19.8	5.4	.9	3.1	.5	
1925.....	7.1	1.4	4.8	.9	.3	1.7	.3	6.1	1.2	6.6	1.3	8.6	1.7	26.2	7.5	1.5	2.9	.6	
1926.....	7.3	1.2	4.7	.8	.5	3.1	.5	7.2	1.2	8.2	1.3	13.8	2.3	37.2	26.0	4.3	3.1	.5	
1927.....	8.8	1.3	5.3	.8	.6	3.5	.5	7.0	1.0	9.6	1.4	23.6	3.4	45.4	20.3	3.0	3.7	.5	
1928.....	9.2	1.3	6.5	.9	.7	3.8	.5	9.7	1.3	12.3	1.7	29.0	4.0	52.6	19.3	2.7	4.1	.6	
1929.....	10.7	1.2	7.3	.8	.9	4.5	.5	7.2	.8	13.2	1.5	33.9	3.9	72.6	16.4	1.9	4.9	.6	
1930.....	11.1	1.3	9.2	1.1	1.1	5.6	.7	7.2	.8	9.1	1.1	27.9	3.3	70.0	4.0	.5	5.1	.6	
1931.....	9.4	1.6	7.2	1.2	1.4	4.7	.8	6.9	1.2	7.0	1.2	13.1	2.2	58.9	6.7	1.1	4.4	.8	
1932.....	6.4	1.8	5.2	1.5	2.0	5.2	1.5	4.1	1.2	3.8	1.1	3.6	1.0	54.0	3.5	1.0	3.5	1.0	
Tariff of:																			
1922....	25%		30%			Free		Free		15%		35%			Free		25%		
1930....	25%		30%			Free		Free		15%		35%			Free		30%		
1931....	25%		30%			Free		Free		15%		30%			Free		30%		

TABLE XXVI Continued

Year	Coke			Tobacco (Unmfgd.)			Oil, Lubricating			Farm Implements		Stone and Products		Clay and Products		Bauxite			
	Quantity million tons	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million gals.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million cwt.	Value	Per Cent	
1920.....	.4	2.5	.3	23.4	12.8	1.6	3.8	1.5	.2	...	...	3.0	.4	3.3	.4	.4	1.5	.2
1921.....	.5	6.2	.7	19.0	12.1	1.4	5.1	2.5	.3	24.1	2.8	4.7	.5	4.8	.6	1.2	1.7	.2	
1922.....	.2	1.7	.3	19.8	8.1	1.6	5.0	1.6	.3	7.5	1.5	2.6	.5	2.5	.5	.2	.5	.1	
1923.....	.4	4.3	.8	13.1	4.7	.9	7.3	2.1	.4	8.4	1.6	3.5	.6	2.8	.5	.8	1.5	.3	
1924.....	.7	5.0	.8	14.4	5.6	.9	8.8	2.5	.4	11.6	1.9	4.0	.7	3.5	.6	1.3	2.2	.4	
1925.....	.6	3.5	.7	12.0	4.6	.9	7.9	2.2	.4	6.3	1.2	3.2	.6	2.6	.5	1.3	2.5	.5	
1926.....	.9	6.4	.1	14.0	5.4	.9	8.7	2.4	.4	13.0	2.1	4.0	.7	2.6	.4	1.3	2.6	.4	
1927.....	.8	5.4	.8	16.0	5.2	.8	10.6	3.0	.4	18.5	2.7	5.0	.7	3.4	.5	1.6	3.6	.5	
1928.....	.7	4.6	.6	17.0	5.6	.8	12.2	3.4	.5	29.1	4.0	5.4	.8	3.8	.5	2.4	6.2	.9	
1929.....	1.1	6.4	.7	17.0	5.6	.6	15.8	4.4	.5	39.8	4.6	7.3	.8	4.5	.5	2.3	3.6	.4	
1930.....	1.2	6.3	.7	15.9	5.4	.6	16.8	5.2	.6	29.3	3.5	7.4	.9	5.6	.7	2.2	3.0	.4	
1931.....	1.0	5.2	.9	15.1	4.3	.7	16.0	4.6	.8	15.4	2.6	5.0	.9	4.0	.7	2.2	3.3	.6	
1932.....	.6	3.4	1.0	12.2	3.2	.9	13.0	3.2	.9	3.0	.9	2.9	.8	2.8	.8	1.6	2.7	.8	
Tariff of:																			
1922.....		Free			Free			20%			15%		30%		30%			Free	
1930.....		Free			Free			20%			25%		30%		35%			Free	
1931.....		\$1.00 ton			Free			20%			25%		30%		35%			Free	

TABLE XXVI Continued

Year	Scientific Equipment		Brass		Paints and Pigments		Sulphur and Brimstone			Cellulose Products		Refrigerators		Leather, Raw		Soda Compounds		
	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million cwt.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million lbs.	Value	Per Cent
1920.....	3.0	.4	4.3	.5	3.5	.4	1.6	1.3	.2	1.1	.1	...	..	11.7	1.5	...	...	..
1921.....	3.2	.4	5.0	.6	3.5	.4	2.4	1.7	.2	1.4	.2	.1	.0	5.0	.6	153	3.1	.4
1922.....	2.7	.5	2.8	.5	1.9	.4	1.6	1.3	.3	1.0	.2	...	..	3.6	.7	130	2.6	.5
1923.....	2.4	.4	3.4	.6	2.5	.5	2.4	1.7	.3	.8	.1	...	..	3.1	.6	190	2.6	.5
1924.....	2.6	.4	3.7	.6	2.5	.4	2.6	1.7	.3	1.0	.2	...	..	3.3	.5	196	2.5	.4
1925.....	2.6	.5	2.9	.6	2.1	.4	2.8	1.8	.4	.9	.2	.1	.0	3.3	.6	157	2.0	.4
1926.....	2.8	.5	3.6	.6	2.7	.4	2.9	2.0	.3	1.7	.3	.1	.0	3.4	.6	181	2.1	.3
1927.....	3.5	.5	4.2	.6	3.1	.5	3.7	3.0	.4	2.0	.3	.5	.1	4.3	.6	166	2.2	.3
1928.....	3.5	.5	4.3	.6	3.3	.5	3.6	2.9	.4	2.1	.3	.7	.1	4.4	.6	181	2.2	.3
1929.....	3.6	.4	5.7	.7	4.1	.5	3.6	2.9	.3	2.3	.3	1.3	.1	4.6	.5	265	2.8	.3
1930.....	4.0	.5	5.7	.7	4.2	.5	4.7	3.8	.4	2.3	.3	1.9	.2	4.7	.6	294	3.3	.4
1931.....	3.3	.6	3.8	.7	3.0	.5	3.5	3.1	.5	2.1	.4	2.4	.4	3.5	.6	152	2.4	.4
1932.....	2.6	.7	2.5	.7	2.2	.6	2.4	3.2	.9	2.2	.6	2.2	.6	2.1	.6	129	2.1	.6
Tariff of:																		
1922.....	Free		10%		22½%		Free			10%		17½%		15%		Free		
1930.....	Free		10%		22½%		Free			35%		25%		20%		Free		
1931.....	Free		10%		22½%		Free			40%		40%		25%		Free		

TABLE XXVI Continued

Year	Fertilizer n.o.p.		Hides and Skins			Sisal			Copper		Gums and Resins		Corn			Tubes, Pipes and Fittings	
	Value	Per Cent	Quantity 1,000 cwt.	Value	Per Cent	Quantity 1,000 cwt.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million bu.	Value	Per Cent	Value	Per Cent
1920.....	1.7	.2	...	12.6	1.6	272	2.8	.3	8.4	1.0	3.2	.4	8.9	14.2	1.8	...	..
1921.....	3.5	.4	...	4.4	.5	343	2.8	.3	9.1	1.1	3.2	.4	9.8	12.4	1.4	5.9	.7
1922.....	1.6	.3	...	3.4	.7	127	.9	.2	2.7	.5	1.7	.3	14.0	8.6	1.7	2.0	.4
1923.....	1.6	.3	...	3.7	.7	135	.9	.2	6.2	1.1	2.2	.4	10.9	7.7	1.4	2.5	.5
1924.....	1.5	.2	...	3.7	.6	190	1.4	.2	7.7	1.3	2.0	.3	8.9	7.9	1.3	3.4	.6
1925.....	1.6	.3	276	5.1	1.0	170	1.3	.3	5.8	1.1	1.9	.4	5.4	6.0	1.2	1.9	.4
1926.....	2.2	.4	381	6.8	1.1	310	2.9	.5	7.2	1.2	2.7	.4	7.4	6.7	1.1	2.8	.5
1927.....	2.4	.3	464	7.1	1.0	393	3.6	.5	6.8	1.0	3.0	.4	11.4	8.6	1.3	3.2	.5
1928.....	2.9	.4	480	10.2	1.4	464	3.6	.5	7.1	1.0	2.9	.4	7.4	7.7	1.1	3.0	.4
1929.....	3.6	.4	378	9.2	1.1	656	4.9	.6	12.7	1.5	2.9	.3	9.6	9.9	1.1	3.9	.4
1930.....	3.3	.4	365	6.3	.7	377	3.1	.4	14.4	1.7	2.9	.3	9.2	8.8	1.0	5.2	.6
1931.....	3.0	.5	212	2.8	.5	335	2.2	.4	6.9	1.2	2.0	.3	3.1	2.6	.4	2.8	.5
1932.....	1.8	.5	158	1.6	.5	411	1.6	.5	1.4	.4	1.4	.4	2.3	1.3	.4	1.3	.4
Tariff of: 1922....	Free		Free			Free			10%		Free		7½¢ per bu.			30%	
1930....	Free		Free			Free			10%		Free		7½¢ per bu.			30%	
1931....	Free		Free (15% 1932)			Free			10%		Free		7½¢ per bu.			30%	

TABLE XXVI Continued

Year	Iron Ore			Yarns and Warps (No. 40 and finer)			Yarns or Piece-Goods, Dyed, n.o.p.		Piece Goods (Unbleached)		Meats		Autos (freight)		Seeds		Nickel-Plate Ware, n.o.p.	
	Quantity 1,000 tons	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	985	3.5	.4	1.0	1.5	.2	8.1	1.0	1.8	.2	21.4	2.7	3.8	.5	3.6	.4	1.6	.2
1921.....	1,306	5.0	.6	.9	1.9	.2	6.1	.7	1.5	.2	10.1	1.2	3.5	.4	3.4	.4	1.7	.2
1922.....	509	1.7	.3	1.2	1.3	.3	4.8	.9	.6	.1	8.4	1.6	1.5	.3	2.1	.4	1.2	.2
1923.....	701	2.1	.4	1.7	1.6	.3	4.3	.8	1.0	.2	9.0	1.7	1.8	.3	2.0	.4	1.2	.2
1924.....	1,296	4.4	.7	1.5	1.5	.2	3.1	.5	1.5	.2	6.6	1.1	1.8	.3	1.7	.3	1.1	.2
1925.....	686	1.8	.4	1.5	1.4	.3	2.5	.5	1.1	.2	3.9	.8	1.3	.3	1.6	.3	1.0	.2
1926.....	692	1.6	.3	1.9	1.8	.3	2.9	.5	3.3	.2	4.5	.7	1.7	.3	1.4	.2	1.2	.2
1927.....	984	1.2	.2	1.9	1.6	.2	3.4	.5	1.2	.2	3.7	.5	3.0	.4	1.3	.2	1.3	.2
1928.....	1,010	2.2	.3	1.9	1.6	.2	3.0	.4	1.8	.3	3.6	.5	4.9	.7	1.1	.2	1.7	.2
1929.....	1,565	3.4	.4	2.2	1.7	.2	2.7	.3	4.1	.5	4.2	.5	8.6	1.0	1.0	.1	2.2	.3
1930.....	1,640	4.0	.5	2.0	1.8	.2	2.2	.3	3.7	.4	5.6	.7	6.1	.7	1.3	.2	2.3	.3
1931.....	869	2.1	.4	2.4	1.9	.3	1.4	.2	1.9	.3	4.1	.7	6.7	.6	1.6	.3	1.4	.2
1932.....	545	1.2	.3	1.6	1.2	.3	1.0	.3	.9	.3	.8	.2	.8	.2	.8	.2	.8	.2
Tariff of:																		
1922.....	Free				25%			32½%		25%		3¢ per lb.		35%		10%		35%
1930.....	Free				25%			32½% and 4¢ lb.		25% and 4¢ lb.		3¢ per lb.		35%		10%		35%
1931.....	Free				25%			32½% and 4¢ lb.		25% and 4¢ lb.		5¢ per lb.		40%		10%		35%

TABLE XXVI Concluded

Year	Tin, Blocks, Bars and Pigs			Motion Picture Films		Silk Fabric over 26 in.		Sugar and Products		Women's Shoes Pegged, etc.			Artificial Silk Woven Fabric	
	Quantity 1,000 cwt.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity 1,000 pair	Value	Per Cent	Value	Per Cent
1920.....	6	.4	.0	1.3	.2	...	..	23.7	3.0	...	...	..	...	..
1921.....	13	.6	.1	1.6	.2	...	..	21.5	2.5	...	...	..	...	..
1922.....	10	.3	.1	1.7	.3	...	..	9.7	1.9	...	...	..	...	..
1923.....	13	.4	.1	1.5	.3	...	..	4.0	.7	175	.5	.1	...	..
1924.....	12	.5	.1	1.6	.3	...	..	8.9	1.5	174	.5	.1	...	..
1925.....	15	.7	.1	1.8	.4	...	..	5.1	1.0	161	.4	.1	.4	.1
1926.....	15	.9	.1	1.9	.3	...	..	2.5	.4	158	.5	.1	.5	.1
1927.....	26	1.7	.2	1.5	.2	...	..	2.1	.3	250	.8	.1	.9	.1
1928.....	29	1.8	.3	.8	.1	...	..	1.3	.2	294	1.1	.2	1.2	.2
1929.....	25	1.3	.1	.8	.1	1.7	.2	1.5	.2	369	1.3	.1	2.4	.3
1930.....	40	1.8	.2	1.6	.2	1.6	.2	1.4	.2	422	1.4	.2	2.9	.3
1931.....	40	1.2	.2	1.2	.2	1.7	.3	1.0	.2	475	1.3	.2	1.3	.2
1932.....	33	.8	.2	.7	.2	.7	.2	.6	.2	263	.6	.2	.4	.1
Tariff of:														
1922.....	Free			3¢ ft.		37½%		\$2.39 (100 lbs.) ^b		25%			37½%	
1930.....	Free			3¢ ft.		35% (1928)		\$1.89 (100 lbs.) ^b		35%			45% and 40¢ per lb.	
1931.....	Free			3¢ ft.		35% (1928)		\$1.89 (100 lbs.) ^b		35%			45% and 40¢ per lb.	

^b 98° to 99° polarization.

39.1 per cent in 1928, 36.3 per cent in 1929, 35.1 per cent in 1930, and 32.6 per cent in 1931.

These figures show that the trade is of great importance to both countries. It would appear that in some lines of production Canada possesses a marked comparative advantage, and that in other lines the United States possesses this advantage; and since the duties imposed by both countries on each other's products are very high, it would further appear that the potential benefits arising from these differences in comparative advantage must be very great in order to permit so large a volume of trade to overleap these artificial barriers.

A study of Tables XXV and XXVI, showing the principal items of trade between these countries, indicates the complementary character of their industries. Over 50 per cent of Canada's exports to the United States trace back directly to her superb forest reserves. They were, in 1929 (figures in percentages), newsprint, 26.3; logs, laths, poles, boards, shingles, and pulp wood, 14.2; wood pulp (ground, sulphate, and sulphite), 7.2; maple sugar, .5; furs, 2.2. Her fertile prairies furnish over 5 per cent—wheat, 3.2; bran, 1.4; flaxseed, 0.4; clover seed, 0.3; her animal husbandry and dairying over 7 per cent—cattle, 2.8; cream, 1.0; leather, 1.2; hides, 1.2; meat, 0.8; sausage casing, 0.2; and finally 15 per cent is derived from her mineral resources—copper, 6.0; nickel, 3.3; asbestos, 1.7; calcium cyanide, 1.2; abrasives, 0.7; ferromanganese, 0.7; aluminum, 1.0; coal, 0.4. Collectively, these items constitute about 80 per cent of the total exports of Canada to the United States.

When we study the table of exports from the United States to Canada, we see that products of the factory play a much more important part. Considering only the enumerated articles, they constitute nearly 40 per cent of the total exports. Prominent among the manufactured articles for 1929, expressed in percentages of the total, are machinery, 6.3; autos and auto parts, 9.4; rolling-mill products, 5.7; electric apparatus, 2.8; engines and boilers, 2.1; and wood products, 3.0. Canada has the advantage in some minerals and the United States in others. Among the most important of the mineral products moving from the United States to Canada are petroleum and petroleum products, 5.5 per cent. Coal moves both ways. Nova Scotia is conveniently located to supply eastern New

England, while, further west, coal from Pennsylvania and States west of Pennsylvania moves northward into the Provinces. However, the coal exports from the United States greatly exceed those from Canada. The exports from the United States are over 3,000,000 tons of anthracite and over 13 million tons of bituminous, to which may be added about a million tons of coke. The exports of coal from Canada to the United States are less than half a million tons. Copper also moves both ways. In the form of ore, bars, etc., the volume of the exports from Canada to the United States is from twenty to thirty million dollars per year, while the exports from the United States to Canada are considerably less. Only in the year 1930 have they exceeded \$14,000,000. Other minerals exported from the United States to Canada are stone, clay, bauxite, brass, sulphur, and iron ore. In several agricultural products also the United States, because of its more southern latitude, has a comparative advantage. Among these are cotton, 3.3; vegetable oils, 0.8; tobacco, 0.6; sisal, 0.6; and corn, 1.1.

This movement of goods back and forth across the long border line, obviously so greatly to the advantage of the people of both countries, is seriously impeded by tariffs. If freedom of trade is of benefit to all the parties concerned when existing among States of the United States on the one hand and among the Provinces of Canada on the other, there is no valid reason why it should not be equally beneficial as between the Provinces of Canada and the States of the United States. Nevertheless, the nationalist spirit in both countries, industriously fostered and egged on by private interests, has brought it about that each country imposes heavy duties on the products of the other. Indeed, Canada imposes the heaviest of her threefold schedule of rates on the United States. How a comparatively few individuals can persuade their respective governments that a policy which is solely in their own interest—at least from an economic standpoint—is also for the interest of the people at large, will be discussed more at length in a later chapter. Here a brief statement of facts relating to the history of Canadian-American tariff relations may not be out of place.

Except for a large French-speaking population in Quebec, the people of Canada speak the same language as the people of the United States, and are of the same racial stocks and political tradi-

tions. There is no appreciable difference in their standards of living. In climate and character of soil the two countries merge by insensible gradations into one another. Moving northward through the northern tier of States, there would be nothing in the character or language of the people and nothing in the landscape, except perhaps a different flag, to tell when you had left the United States and entered Canada. It would seem to conduce to the convenience and prosperity of both peoples that a borderline trade between them should be unimpeded. And, indeed, among the several States such trade exists and also among the several Provinces; and the vast majority of the people of both countries feel that such freedom of trade does conduce to their convenience and prosperity. When, however, such trade is to move back and forth across the borderline, the same people very generally feel that their prosperity would be menaced unless the trade were impeded by tariffs.

The very obvious mutual advantage of such trade did, in fact, lead to a reciprocity treaty which went into effect in 1854. However, a series of events, chiefly connected with the Civil War in the United States (1861-1865), caused irritation in that country, the United States abrogated the treaty in 1865, and it ceased to be operative the following year.

● The abrogation of the treaty was an important factor in causing all of the Canadian Provinces to unite in forming the Dominion of Canada, which union was accomplished by the British North America Act of 1867. This Act assured permanent freedom of trade among the Provinces, as the Constitution of the United States assured freedom of trade among the States of the United States.⁴ It is worthy of note that previous to the adoption of the Constitution all of the then existing States were levying hostile tariffs against their sister States, and that, but for the adoption of the paragraph in the Constitution just referred to, there is every reason to believe that they would still be doing so, and that the people of each State would look with as much apprehension on the danger of imports from a sister State as they now look upon imports from a Canadian Province.

⁴Section X, Paragraph 2 of the Constitution provides: "No State shall, without the consent of Congress, lay any impost or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws; and the net produce of all duties and imposts, laid by any State on imports or exports, shall be for the use of the Treasury of the United States, and all such laws shall be subject to the revision and control of the Congress."

All of this would react to the great economic inconvenience and loss of the masses of the people, though doubtless certain powerful interests would profit by it and the hoodwinked masses would clamor for it. For it appears to be a sociological law that the psychology of powerful predatory groups permeates society, making the masses of the people accept as in their interest what is in reality only in the interest of the predatory groups.

For forty years after the abrogation of the treaty, efforts were made, chiefly emanating from Canada, to renew reciprocal trade relations with the United States, but they met with little sympathy. During these years, however, a national spirit took on a more and more protectionist cast, as a result of which, when in 1911 the United States finally prepared a reciprocity treaty, it was Canada that rejected it.

The mainstays of protection are the self-interest of powerful groups and a national spirit which finds a satisfaction in self-sufficiency. It experiences a sense of glory in producing within the nation as much as possible of what the people of the nation consume, even though, by turning the energies of the people to the production of the commodities for which the resources of the country best adapt it and exchanging the surplus for imports, the people would have much more wealth with less labor than they can have under a self-contained economy.

A national spirit also aims at solidarity and segregation. It is a spirit of fear and suspicion of other nations. One circumstance which has played an important part in the tariff relations between the United States and Canada has been a persistent illusion, in the United States, that Canada would some day be annexed to that country, in fact, desired it, and that a very little coercion in the way of tariff pressure would bring her into the fold. There appears to be no basis for this belief. On the contrary, Canada has always been eminently British in her sympathies; and it was a chance remark by a member of Congress, when the reciprocity treaty of 1911 was under discussion, that the treaty would hasten annexation, that did more than any other one thing to assure Canada's rejection of the treaty. Hence, along with the national spirit directed primarily to unifying and solidifying Canada as a self-sufficient nation among other nations went a broader national spirit, centering about the

British Empire as a unit. So far as this had a bearing on the tariff, it manifested itself in a policy of British or Imperial preferences.

The distinctive feature of the tariff revision of 1897 was the adoption of what was called a "reciprocal tariff", one-eighth lower than the general tariff. This "reciprocal" tariff was at once applied to the United Kingdom, and afterwards to New South Wales and to British India. On account of trade treaties, most-favored-nation treaties, and the Franco-Canadian treaty, the benefits of the "reciprocal" tariff were also extended to numerous other countries, including Siberia and Japan, but not the United States. The numerous concessions under this act were short lived. In 1898, Great Britain denounced her most-favored-nation clause with Germany and Belgium, and Canada confined her lower tariff rates to the United Kingdom and to sister Dominions and colonies.

In 1907, a new customs tariff was enacted, establishing three scales of duties: British preferential (the lowest), intermediate, and general. Under it, in 1930, the British preferential tariff applied to nearly the whole of the British Empire, except Australia. Even with Australia there was an exchange of preferences on a restricted list of goods. In 1920, rates even lower than the British preferential were granted to the British West Indies.

The intermediate tariff applied in 1930 to a large number of countries of which it is significant that the United States was not one. The only Pacific country to which it applied was Japan.

In 1930, the United States passed a tariff act raising duties considerably above those of the Act of 1922, which had raised rates greatly above those of the Act of 1913. Canada followed, in 1931, with an Act still further carrying out its policy of nationalism and protection. Whether or not Canadian officials choose to admit that this act was framed in retaliation of the American Act of 1930, it was so in fact and in effect. Increases were made all along the line. Speaking of this act, Mr. Bennett said that "the changes he proposed covered approximately 200 items of the customs tariff and meant taking a second long step towards rounding off the 'Canada First' policy of higher protection. It is estimated that these will affect some 200 million dollars worth of import trade, and as a similar volume was affected by the tariff revision of the emergency session, at least half of Canada's total imports are now experiencing

the full impact of the 'Canada First' policy. The changes hit practically every country which trades with Canada, but the United States will be the chief victim and cannot fail to suffer another serious curtailment of its exports to Canada."⁵

This appears to have been uttered with some exultation and is entirely in line with Protectionist theory. Translated coldly, it means that the United States, by its tariff Acts of 1922 and 1930, and Canada, by the tariff Act of 1931, deliberately bar their own people from the enjoyment of numerous articles which they would have liked to have, and which producers outside of their respective boundary lines can bring to market more economically than their own producers can. By impeding commerce they compel their own people to work harder to get what they want, and perhaps to get articles of an inferior quality, in order that the entrepreneurs and capitalists of their own nationality may exploit them rather than the entrepreneurs and capitalists of another.

It means more than this: Mr. Bennett implies that imports to the amount of 400 million dollars will be affected by the two acts referred to. A recent study of the United States tariff Act of 1930, made by Dr. R. O. Hall, shows that of the 396 million dollars falling off in imports into the United States between the calendar year 1929 and the twelve months from October 1930 to October 1, 1931, 316 million dollars were fairly attributable to the tariff. A falling off in imports into a given country is, of course, a falling off in exports from some other country, and a falling off in exports from that other country means a dislocation of business, a throwing of laborers out of employment, a diminution of purchasing power with which to buy goods from all countries, and among them the country that imposed the tariffs, and hence some dislocation of business and unemployment in that country also. It would appear that the American tariff Act and its Canadian "come-back" may claim considerable credit for deepening and lengthening the world depression.

Considerable stress has been laid on Canadian-American trade because these two Pacific countries, adjacent to one another for three thousand miles of boundary line, are so peculiarly adapted to benefit from a mutually advantageous trade if they chose to follow an enlightened policy.

⁵ Mackenzie, Norman, *Canadian Tariff Policy*, 1931, p. 15.

CHAPTER III

CHINA

Area 4,200,000 square miles, population 442,000,000 to 485,000,000 (estimated)

THE CHINESE REPUBLIC, including Manchuria (363,610 square miles), Mongolia (1,367,600 square miles), Sinkiang (550,340 square miles), and Tibet (463,200 square miles), has an area of 4,200,000 square miles, an area considerably larger than that of the United States. The population of this entire area is estimated at about 460,000,000, a population nearly three times that of the United States. The density of population, if we include all the outlying provinces, is thus 109 per square mile, a moderate density leaving considerable room for expansion. If, however, we exclude the outlying provinces, some of which include large desert areas and all of which are rather sparsely populated, we find in the Provinces of China proper, great densities of population. Kiangsu Province, containing the cities of Nanking and Shanghai, has a density of population of 832 to the square mile, while Honan and Shantung Provinces have densities of over 505 and 613 respectively. It thus appears that China has a serious population problem to face in any attempt to improve the standard of living.

In recent years some relief for this density of population has been found in migration to Manchuria. Since 1924, no less than two million immigrants have moved from other Provinces into Manchuria. For this reason alone the retention of Manchuria is of great importance to China.

As compared with Japan, China is much less dependent on foreign trade. She has a vastly greater area and much greater diversity in her resources. She has large stores of coal, iron, copper, tin, and other minerals. Among these may be mentioned antimony of which China produces about 75 per cent of the world's consumption, and tungsten, in the production of which she stands second. *The China*

Year Book, 1928, lists the following minerals as actually produced in China: coal, petroleum, cement, salt, gypsum, saltpeter, soda, apatite, asbestos, talc, magnesite, sulphur, fluorite, iron, manganese ore, tungsten ore, gold, silver, copper, lead, zinc, tin, mercury, antimony, arsenic, and bismuth. The output of several of these, however, is insignificant. The output of iron is also relatively small, only 0.5 of 1 per cent of the world's output.

China's agricultural resources also are great and varied. She produces in large quantities the raw materials for the textile industries: wool, cotton, and silk. Rice, tea, and beans, especially soya beans, are grown in vast quantities, rice constituting the principal food of the people, and soya beans being raised not only for direct use as food but also as the raw material for soya bean oil. The mulberry and bamboo are also among her most important vegetable products. The mulberry leaf is the food of the silkworm, and the bamboo serves a great variety of uses—the young shoots serve as food, and it is used in the building trades, in the decorative arts, in the manufacture of furniture and utensils and also of paper. Wheat is an important food product consumed by the people, especially of the northern provinces; and peanuts are grown in immense quantities. Poultry raising is a major Chinese industry, and egg and egg products are important articles of export. Mention should also be made of the cattle industry. Cattle are raised for food, for dairy products, and for their hides, large quantities of the last named being exported. And finally, though by no means exhausting China's resources, we may mention fur bearing animals, trapped for their furs and skins.

While, as has been shown, China possesses vast and varied resources, the utilization of these resources through processes of manufacture may be said to have only begun. The vast majority of the population is still agricultural. The picture of typical Chinese life is that of the farmer gaining a meager and precarious livelihood for himself and his numerous offspring from a small patch of ground cultivated by rather primitive and laborious methods. Modern manufacturing, however, has begun; and the manufacture of cotton cloth has already made much progress. However, the handicraftsman, often of exquisite skill, is still more typical of Chinese methods

of manufacture than is the great factory with its specialized machine operations.

As a means of developing modern manufacturing methods, Chinese capitalists, actuated by the same motives as are capitalists in other countries, look to a protective tariff as an indispensable aid. Here, however, they have been hampered by a condition found in no other independent State. As a result of the opium war with England (1839-1843), and by virtue of the treaty of Nanking, August 29, 1842, and the supplementary treaty of October 8, 1843, China lost her tariff autonomy. Since that time until very recently, such duties as she has imposed have only been such as have been permitted by the foreign Powers. Import and export duties have, in general, been fixed at 5 per cent *ad valorem*, though in specific cases rates as high as 10 per cent have been allowed.

This situation was very naturally resented in China, and with the awakening spirit of nationalism and industrialization, which has been growing since 1912, when China became a Republic, persistent attempts have been made to regain tariff autonomy. The matter was pressed at the Paris Conference in 1919, the Washington Conference in 1921-22, and the Peking Conference in 1925. Treaties were made with all the leading Powers, except Japan, granting full tariff autonomy; but as these treaties contained "the most-favored-nation clause", they have been of little avail to China. In 1927, China took matters into her own hands and, on January 12th of that year, announced that tariff autonomy would be effective on January 1, 1929. During the summer of 1927, there was a general increase in tariffs by the regional governments, to around 10 or 12 per cent. On February 1, 1929, Japan agreed to the duties as of that date. Eighteen days later, the one-third discount on Sino-Russian border trade was abolished, and on January 1, 1931, a new tariff act became effective. Wheat, rice, sugar, and cotton fabric remained the same as of February 1, 1929, by treaty with Japan, and effective for all countries having the most-favored-nation clause. Considerable increases were made on other imports: fifteen per cent was imposed on metal manufactures, 25 per cent on wool knitted goods and on fish and foodstuffs, and 30 per cent on wool piece goods. Rates began to approach those of other industrial nations. Duties on silk and silk waste were increased from 30 to 55 per cent, on silk goods from 35

to 60 per cent, on aniline dyes from 25 to 35 per cent. On articles not specifically provided for, rates were raised from 12½ to 15 per cent.

China thus appears to be fairly launched on the policy of protectionism which seems to be an almost inevitable concomitant of nationalism and industrialism when developing under a regime of capital and private property.

A policy of protection, as has already been noted, is closely associated with a policy of self-sufficiency. Probably no nation, not even the United States, can afford to be entirely self-sufficient. Some minerals and some agricultural products cannot be produced at all, and many more can be produced only at such cost that none but the most fanatical protectionist would advocate direct production rather than acquirement through foreign trade. The growing of pineapples or bananas in Maine is the classic example. However, countries differ very greatly in the approach which they can make to self-sufficiency without inconvenience. Because of her vast area and extent and variety of natural resources, China ranks high in this respect. Still, she can gain much through international trade. There are some products which she does not produce and many more which, for the present at least, she can obtain with much less expenditure of capital and labor by exchange than by direct production. But if other nations choose to exclude her exports and hence prevent her from obtaining their products, she can adapt herself to these conditions much better than could many countries more restricted in their area and more narrowly circumscribed in their resources. It is significant that China, though greatly exceeding Japan in both area and population, has a smaller foreign trade. Chinese exports for 1929 were valued at 650 million dollars; Japanese exports for the same year were 990 million dollars. Chinese imports for 1929 were valued at 820 million dollars; Japanese imports of the same year were 1,022 million dollars. That is, in that year China's total foreign trade was less than three-fourths that of Japan.

Still, China has a large trade; and with a more rational attitude toward the real significance of foreign trade than that which generally prevails among the classes that dominate our economic life, it would be greatly extended—to the advantage of both China and all the other countries with which she exchanges goods.

Just what the nature of her foreign trade is, and to what extent it is impeded by tariffs, will now be discussed. For this purpose, tables have been prepared which will be presented with appropriate comment on each.

GENERAL EXPORTS AND IMPORTS

Tables XXVII and XXVIII show China's exports and imports for the years 1920 to 1931, classified by principal commodities. The items shown in the tables include about 75 per cent of the exports and 70 per cent of the imports.

The first impression that one gets from the tables is that of diversity both in imports and exports. No single item or group of items so preponderates over all the others as to make it possible to cover, say, 70 per cent of the export trade, when these items have been enumerated. In this respect China may be contrasted with Japan and Australia. About 70 per cent of Japan's exports are covered by the products of her silk, cotton, and pottery industries, and over 70 per cent of Australia's exports are covered by the products of her animal husbandry and wheat farming (wool, meats, hides, and flour). In the case of Japan, imports also are highly concentrated. Four materials—cotton, wool, iron (including machinery), and wood—and three foodstuffs—beans, peas, and wheat—account for over 50 per cent of her imports. There is no such concentration in the case of China. In order to construct tables showing 75 per cent of her foreign trade, it was necessary to include a great number of items each of which represented around 1 per cent of her exports, or 1 per cent of her imports.

This wide dispersion of China's foreign trade among a great number of commodities, no single one of which strikingly preponderates over the other, indicates a smaller degree of dependence on foreign trade than exists in a country in which that trade is more highly concentrated in a few items. It indicates that the behavior of foreign countries with respect to their tariffs is a matter of less vital concern; the nation is more nearly self-sufficient.

This does not mean, however, that China is entirely self-sufficient, or that the tariff policies of other countries are matters of negligible concern to her, especially if those policies involve sudden and violent increases in the duties on articles which China has previously been

Values in millions of dollars and as percentages of total

Year	Total	Silk Products											Bean Cake			
		Raw			Wild			Waste			Piece Goods			Quantity million tons	Value	Per Cent
		Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent			
1920.....	672	107	75.6	11.2	...	8.8	1.3	13	8.7	1.3	2.2	19.6	2.9	1.2	52.1	7.8
1921.....	457	13	69.9	15.3	...	14.0	3.1	13	4.6	1.0	2.1	13.0	2.8	1.5	37.6	8.2
1922.....	544	13	99.6	18.3	...	12.6	2.3	13	6.9	1.3	1.8	12.4	2.3	1.4	40.7	7.5
1923.....	602	14	95.0	15.8	4.2	16.0	2.7	13	9.3	1.5	1.9	13.5	2.2	1.5	36.4	6.0
1924.....	625	15	78.6	12.6	5.0	8.9	1.4	21	8.3	1.3	1.8	12.7	2.0	1.3	33.4	5.3
1925.....	652	18	105.8	16.2	4.6	12.0	1.8	21	7.5	1.2	1.9	13.0	2.0	1.2	34.9	5.4
1926.....	657	18	99.4	15.1	4.1	10.7	1.6	20	8.0	1.2	2.5	16.2	2.5	1.7	42.9	6.5
1927.....	634	18	80.7	12.7	3.3	8.0	1.3	15	5.6	.9	2.2	12.5	2.0	1.4	28.9	4.6
1928.....	704	20	96.1	13.6	3.8	7.1	1.0	23	8.1	1.1	2.1	11.8	1.7	1.3	28.2	4.0
1929.....	650	21	87.9	13.5	3.9	6.6	1.0	22	8.8	1.4	1.6	8.4	1.3	1.1	21.0	3.2
1930.....	412	17	46.8	11.4	3.5	4.4	1.1	11	2.8	.7	1.4	5.3	1.3	1.2	....	...
1931.....	319	13	24.6	8.0	4.3	3.6	1.2	12	2.2	.7	1.6	2.9	1.3	1.6	....	...

Year	Beans						Cotton Products								
	Yellow Soya			Other			Raw			Yarn			Sheeting		
	Quantity million bu.	Value	Per Cent	Quantity million bu.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity thousand pieces	Value	Per Cent
1920.....	18	27.8	4.1	...	...	...	53	11.4	1.7	9.2	3.6	.5	...	...	...
1921.....	21	21.7	4.7	...	...	...	60	12.5	2.7	3.5	.9	.2	...	...	...
1922.....	28	31.9	5.9	...	...	...	107	19.0	3.5	5.2	1.4	.3	...	...	...
1923.....	35	35.7	5.9	5.6	6.2	1.0	130	26.1	4.3	11.9	3.5	.6	...	...	...
1924.....	47	52.9	8.5	7.6	8.7	1.4	144	32.7	5.2	12.6	6.1	1.0	1.4	6.6	1.1
1925.....	40	52.4	8.0	5.4	7.3	1.1	107	24.0	3.7	8.7	3.2	.5	1.3	6.7	1.0
1926.....	43	48.8	7.4	6.7	8.3	1.3	117	22.3	3.4	25.6	8.2	1.2	1.5	6.9	1.1
1927.....	56	57.2	9.0	8.4	9.1	3.0	193	32.6	5.1	45.3	13.6	2.1	2.6	8.9	1.4
1928.....	80	92.2	13.1	8.9	11.0	1.6	148	24.2	3.4	46.6	15.3	2.2	2.1	7.7	1.1
1929.....	101	95.4	14.7	9.3	10.0	1.5	126	18.9	2.9	46.0	11.7	1.8	2.3	7.6	1.2
1930.....	63	44.0	10.7	8.5	7.4	1.8	110	12.2	3.0	44.0	8.7	2.1	1.2	2.9	.7
1931.....	86	40.3	13.0	8.7	5.4	1.7	107	9.2	3.0	89.0	12.8	4.1	2.3	2.8	.9

* Sources: *Foreign Trade of China*, Published by Order of Inspector General of Customs, Shanghai, China; and *Commerce Year Book*, Bureau of Foreign and Domestic Commerce, Dept. of Commerce, Washington, D. C.

TABLE XXVII Continued

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Year	Egg Products									Tea			Coal		
	Albumen and Yolk			Frozen and Dried			Fresh and Preserved			Quantity million lbs.	Value	Per Cent	Quantity million tons	Value	Per Cent
	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million doz.	Value	Per Cent						
1920	53	14.8	2.2	40	5.6	.8	54	6.2	.9	40	10.9	1.6	2.0	15.1	2.2
1921	53	9.0	2.0	13	1.1	.2	99	8.7	1.9	53	9.3	2.0	1.9	8.5	1.9
1922	53	10.8	2.0	40	3.3	.6	99	10.8	2.0	80	14.0	2.6	2.4	12.4	2.3
1923	50	9.9	1.6	53	4.6	.8	92	9.2	1.5	107	18.2	3.0	3.1	16.4	2.7
1924	59	12.9	2.1	36	4.6	.7	79	8.0	1.3	102	17.1	2.7	3.2	16.6	2.7
1925	66	13.0	2.0	67	8.2	1.3	65	6.4	1.0	111	18.6	2.9	3.0	16.8	2.6
1926	65	13.9	2.1	67	8.7	1.3	63	6.4	1.0	112	19.9	3.0	3.1	19.9	3.0
1927	46	9.9	1.6	55	8.1	1.3	50	5.1	.8	116	21.8	3.4	4.0	20.3	3.2
1928	51	13.2	1.9	76	12.6	1.8	52	5.3	.8	123	26.4	3.7	3.9	20.0	2.8
1929	59	13.7	2.1	92	13.6	2.1	51	5.8	.9	126	26.4	4.1	4.1	19.8	3.0
1930	53	8.6	2.1	100	10.7	2.6	51	4.3	1.0	93	12.1	2.9	3.5	19.5	4.7
1931	46	4.7	1.5	87	5.6	1.8	53	2.5	.8	96	11.2	3.6	3.5	9.4	3.0

Year	Wood Oil (Tung)			Millet			Bean Oil			Sesame			Cigarettes		
	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent
1920	67	8.3	1.2	...	...	...	227	18.4	2.7	280	13.4	2.0	10	10.8	1.6
1921	53	4.2	.9	...	...	...	147	7.4	1.6	200	6.7	1.5	11	10.3	2.3
1922	93	9.0	1.7	...	...	...	187	10.2	1.9	173	6.2	1.1	8	8.5	1.6
1923	107	14.0	2.3	...	...	...	280	14.2	2.4	253	9.8	1.6	12	11.3	1.9
1924	119	14.3	2.3	470	12.0	1.9	283	16.6	2.7	125	5.3	.8	13	12.4	2.0
1925	119	14.6	2.2	563	16.0	2.5	265	17.1	2.6	71	3.4	.5	12	12.8	2.0
1926	100	11.4	1.7	719	17.8	2.7	356	22.8	3.5	120	5.5	.8	11	11.7	1.8
1927	120	15.2	2.4	893	21.6	3.4	329	19.1	3.0	75	3.3	.5	13	12.3	1.9
1928	146	16.5	2.3	717	16.4	2.3	126	7.4	1.1	127	5.8	.8	15	14.3	2.0
1929	143	15.1	2.3	504	10.4	1.6	149	7.8	1.2	196	7.8	1.2	11	7.9	1.2
1930	156	14.1	3.4	546	11.2	2.7	252	10.3	2.5	256	6.9	1.7	7	3.7	.9
1931	109	6.4	2.1	371	3.6	1.2	201	5.7	1.8	215	4.7	1.5	6	1.6	.5

TABLE XXVII *Continued*

Year	Cattle and Buffalo Hides			Bristles			Poles, Piles and Joists			Peanuts		
	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million	Value	Per Cent	Quantity million lbs.	Value	Per Cent
1920.....	40	10.2	1.5	7.7	7.7	1.1	...	...	...	...	....	...
1921.....	27	4.9	1.1	5.9	3.2	.7	...	...	...	...	....	...
1922.....	27	6.1	1.1	8.9	5.2	1.0	...	...	...	...	....	...
1923.....	40	7.4	1.2	9.9	6.2	1.0	...	...	...	...	....	...
1924.....	30	5.1	.8	8.7	7.1	1.1	2.5	7.7	1.2	484	17.3	2.8
1925.....	31	6.4	1.0	9.0	8.0	1.2	1.7	4.8	.7	392	14.5	2.2
1926.....	33	6.1	.9	8.9	7.9	1.2	1.7	4.2	.6	400	14.1	2.1
1927.....	41	7.0	1.1	8.3	6.4	1.0	1.9	5.7	.9	327	11.3	1.8
1928.....	56	13.2	1.9	8.9	7.1	1.0	2.5	8.6	1.2	226	7.6	1.1
1929.....	37	7.8	1.2	10.3	7.7	1.2	2.5	7.7	1.2	215	7.0	1.1
1930.....	23	3.0	.7	8.6	4.4	1.1	1.6	3.4	.8	431	10.7	2.6
1931.....	21	1.9	.6	8.5	3.2	1.0	...	1.1	.4	542	9.1	2.9

Year	Wool (Sheep's)			Tin (Ingots and Slabs)			Bran			Pongees		
	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity thousand tons	Value	Per Cent	Quantity million lbs.	Value	Per Cent
1920.....	13	3.8	.6	27	13.8	2.1	140	3.2	.5	2.7	10.5	1.6
1921.....	67	8.6	1.9	13	4.6	1.0	173	3.3	.7	3.6	10.0	2.2
1922.....	67	10.7	2.0	27	6.6	1.2	173	3.8	.7	2.4	7.2	1.3
1923.....	47	8.1	1.3	13	6.3	1.0	180	4.0	.7	1.9	6.2	1.0
1924.....	65	11.4	1.8	16	7.4	1.2	194	5.1	.8	1.9	5.3	.8
1925.....	57	11.8	1.8	20	10.1	1.5	181	5.5	.8	2.3	6.5	1.0
1926.....	28	5.3	.8	15	6.6	1.0	189	5.3	.8	2.7	7.2	1.1
1927.....	48	8.4	1.3	14	5.7	.9	203	5.2	.8	2.1	4.9	.8
1928.....	65	11.2	1.6	16	6.7	1.0	244	5.9	.8	2.3	5.1	.7
1929.....	50	6.6	1.0	15	6.0	.9	230	5.1	.8	2.3	5.0	.8
1930.....	26	2.5	.6	15	4.1	1.0	245	4.8	1.2	2.6	3.7	.9
1931.....	32	2.6	.8	8	1.5	.5	302	3.7	1.2	3.1	4.4	1.4

TABLE XXVII *Continued*

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Year	Goat Skins (Untanned)			Carpets and Rugs			Peanut Oil			Rape Seed		
	Quantity million lbs.	Value	Per Cent	Quantity thousand	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent
1920.....	10.0	10.0	1.5	...	1.7	.3	.....	...	...	27	1.2	.2
1921.....	7.8	3.3	.7	...	.8	.2	.....	...	...	147	3.3	.7
1922.....	9.3	5.0	.9	...	2.7	.5	.....	...	...	80	1.9	.3
1923.....	7.4	4.4	.7	...	3.8	.6	.....	...	...	67	1.6	.3
1924.....	9.5	2.9	.5	182	4.8	.8	89.6	6.8	1.1	67	1.7	.3
1925.....	12.3	3.7	.6	179	5.3	.8	78.4	6.4	1.0	105	2.9	.4
1926.....	14.5	4.7	.7	180	5.0	.8	109.7	8.2	1.2	234	5.7	.9
1927.....	11.9	3.6	.6	177	4.5	.7	78.9	5.9	.9	65	1.5	.2
1928.....	12.3	4.1	.6	159	4.2	.6	44.3	3.7	.5	58	1.4	.2
1929.....	16.2	4.8	.7	161	3.6	.6	41.4	3.2	.5	186	4.0	.6
1930.....	13.0	3.0	.7	123	2.0	.5	111.0	6.3	1.5	109	2.0	.5
1931.....	13.5	2.3	.7	270	1.3	.4	109.0	4.3	1.4	84	1.2	.4

Year	Ramie			Fireworks			Antimony (Regulus)			Tobacco (Leaf)		
	Quantity thousand tons	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent
1920.....	13.5	3.6	.5	13	4.2	.6	27	1.0	.1	40	5.6	.8
1921.....	13.5	2.1	.5	13	2.7	.6	27	.8	.2	27	2.3	.5
1922.....	13.5	2.4	.4	27	3.1	.6	27	.8	.1	27	2.5	.5
1923.....	13.5	2.2	.4	13	2.3	.4	27	1.0	.2	40	4.6	.8
1924.....	16.5	4.0	.6	20	2.5	.4	24	1.4	.2	28	2.8	.4
1925.....	12.0	2.3	.4	14	2.0	.3	37	3.6	.6	27	3.2	.5
1926.....	12.5	3.8	.6	20	2.6	.4	40	4.3	.7	30	3.2	.5
1927.....	12.5	2.5	.4	17	2.2	.3	35	2.8	.4	30	3.2	.5
1928.....	15.4	2.7	.4	17	2.4	.3	36	2.3	.3	20	2.4	.3
1929.....	14.2	2.4	.4	17	2.5	.4	44	2.4	.4	17	1.8	.3
1930.....	13.5	1.3	.3	14	1.5	.4	35	1.5	.4	16	1.2	.3
1931.....	15.2	1.4	.5	10	.7	.2	23	.8	.3	18	1.3	.4

TABLE XXVIII. CHINA—PRINCIPAL IMPORTS*

With duties levied. Values in millions of dollars and as percentages of total.

Year	Total Imports	Raw Cotton			Rice and Paddy			Sugar			Kerosene			Chemicals or Fertilizers	
		Quantity millions of lbs.	Value	Per Cent	Quantity billions of lbs.	Value	Per Cent	Quantity billions of lbs.	Value	Per Cent	Quantity millions of bbls.	Value	Per Cent	Value	Per Cent
1920.....	992	93	22.3	2.2	.2	6.7	.7	.5	50.0	5.0	...	67.3	6.8	....	...
1921.....	709	227	27.3	3.9	1.4	31.3	4.4	.9	54.1	7.6	...	44.1	6.2	....	...
1922.....	809	240	34.9	4.3	2.6	66.3	8.2	.9	49.1	6.1	...	52.6	6.5	....	...
1923.....	759	213	43.0	5.7	3.0	78.6	10.4	.8	47.1	5.5	...	46.6	6.1	....	...
1924.....	842	163	39.5	4.7	1.8	51.2	6.1	1.2	61.9	7.4	5.3	46.8	5.6	12.5	1.5
1925.....	811	241	58.8	7.3	1.7	51.3	6.3	1.6	75.3	9.3	6.1	55.4	6.8	13.8	1.7
1926.....	870	366	71.2	8.2	2.5	68.3	7.9	1.5	62.5	7.2	5.5	43.0	4.9	16.0	1.8
1927.....	713	309	55.0	7.7	2.8	74.0	10.4	1.3	51.4	7.2	3.9	29.9	4.2	16.2	2.3
1928.....	859	255	48.3	5.6	1.7	46.2	5.4	1.8	69.7	8.1	6.2	44.3	5.1	23.2	2.7
1929.....	820	339	58.9	7.2	1.4	37.8	4.6	1.9	63.0	7.7	5.9	36.3	4.4	22.1	2.7
1930.....	611	464	61.2	10.0	2.7	55.8	9.1	1.7	39.8	6.5	4.4	25.4	4.2	21.7	3.6
1931.....	492	611	50.8	10.3	1.4	18.5	3.8	1.5	25.3	5.5	3.9	18.6	3.8	14.7	3.0
Tariff of: Before Oct. 1926.....			5%			5%			5%			5%			5%
Oct. 1926.....			—			Not ascertained			10%			—			Not ascertained
1929.....		1.20 Hk. T. per picul				Not ascertained		1.4 G. U. per picul			.847 Hk. T., U. S. gal.				Not ascertained
1930.....		2.10 G. U. per picul				Not ascertained		2.4 G. U. per picul			1.48 G. U., U. S., gal.				Not ascertained
1931.....		2.10 G. U. per picul				Not ascertained		2.4 G. U. per picul			1.33 G. U., U. S., gal.				Not ascertained
1932.....		2.10 G. U. per picul				Not ascertained		2.4 G. U. per picul			1.33 G. U., U. S., gal.				Not ascertained

* Sources: *Foreign Trade of China*, Published by Order of Inspector General of Customs, Shanghai, China; and *Commerce Year Book*, Bureau of Foreign and Domestic Commerce, Dept. of Commerce, Washington, D. C.

TABLE XXVIII *Continued*

Year	Machinery (exc. electr.)		Paper and Cardboard		Tobacco Leaf			Machinery (elec.)		Wheat Flour			Fishery Products		
	Value	Per Cent	Value	Per Cent	Quantity millions of lbs.	Value	Per Cent	Value	Per Cent	Quantity millions of bbls.	Value	Per Cent	Quantity millions of lbs.	Value	Per Cent
1920.....	....	...	17.6	1.8	27.0	16.0	1.6	....	...	....	2.9	.3	239	16.5	1.7
1921.....	....	...	11.6	1.6	27.0	10.9	1.5	....	...	....	2.7	.4	226	10.9	1.5
1922.....	....	...	11.4	1.4	40.0	11.0	1.4	....	...	....	13.9	1.7	266	14.0	1.7
1923.....	....	...	13.3	1.8	40.0	10.2	1.3	....	...	....	21.8	2.9	253	15.6	2.1
1924.....	19.4	2.3	18.3	2.2	90.3	19.7	2.3	8.1	1.0	4.5	24.0	2.9	343	19.5	2.3
1925.....	13.9	1.7	16.0	2.0	73.5	16.5	2.0	7.3	.9	1.9	12.5	1.5	251	17.4	2.1
1926.....	14.2	1.6	21.0	2.4	100.7	19.4	2.2	8.9	1.0	2.9	18.0	2.1	284	16.6	1.9
1927.....	14.0	2.0	17.5	2.5	84.4	15.2	2.1	9.1	1.3	2.6	14.7	2.1	254	15.5	2.2
1928.....	15.3	1.8	20.6	2.4	142.6	24.4	2.8	10.3	1.2	4.0	22.3	2.6	256	15.2	1.8
1929.....	19.7	2.4	23.0	2.8	123.2	17.3	2.1	14.4	1.7	8.1	40.3	4.9	...	16.9	2.1
1930.....	20.4	3.3	18.2	3.0	128.6	16.3	2.7	15.6	2.6	3.5	14.0	2.3	...	12.0	2.0
1931.....	12.5	2.5	14.4	2.5	164.3	13.9	2.8	2.0	.4	3.3	8.2	1.7	...	6.6	1.3
Tariff of:															
Before Oct. 1926..	5%		5%		5%			5%		5%			5%		
Oct. 1926.....	7½%		7½%		—			—		Free			7½%		
1929.....	12½%		2.1 G. U. per picul		4.00 Hk. T. per picul			10%		Free			7½%		
1930.....	7½%		1.4 G. U. per picul		6.50 G. U. per picul			10%		Free			15%		
1931.....	7½%		1.4 G. U. per picul		8.00 G. U. per picul			15%		Free			15%		
1932.....	7½%		1.4 G. U. per picul		8.00 G. U. per picul			15%		Free			15%		

TABLE XXVIII *Continued*

Year	Cigarettes			Coal			Iron and Steel (Sheets and Plates)			Timber (soft)		
	Quantity billions	Value	Per Cent	Quantity millions of tons	Value	Per Cent	Quantity thousands of tons	Value	Per Cent	Quantity millions of square feet	Value	Per Cent
1920	8.1	27.3	2.7	1.3	17.9	1.8	...	....	...	208	11.4	1.1
1921	8.4	18.9	2.7	1.4	10.5	1.5	...	....	...	113	3.0	.4
1922	9.8	23.5	2.9	1.2	8.9	1.1	...	....	...	232	6.9	.9
1923	10.1	22.6	3.0	1.4	10.3	1.4	...	....	...	125	4.2	.6
1924	9.8	22.4	2.7	1.6	12.3	1.5	118	11.9	1.4	273	8.9	1.1
1925	6.5	14.9	1.8	2.7	21.9	2.7	90	8.8	1.1	209	5.8	.7
1926	7.7	15.8	1.8	2.9	20.5	2.4	99	8.7	1.0	305	8.8	1.0
1927	4.8	8.8	1.2	2.3	15.4	2.2	88	7.8	1.1	220	6.1	.9
1928	9.5	17.8	2.1	2.4	16.0	1.8	133	11.4	1.3	309	7.9	.9
1929	8.2	13.3	1.6	2.3	12.5	1.5	145	11.7	1.4	512	12.9	1.6
1930	6.2	11.9	1.9	2.5	11.7	1.9	131	9.7	1.6	384	7.7	1.3
1931	2.9	3.8	.8	1.9	6.1	1.2	132	6.9	1.4	424	6.4	1.3
Tariff of:												
Before Oct. 1926	—				5%		—			—		
Oct. 1926	—				7½%		—			—		
1929	50%			.89 G. U. per ton			1.15 Hk. T. per picul			4.00 Hk. T. (1,000 sup. ft.)		
1930	50%			.89 G. U. per ton			1.58 G. U. per picul			8.00 G. U. (1,000 sup. ft.)		
1931	50%			.89 G. U. per ton			1.58 G. U. per picul			8.00 G. U. (1,000 sup. ft.)		
1932	50%			.89 G. U. per ton			1.58 G. U. per picul			7.00 G. U. (1,000 sup. ft.)		

TABLE XXVIII *Continued*

Year	Cotton and White Sheeting			Arms and Munitions		Rayon Yarn			Wheat			Wool Fabrics	
	Quantity million pieces	Value	Per Cent	Value	Per Cent	Quantity millions of lbs.	Value	Per Cent	Quantity millions of bu.	Value	Per Cent	Value	Per Cent
1920.....	3.7	32.6	3.3	.7	.1	...	....	...	...	....	...	6.0	.6
1921.....	2.2	15.5	2.2	.4	.1	...	....	...	.2	.2	.0	5.6	.8
1922.....	3.6	22.1	2.7	.9	.1	...	....	...	2.6	2.6	.3	7.3	.9
1923.....	2.2	12.1	1.6	.7	.1	...	....	...	6.0	7.3	1.0	15.2	2.0
1924.....	3.8	22.8	2.7	1.6	.2	1.7	2.1	.2	11.4	14.3	1.7	14.4	1.7
1925.....	2.8	18.2	2.2	6.1	.8	3.6	4.1	.5	1.5	2.2	.3	9.8	1.2
1926.....	2.9	16.3	1.9	1.7	.2	5.7	4.0	.5	9.2	13.6	1.6	15.6	1.8
1927.....	1.8	8.8	1.2	4.8	.7	10.9	7.6	1.1	3.7	4.9	.7	9.1	1.3
1928.....	3.2	15.7	1.8	8.2	1.0	16.5	11.6	1.3	2.0	2.4	.3	20.0	2.3
1929.....	3.3	15.1	1.8	2.5	.3	19.4	10.0	1.1	12.6	13.7	1.7	22.7	2.8
1930.....	2.1	7.4	1.2	7.2	1.2	17.0	7.0	1.1	6.1	5.9	1.0	5.8	.9
1931.....	2.1	3.9	.8	3.4	.7	17.5	5.4	1.1	49.3	25.0	5.1	6.3	1.3
Tariff of:													
Before Oct. 1926.....		5%		Not ascertained		Not ascertained			—			Not ascertained	
Oct. 1926.....		7½%		Not ascertained		Not ascertained			—			Not ascertained	
1929.....		10%		Not ascertained		Not ascertained			Free			Not ascertained	
1930.....		12½%		Not ascertained		Not ascertained			Free			Not ascertained	
1931.....		12½%		Not ascertained		Not ascertained			Free			Not ascertained	
1932.....		12½%		Not ascertained		Not ascertained			Free			Not ascertained	

TABLE XXVIII Continued

Year	Gunny Bags			Gasoline and Naphtha			Cotton Yarn			Indigo, Synthetic			Cotton—Gray Sheeting		
	Quantity millions of lbs.	Value	Per Cent	Quantity millions of bbls.	Value	Per Cent	Quantity millions of lbs.	Value	Per Cent	Quantity millions of lbs.	Value	Per Cent	Quantity million pieces	Value	Per Cent
1920.....	.....	.....	.....	..	2.1	.2	173	97.6	9.8	27	19.0	1.9	5.5	48.1	4.8
1921.....	.....	.....	.....	..	2.1	.3	173	50.8	7.2	27	11.6	1.6	4.9	22.4	3.2
1922.....	.....	.....	.....	..	2.7	.3	160	56.4	7.0	27	10.2	1.3	5.3	25.1	3.1
1923.....	.....	.....	.....	..	3.0	.4	93	33.3	4.4	40	9.4	1.2	4.1	20.4	2.7
1924.....	86.9	5.8	.7	.2	3.3	.4	77	27.7	3.3	56	17.5	2.1	4.0	20.7	2.5
1925.....	112.6	8.8	1.1	.2	3.8	.5	86	32.9	4.1	55	12.5	1.5	3.8	19.1	2.4
1926.....	135.3	11.3	1.3	.3	4.7	.5	60	21.5	2.5	45	9.5	1.1	3.8	17.1	2.0
1927.....	132.9	10.0	1.4	.3	4.3	.6	40	12.2	1.7	41	7.3	1.0	2.3	9.1	1.3
1928.....	155.9	11.9	1.4	.5	5.9	.7	38	11.8	1.4	47	9.3	1.1	2.7	11.3	1.3
1929.....	166.2	10.8	1.3	.7	5.9	.7	31	9.2	1.1	57	11.0	1.3	2.3	8.9	1.1
1930.....	114.1	5.7	.9	.7	5.7	.9	22	5.4	.9	32	5.4	.9	1.7	4.9	.8
1931.....	143.6	5.2	1.1	.7	4.3	.9	6	1.2	.2	32	5.0	1.0	.8	1.7	.3
Tariff of:															
Before Oct. 1926..	Not ascertained			—				5%		—			Not ascertained		
Oct. 1926.....	Not ascertained			—				7½%		—			Not ascertained		
1929.....	Not ascertained			1.012 Hk. T. (10 U. S. gals.)				7½%		6.6 Hk. T. per picul			Not ascertained		
1930.....	Not ascertained			1.77 G. U. (10 U. S. gals.)				7½%		11.55 G. U. per picul			Not ascertained		
1931.....	Not ascertained			1.53 G. U. (10 U. S. gals.)				7½%		12.0 G. U. per picul			Not ascertained		
1932.....	Not ascertained			1.53 G. U. (10 U. S. gals.)				7½%		14.0 G. U. per picul			Not ascertained		

TABLE XXVIII *Continued*

Year	Rubber Mfgs.		Automobiles			Beverages		Wool Yarn and Cord			Aniline Dyes		Lubricating Oil		
	Value	Per Cent	Quantity thousands	Value	Per Cent	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Quantity million bbls.	Value	Per Cent
1920.....	1.9	1.9	...	4.3	.4	6.2	.6	.9	1.5	.2	9.5	1.0	..	3.1	.3
1921.....	1.5	.2	...	2.7	.4	4.6	.6	1.1	1.6	.2	6.1	.9	..	2.2	.3
1922.....	2.2	.3	...	1.9	.2	3.9	.5	1.7	1.7	.2	5.6	.7	..	2.3	.3
1923.....	1.6	.2	...	1.8	.2	4.2	.6	4.3	4.2	.6	6.3	.8	..	2.6	.3
1924.....	1.8	.2	...	2.6	.3	4.2	.5	4.1	4.2	.5	8.6	1.0	.2	2.7	.3
1925.....	2.4	.3	3.2	3.2	.4	4.3	.5	3.3	3.2	.4	3.0	.4	.2	2.0	.2
1926.....	3.3	.4	4.5	3.9	.4	4.9	.6	8.1	6.7	.8	2.6	.3	.2	2.3	.3
1927.....	4.1	.6	3.3	2.8	.4	4.0	.6	3.9	3.1	.4	3.4	.5	.2	2.2	.3
1928.....	5.9	.7	4.1	3.5	.4	6.1	.7	7.9	6.7	.8	5.4	.6	.3	3.1	.4
1929.....	5.9	.7	8.9	7.4	.9	3.7	.5	13.1	10.2	1.2	4.9	.6	.3	3.6	.4
1930.....	4.2	.7	4.5	3.5	.6	3.1	.5	4.5	3.0	.5	2.9	.5	.3	2.9	.5
1931.....	3.3	.7	3.7	2.0	.4	1.9	.4	10.0	4.2	.9	2.9	.6	.2	1.7	.3
Tariff of:															
Before Oct. 1926.....	Not ascertained		.....			5%		Not ascertained			Not ascertained		.....	
Oct. 1926.....	Not ascertained		.....			10%		Not ascertained			Not ascertained		.....	
1929.....	Not ascertained		22½%			9.05 G.U. per picul		Not ascertained			Not ascertained		.053 Hk.T., U.S. gal.		
1930.....	Not ascertained		22½%			18.0 G.U. per picul		Not ascertained			Not ascertained		.09 G.U., U.S. gal.		
1931.....	Not ascertained		30%			18.0 G.U. per picul		Not ascertained			Not ascertained		.05 G.U., U.S. gal.		
1932.....	Not ascertained		30%			18.0 G.U. per picul		Not ascertained			Not ascertained		.05 G.U., U.S. gal.		

TABLE XXVIII *Concluded*

Year	Copper and Brass			Paraffin Wax			Fuel Oil			Sole Leather		
	Quantity millions of lbs.	Value	Per Cent	Quantity millions of lbs.	Value	Per Cent	Quantity millions of bbls.	Value	Per Cent	Quantity millions of lbs.	Value	Per Cent
1920.....	67	16.0	1.6	27	2.6	.3	...	1.4	.1	....	...	..
1921.....	67	11.2	1.6	40	2.1	.3	...	.8	.1	....	...	..
1922.....	80	12.9	1.6	53	2.5	.3	...	1.2	.1	....	...	..
1923.....	40	6.5	.9	67	3.2	.4	...	1.2	.2	....	...	..
1924.....	89	13.2	1.6	77	4.8	.6	.8	1.9	.2	14.9	3.9	.5
1925.....	30	4.7	.6	49	3.1	.4	.7	1.9	.2	16.3	4.4	.5
1926.....	27	4.3	.5	79	5.3	.6	.9	2.5	.3	18.6	4.8	.6
1927.....	25	3.2	.4	44	2.7	.4	1.1	3.1	.4	13.4	3.3	.5
1928.....	25	4.0	.5	92	5.6	.7	1.5	3.8	.4	11.0	3.1	.4
1929.....	24	4.3	.5	80	4.5	.5	1.5	3.1	.4	10.8	2.8	.3
1930.....	19	2.8	.5	55	2.3	.4	1.3	2.2	.4	6.5	1.2	.2
1931.....	12	1.7	.3	80	2.5	.5	1.6	2.7	.5	5.1	.7	.1
Tariff of:												
Before Oct. 1926.....	.....			.....			.....			.....
Oct. 1926.....	.....			.....			.....			.....
1929.....	2.20 Hk.T. per picul			.57 Hk.T. per picul			2.425 Hk.T. per ton			15%		
1930.....	3.85 G.U. per picul			1.00 G.U. per picul			4.24 G.U. per ton			15%		
1931.....	3.25 G.U. per picul			.98 G.U. per picul			2.90 G.U. per ton			25%		
1932.....	3.25 G.U. per picul			.98 G.U. per picul + surtax 1/10 of duty			2.90 G.U. per ton			25%		

exporting to them. The difference between China and the countries just mentioned with respect to concentration of exports is a difference of degree, not of kind.

Still, a study of the tables, if certain items are classified into groups, reveals some concentration. Silk and its products (raw silk, wild silk, waste, piece goods, and pongees) cover 18 per cent of the exports; other fibres (cotton, wool, and products), 7.5 per cent; beans (soya and other beans and their products, 20.6 per cent; eggs and egg products, 5.1 per cent; tea, 4.1 per cent; peanuts and peanut oil, 1.6 per cent (Figures for 1929). Doubtless, because of her vast extent and varied resources, China could, in time, adjust herself to whatever changes other nations might see fit to make in their tariff policies with respect to these exports, but if the changes were sudden and violent they would cause no little dislocation of business, no little unemployment and misery, while the adjustment was being made.

Nor would the maladjustment end with the interests directly concerned with China's export industries. The credits received by China for her exports are essential as a means of paying for her imports; and, as shown by the table, imports also are considerably concentrated in groups, and some of them are of vital importance to China and her dense population. Some 21.0 per cent of them are food products (rice and paddy, 4.6 per cent; sugar, 7.7 per cent; wheat, 1.7 per cent; flour, 4.9 per cent; and marine products, 2.1 per cent); some sixteen per cent are textiles or their raw material (raw cotton, 7.2 per cent; cotton fabric and cotton materials, 4 per cent; wool fabrics, 2.8 per cent; wool garments, 1.2 per cent; and rayon, 1.1 per cent); iron, steel, machinery, and automobiles cover 6.4 per cent; and petroleum and petroleum products cover 5.9 per cent. Altogether, over 50 per cent of China's total imports are covered by these items.

Hence, tariff acts by other countries tending to exclude China's exports would tend also to deprive, at least temporarily, the Chinese people of a part of the food, clothing, and other necessities and conveniences of modern life, to which they have become accustomed.

We conclude, that while China has great possibilities in the direction of self-sufficiency, if she elects to make self-sufficiency a goal or if other nations force it on her by their tariff policies, her im-

mediate welfare is dependent on her foreign trade to such an extent that she cannot view the tariff policies of other nations with unconcern.

TRADE WITH OTHER PACIFIC COUNTRIES

For trade with Australia, see Chapter I, page 37.

For trade with Canada, see Chapter II, page 77.

CHINA—JAPAN

China and Japan are not so clearly complementary in their needs and resources as are both of these countries with respect to some of the others treated in this study. Both are faced with a population problem; both could improve their economic position by exporting manufactured goods and importing foodstuffs. We might expect on the basis of reciprocal needs that both of them would have a larger trade with Australia, Canada, or New Zealand than with each other. Such, however, is not the case. In the first place, China has a far larger population than the countries mentioned. Hence on a per capita basis China's trade with Japan might be much smaller than with any of the others, and still in the aggregate be much greater. Other reasons for the large Chinese-Japanese trade are to be found in China's low tariff and in the difference in the stages of industrial development of the two countries. China, especially in the less densely populated parts of the Republic, still produces foods and materials needed by Japan; and Japan produces manufactured goods needed by China and not yet produced in the latter country as effectively as they can be produced in Japan.

The nature of this trade is shown more in detail in Tables XXIX and XXX.

China proper is densely populated, but this is not yet true of Manchuria and Mongolia. Moreover, even in the densely populated provinces poultry raising is carried on to such an extent that there is a large export surplus of eggs and egg products. In Manchuria the great export crop is the soya bean and its products, soya bean oil and oil cake. China is also an exporter of raw silk, raw cotton, and cottonseed; and finally she has an export surplus of some minerals: coal, iron, tin, tungsten, and antimony. Hence, in spite of her dense population, China has large export surpluses of

TABLE XXIX. CHINA—EXPORTS TO JAPAN*

With duties encountered. Quantities in thousands of piculs, or otherwise as indicated. Values in millions of yen and as percentages of total.

Year	Total	Per Cent of total exports	Oil Cake			Cotton (Ginned)		Soya Beans			Wheat Bran			Fresh Beef			Iron Ore		
			Quantity million piculs	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity million piculs	Value	Per Cent
1920.....	218	16.1	3.8	29.7	13.6	12.7	5.8	348.8	3.3	1.5	1,585	8.9	4.1	120.2	4.1	1.9	10.8	14.4	6.6
1921.....	192	21.0	5.2	21.6	11.2	24.1	12.6	954.0	4.6	2.4	2,175	7.9	4.1	212.7	5.3	2.7	7.3	7.3	3.8
1922.....	186	17.1	3.2	16.1	8.7	17.4	9.4	1,124.6	6.1	3.3	1,163	5.2	2.8	212.5	5.3	2.8	10.7	6.6	3.5
1923.....	205	17.1	4.0	19.0	9.3	32.2	15.7	886.5	5.1	2.5	1,243	5.1	2.5	272.3	6.8	3.3	11.8	5.2	2.5
1924.....	238	19.0	3.6	18.2	7.6	71.1	30.0	895.0	5.9	2.5	2,879	12.8	5.4	242.2	7.0	2.9	13.3	6.1	2.6
1925.....	215	16.5	4.3	23.0	10.7	50.0	23.3	1,104.0	8.6	4.0	2,662	13.1	6.1	166.7	5.8	2.7	13.5	6.3	2.9
1926.....	239	18.2	8.4	43.0	18.0	45.1	18.9	1,823.0	13.0	5.4	2,526	11.1	4.6	227.4	6.8	2.8	8.4	4.0	1.7
1927.....	226	17.8	9.5	42.4	18.8	49.1	21.7	2,141.0	12.6	5.6	2,263	8.7	3.8	260.4	6.7	3.0	8.4	4.3	1.9
1928.....	235	16.7	9.7	43.9	18.7	49.6	21.1	1,768.0	10.8	4.6	2,627	10.0	4.2	229.1	5.8	2.5	14.6	8.0	3.4
1929.....	210	16.1	8.7	40.2	19.1	33.5	15.9	927.0	5.8	2.7	2,414	8.7	4.1	228.0	5.6	2.7	15.8	8.5	4.0
1930.....	162	20.0	9.4	35.0	21.7	22.0	13.6	1,762.9	8.4	5.2	2,672	8.3	5.1	248.8	6.8	4.2	13.2	6.7	4.1
1931.....	146	23.6	10.9	24.7	16.9	17.4	11.9	3,597.0	10.6	7.3	3,807	7.4	5.1	272.2	7.4	5.1	9.9	4.2	2.9
Tariff of: 1910.....				Free			Free	.70 yen (100 kin)			.30 yen (100 kin)			3.80 yen (100 kin)				Free	
1926.....				Free			Free	.70 yen (100 kin)			Free			2.00 yen (100 kin)				Free	

* Source: Annual Returns of the Foreign Trade of Japan, Department of Finance, Tokio, Japan.

TABLE XXIX Continued

Year	Rape-Seed and Mustard-Seed			Coal			Cottonseed			Cow and Buffalo Hides			Fresh Eggs			Sesame Seed			
	Quantity	Value	Per Cent	Quantity thousand long tons	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	
1920.....	189.8	1.7	.8	557.9	12.7	5.8	510.8	3.6	1.7	127.7	13.4	6.1	264.6	11.1	5.1	15.6	.2	.1	
1921.....	1,148.0	8.2	4.3	411.0	6.9	3.6	473.6	1.7	.9	119.8	5.5	2.9	598.0	17.9	9.3	212.5	2.0	1.0	
1922.....	670.5	5.5	3.0	321.3	4.0	2.2	266.3	1.0	.5	55.4	2.5	1.3	406.8	12.6	6.8	57.7	.6	.3	
1923.....	464.0	4.2	2.0	575.1	7.7	3.8	388.7	1.6	.8	91.6	3.8	1.9	447.5	14.2	6.9	50.9	.6	.3	
1924.....	446.3	4.7	2.0	568.0	7.4	3.1	315.3	1.3	.5	99.0	4.4	1.8	429.2	15.1	6.3	96.7	1.5	.6	
1925.....	747.0	8.4	3.9	207.7	3.9	1.8	533.4	2.4	1.1	89.4	4.9	2.3	324.2	12.6	5.9	126.9	2.1	1.0	
1926.....	1,707.3	15.1	6.3	306.4	4.2	1.8	865.4	3.6	1.5	135.2	6.8	2.8	286.4	11.3	4.7	165.5	2.2	.9	
1927.....	664.9	5.9	2.6	551.4	6.8	3.0	886.4	3.3	1.5	98.9	4.3	1.9	244.1	10.0	4.4	256.4	3.5	1.5	
1928.....	428.0	4.6	2.0	528.1	6.5	2.8	1,091.0	4.5	1.9	104.6	4.8	2.0	183.0	7.0	3.0	280.4	3.6	1.5	
1929.....	1,246.0	11.1	5.3	617.8	7.6	3.6	1,438.0	5.6	2.7	126.5	5.7	2.7	114.0	4.0	1.9	221.8	2.4	1.1	
1930.....	843.0	5.8	3.6	449.1	5.3	3.3	1,061.0	3.3	2.0	100.6	3.2	2.0	92.6	2.8	1.7	361.3	2.8	1.7	
1931.....	669.0	3.6	2.5	351.6	3.9	2.7	772.0	1.7	1.2	96.9	2.7	1.8	137.6	3.0	2.1	381.9	2.8	1.9	
Tariff of:																			
1910.....	.65 yen (100 kin)			Free			.....			Free			6.00 yen (100 kin)			1.00 yen (100 kin)		
1926.....	.85 yen (100 kin)			Free			.....			Free			6.00 yen (100 kin)			.50 yen (100 kin)		

TABLE XXIX *Continued*

Year	Flax, China Grass and Ramie			Lacquer			Raw Silk			Salt			Bone Dust		
	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	57.2	1.9	.9	13.4	2.9	1.3	8.4	8.2	3.8	3,450	6.7	3.1	211.6	2.0	.9
1921.....	72.2	1.7	.9	16.3	2.1	1.1	9.4	6.8	3.5	1,673	2.4	1.2	271.9	1.2	.6
1922.....	69.1	2.2	1.2	16.4	2.3	1.2	3.9	4.3	2.3	1,633	2.2	1.2	212.5	1.5	.8
1923.....	112.5	3.5	1.7	16.7	2.3	1.1	3.5	4.1	2.0	243	.3	.1	414.8	2.4	1.2
1924.....	289.4	10.1	4.2	18.0	2.6	1.1	2.2	2.4	1.0	84	.1	.0	387.2	2.3	1.0
1925.....	198.7	7.0	3.3	16.0	3.0	1.4	1.7	2.9	1.3	133	.1	.0	284.8	2.0	.9
1926.....	197.7	5.6	2.3	19.8	4.0	1.7	2.3	2.5	1.0	753	.7	.3	290.7	1.8	.8
1927.....	177.2	5.0	2.2	18.8	4.1	1.8	1.9	2.4	1.1	2,224	1.7	.8	333.4	1.9	1.7
1928.....	241.6	6.8	2.8	19.5	3.4	1.4	1.9	2.4	1.0	2,383	1.8	.8	335.2	1.9	.8
1929.....	227.8	5.7	2.7	21.8	3.2	1.5	1.1	1.5	.7	2,869	2.0	1.0	385.3	2.2	1.0
1930.....	125.4	2.6	1.6	22.2	2.4	1.5	2.4	1.7	1.0	2,685	1.7	1.0	331.2	1.5	.9
1931.....	175.2	3.1	2.1	19.9	1.7	1.2	2.6	1.3	.9	1,822	1.1	.8	400.5	1.3	.9
Tariff of: 1910		Free			6.80 yen (100 kin)			15%			Free			Free	
1926		Free			6.80 yen (100 kin)			25%			Free			Free	

TABLE XXIX *Concluded*

Year	Bristles (Pig)			Packing Mats		Leaf Tobacco			Tin (Ingots and Slabs)			Silk Waste or Old Fibers		
	Quantity	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	4.8	2.1	1.0	1.0	.5	67.2	4.1	1.9	5.5	.7	.3	36.2	1.0	.5
1921.....	3.3	.7	.4	1.0	.5	3.0	.2	.1	6.4	.5	.3	117.9	1.9	1.0
1922.....	3.7	.9	.5	.6	.3	6.1	.3	.2	.9	.1	.1	80.5	1.4	.8
1923.....	4.1	1.2	.6	.7	.3	4.8	.4	.2	7.2	.8	.4	112.7	3.4	1.7
1924.....	4.2	1.2	.5	1.8	.8	13.8	.9	.4	10.1	1.5	.6	80.6	3.4	1.4
1925.....	5.7	1.9	.9	2.1	1.0	13.0	1.1	.5	18.5	3.2	1.5	70.9	4.4	2.0
1926.....	6.1	2.0	.8	2.6	1.1	9.7	.7	.3	22.2	3.8	1.6	130.2	4.8	2.0
1927.....	4.1	1.1	.5	1.7	.8	12.1	.9	.4	24.1	4.1	1.8	117.6	2.7	1.2
1928.....	5.3	1.4	.6	1.5	.6	26.2	.7	.3	22.2	3.1	1.3	89.8	2.4	1.0
1929.....	6.4	1.9	.9	1.4	.7	13.3	.9	.4	26.7	3.6	1.7	70.4	2.2	1.0
1930.....	5.1	1.4	.9	1.1	.7	15.6	1.0	.6	19.6	1.7	1.0	62.7	1.1	.7
1931.....	5.8	.9	.6	1.1	.8	17.8	1.0	.7	12.3	.8	.5	100.1	2.5	1.7
Tariff of: 1910.....		Free			Free					3.75 yen (100 kin)				Free
1926.....		Free			Free		3.55%			3.75 yen (100 kin)				Free

TABLE XXX. JAPAN—EXPORTS TO CHINA*

With duties encountered. Quantities in thousand piculs unless otherwise indicated. Values in million yen and as percentages of total.

Year	Total	Per Cent of Total Exports	Cotton Tissue		Refined Sugar			Printing Paper			Coal			Wheat Flour		
			Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Thousand Tons	Value	Per Cent	Quantity	Value	Per Cent
1920.....	410.3	21.1	130.5	31.8	479	14.6	3.6	...	...	...	721	14.0	3.4	.....	.....	...
1921.....	287.2	22.9	101.0	35.2	593	11.7	4.1	...	...	...	790	10.7	3.7	.....	.....	...
1922.....	333.5	20.4	108.8	32.6	1,292	17.3	5.2	...	...	...	635	8.2	2.5	80	.7	.2
1923.....	272.2	18.8	100.3	36.9	864	13.7	5.0	207	6.0	2.2	744	9.5	3.5	103	.8	.3
1924.....	348.4	19.3	137.7	39.5	1,779	27.2	7.8	280	7.0	2.0	993	12.3	3.5	80	.8	.2
1925.....	468.4	20.3	194.0	41.4	2,175	29.3	6.3	354	6.3	1.3	1,898	22.6	4.8	406	5.0	1.1
1926.....	421.9	20.6	180.0	42.6	2,682	30.3	7.2	344	6.2	1.5	1,775	20.0	4.7	908	10.7	2.5
1927.....	334.2	16.8	123.5	37.0	2,229	24.6	7.4	352	5.9	1.8	1,364	14.8	4.4	939	10.7	3.2
1928.....	373.1	18.9	158.5	42.5	3,120	31.6	8.5	648	10.1	2.7	1,439	15.2	4.1	1,764	18.6	5.1
1929.....	346.7	16.1	150.1	43.3	2,380	22.0	6.3	656,	9.8	2.8	1,184	12.5	3.6	1,787 ⁰	15.7	4.5
1930.....	260.8	17.7	86.9	33.3	3,122	22.8	8.7	919	12.5	4.8	1,302	12.5	4.8	1,337	9.9	3.8
1931.....	155.8	13.6	43.1	27.7	1,985	11.4	7.3	754	9.3	6.0	820	7.5	4.8	1,685	7.3	4.7
Tariff of:																
Before Oct., 1926.....			5 %		5%			5 %			5 %					Free
Oct., 1926.....			7½%		10%			7½%			7½%					Free
1929.....			10 %		1.4 G.U. per picul			2.1 G.U. per picul			.89 G.U. per ton					Free
1930.....			12½%		2.4 G.U. per picul ^b			1.4 G.U. per picul			.89 G.U. per ton					Free
1932.....			12½%		2.4 G.U. per picul			1.4 G.U. per picul			.89 G.U. per ton					Free

Calendar years.

* Source: Annual Returns of the Foreign Trade of Japan, Department of Finance, Tokio, Japan.

TABLE XXX *Continued*

Year	Aquatic Products		Spinning and Weaving Machines		Cigarette Paper		Glass and Mfgs.		Silk Tissue	
	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	8.7	2.1	...	...	...	..	3.1	.8	3.2	.8
1921.....	7.2	2.5	...	...	...	..	2.4	.8	4.1	1.4
1922.....	7.8	2.3	4.0	1.2	1.3	.4	2.6	.8	2.6	.8
1923.....	8.8	3.2	3.2	1.2	1.2	.4	2.1	.8	2.1	.8
1924.....	8.9	2.6	2.5	.7	1.0	.3	3.1	.9	2.8	.7
1925.....	10.6	2.3	2.9	.6	.9	.2	3.3	.7	2.0	.4
1926.....	11.8	2.8	2.3	.6	.8	.2	3.2	.8	2.2	.5
1927.....	7.5	2.2	2.4	.7	1.0	.3	2.6	.8	1.4	.4
1928.....	5.2	1.4	2.5	.7	1.8	.5	2.7	.7	3.5	.9
1929.....	8.7	2.5	3.0	.9	2.8	.8	2.5	.7	4.4	1.3
1930.....	6.0	2.3	3.2	1.2	2.2	.8	2.0	.8	2.1	.9
1931.....	2.7	1.7	4.5	2.9	2.2	1.4	1.0	.6	1.8	1.2
Tariff of:										
Before Oct., 1926.....	5	%	5	%	5	%	5	%	5	%
Oct., 1926.....	7½	%	7½	%	10	%	7½	%	7½	%
1929.....	7½	%	12½	%	25.2 G. U. per picul		12½	%	22½	%
1930.....	15	% ^b	7½	%	15. G. U. per picul		15	%	45	%
1932.....	15	%	7½	%	15. G. U. per picul		15	%	60	%

^b Not effective against Japan until 1932.

TABLE XXX *Concluded*

Year	Pottery		Knitted Goods		Cotton Yarns			Saké		Buttons	
	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	2.1	.5	2.2	.5	500	81.0	19.7	1.7	.4	.3	.1
1921.....	1.3	.5	1.2	.4	524	47.1	16.4	1.8	.6	.4	.1
1922.....	1.6	.5	1.2	.4	639	62.2	18.7	1.5	.4	.4	.1
1923.....	1.3	.5	.8	.3	362	38.5	14.1	1.3	.5	.5	.2
1924.....	1.8	.5	1.0	.3	289	40.9	11.7	1.3	.4	.7	.2
1925.....	2.2	.5	1.4	.3	398	52.1	11.1	1.2	.3	.7	.1
1926.....	2.4	.6	1.8	.4	218	25.7	6.1	1.2	.3	.9	.2
1927.....	1.0	.5	1.2	.4	86	9.2	2.8	1.2	.4	1.0	.3
1928.....	2.0	.5	1.6	.4	68	8.1	2.2	1.4	.4	1.2	.3
1929.....	2.3	.7	1.7	.5	52	6.6	1.9	1.0	.3	.9	.3
1930.....	1.7	.7	1.6	.6	34	2.6	1.0	.7	.3	.7	.3
1931.....	.6	.4	.8	.5	6	.5	.3	.5	.3	.5	.3
Tariff of:											
Before Oct., 1926.....	5 %		5 %		5 %			5%		5 %	
Oct., 1926.....	7½ %		7½ %		7½ %			10%		7½ %	
1929.....	7½ %		10 %		7½ %			9.05 G.U. per picul		12½ %	
1930.....	40 %		10 % ^b		7½ % ^b			18. G.U. per picul		12½ %	
1932.....	40 %		10 %		7½ %			18. G.U. per picul		12½ %	

raw materials; and since in general raw materials are less impeded by hostile tariffs than are finished products, these raw materials constitute the bulk of China's export trade, and all of these raw materials are needed by Japan. This is true even of raw silk and silk waste; in spite of Japan's enormous production and export trade in these products, she nevertheless imports raw silk and silk waste from China.

Japan, as noted, has advanced much further in methods of machine production than China and hence is able to export to her many products of her manufacture. This has been especially true in the past because of China's low tariff, a duty in general of only 5 per cent imposed on her by the foreign Powers, and submitted to by China because she did not have the military strength to assert her rights.

In recent years, however, under the Republic, China has become more and more restive under these restraints. A spirit of nationalism has taken root; and self-sufficiency and protection appear to be corollaries of nationalism. In this situation are to be found seeds of conflict, perhaps inevitable conflict with Japan. So long as China's nationalistic spirit was held in abeyance, a large and mutually advantageous trade expanded, Japan exporting the products of her factories to China—cotton goods, refined sugar, paper, glass, pottery, and buttons—and importing raw cotton, soya beans, oil cake, iron ore, coal, cottonseed, hides, flax, China grass and ramie, and other materials, for her industries. In recent years, however, China has reasserted her tariff autonomy. The duty on cotton and white sheeting which was 5 per cent previous to 1926 was raised in that year to $7\frac{1}{2}$ per cent, in 1929 to 10 per cent, and in 1930 to $12\frac{1}{2}$ per cent.¹ She also increased her duties on knitted goods and cotton yarn. Sheltered by these increased duties, she has set up cotton factories equipped with modern machinery. These duties on cotton goods are low compared with those levied by other countries, but they are ominous for the future of Japan. China has also increased her duties on sugar, paper, aquatic products, glass, pottery, and buttons—all articles of some importance in Japan's export trade with China. By far the most important of these increases in duty is that on cotton goods. Cotton tissue constitutes not far from 40

¹ Not effective against Japan until 1932.

per cent of Japan's total exports to China. Significant also among Japanese exports to China are spinning and weaving machinery. Since 1923, these exports averaged about 2.9 million yen, or about 0.9 per cent of her total exports to China. The significance lies in the evidence they afford of a growing textile industry in China. China has already made considerable progress in cotton manufacturing and bids fair in the future to compete on equal terms with Japan. Indeed, because of the pressure of the raw material in her own country and a somewhat lower labor cost, it is quite on the cards that in a few years she may outstrip Japan in the race. This threat to Japan's export trade with China is a very serious matter to Japan. It is a threat to the means of livelihood of her people.

We have here, therefore, a clash of interests. On the one hand, so long as all other nations assume the right of levying such duties as they please without regard to the injury done to other countries, there would seem to be no valid argument against China's pursuing the same policy. On the other hand, some of Japan's most important industries and the very livelihood of a considerable part of her population have become so dependent on the Chinese market that any threat of closing or partly closing this market by means of tariff barriers could not but be viewed in Japan with extreme solicitude.²

Another clash of interests arises in connection with Manchuria. One of China's chief export products is soya bean oil. Exports of soya beans, soya bean oil, and bean cake constitute over 20 per cent of China's total exports. The credits obtained from these exports are vital to China as a means of paying for her needed imports. She cannot let Manchuria go. For Manchuria to cease to be a part of the Chinese Republic, whether as an independent country or as a province of some other country, would go far to throw her economic adjustment out of gear. On the other hand, Japan, threatened with the loss of her export markets by the rising tariffs of other countries, especially those of China, cannot but see in Manchuria a ready solution of her most serious economic problems. Manchuria has an area

² It is not to be inferred that the sources of friction between China and Japan are exhausted by the explanation given in the text. It seemed appropriate to include here only such as had their roots in the tariff. A much more exhaustive treatment is given in a study entitled *Conflicts in the Far East, 1931-1932*, published by the American Council of the Institute of Pacific Relations.

nearly equal to that of France and Germany combined, and its population is increasing, mainly by migration from China, at such a rate that it bids fair to exceed that of those two countries. Manchuria, either as a province or as a nominally independent country within Japan's "sphere of influence", could be made to serve as a market for manufactured goods in place of the market which Japan is losing through the tariff policies of other nations.³

The clash of interests between China and Japan outlined in the preceding paragraphs illustrates the important bearing of nationalistic tariffs on world peace.

CHINA-NEW ZEALAND

New Zealand and China are complementary in their needs and in their industries to a sufficient extent to afford a basis for a mutually advantageous trade. New Zealand is admirably adapted by her climate, her vast areas of meadow land, and the relative sparseness of her population to the production of dairy products and other products of a pastoral economy. Butter, cheese, and milk are among her chief exports. These are all needed by China to satisfy the food requirements of her dense population; and in fact in some years these products do constitute over 95 per cent of New Zealand's exports to China. (See Table XXXII.) China, on the other hand, has among her varied industries many products needed by New Zealand which she can produce at lower cost than New Zealand can produce them herself. Among these, as shown in Table XXXI, are walnuts, draperies, silk piece goods, rice, tea, brush-making material, vegetable oils, toys and fancy goods, and lace. On all of these, except rice, New Zealand imposes duties, ranging from 20 to 50 per cent.

China's exports to New Zealand constitute only one-tenth of one per cent of her total exports. New Zealand's policy of depriving herself of commodities which she could obtain from China more advantageously by exchange than by direct production is thus seen to be a matter of almost negligible importance to China. If New Zealand, for the sake of diversifying her industries, or of being more nearly self-sufficient, or for any other reason, chooses to ex-

³ This paragraph was written before the cessation of hostilities in northern China. Whether the present adjustment is to remain permanent is for the future to reveal.

TABLE XXXI. CHINA—EXPORTS TO NEW ZEALAND*

With duties encountered. Values in thousands of pounds sterling and as percentages of total.

Year	Total Exports Value	Per Cent of Total Exports to All Countries	Walnuts			Draperies		Silk Piece Goods		Rice		
			Quantity thousands of lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity thousands of cwt.	Value	Per Cent
1920.....	260	.2	100	5	1.9	3	1.2	32	12.3	17	49	18.8
1921.....	150	.2	143	5	3.3	3	2.0	15	10.0	26	30	20.0
1922.....	130	.1	169	7	5.4	4	3.1	28	21.5	10	11	8.5
1923.....	120	.1	149	5	4.2	4	3.3	22	18.3	10	11	9.2
1924.....	120	.1	180	5	4.2	5	4.2	18	15.0	12	12	10.0
1925.....	120	.1	412	15	12.5	5	4.2	10	8.3	11	10	8.3
1926.....	120	.1	328	14	11.7	7	5.8	8	6.7	11	11	9.2
1927.....	110	.1	262	10	9.1	6	5.5	6	5.5	12	11	10.0
1928.....	130	.1	564	23	17.7	9	6.9	7	5.4	12	10	7.7
1929.....	130	.1	373	19	14.6	9	6.9	11	8.5	10	8	6.1
1930.....	120	.1	692	33	27.5	10	8.3	7	5.8	12	8	6.7
1931.....	80	.1	448	21	26.3	7	8.7	14	17.5	10	5	6.3
Tariff of: 1921.....			2d. per pound			35%		35%		2s. per cental		
1927.....			2d. per pound			40%		40%		Free		
1930.....			2d. per pound			45%		45%		Free		
1931.....			2d. per pound			45%		25%		Free		

* Source: *Trade and Shipping of the Dominion of New Zealand*, Census and Statistics Office, Wellington, N. Z.

* 15% if not worked.

TABLE XXXI *Concluded*

Year	Tea			Brush-Making Materials		Vegetable Oils—n.e.i.		Fancy Goods and Toys		Lace		Eggs		
	Quantity thousands of lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity thousands of cwt.	Value	Per Cent
1920.....	117	8	3.1	16	6.2	2	.8	..	...	55	21.2	210	28.0	10.7
1921.....	57	3	2.0	9	6.0	2	1.3	..	...	21	14.0	185	7.9	5.3
1922.....	117	7	5.4	6	4.6	3	2.3	..	...	19	14.6	123	3.4	2.6
1923.....	158	7	5.8	11	9.2	4	3.3	..	...	13	10.8	...	.5	.4
1924.....	110	7	5.8	9	7.5	4	3.3	..	...	5	4.2	...	....	....
1925.....	175	11	9.2	8	6.7	6	5.0	..	...	4	3.3	...	....	....
1926.....	93	6	5.0	7	5.8	4	3.3	4	3.3	3	2.5	...	....	....
1927.....	71	5	4.6	7	6.4	6	5.5	3	2.7	3	2.7	...	....	....
1928.....	79	6	4.6	7	5.4	4	3.1	4	3.1	2	1.5	...	....	....
1929.....	122	9	6.9	7	5.4	5	3.8	5	3.8	2	1.5	...	....	....
1930.....	81	4	3.3	4	3.3	5	4.2	3	2.5	°	....	...	....	....
1931.....	68	3	3.7	3	3.7	2	2.5	4	5.0	°	....	...	....	....
Tariff of: 1921	2d. per pound			45%		Free		35%		35%			35%	
1927	2d. per pound			45%		Free		40%		40%			45%	
1930	5d. per pound			50%		20%		45%		45%			45%	
1931	2d. per pound			50%		20%		45%		45%			45%	

° Included with draperies.

TABLE XXXII. NEW ZEALAND—EXPORTS TO CHINA*

With duties encountered. Values in thousands of pounds sterling and as percentages of totals.

Year	Total Exports to China	Per Cent of Total Exports to All Countries	Butter			Cheese			Milk	
			Quantity cwt.	Value	Per Cent	Quantity cwt.	Value	Per Cent	Value	Per Cent
1920.....	35.2	.1	.....	.....	.....	.....	.....	.....	.....
1921.....	.8	.0	2	.....	.....	.....	.....	.2	25.0	
1922.....	4.9	.0	525	4.3	87.8	.....	.....	.....	.....
1923.....	12.4	.0	1,161	10.1	81.5	.....	.....	.1	8.1	
1924.....	22.7	.0	2,059	18.8	82.8	.....	.....	.....	.....
1925.....	6.6	.0	630	5.1	77.3	.....	.....	.....	.....
1926.....	7.6	.0	800	6.1	80.3	.....	.....	.....	.....
1927.....	24.8	.1	2,876	22.2	89.5	464	2.0	8.1	.....
1928.....	35.0	.1	3,790	30.4	86.8	326	1.4	4.0	.8	2.3
1929.....	36.3	.1	3,896	31.6	87.0	691	3.0	8.3	.8	2.2
1930.....	36.5	.1	4,386	29.7	81.4	788	3.2	8.8	1.0	2.7
1931.....	17.6	.1	648	3.8	21.6	445	1.6	9.1	.....	.....
Tariff of: 1929.....			11.20 Hk. T. per picul			17½%			3.00 Hk. T. per picul	
1930.....			19.60 G. U. per picul			17½%			5.00 G. U. per picul	
1931 (Jan. 1).....			34.00 G. U. per picul			20%			20%	

* Source: *Trade and Shipping of the Dominion of New Zealand*, Census and Statistics Office, Wellington, N. Z.

clude the products of China by tariff barriers, it is her own affair. However, it should be understood that this policy is not economic in the sense of obtaining a maximum of economic goods with a minimum expenditure of labor and capital.

CHINA-PHILIPPINE ISLANDS

Chinese exports to the Philippine Islands constitute a larger percentage of her total exports than do her exports to either Australia or New Zealand. Still, the percentage is small, averaging slightly over one per cent. There is, nevertheless, as in the case of the other countries mentioned, the basis for a mutually advantageous trade.

One impediment to such trade exists as between China and the Philippine Islands, which does not exist as between China and the other countries. The Philippine Islands at the present writing are under the United States flag, and free trade exists between these two countries in the products of the soil or industries of either. Because of this freedom of trade, other things being equal, the Philippine Islands find in the highly protected market of the United States, in which protected market commodities are maintained at a price above the world price, a better market for their goods than in countries which offer no such differential advantage.

The principal items of trade between China and the Philippine Islands are shown in Tables XXXIII and XXXIV. To the Philippine Islands, China sends eggs and egg products, cotton, silk, lard, macaroni, peanuts, peanut oil, beans, pickled vegetables, garlic, tea, dried fish, trunks and valises. These items constitute about 80 per cent of the total. She receives from the Philippine Islands buntal fiber, lumber, tobacco, coconut oil, abaca, alcohol, cordage, and sugar, which items constitute from 80 to 90 per cent of the total.

CHINA-UNITED STATES

Both China and the United States have vast areas, great diversity in soil, climate, and mineral resources. Both can attain a high degree of self-sufficiency through the erection of tariff barriers if they see fit to pursue this policy. Yet, it is well to realize that neither of them can pursue this policy without considerable economic cost. For, the two countries have differences as well as resemblances.

TABLE XXXIII. CHINA—EXPORTS TO PHILIPPINE ISLANDS*

With duties encountered. Quantities in millions of kilos, unless otherwise indicated. Values in millions of pesos and as percentages of totals.

Year	Total	Per Cent of total exports	Eggs (In natural form)			Cotton		Silk		Lard			Breadstuffs Macaroni, etc.		
			Quantity million dozen	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	21	1.6	4.2	1.8	8.6	...	.....	.....	.....	1.9	1.5	7.1	1.3	.64	3.0
1921.....	19	2.1	6.2	1.7	8.9	5.5	28.9	1.00	5.3	3.1	1.3	6.8	1.4	.47	2.5
1922.....	13	1.2	5.4	1.4	10.8	2.7	20.8	.88	6.8	2.3	1.1	8.5	1.3	.47	3.6
1923.....	14	1.2	4.8	1.2	8.6	3.8	27.1	.91	6.5	2.0	.9	6.8	1.4	.50	3.6
1924.....	14	1.1	5.1	1.3	9.3	4.0	28.6	1.10	7.9	2.1	1.1	7.9	1.4	.50	3.6
1925.....	14	1.1	5.7	1.6	11.4	3.0	21.4	1.60	11.4	1.7	1.1	7.9	1.7	.73	5.2
1926.....	13	1.0	4.9	1.6	12.3	2.1	16.2	1.70	13.1	1.9	1.1	8.5	1.4	.64	4.9
1927.....	13	1.0	5.7	2.0	15.4	1.9	14.6	1.30	10.0	2.3	1.3	10.0	1.9	.78	6.0
1928.....	13	.9	6.0	2.1	16.1	2.1	16.1	1.20	9.2	2.2	1.2	9.2	1.8	.71	5.4
1929.....	14	1.1	7.2	2.5	17.9	1.9	13.6	1.30	9.3	2.6	1.2	8.6	1.8	.72	5.1
1930.....	11	1.3	6.9	2.0	18.2	1.9	17.3	1.10	10.0	2.1	.8	7.3	1.5	.48	4.4
1931.....	12	1.9	10.4	2.0	16.7	2.0	16.7	.80	6.7	2.7	.8	6.7	2.0	.44	3.7
Tariff of 1909.....			\$1.00 (100 kilos)			25%		45%		\$2.50 (100 kilos)			\$2.50 (100 kilos)		

* Source: *Annual Report of the Insular Collector of Customs*, Dept. of Finance, Bureau of Customs, Manila, P. I.

TABLE XXXIII *Continued*

Year	Peanut Oil			Hams (Dried, Smoked and Cured)			Beans (Dried)			Fibers (Empty Bags)		Peanuts			Vegetables (Pickled)			
	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	
1920.....	.7	.44	2.1	.19	.29	1.4	.9	.17	.8	.16	.8	1.4	.60	2.9	...	.14	.7
1921.....	1.2	.40	2.1	.52	.47	2.5	1.5	.15	.8	.37	1.9	1.4	.30	1.6	...	.13	.7
1922.....	1.4	.48	3.7	.29	.35	2.7	1.7	.19	1.5	.42	3.2	1.4	.29	2.2	...	.12	.9
1923.....	1.4	.45	3.2	.30	.39	2.8	2.0	.25	1.8	.22	1.6	1.4	.32	2.3	...	.14	1.0
1924.....	1.7	.58	4.1	.32	.38	2.7	2.4	.31	2.2	.13	.9	1.4	.28	2.0	...	.17	1.2
1925.....	1.5	.57	4.1	.37	.43	3.1	3.2	.42	3.0	.06	.489	.26	1.9
1926.....	1.8	.66	5.1	.43	.53	4.1	2.6	.39	3.0	.13	1.079	.23	1.8
1927.....	2.5	.65	5.0	.52	.52	4.0	2.3	.30	2.3	.27	2.1	1.5	.23	1.886	.22	1.7
1928.....	1.8	.56	4.3	.40	.50	3.8	2.4	.31	2.4	.32	2.5	1.4	.23	1.895	.26	2.0
1929.....	1.9	.57	4.1	.49	.66	4.7	4.1	.52	3.7	.32	2.3	1.6	.25	1.874	.19	1.4
1930.....	1.7	.40	3.6	.39	.41	3.1	3.3	.35	3.2	.07	.6	1.7	.21	1.955	.11	1.0
1931.....	2.7	.44	3.7	.57	.50	4.2	3.6	.27	2.2	.10	.8	2.4	.22	1.880	.11	.9
Tariff of: 1909...	20%			\$4.50 (100 kilos)			80¢ (100 kilos bulk) \$2.65 (100 kilos small pkgs.)			2¢ each (gunny)		25%			\$1.50 (100 kilos)			

TABLE XXXIII *Concluded*

Year	Garlic (Fresh)			Fish (Dried, Smoked and Cured)			Trunks, Valises, etc.		Tea			Matches		
	Quan- tity	Value	Per Cent	Quan- tity	Value	Per Cent	Value	Per Cent	Quan- tity	Value	Per Cent	Quan- tity	Value	Per Cent
1920.....	1.2	.20	1.0	...	.29	1.4	.09	.4	.05	.05	.2	...	.17	.8
1921.....	1.3	.10	.5	...	.36	1.9	.13	.7	.07	.06	.3	...	.17	.9
1922.....	1.5	.13	1.0	...	.34	2.6	.16	1.2	.15	.13	1.0	...	.06	.5
1923.....	1.5	.15	1.1	...	.34	2.4	.14	1.0	.21	.14	1.0	...	.05	.4
1924.....	1.3	.17	1.2	...	.29	2.1	.19	1.4	.25	.15	1.1	...	.01	.1
1925.....	1.6	.21	1.5	.40	.31	2.2	.18	1.3	.27	.18	1.3	.01	.01	.1
1926.....	1.3	.15	1.2	.25	.19	1.5	.16	1.2	.28	.19	1.5	.004	...	...
1927.....	1.9	.19	1.5	.30	.18	1.4	.16	1.2	.32	.16	1.2	.01	.01	.1
1928.....	2.0	.20	1.5	.29	.18	1.4	.18	1.4	.33	.17	1.3	.27	.11	.8
1929.....	2.1	.19	1.4	.33	.17	1.2	.18	1.3	.28	.15	1.1	.33	.14	1.0
1930.....	1.7	.12	1.1	.15	.13	1.2	.16	1.4	.24	.10	.9	.18	.06	.5
1931.....	2.7	.16	1.3	.46	.12	1.0	.13	1.1	.28	.09	.7	.23	.07	.6
Tariff of: 1909...	\$1.00 (100 kilos)			\$2.25 (100 kilos)			25%		15¢ (kilo)			20¢ (kilo)		

TABLE XXXIV. PHILIPPINE ISLANDS—EXPORTS TO CHINA*

With duties encountered. Quantities as indicated. Values in thousands of pesos and as percentages of totals.

Year	Total	Per Cent of total exports	Buntal Fiber			Lumber and Timber			Tobacco (Incl. leaf)		Coconus Oil			Abaca (Manila Hemp)		
			Quantity 1,000 kilos	Value	Per Cent	Quantity 1,000 cu. m.	Value	Per Cent	Value	Per Cent	Quantity 1,000 kilos	Value	Per Cent	Quantity 1,000 kilos	Value	Per Cent
1920.....	4,400	1.4	...	.....	.....	.....	.....	.....	.....	25	15	.3	52	17	.4	
1921.....	5,200	3.0	...	.....	.....	.....	.....	.....	.....	74	49	.9	34	6	.1	
1922.....	4,700	2.4	...	.....	11.6	353	7.5	988	21.0	444	141	3.0	91	15	.3	
1923.....	2,400	1.0	...	.....	15.0	498	20.7	710	29.6	333	110	4.6	11	4	.2	
1924.....	6,000	2.2	8	34	.6	14.8	543	9.0	827	13.8	587	206	3.4	24	12	.2
1925.....	6,900	2.3	14	79	1.1	15.4	558	8.1	940	13.6	393	158	2.3	25	18	.3
1926.....	6,400	2.3	19	91	1.4	30.0	1,098	7.2	969	15.1	754	272	4.3	45	28	.4
1927.....	5,200	1.7	50	249	4.8	10.6	326	6.3	752	14.5	600	204	3.9	87	52	1.0
1928.....	7,000	2.3	167	908	13.0	29.0	906	12.9	1,195	17.1	1,216	414	5.8	226	162	2.3
1929.....	6,400	1.9	221	1,448	22.6	34.9	1,143	17.9	754	11.8	702	208	3.2	187	103	1.6
1930.....	4,200	1.6	208	1,390	33.1	26.1	672	16.0	563	13.4	815	217	5.2	388	180	4.3
1931.....	.....	.....	76	561	.....	16.8	402	.....	321	.....	1,566	267	.....	366	144	.....
Tariff of:																
1929 in Haikwan Taels.....			7½%			4.00 (1,000 super. ft.)			25%		1.75 per picul			7½%		
1930 in Gold Units.....			7½%			8.00 (1,000 super. ft.)			25%		3.06 per picul			7½%		
1931 in Gold Units.....						7.00 (1,000 super. ft.)										

* Source: Annual Report of the Insular Collector of Customs, Dept. of Finance, Bureau of Customs, Manila, P. I.

TABLE XXXIV *Concluded*

Year	Alcohol			Cordage			Sugar ^b		
	Quantity million pf. liters	Value	Per Cent	Quantity 1,000 kilos	Value	Per Cent	Quantity million kilos	Value	Per Cent
1920.....	....	...	...	155	106	2.4	6.7	1,574	35.8
1921.....	....	...	...	152	71	1.4	32.0	3,140	60.4
1922.....	.47	54	1.1	167	68	1.4	25.6	2,461	52.4
1923.....	1.08	133	5.6	166	78	3.2	2.4	417	17.4
1924.....	1.79	154	2.6	298	143	2.4	26.1	3,748	62.5
1925.....	2.89	250	3.6	289	166	2.4	45.5	4,403	63.8
1926.....	6.58	539	8.4	236	130	2.0	33.3	2,800	43.7
1927.....	4.76	364	7.0	283	145	2.8	24.6	2,544	48.9
1928.....	3.97	316	4.5	394	203	2.9	21.6	2,252	32.2
1929.....	2.43	262	4.1	318	149	2.3	16.6	1,429	22.3
1930.....	1.34	103	2.4	231	95	2.3	4.5	253	6.0
1931.....	3.81	125	...	307	89	...	.3	12	....
Tariff of:									
1929.....	.105 Hk. T. per Imp. gal.			7½%			14 Hk. T. per picul, No. 10 Dutch Standard		
1930.....	.18 G. U. per Imp. gal.			7½%			14 Hk. T. per picul, No. 10 Dutch Standard		
1931.....							2.4 G. U. per picul, 96° pol.		
1932.....							5.1 G. U. per picul, 96° pol.		

^b Mostly muscavado.

The United States has carried the process of industrialization, machine methods of production, and particularly large-scale production much further than China, perhaps further than any other country in the world. She can produce articles which lend themselves to these methods more cheaply than any other country. China, on the other hand, is only on the threshold of industrialization. She is still very largely in the handicraft stage, but her craftsmanship is exquisite. She can produce hand-made laces, carvings, and various articles of ornament, novelty, bric-a-brac, and curiosity at a surprisingly low price. Clearly an exchange of machine-made articles for hand-made articles is indicated as in the line of a sound economy. Something must be allowed for the genius of the people. Americans have a genius for the speed and the rush of the machine, the Chinese for the patient toil of the hand. There cannot but be some loss in attempting to direct either people away from its native bent into that of the other, yet both may enrich their lives by an exchange of products.

Aside from these possibilities of exchange, based on the differing proclivities of the people, there are possibilities of much greater commercial importance in which China and the United States can supplement each others' needs to the advantage of both. A study of Tables XXXV and XXXVI shows the major items in which each has a comparative advantage over the other. China's chief exports to the United States are raw silk, tung oil (a kind of oil particularly adapted to the making of varnishes), furs, and skins, bristles, eggs and egg products, tea, oil cake, hat-making material, walnuts, peanuts, peanut and soya bean oil, tungsten, tin, and antimony. The chief exports of the United States to China are raw cotton, petroleum and petroleum products, leaf tobacco, wheat and wheat flour, iron and steel, machinery, copper, paraffin wax, building material, and paper.

This mutually beneficial trade is considerably interfered with by tariffs. The United States, it is true, admits some of China's most important exports free of duty but imposes very heavy duties on others. The chief imports admitted free of duty are raw silk and silk waste, tung oil, furs, skins, tin, raw cotton, tea, and sausage casings. Heavy duties are imposed on carpet wool (66 per cent), hats (30 per cent and upward), eggs and egg products (37 to 55 per

TABLE XXXV. CHINA—EXPORTS TO UNITED STATES*

With duties encountered. Quantities as indicated. Values in millions of dollars and as percentages of total.

Year	Total	Per Cent of total exports	Raw Silk			Furs (Undressed)		Carpet Wool			Skins (Goat and kid)		Hats (Straw, etc.)		Furs (Dressed on skin—dog and goat)	
			Quantity million lbs.	Value	Per Cent	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	192.7	28.7	5.9	53.8	27.9	10.8	5.6	12.0	3.2	1.7	26.6	13.8	.2	.1	...	...
1921.....	101.1	22.1	9.6	48.1	47.6	4.1	4.1	37.5	4.1	4.1	3.6	3.6	.1	.1	...	...
1922.....	134.6	24.7	48.4	60.9	45.2	11.2	8.3	61.5	9.1	6.8	5.7	4.2	.3	.2	...	...
1923.....	187.6	31.2	12.3	88.4	47.1	14.4	7.7	51.4	10.7	5.7	5.2	2.8	.2	.1	...	...
1924.....	117.9	18.9	5.4	31.2	26.5	10.5	8.9	65.7	14.3	12.1	2.8	2.4	.1	.1	...	...
1925.....	168.9	25.9	11.2	60.2	35.6	15.6	9.2	64.2	17.7	10.5	4.3	2.5	.2	.1	...	...
1926.....	143.2	21.8	10.5	51.3	35.8	15.2	10.6	22.9	5.9	4.1	6.1	4.3	.1	.1	...	...
1927.....	151.7	23.9	11.5	53.0	34.9	22.9	15.1	48.3	11.3	7.4	4.9	3.2	.1	.1	...	...
1928.....	140.0	19.9	10.5	45.9	32.8	17.1	12.2	54.2	11.7	8.4	4.7	3.4	.8	.6	3.3	2.4
1929.....	166.2	25.6	14.9	61.6	37.1	15.6	9.4	52.7	12.5	7.5	7.1	4.3	3.0	1.8	6.6	4.0
1930.....	101.5	24.6	9.9	29.0	28.6	7.0	6.9	31.0	6.0	5.9	5.4	5.3	4.3	4.2	3.6	3.5
1931.....	66.7	21.6	9.8	18.6	27.9	6.2	9.3	23.8	4.0	6.0	3.8	5.7	1.9	2.8	1.9	2.8
Tariff of: 1922.....				Free			Free		45%—11 to 24¢ lb.			Free		45% (35% and 50%)		Free
1930.....				Free			Free		66%			Free		30% (25% Unblocked—Blocked 30¢ ea. plus 30%)		Free

* Source: *Commerce and Navigation and Commerce Year Book*, Bureau of Foreign and Domestic Commerce, Dept. of Commerce, Washington, D. C.

TABLE XXXV *Continued*

Year	Bristles (Sorted)			Raw Cotton			Egg Yolk			Silk Waste			Carpets		Embroideries (Flax, hemp & ramie)	
	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	3.3	6.0	3.1	29.4	8.2	4.3	....	...	...	5.6	8.8	4.6	2.0	1.0	...	...
1921.....	2.5	3.8	3.8	1.8	.3	.3	....	...	...	3.6	2.3	2.3	1.4	1.4	...	...
1922.....	2.7	3.0	2.2	10.0	1.7	1.3	....	...	...	3.4	2.3	1.7	.6	.4	...	...
1923.....	4.1	5.6	3.0	23.0	4.2	2.2	....	...	...	6.5	4.3	2.3	3.2	1.7	.1	.1
1924.....	3.2	5.6	4.7	22.0	4.5	3.8	7.5	1.4	1.2	3.4	2.4	2.0	4.6	3.9	.3	.3
1925.....	3.2	4.9	2.9	18.7	4.4	2.6	11.0	2.1	1.2	6.1	4.8	2.8	5.4	3.2	.9	.5
1926.....	3.9	4.7	3.3	10.9	2.3	1.6	7.3	1.9	1.3	5.5	4.1	2.9	5.5	3.8	1.1	.8
1927.....	3.9	4.3	2.8	22.5	3.8	2.5	6.0	2.0	1.3	5.1	3.2	2.1	4.0	2.6	1.7	1.1
1928.....	3.5	4.1	2.9	28.3	5.0	3.6	6.4	2.3	1.6	5.0	2.4	1.7	3.0	2.1	2.0	1.4
1929.....	4.9	5.9	3.6	15.5	2.6	1.6	10.4	4.0	2.4	5.1	2.7	1.6	3.0	1.8	2.1	1.3
1930.....	3.3	3.1	3.0	22.0	3.1	3.0	8.0	2.4	2.3	4.3	1.9	1.9	1.8	1.8	1.3	1.3
1931.....	3.1	1.8	2.7	13.8	1.3	1.9	4.5	.9	1.3	2.4	.5	.7	1.3	1.9	1.3	1.9
Tariff of: 1922..	4%—7¢ per lb.			Free			50%—6¢ to 18¢ lb.			Free			45%		75%	
1930..	3%—3¢ per lb.			Free			55%—18¢ to 11¢ lb.			Free			45%		90%	

TABLE XXXV *Continued*

Year	Sausage Casings			Egg Albumen			Tea			Plaits and Mats (Dog and Goat)		Whole Eggs			Tungsten and Alloys		
	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent
1920.....	1.8	1.8	.9	8.5	4.5	2.3	11.7	2.8	1.5	...	...	...	...	...	...	...	...
1921.....	1.2	.7	.7	4.5	1.1	1.1	15.4	2.3	2.3	...	...	...	...	...	...	...	...
1922.....	1.6	1.2	.9	6.4	2.0	1.5	14.6	2.1	1.6	5.0	3.7	...	...	...	...	...	...
1923.....	2.6	2.6	1.4	6.7	2.4	1.3	19.8	3.3	1.8	2.7	1.4	...	...	...	...	...	...
1924.....	2.3	2.4	2.0	3.7	2.2	1.9	11.5	2.2	1.9	2.7	2.3	7.0	1.6	1.4	...	...	...
1925.....	3.1	4.2	2.5	7.8	3.8	2.2	12.7	2.8	1.7	5.8	3.4	12.6	2.1	1.2	.8	.2	.1
1926.....	2.4	2.8	2.0	5.9	2.8	2.0	13.2	3.3	2.3	1.9	1.3	5.8	1.1	.8	2.3	.6	.4
1927.....	2.5	2.5	1.6	5.1	2.0	1.3	10.8	2.6	1.7	4.6	3.0	3.4	.9	.6	1.3	.2	.1
1928.....	1.0	1.2	.9	2.9	1.3	.9	9.3	2.0	1.4	1.2	.9	11.9	2.6	1.9	1.8	.4	.3
1929.....	1.3	1.8	1.1	4.0	1.8	1.1	9.5	1.7	1.0	1.4	.8	5.5	1.5	.9	4.1	1.2	.7
1930.....	1.1	1.2	1.2	3.6	1.1	1.1	6.5	.9	.9	.9	.9	3.2	.9	.9	2.4	.9	.9
1931.....	.8	.7	1.0	1.9	.5	.7	7.6	1.0	1.5	.9	1.3	1.0	.3	.4	1.9	.2	.3
Tariff of:																	
1922.....		Free			37%	6 and 18¢ lb.		Free		Free		43%	18 and 6¢ lb.		208%	(60¢ lb. plus 25%)	
1930.....		Free			50%	18 and 11¢ lb.		Free		Free		37%	18 and 11¢ lb.		130%	(60¢ lb. plus 50%)	

TABLE XXXV *Continued*

Year	Walnuts			Antimony ^b			Soya Bean Oil			Peanuts			Materials for Hats of Straw, etc.		Tung Oil	
	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	6.9	1.4	.7	22.1	1.2	.6	59.9	7.2	3.7	22.6	2.2	1.1	8.4	4.4	.....	.....
1921.....	6.9	.6	.6	20.5	.7	.7	16.2	.7	.7	6.4	.3	.3	1.3	1.3	.....	.....
1922.....	8.4	1.0	.7	17.6	.6	.4	4.8	.3	.2	2.0	.1	.1	1.4	1.0	.....	.....
1923.....	3.0	.4	.2	13.2	.6	.3	1.3	.1	.1	37.0	1.7	.9	2.3	1.2	.....	.....
1924.....	6.2	.6	.5	11.7	.7	.6	1.5	.1	.1	54.0	2.3	2.0	2.1	1.8	.....	.....
1925.....	8.5	1.1	.7	14.9	1.8	1.1	3.4	.3	.2	80.3	4.0	2.4	.8	.5	.....	.....
1926.....	8.8	1.0	.7	23.1	2.9	2.0	.9	.1	.1	45.8	2.0	1.4	1.1	.8	.....	.....
1927.....	10.7	1.9	1.3	19.8	1.9	1.3	13.8	.8	.5	40.8	1.8	1.2	.5	.3	11.6	7.6
1928.....	6.6	.7	.5	16.3	1.3	.9	10.2	.6	.4	65.7	3.4	2.4	.6	.4	13.3	9.5
1929.....	6.6	1.1	.7	21.4	1.4	.8	17.5	1.1	.7	29.6	1.4	.8	.6	.4	14.9	9.0
1930.....	5.8	.8	.8	13.3	.7	.7	.....	.....	.....	7.0	.2	.2	.2	.2	12.5	12.3
1931.....	8.4	1.3	1.9	10.0	.4	.6	.....	.....	.....	8.3	.2	.3	.1	.1	4.2	6.3
Tariff of: 1922..	45%—12 and 4¢ lb.			40% ($\frac{3}{4}$ and 2¢ lb.)			38%—2 $\frac{1}{2}$ ¢ lb.			80%—3 and 4¢ lb.			15%		Free	
1930..	58%—15 and 5¢ lb.			34% ($\frac{3}{4}$ and 2¢ lb.)			65%—3 $\frac{1}{4}$ ¢ lb.			155%—7 and 4 $\frac{1}{4}$ ¢ lb.			20% (15% and 25%)		Free	

^b Needle, liquidated, or regulus.

TABLE XXXVI. UNITED STATES—EXPORTS TO CHINA*

(not including Hongkong and Kwantung)

With duties encountered. Quantities millions of picul unless otherwise indicated. Value in millions of Haikwan Taels and as percentages of total.

Year	Total	Per Cent of total exports	Raw Cotton			Kerosene			Leaf Tobacco			Wheat Flour			Timber (Soft)	
			Quantity	Value	Per Cent	Quantity million gals. (US)	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent
1920.....	143	2.2	.03	1.5	1.0	124.7	35.9	25.1	.1	8.6	6.0	.03	.2	.1	5.9	4.1
1921.....	176	3.0	.50	11.8	6.7	117.5	37.5	21.3	.1	11.3	6.4	.2	1.0	.6	3.8	2.2
1922.....	169	3.7	.10	4.3	2.5	159.7	47.0	27.8	.2	11.0	6.5	2.0	9.1	5.4	5.6	3.3
1923.....	154	3.0	.07	3.4	2.2	159.5	42.2	27.4	.2	10.5	6.8	3.5	16.4	10.6	2.8	1.8
1924.....	191	3.4	.10	5.5	2.9	157.3	40.5	21.2	.6	22.5	11.8	4.0	18.0	9.4	7.2	3.8
1925.....	143	2.4	.10	6.6	4.6	201.2	50.7	35.5	.5	17.4	12.2	.9	5.1	3.6	4.1	2.9
1926.....	188	3.0	.50	18.0	9.6	199.2	47.3	25.2	.7	23.1	12.3	1.4	7.9	4.2	8.1	4.3
1927.....	167	2.4	.90	31.5	18.9	127.7	33.1	19.8	.5	19.9	11.9	1.2	6.9	4.1	5.6	3.4
1928.....	206	2.7	.50	19.8	9.8	203.7	47.0	22.8	1.0	32.9	15.9	1.5	8.4	4.1	6.4	3.1
1929.....	231	3.0	.80	34.8	15.1	168.0	38.0	16.4	.9	26.0	11.3	4.1	22.0	9.5	13.9	6.0
1930.....	232	4.1	1.10	51.8	22.3	123.2	33.3	14.3	.9	31.1	13.4	2.0	12.1	5.2	8.7	3.7
1931.....	321	9.0	2.57	104.4	32.5	107.3	38.6	12.0	1.2	47.7	14.9	1.4	8.6	2.7	13.7	4.3
Tariff of:																
1929 (in Haikwan Taels)....			1.20 (picul)			.847 (10 US gals.)			4.00 (piculs)			Free			4 (sq. ft.)	
1930 (in Customs Gold Units)			2.10 (picul)			1.48 (10 US gals.)			6.50 (piculs)			Free			8 (sq. ft.)	
1931, Jan. (in Customs Gold Units)			2.10 (picul)			1.33 (10 US gals.)			8.00 (piculs)			Free			7 (sq. ft.)	

* Source: *Foreign Trade of China*, Published by Order of Inspector General of Customs, Shanghai, China.

TABLE XXXVI Continued

Year	Cigarettes		Gasolene, etc.			Iron and Steel (not galv. tinned plates)			Lubricating Oil			Electric Materials		Vehicles, Motors	
	Value	Per Cent	Quantity million gals. (US)	Value	Per Cent	Quantity	Value	Per Cent	Quantity million gals. (US)	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	11.7	8.2	.6	.4	.3	.2	2.0	1.4	3.1	1.2	.8	2.0	1.4	2.1	1.5
1921.....	17.6	10.0	1.6	1.0	.6	.1	2.2	1.2	2.8	1.9	1.1	4.6	2.6	1.8	1.0
1922.....	21.4	12.7	1.6	1.3	.8	.04	.3	.2	4.9	2.0	1.2	1.7	1.0	.9	.5
1923.....	20.7	13.4	1.9	1.3	.8	.1	1.2	.8	6.0	2.5	1.6	1.3	.8	1.4	.9
1924.....	20.4	10.7	1.9	1.0	.5	.5	4.3	2.4	7.2	2.8	1.5	1.2	.6	1.7	.9
1925.....	12.0	8.4	3.9	1.9	1.3	.2	2.1	1.5	4.6	1.5	1.0	.8	.6	1.9	1.3
1926.....	15.4	8.2	5.3	2.6	1.4	.3	3.2	1.7	6.3	2.3	1.2	1.4	.7	2.6	1.4
1927.....	9.2	5.5	5.7	2.7	1.6	.3	3.1	1.9	5.2	2.0	1.2	1.6	1.0	2.1	1.3
1928.....	15.9	7.7	8.6	3.4	1.7	.4	4.0	1.9	9.8	3.4	1.7	1.9	.9	2.1	1.0
1929.....	10.0	4.3	12.8	4.6	2.0	.5	4.7	2.0	10.2	4.1	1.8	2.4	1.0	5.3	2.3
1930.....	6.6	2.8	15.1	6.4	2.8	.4	5.4	2.3	9.8	4.6	2.0	3.6	1.5	2.9	1.2
1931.....	.5	.2	12.7	6.5	2.0	.4	7.0	2.2	7.5	4.1	1.3	3.7	1.2	3.1	1.0
Tariff of:															
1929 (in Haikwan Taels)	50%		1.012 (10 US gals.)			1.15 (picul)			.053 (US gals.)			10 %		22½%	
1930 (in Customs Gold Units).....	50%		1.77 (10 US gals.)			1.58 (picul)			.09 (US gals.)			10 %		22½%	
Jan., 1931 (in C.G.U.)..	50%		1.53 (10 US gals.)						.05 (US gals.)			7½%		30 %	

TABLE XXXVI *Continued*

Year	Aeroplanes		Wheat			Artificial Indigo (Liquids and paste)			Stationery		Liquid Fuel			Building Materials		Vehicles (Other kinds)	
	Value	Per Cent	Quan- tity	Value	Per Cent	Quan- tity	Value	Per Cent	Value	Per Cent	Quantity million tons	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	...	...	...	....	...	.04	4.5	3.1	.6	.4	.07	.9	.6	1.0	.7	.1	.1
1921.....	...	...	.1	.3	.2	.02	2.6	1.5	.7	.4	.03	.7	.4	1.6	.9	.1	.1
1922.....	...	...	.8	2.8	1.7	.01	.9	.5	.5	.3	.06	1.4	.8	.7	.4	.1	.1
1923.....	...	...	2.0	6.9	4.5	.09	3.2	2.1	.5	.3	.04	1.2	.8	.8	.5	.0	.0
1924.....	...	...	2.1	7.5	3.9	.08	3.3	1.7	1.2	.6	.10	2.2	1.2	1.3	.7	.0	.0
1925.....	.9	.6	.1	2.4	1.7	.10	3.1	2.2	.5	.3	.06	1.3	.9	.9	.6	.7	.5
1926.....	.2	.1	.6	13.0	6.9	.10	2.6	1.4	.5	.3	.08	2.0	1.1	.9	.5	1.3	.7
1927.....	...	...	.4	5.4	3.2	.09	2.0	1.2	.6	.4	.10	3.5	2.1	.9	.5	1.3	.8
1928.....	.3	.1	.1	.4	.2	.09	2.1	1.0	1.1	.5	.10	3.2	1.6	1.2	.6	1.6	.8
1929.....	.7	.3	.4	1.7	.7	.10	3.0	1.3	1.6	.7	.10	2.1	.9	1.8	.8	1.3	.6
1930.....	2.8	1.2	.5	2.4	1.0	.07	2.4	1.0	2.1	.9	.08	2.0	.9	1.7	.7	1.7	.7
1931.....	3.1	1.0	4.1	14.2	4.4	.07	3.5	1.1	2.8	.9	.07	2.4	.7	...	..	.7	.2
Tariff of:																	
1929 (in Haikwan Tael).....	Free		Free			6.60 (picul)			12½%		2.425 (ton)		10%			12½%	
1930 (in Customs Gold Units).....	Free		Free			11.55 (picul)			12½%		4.24 (ton)		10%			12½%	
Jan., 1931 (in Customs Gold Units).....	5%		Free			12.00 (picul)			15 %		2.90 (ton)		15%			15 %	
Aug., 1932 (in Customs Gold Units).....	...		.....			14.00 (picul)			.....		.....		....			.....

TABLE XXXVI *Concluded*

Year	Tel. and Tel. Material		Medical Preparations		Photo Materials		Wax Paraffin			Paper N.O.P.		Machinery for Electric Power		Copper (Ingots and Slabs)		
	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent
1920.....	.2	.1	.9	.6	.3	.2	.06	.8	.6	...	..	...	..	.06	1.2	.8
1921.....	.3	.2	.7	.4	.7	.4	.09	1.0	.6	...	..	...	..	.2	3.8	2.2
1922.....	.1	.1	.6	.4	.4	.2	.20	1.2	.7	...	..	...	..	.5	11.2	6.6
1923.....	.1	.1	.8	.5	.4	.3	.20	1.7	1.1	...	..	...	..	.2	4.7	3.1
1924.....	.1	.1	.8	.4	.5	.3	.30	3.1	1.6	...	..	...	..	.5	11.8	6.2
1925.....	.1	.1	.6	.4	.6	.4	.09	1.0	.7	.5	.3	.1	.1	.1	2.4	1.7
1926.....	.1	.1	.9	.5	.7	.4	.30	3.3	1.8	1.0	.5	.1	.1	.07	1.6	.9
1927.....	.2	.1	.9	.5	.7	.4	.08	.9	.5	.9	.5	.3	.2	.04	1.2	.7
1928.....	.2	.1	1.4	.7	.9	.4	.20	2.5	1.2	.9	.4	.4	.2	.05	1.3	.6
1929.....	1.2	.5	1.4	.6	1.2	.5	.20	1.9	.8	.9	.4	.6	.3	.04	1.5	.6
1930.....	1.7	.7	1.6	.7	1.6	.7	.09	1.2	.5	1.2	.5	1.2	.5	.03	1.1	.5
1931.....	.9	.3	1.8	.6	2.4	.7	.20	2.7	.8	1.3	.4	.5	.2	.03	1.3	.4
Tariff of:																
1929 (in Haikwan Taels).....	12½%		15%		17½%		.57 (picul)			12½%		10%		2.20 (picul)		
1930 (in Customs Gold Units) ..	12½%		15%		17½%		1.00 (picul)			12½%		10%		3.85 (picul)		
Jan., 1931 (in Customs Gold Units)	12½%		15%		20%		.98 (picul)			15%		15%		3.25 (picul)		
July, 1931 .98 G. U. + surtax to duty.																
Aug., 1932 (in Customs Gold Units).....	.....		20%		.....		.....			.....		.....		.....

cent), tungsten (over 200 per cent in 1922 and 130 per cent since 1930), soya bean oil (65 per cent). Most of the rates quoted are reduced to *ad valorem* equivalents from the specific rates provided in the acts. All of the articles enumerated in the table as exported from the United States into China, except wheat and wheat flour, are subject to duty; but the rates are generally moderate compared with those of the United States.

It will be noted that raw cotton moves both ways, as an export of the United States to China and as an export from China to the United States. The explanation is that the cottons are of quite different quality and suitable for different purposes. The American duties on egg products were levied as part of the policy of agricultural tariffs to benefit the farmer. One of the most absurd duties in the American tariff is the duty on tungsten ore. Tungsten is used as an alloy in making high-speed steel tools. The Chinese deposits are extensive and easily worked. The American deposits, on the other hand, are scanty and can only be worked at great cost. The duty on tungsten ore is 50 cents per pound of tungsten content. By this duty the Americans deprive themselves of the benefit of the rich mines in China for the sake of maintaining an industry ill adapted to the resources of the country.

CHAPTER IV

JAPAN

Area, 147,416 square miles, population 62,000,000

THE EMPIRE of Japan consists of Japan proper, Chosen (Korea), Taiwan (Formosa), and Karafuto (Japanese Sakhalin). Japan proper has an area of 147,416 square miles and a population of over 62,000,000. Of this area only about one-sixth is available for cultivation. The rest of the country is too mountainous or otherwise sterile. Its total area is thus about the size of California, and its arable area about the size of West Virginia. Its long and much indented shore line and the pressure of population on the means of subsistence cause fishing to be an important industry. Fish and other sea food are eaten in great quantities and make possible the existence of a much larger population than would be possible were the people obliged to subsist on the products of agriculture alone.

Yet, in spite of the aid afforded by the sea, Japan is confronted with a difficult population problem. Were it not for the possibility of importing foodstuffs, and were she wholly dependent for food on her own resources, it would be necessary for her people, so far as agricultural products are concerned, to subsist on the output of a quarter of an acre per capita, and the natural increase of her population is about one million per year. Her chief agricultural product is rice; and fish and rice constitute her main articles of diet.

The Japanese, since their economic awakening, have been ambitious not merely to maintain but to improve their standard of living, and in this they have been reasonably successful. However, because of the density of population,¹ continued progress in this direction

¹ Some idea of the density of population can be obtained by a comparison with other regions. The population of Japan proper is 437 per square mile; of Chosen, 247; of Taiwan, 331; of Karafuto, 21; of the empire as a whole, 347. Only three of the States of the United States have a density of population exceeding that of Japan—Rhode Island, 551; Massachusetts, 514; and New Jersey, 491. The State of New York, in

can be maintained only through limitation of numbers or through the importation of foodstuffs. The "law of diminishing returns" has become operative to such an extent as to afford little hope for an appreciable per capita increase in food supply, from domestic sources. One other resource left to the Japanese is acquirement of new territory through war and conquest—a resource which need not here be discussed.

Limitation of numbers may be attained through emigration or through birth control. In the case of Japan, the former alternative offers no promise. The regions of the world best adapted in climate to the Japanese are already occupied by other nations that will not admit them as immigrants. These are the United States and the British Dominions of Canada, Australia, and New Zealand. Some South American countries admit the Japanese; but, considering the problem of transportation, any hope of relief from the pressure of population to be derived from this source, even if the United States and the British dominions should let down their bars, may be dismissed as negligible.

As to limitation through birth control, that will probably have to come not only in Japan but in all densely populated areas if progress in raising the standard of living is to be made. Indeed, there is conclusive evidence that in northern and western Europe and in the United States it is already operative; and there is already apprehension in some quarters that this deterrent to overpopulation may be carried too far.² However, adjustment of population to food supply through this method takes time. It involves changes in national psychology, particularly in that of the ruling class, which for military and other reasons is disposed to glorify rather than to deprecate overpopulation. It involves a shifting in religious and

spite of the enormous population of its largest city, has a density of only 264. Other densely populated regions are, Porto Rico, 450; Belgium, 680; England, 701. However, all of these countries make no pretense of being self-sustaining. They all draw sustenance from less densely populated areas. The three States mentioned are part of the United States, of which the density of population is only 41.3. In making these comparisons, the density of population is in all cases based on the total area. Hence, as the proportions of the total area available for cultivation differ greatly, these figures may be somewhat misleading. In Japan proper, it will be remembered, this proportion was only as 1 to 6. Hence the density of population in Japan proper, based on arable land, is 2,622 per square mile.

² See Kuczynski, Robert R., *The Balance of Births and Deaths*, The Macmillan Company, 1928.

ethical opinions—attributes of mass consciousness most resistant to change. Finally, at best, years must elapse before relief from overpopulation by means of this agency can become appreciable.

A much more immediate relief, in the view of Japanese statesmen, seemed to lie in the other alternative, namely, in the importation of foodstuffs. There are vast areas on the earth's surface still scantily populated. On these areas food in sufficient abundance to supply the growing needs of an increasing population for many years could easily be grown. Bread grains, vegetables, and even meats and fruits (thanks to modern methods of refrigeration) could be conveyed from their sources to remote Japan, and the people of Japan might prosper and increase.

This enlightened policy involved some change in Japan's economic life. The imported foodstuffs must be paid for, and in the main must be paid for by manufactured articles. Japan is rather poorly supplied with mineral resources. She has some coal and copper but very little iron and less of other metals. She has clay of an excellent quality for pottery, and limestone and other materials for cement. However, her mineral resources are in general insufficient for her own uses. They cannot be relied on as a basis for exports with which to buy food. Neither can she, with one important exception, produce for her industries those raw materials which are products of the soil. As has been shown, her arable land is hardly sufficient in quantity to produce the necessary amount of food directly. There would be no gain in producing raw materials for export as a means of obtaining food indirectly. From this it follows that in turning to industrialization and commerce as a means of solving her population problem it has been necessary to make the value of her exported manufactured goods sufficient not only to buy food but in large measure to buy also the raw materials from which these same manufactured goods were made. That is, the livelihood of her increasing population must be based on "value added by manufacture."

The preceding paragraph states the situation in broad lines. It must not be taken too literally. There is one very important exception. The largest single export in Japan's entire foreign trade is raw silk. During the past ten years exports of raw silk have ranged from 30 to over 40 per cent of her entire exports, and average about

twice the value of her second greatest export which is cotton fabric. However, raw silk is not so much an exception as might at first appear. It is a semi-manufactured product made from the fiber spun by the silk worm, and the rearing of the silk worm does not necessarily encroach on the arable land. The worm feeds on the leaves of the mulberry tree which will grow on land unsuitable for agriculture.

There are other exceptions. Some coal, copper, and furs are exported, which are raw materials, and tea, rice, and marine products, which are foods. Still, the general truth remains, that to support her increasing population by commerce, Japan will have to rely more and more on the export of manufactured goods; and inasmuch as she must for the most part import the raw materials for her manufactures, it is to her interest that the process should be carried to as advanced a stage as possible in order that the "value added" may be maximum. For example, as has just been noted, she exports vast quantities of raw silk. It would be more to her advantage to convert the raw silk into fabric and export it in finished form. The value would be increased, more food could be imported in exchange, and employment for a part of her increasing labor force would be found in her silk mills. The reason why she does not pursue this policy to a greater extent will presently be discussed when we come to consider the tariff policies of the other nations on which Japan must rely in order to obtain food by this process of exchange.

It will be seen that industrialization and commerce, supplemented by reasonable limitation of numbers, would solve Japan's population problem. Factories do not encroach on arable land. Indeed, mountain-sides where power can be furnished by mountain streams are in many ways the ideal sites for factories. This is particularly true of Japan because of her rather meager supply of coal and the number of her swift mountain streams. If such a site involves market and transportation problems, the streams may be used for generating hydroelectric power, which may be transmitted to the factory located wherever most convenient.

During the past ten years much progress has been made in this program of industrialization and commerce. While population has steadily increased, the production of most staple agricultural crops,

except rice, has shown a distinct downward trend. This includes barley, wheat, oats, soya beans, other beans, millet, maize, buckwheat, potatoes and sweet potatoes. Fruit production (a branch of agriculture not requiring arable land) has shown a marked increase. This statement applies to pears, apples, persimmons, grapes, and oranges, particularly mandarin oranges.

But the most striking evidence is found in the increased production of the basic materials of manufacture and in the increasing horsepower employed in her factories. Between 1913 and 1928 coal consumption increased from 21,316,000 to 33,860,000 metric tons, steel from 14,000 to 61,000 metric tons, cotton from 705,900,000 to 1,139,169,000 pounds, raw silk from 30,902 to 87,400 pounds, cement from 3,741,000 to 22,474,000 barrels, and horsepower from 1,289,000 (1914) to 6,390,000. In percentages these changes will appear even more significant. While total population was increasing 20 per cent, agricultural population increased only 2.2 per cent, acreage in all crops decreased about 16 per cent, coal consumption increased 47 per cent; steel consumption, 154 per cent; raw silk, 134 per cent; cement, 400 per cent; cotton, 28 per cent; and horsepower, 275 per cent.

One item calls for special mention as showing Japan's dependence on commerce in carrying out her program of industrialization. While all the figures and percentages enumerated in the last paragraph indicate rapidly increasing industrialization, pig iron, after increasing from 57,000 metric tons in 1913 to 209,000 tons in 1919, decreased again to 57,000 tons in 1928. This shows Japan's dependence on imports for one of the most basic materials of her industry. In 1928 she imported iron in various crude forms (lumps, ingots, blooms, billets, and slabs) to the amount of 662,943 metric tons, and in slightly more advanced form (bars, rods, plates, sheets, wires, pipes, and tubes) to the amount of 752,813 metric tons. The importation of either class is more than ten times the production.⁸ Enough has been said to show that Japan has involved herself in a situation which renders her peculiarly dependent on foreign trade. Had she remained isolated and relied solely on her own resources

⁸ For a fuller discussion of Japan's agriculture and industry, see Wright, Philip G., *The American Tariff and Oriental Trade*, The University of Chicago Press, 1931, Chapters I and II.

for food, her population could not have attained its present magnitude. It would have been held down to the bounds imposed by her fisheries and the limited extent of her arable land, but she would have been self-sufficient. Commerce has enabled her to increase her food supply and her population by turning an increasing proportion of her population to the manufacture of goods for export, but it has made her dependent. The very existence of a portion of her population hangs on the willingness of foreign countries to buy the commodities which she is fitted to produce. Her foreign trade may now be studied in the light of this situation.

GENERAL EXPORTS AND IMPORTS

Tables XXXVII and XXXVIII show the principal exports and imports of Japan, and the latter table shows also the duties which she levies on the imports enumerated in the table. The commodities shown constitute about 80 per cent of the exports and 68 per cent of the imports. As expressed in values, it will be seen that total exports showed a sharp falling off in 1921 and then rose to a peak in 1925 and another peak in 1929, since which year they have declined sharply, until in 1931 they were not much more than half as great as in 1920. These figures, however, are somewhat misleading, the apparent rise and fall being largely due to price changes. Where possible, the individual commodity exports and imports are expressed in quantities as well as values, and when so expressed the upward and downward movements often differ. For example, the value of raw silk exports in 1920 was greater than in 1931 in the ratio of 383 to 355; but, for the same years, the physical exports were less than one-third as great.

A study of the export table shows that by far the most important export commodity was raw silk, the exports of this commodity ranging from 19.6 per cent of the total in 1920 to 40.9 per cent in 1922. Next in order was cotton tissue, the exports of which ranged from 13.6 per cent of the total in 1922 to 20.4 per cent in 1926. If we group all the silk items together the importance of silk in Japanese export trade becomes even more apparent. In one year (1922) they together constituted more than one-half of the total exports, and in all of the years shown they constituted more than a third.

Of the other enumerated exports a few are agricultural products

TABLE XXXVII. JAPAN PRINCIPAL EXPORTS*

Quantities in thousands of piculs, unless otherwise indicated. Value in millions of yen and as percentages of total.

Year	Total	Silk										
		Raw			Tissue		Habutae			Waste and Floss		
		Quantity	Value	Per Cent	Value	Per Cent	Quantity 1,000 kin	Value	Per Cent	Quantity	Value	Per Cent
1920.....	1,948	174.7	382.7	19.6	158.4	8.1	2,697	91.2	4.7	68.5	27.5	1.4
1921.....	1,253	262.0	417.1	33.3	89.9	7.2	2,042	43.6	3.5	60.0	10.4	.8
1922.....	1,637	344.1	670.0	40.9	107.9	6.6	2,065	53.5	3.3	80.9	14.5	.9
1923.....	1,448	263.2	566.2	39.1	92.3	6.4	1,289	38.3	2.6	47.4	10.5	.7
1924.....	1,807	372.6	685.4	37.9	125.8	7.0	1,967	57.4	3.2	89.1	20.8	1.2
1925.....	2,306	438.4	879.7	38.1	117.0	5.1	1,417	36.9	1.6	97.8	30.3	1.2
1926.....	2,045	443.0	734.1	35.9	133.1	6.5	1,476	36.7	1.8	62.0	16.3	.8
1927.....	1,992	521.7	742.3	37.3	139.6	7.0	1,737	38.1	1.9	65.4	11.8	.6
1928.....	1,972	548.0	732.7	37.2	134.1	6.8	1,804	33.0	1.7	71.4	12.5	.6
1929.....	2,149	574.9	781.0	36.3	150.0	7.0	1,858	30.4	1.4	63.6	13.0	.6
1930.....	1,470	469.8	416.6	28.3	100.1	6.8	1,174	15.8	1.1	33.0	6.6	.4
1931.....	1,147	555.9	355.4	31.0	83.8	7.3	692	6.5	.6	10.9	2.4	.2

Year	Cotton									Paper		Potteries		Rice			Coal		
	Tissue		Knitted Goods		Yarn			Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Quantity million tons	Value	Per Cent
	Value	Per Cent	Quantity Million doz.	Value	Per Cent	Quantity	Value													Per Cent	Quantity	Value	Per Cent
1920.....	335.0	17.2	6.2	36.0	1.8	898	152.4	7.8	23.1	1.2	31.5	1.6	290	5.9	.3	2.1	45.2	2.3	
1921.....	203.7	16.2	3.1	12.9	1.0	877	80.6	6.4	18.9	1.5	20.8	1.7	235	3.4	.3	2.4	37.8	3.0	
1922.....	222.1	13.6	4.4	17.7	1.1	1,182	114.7	7.0	16.1	1.0	21.2	1.3	102	1.7	.1	1.7	23.5	1.4	
1923.....	234.8	16.2	5.8	21.2	1.5	745	78.5	5.4	15.2	1.0	23.5	1.6	78	1.2	.1	1.6	21.5	1.5	
1924.....	326.6	18.1	5.8	22.0	1.2	811	109.6	6.1	15.6	.9	25.4	1.4	61	1.1	.1	1.7	22.4	1.2	
1925.....	432.8	18.8	7.6	31.0	1.3	932	123.1	6.0	20.2	.9	35.3	1.5	217	4.0	.2	2.7	33.2	1.4	
1926.....	416.3	20.4	7.6	26.0	1.3	617	70.7	5.5	19.0	.9	33.2	1.6	105	1.8	.1	2.6	31.0	1.5	
1927.....	383.8	19.3	9.6	27.1	1.4	353	38.8	1.8	19.3	1.0	30.5	1.5	88	1.4	.1	2.2	25.5	1.3	
1928.....	352.2	17.9	11.4	33.3	1.7	215	25.9	1.3	25.7	1.3	34.6	1.8	14	.2	.0	2.2	24.5	1.2	
1929.....	412.7	19.2	12.3	36.7	1.7	202	26.8	1.2	26.3	1.2	37.0	1.7	77	1.1	.1	2.0	23.2	1.0	
1930.....	212.1	14.4	12.9	30.5	2.1	179	15.0	1.0	27.6	1.9	27.1	1.8	950	6.6	.4	2.1	21.8	1.5	
1931.....	198.7	17.3	10.6	21.2	1.8	95	8.5	.7	21.0	1.8	19.3	1.7	3,171	15.9	1.4	1.5	15.0	1.3	

* Sources: Annual Returns of the Foreign Trade of Japan, Dept. of Finance, Tokio, and Economic Statistics of Japan, Bank of Japan, Tokio, Japan.

TABLE XXXVII Continued

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Year	Refined Sugar			Copper			Aquatic Products		Iron Mfgs.		Wheat Flour			Cement			Tea		
	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	1,005	30.6	1.7	187	12.7	.7	17.3	.9	20.4	1.0	3	.4	.0	3,310	10.1	.5	198	17.1	.9
1921.....	793	15.8	1.3	181	8.3	.7	14.6	1.2	.2	.0	27	.3	.0	2,839	7.1	.6	119	7.7	.6
1922.....	1,414	19.1	1.2	27	1.5	.1	16.3	1.0	10.3	.6	98	.8	.0	1,738	3.9	.2	219	17.8	1.1
1923.....	1,057	14.7	1.0	31	1.7	.1	19.9	1.4	11.4	.8	173	1.4	.1	901	2.0	.1	205	16.0	1.1
1924.....	1,882	28.9	1.6	46	2.5	.1	22.5	1.2	12.8	.7	188	1.9	.1	1,314	2.4	.1	180	12.8	.7
1925.....	2,388	32.3	1.4	43	2.4	.1	22.6	1.0	21.3	.9	1,149	13.9	.6	2,386	4.3	.2	210	14.8	.6
1926.....	3,002	34.0	1.7	42	2.2	.1	22.7	1.1	19.6	1.0	1,693	19.7	1.0	3,978	4.9	.2	180	12.1	.6
1927.....	2,631	28.9	1.5	46	2.2	.1	20.1	1.0	19.0	1.0	1,252	14.3	.7	5,051	7.1	.7	176	10.9	.5
1928.....	3,797	38.4	1.9	49	2.5	.1	17.4	.9	13.7	.7	2,372	24.7	1.2	4,930	6.9	.3	180	11.8	.6
1929.....	3,221	30.0	1.4	138	7.4	.3	22.3	1.0	15.2	.7	3,063	26.8	1.2	6,424	9.2	.4	179	12.0	.5
1930.....	3,637	26.7	1.8	553	21.3	1.4	18.1	1.0	14.1	.9	1,999	14.5	1.0	8,146	10.0	.7	153	8.4	.6
1931.....	2,622	14.8	1.3	443	12.0	1.0	10.2	.9	10.2	.9	2,252	9.5	.8	7,428	9.1	.8	192	8.2	.7

Year	Lamps		Glass and Mfgs.		Isinglass			Shooks		Menthol			Beer		Camphor			Carpets ^b		
	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Quantity million kin	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	8.5	.4	23.2	1.2	9.4	1.4	.1	6.4	.3	3.7	5.5	.3	4.6	.2	10.3	5.0	.3	13.3	8.6	.4
1921.....	4.5	.4	.8	.1	17.1	1.8	.1	2.8	.2	2.3	2.2	.2	5.8	.5	14.4	2.9	.2	6.0	3.3	.3
1922.....	4.1	.3	10.3	.6	11.5	1.9	.1	3.7	.2	2.5	3.3	.3	3.4	.3	36.5	7.2	.4	7.2	3.6	.2
1923.....	4.2	.3	10.1	.7	15.9	3.5	.2	3.6	.2	1.7	3.5	.2	2.3	.2	42.8	8.9	.6	7.5	4.3	.3
1924.....	5.1	.3	12.7	.7	18.2	4.5	.2	4.0	.2	2.7	7.8	.4	2.2	.1	31.6	6.9	.4	7.9	4.7	.3
1925.....	6.2	.3	17.3	.8	21.5	5.9	.3	6.4	.3	4.2	12.5	.5	1.9	.1	34.4	7.3	.3	....	7.4	.3
1926.....	6.6	.3	14.3	.7	18.1	3.7	.2	7.3	.4	5.3	10.0	.5	2.5	.1	39.4	5.7	.3	....	6.3	.3
1927.....	6.9	.3	16.6	.8	18.2	3.2	.2	5.3	.3	4.7	4.9	.2	4.2	.2	36.7	5.6	.3	....	4.9	.2
1928.....	8.4	.4	12.9	.6	21.5	4.1	.2	5.2	.3	3.2	3.9	.2	4.4	.2	36.6	5.4	.0	....	2.3	.1
1929.....	9.5	.4	13.2	.6	22.0	4.6	.2	6.3	.3	...	5.2	.2	3.8	.2	41.6	6.2	.3	....	4.0	.2
1930.....	8.1	.6	9.6	.7	21.0	3.8	.3	5.1	.3	4.0	3.5	.2	3.4	.2	21.4	3.1	.2	....	2.9	.2
1931.....	7.8	.7	6.5	.6	20.1	3.4	.3	3.2	.3	4.0	3.0	.3	3.0	.3	22.6	2.9	.3	....	2.8	.2

^bDantsu and Yukatori.

TABLE XXXVII *Continued*

Year	Fish and Whale Oil			Plaits for Hat Making			Saké			Furs		Matches			Tooth Brushes			Mandarins		
	Quantity	Value	Per Cent	Quantity million bundles	Value	Per Cent	Quantity 1,000 koho	Value	Per Cent	Value	Per Cent	Quantity 1,000 gross	Value	Per Cent	Quantity million doz.	Value	Per Cent	Quantity	Value	Per Cent
1920....	124.7	3.4	.2	36.3	22.0	1.1	35	5.1	.3	1.3	.1	28.4	28.5	1.5	...	5.3	.3	257.4	2.4	.1
1921....	19.0	.3	.3	21.5	7.0	.6	35	5.0	.4	.5	.0	23.2	16.2	1.3	...	2.2	.2	164.3	1.7	.1
1922....	133.2	1.6	.1	30.7	11.3	.7	27	3.9	.2	1.1	.1	20.8	15.6	1.0	...	3.5	.2	198.9	2.1	.1
1923....	108.5	1.3	.1	25.3	10.0	.7	22	3.0	.2	1.2	.1	15.3	10.6	.7	...	6.0	.4	216.5	2.3	.2
1924....	248.0	3.2	.2	27.1	9.2	.5	21	3.0	.2	.8	.0	13.4	9.2	.5	...	4.0	.2	162.0	1.8	.1
1925....	252.9	4.1	.2	29.3	12.3	.5	19	2.7	.1	1.7	.1	12.9	8.7	.4	3.6	4.0	.2	215.8	2.4	.1
1926....	330.3	4.5	.2	25.0	10.3	.5	20	2.9	.1	1.6	.1	12.2	6.9	.3	4.0	4.1	.2	287.4	3.1	.2
1927....	604.2	7.5	.4	19.7	8.5	.4	19	2.7	.1	3.2	.2	13.6	8.2	.4	3.6	3.4	.2	280.4	3.0	.2
1928....	619.2	8.2	.4	11.7	4.7	.2	21	2.9	.1	3.0	.2	221.8	5.1	.3	3.7	3.2	.2	271.4	2.9	.1
1929....	587.8	7.8	.4	12.0	5.2	.2	18	2.5	.1	3.7	.2	134.7	3.7	.2	4.5	4.1	.2	259.7	2.8	.1
1930....	745.0	8.0	.5	8.0	3.4	.2	16	2.3	.2	2.2	.1	123.0	3.0	.2	2.4	1.5	.1	223.0	2.1	.1
1931....	273.9	1.9	.2	7.0	1.8	.2	13	1.8	.2	1.6	.1	75.0	1.4	.1	2.3	1.4	.1	161.9	1.3	.1

Year	Mushrooms			Vegetable Wax			Lacquered Ware		Mats		Mirrors			Clocks			Umbrellas		
	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million	Value	Per Cent	Quantity 1,000 dozen	Value	Per Cent	Quantity 1,000 dozen	Value	Per Cent
1920.....	11.4	2.3	.1	7.3	.3	.0	2.9	.1	4.5	.2	8.2	2.1	.1	21	1.4	.1	149	3.5	.2
1921.....	7.4	1.4	.1	28.2	1.0	.1	1.2	.1	1.5	.1	6.7	1.4	.1	17	.9	.1	121	2.2	.2
1922.....	8.9	2.0	.1	48.5	1.9	.1	1.3	.1	2.0	.1	8.6	1.6	.1	24	1.4	.1	136	2.3	.1
1923.....	8.0	1.7	.1	28.3	1.2	.1	1.3	.1	1.8	.1	8.8	1.9	.1	22	1.3	.1	130	2.1	.1
1924.....	9.7	2.3	.1	53.2	2.5	.1	1.3	.1	1.5	.1	15.6	2.7	.1	23	1.6	.1	217	3.7	.2
1925.....	11.9	2.6	.1	31.5	1.4	.1	1.8	.1	2.0	.1	14.9	2.9	.1	27	1.7	.1	274	4.0	.2
1926.....	15.8	3.2	.2	36.0	1.5	.1	1.8	.1	1.9	.1	15.6	2.3	.1	30	1.8	.1	250	3.0	.1
1927.....	17.1	3.1	.2	53.0	2.3	.1	1.5	.1	1.9	.1	17.0	2.5	.1	37	2.1	.1	229	2.3	.1
1928.....	9.7	2.0	.1	44.8	2.1	.1	1.7	.1	1.5	.1	16.8	2.2	.1	13	.7	.0	262	2.5	.1
1929.....	9.6	2.0	.1	49.0	2.2	.1	1.8	.1	1.7	.1	28.4	2.2	.1	44	2.1	.1	...	1.9	.1
1930.....	9.6	1.7	.1	42.8	1.9	.1	1.4	.1	1.4	.1	16.1	1.4	.1	37	1.5	.1	...	1.2	.1
1931.....	7.9	1.3	.1	40.2	1.2	.1	1.1	.1	1.0	.1	12.7	.9	.1	21	.7	.1	...	.4	.0

TABLE XXXVIII. JAPAN—PRINCIPAL IMPORTS*

With duties levied. Quantities in thousand piculs unless otherwise indicated. Values in million yen and as percentages of total.

Year	Total	Raw Cotton			Wool			Machinery		Oil Cake			Wood	
		Quantity	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Million piculs	Value	Per Cent	Value	Per Cent
1920.....	2,336	7,839	721.4	30.9	562	121.6	5.2	110.6	4.7	20.1	150.9	6.5	23.5	1.0
1921.....	1,614	8,758	438.2	27.1	267	32.2	2.0	119.9	7.4	22.1	94.3	5.8	43.5	2.7
1922.....	1,890	8,710	427.8	22.6	565	55.4	2.9	114.4	6.0	21.0	98.6	5.2	84.8	4.5
1923.....	1,982	8,846	513.2	25.9	518	80.0	4.0	102.2	5.1	23.8	109.6	5.5	89.5	4.5
1924.....	2,453	8,123	605.3	24.7	527	88.0	3.6	128.5	5.3	21.3	103.6	4.2	129.1	5.3
1925.....	2,573	10,942	923.4	35.9	612	121.1	4.7	89.0	3.5	19.5	107.4	4.2	76.8	3.0
1926.....	2,377	11,646	725.9	30.5	612	86.0	3.6	90.5	3.8	24.0	124.1	5.2	104.0	4.4
1927.....	2,179	12,800	624.6	28.7	789	101.7	4.7	78.6	3.5	22.1	99.0	4.5	103.8	4.8
1928.....	2,196	9,756	549.8	25.0	880	111.9	5.1	92.2	4.2	19.0	86.8	3.9	111.0	5.0
1929.....	2,216	10,790	573.0	25.9	815	101.8	4.6	113.6	5.1	16.3	75.9	3.4	88.8	4.0
1930.....	1,546	9,573	362.0	23.4	867	73.6	4.8	81.8	5.3	17.3	66.4	4.3	53.1	3.4
1931.....	1,236	11,157	296.3	23.9	1,430	86.1	7.0	48.7	4.0	19.7	44.3	3.6	43.4	3.5
Tariff of: 1910.....		Free			Free			20%		Free			1.80 yen per c.m.	
1926.....		Free			Free and 14.5 yen per 100 kin			20%		Free			Free	
1932.....		Free			Free and 14.5 yen per 100 kin			20%		Free			2.30 yen per c.m.	

Calendar years.

* Source: *Annual Returns of the Foreign Trade of Japan*, Dept. of Finance, Tokio, and *Economic Statistics of Japan*, Bank of Japan, Tokio, Japan.

TABLE XXXVIII *Continued*

Year	Petroleum ^b			Wheat			Coal			Soya Beans			Automobiles and Parts	
	Million gallons	Value	Per Cent	Million piculs	Value	Per Cent	Thousand tons	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent
1920.....	33.9	21.3	.9	2.9	28.5	1.2	797	19.9	.9	3,881	36.8	1.6	10.5	.5
1921.....	27.1	16.7	1.1	4.9	31.6	2.0	777	14.1	.9	2,933	15.8	1.0	8.1	.5
1922.....	33.6	18.8	1.0	9.0	58.9	3.1	1,169	16.8	.9	5,135	29.3	1.5	7.3	.4
1923.....	31.2	15.3	.8	.....	.....	...	1,687	24.4	1.2	7,125	40.3	2.0	13.5	.7
1924.....	28.1	14.1	.6	11.7	73.9	3.0	1,980	29.2	1.2	7,108	45.6	1.9	21.2	.9
1925.....	17.1	13.3	.5	7.7	70.5	2.7	1,741	24.5	1.0	7,173	53.0	2.1	11.7	.5
1926.....	25.5	11.9	.5	11.7	93.3	3.9	2,013	27.6	1.2	7,021	49.0	2.1	15.7	.7
1927.....	48.2	24.2	1.1	7.8	53.9	2.5	2,661	35.5	1.6	6,635	41.2	1.9	18.3	.8
1928.....	68.5	30.7	1.4	11.0	67.8	3.1	2,735	37.0	1.7	7,801	49.7	2.2	32.2	1.5
1929.....	90.0	34.7	1.6	2.2	70.9	3.2	3,203	43.0	1.9	9,463	60.1	2.7	33.6	1.5
1930.....	110.8	37.9	2.4	8.1	41.5	2.7	2,650	34.2	2.2	7,153	36.7	2.4	20.8	1.3
1931.....	120.0	36.0	2.9	12.0	32.9	2.7	2,650	28.3	2.3	9,152	27.8	2.3	16.3	1.3
Tariff of:														
1910.....	.96 yen per 100 kin			.77 yen per 100 kin			Free			.70 yen per 100 kin			50%	
1926.....	7.50 yen per 100 American gallons			1.50 yen per 100 kin			Free			.70 yen per 100 kin			35%	
1932.....	7.50 yen per 100 American gallons			2.50 yen per 100 kin			Free			.70 yen per 100 kin			35%	

^b Mineral oil (excluding crude and heavy oils) under .8762 specific gravity.

TABLE XXXVIII *Continued*

Year	Sulphate of Ammonia			Sugar			Crude Rubber			Woolen Yarn			Flax*	
	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent
1920.....	1,202	19.9	.9	2,973	60.2	2.6	102	13.4	.6	12	8.	.3	15.2	.6
1921.....	1,320	11.0	.7	5,090	69.8	4.3	389	15.7	1.0	38	15.2	1.0	14.7	1.0
1922.....	1,550	12.7	.7	6,309	63.9	3.4	279	11.3	.6	121	48.5	2.6	17.4	.9
1923.....	2,429	24.9	1.2	4,935	52.6	2.7	291	19.3	1.0	196	73.9	3.7	17.5	.9
1924.....	2,807	26.5	1.1	5,092	63.8	2.6	332	23.3	.9	157	63.5	2.6	25.4	1.0
1925.....	3,392	33.2	1.3	6,325	75.1	2.9	216	33.6	1.3	117	56.1	2.2	28.6	1.1
1926.....	4,934	45.0	1.9	7,557	83.7	3.5	307	40.0	1.7	92	32.5	1.4	24.9	1.1
1927.....	4,167	32.7	1.5	6,718	75.8	3.5	352	34.4	1.6	138	43.6	2.0	23.6	1.1
1928.....	4,741	36.3	1.7	6,351	65.0	3.0	434	27.9	1.3	87	32.1	1.5	24.2	1.2
1929.....	6,344	48.1	2.2	3,795	31.2	1.4	582	33.9	1.5	56	18.7	.8	26.0	1.2
1930.....	5,050	29.6	1.9	4,078	26.0	1.7	557	17.9	1.2	60	14.1	.9	14.2	.9
1931.....	3,736	15.9	1.3	3,305	15.6	1.3	737	13.2	1.1	71	12.4	1.0	11.9	1.0
Tariff of: 1910.....		Free			3.35 yen per 100 kin			Free			15%			Free
1926.....		Free			3.35 yen per 100 kin			Free			33.10 yen per 100 kin			Free
1932.....		Free			3.35 yen per 100 kin			Free			33.10 yen per 100 kin			Free

* Flax, ramie, hemp, jute, etc.

TABLE XXXVIII Continued

Year	Pulp (Paper)			Hides and Leather		Wool Tissue		Leaf Tobacco			Phosphorite		
	Quantity	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Million piculs	Value	Per Cent
1920.....	786	13.2	.6	27.6	1.2	31.3	1.3	113	10.5	.5	4.9	17.1	.7
1921.....	656	8.8	.6	17.2	1.1	31.1	1.9	20	1.9	.1	3.5	8.9	.6
1922.....	1,115	11.8	.6	14.1	.7	50.0	2.6	43	3.2	.2	4.8	9.0	.5
1923.....	600	6.3	.3	15.2	.8	46.6	2.4	32	4.0	.2	2.6	4.9	.3
1924.....	1,008	10.6	.4	18.9	.8	61.6	2.5	140	13.4	.5	4.7	9.2	.4
1925.....	1,311	14.9	.6	19.0	.7	57.5	2.2	74	6.6	.3	4.6	7.5	.3
1926.....	1,069	11.0	.5	22.9	1.0	29.2	1.2	77	8.0	.3	6.8	9.1	.4
1927.....	1,207	11.9	.6	17.5	.8	34.7	1.6	106	9.5	.4	6.8	10.8	.5
1928.....	1,238	11.5	.5	18.2	.8	31.2	1.4	110	8.3	.4	7.9	12.0	.5
1929.....	1,361	13.5	.6	20.1	.9	19.9	.9	115	9.9	.4	9.3	13.5	.6
1930.....	1,339	12.1	.8	13.7	.9	11.4	.8	76	6.6	.4	9.5	12.0	.8
1931.....	1,704	11.8	1.0	11.6	1.0	10.0	.8	122	8.1	.6	6.9	7.2	.6
Tariff of: 1910.....	.25 yen per 100 kin			Free to 10%		.....		355%			Free		
1926.....	.25 yen per 100 kin			Free to 21 yen per 100 kin		.....		355%			Free		
1932.....	.25 yen per 100 kin			Free to 21 yen per 100 kin		.....		355%			Free		

TABLE XXXVIII *Continued*

Year	Rice and Paddy			Caustic Soda			Paraffin Wax			Tin ^d			Glass	
	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent
1920.....	1,178	18.1	.8	439	5.4	.2	274	7.6	.3	53	7.4	.3	3.5	.1
1921.....	3,988	28.8	1.8	22	.3	.0	259	6.7	.4	57	4.9	.3	3.5	.2
1922.....	7,610	61.3	3.2	349	4.0	.2	312	6.3	.3	50	4.3	.2	3.5	.2
1923.....	4,424	30.7	1.6	...	...	..	315	5.5	.3	53	5.6	.3	6.5	.4
1924.....	8,170	70.9	2.9	259	2.6	.1	365	6.9	.3	59	8.4	.3	9.2	.4
1925.....	12,851	120.5	4.7	369	3.8	.2	289	6.1	.2	50	8.8	.3	3.8	.2
1926.....	5,759	50.7	2.1	603	5.4	.2	339	6.7	.3	61	10.7	.5	4.8	.2
1927.....	9,748	78.9	3.6	682	5.7	.3	322	6.0	.3	63	11.0	.5	4.3	.2
1928.....	4,723	33.7	1.5	977	8.2	.4	353	6.7	.3	68	9.6	.4	4.5	.2
1929.....	3,067	22.8	1.0	706	6.0	.3	286	5.4	.3	68	9.2	.4	4.4	.2
1930.....	3,003	19.6	1.3	627	5.0	.3	319	4.4	.3	54	4.8	.3	3.7	.2
1931.....	2,097	7.0	.6	693	5.2	.4	379	3.9	.3	53	3.5	.2	2.7	.2
Tariff of: 1910.....	1 yen per 100 kin			7.0 yen per 100 kin			4 yen per 100 kin			3.75 yen per 100 kin			30%	
1926.....	1 yen per 100 kin			1.50 yen per 100 kin			11.10 yen per 100 kin			3.75 yen per 100 kin			30%	
1932.....	2 yen per 100 kin			1.50 yen per 100 kin			11.10 yen per 100 kin			3.75 yen per 100 kin			30%	

^d Ingots and slabs.

TABLE XXXVIII *Continued*

Year	Sesame Seed			Fresh Eggs			Condensed Milk			Boilers and Engines		Cottonseed	
	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	138	2.2	.1	275	11.1	.5	47	2.8	.1	7.2	.3	3.7	.2
1921.....	304	2.9	.2	599	18.8	1.2	60	3.6	.2	8.0	.5	1.8	.1
1922.....	250	2.8	.2	536	17.9	1.0	75	4.9	.3	6.5	.4	1.2	.1
1923.....	283	3.2	.2	519	17.1	.9	95	6.0	.3	3.1	.3	1.7	.1
1924.....	285	4.2	.2	329	15.1	.6	96	5.7	.2	5.5	.2	1.4	.0
1925.....	240	4.1	.2	324	12.6	.5	71	4.0	.2	5.9	.2	2.9	.1
1926.....	244	3.4	.1	286	11.3	.5	72	3.6	.2	4.9	.2	4.0	.2
1927.....	291	4.0	.2	244	10.0	.5	72	3.8	.2	2.8	.1	3.4	.1
1928.....	350	4.2	.2	183	7.0	.3	64	2.3	.1	3.4	.2	4.9	.3
1929.....	332	3.8	.2	114	4.0	.2	82	4.0	.2	2.4	.2	6.4	.3
1930.....	392	3.1	.2	93	2.8	.2	76	3.3	.2	3.1	.2	3.8	.2
1931.....	426	3.2	.2	138	3.0	.2	69	2.9	.2	2.2	.2	1.9	.2
Tariff of: 1910.....	1.00 yen per 100 kin			6.00 yen per 100 kin			5%			20 yen per 100 kin		Free	
1926.....	.50 yen per 100 kin			6.00 yen per 100 kin			11 yen per 100 kin			22 yen per 100 kin		Free	
1932.....	.50 yen per 100 kin			6.00 yen per 100 kin			20 yen per 100 kin			35 yen per 100 kin		Free	

TABLE XXXVIII *Continued*

Year	Indigo*		Bicycles and Parts		Cocoons			Wild Silk			Zinc Sheet		
	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920	10.3	.4	6.7	.3	11.7	2.5	.1	9.9	8.4	.3	34	1.5	.0
1921	10.4	.6	6.4	.4	25.0	3.3	.2	11.2	7.2	.4	28	.8	.1
1922	6.0	.3	6.5	.4	21.8	3.5	.2	4.9	5.4	.3	45	1.0	.1
1923	3.9	.2	5.8	.3	14.7	1.9	.1	4.4	5.1	.3	51	1.1	.1
1924	4.1	.2	7.7	.3	13.6	1.8	.1	2.5	2.6	.1	46	1.2	.0
1925	2.8	.1	6.2	.2	19.5	3.0	.1	1.5	1.5	.0	49	1.5	.0
1926	2.6	.1	5.9	.3	20.1	2.6	.1	1.9	1.8	.1	48	1.3	.0
1927	2.2	.1	3.5	.1	19.0	1.6	.1	1.5	1.4	.0	50	1.5	.0
1928	1.8	.1	3.3	.2	17.9	1.5	.1	.8	.5	.0	48	1.1	.1
1929	2.1	.1	2.8	.1	16.6	1.8	.1	.5	.3	.0	52	1.2	.1
1930	1.0	.1	1.6	.1	10.8	.9	.1	.8	.4	.0	47	.9	.1
1931	1.3	.1	1.2	.1	14.1	1.0	.1	3.1	1.0	.1	41	.5	.1
Tariff of: 1910	20%		40%		Free			Free			.451 yen per 100 catties		
1926	20%		35%		Free			Free			3.00 yen per 100 kin		
1932	20%		35%		Free			Free			3.00 yen per 100 kin		

* Artificial only after 1928.

TABLE XXXVIII *Continued*

Year	Cotton Goods						Wheat Flour			Railroad Carriages		Aniline Dyes ^t	
	Italians and Satins			Velvets and Plushes			Quantity	Value	Per Cent	Value	Per Cent	Value	Per Cent
	Million Sq. Yd.	Value	Per Cent	Million Sq. Yd.	Value	Per Cent							
1920.....	2.7	2.0	.1	1.0	1.8	.1	233	3.4	.1	7.1	.3	14.9	.6
1921.....	1.6	1.4	.1	1.7	2.7	.2	584	5.3	.3	5.3	.3	13.0	.8
1922.....	2.4	1.9	.1	2.3	3.6	.2	620	5.7	.3	2.7	.2	13.0	.7
1923.....	1.3	.9	.1	.8	1.3	.1	340	3.0	.2	5.6	.3	9.8	.5
1924.....	3.1	2.5	.1	.7	1.3	.0	145	1.4	.0	6.1	.2	12.0	.5
1925.....	1.8	1.7	.1	.5	1.0	.0	76	.9	.0	3.7	.2	5.4	.2
1926.....	1.4	1.3	.0	.5	.9	.0	121	1.3	.0	1.6	.1	6.5	.3
1927.....	1.9	1.3	.0	.6	1.0	.0	333	2.9	.1	1.4	.0	5.5	.3
1928.....	1.1	.8	.0	.5	.5	.0	138	1.2	.1	2.1	.1	.....	..
1929.....	1.5	1.1	.0	.5	.9	.0	117	1.0	.0	1.4	.1	.....	..
1930.....	1.5	.8	.1	.4	.7	.0	325	2.3	.1	.3	.0	.....	..
1931.....	1.1	.5	.1	.5	.6	.1	96	.5	.1	.1	.0	.....	..
Tariff of: 1910.....	34 yen per 10 sq. yd.						1.85 yen per 100 kin			30%		7 yen per 100 kin	
1926.....	83.10 yen per 10 sq. yd. and 20%						2.90 yen per 100 kin			30%		7 yen per 100 kin	
1932.....	83.10 yen per 10 sq. yd. and 20%						2.90 yen per 100 kin			30%		7 yen per 100 kin	

^t Unavailable after 1928.

—rice, wheat, tea, mandarin oranges, and mushrooms. In this class we might also include beer and saké. For the year 1929, the last year before the world-wide depression, these items amounted to 51 million yen, or about 2 per cent of the total. A few are products of extractive industries—coal and copper, products of the mine; and furs, products of the forest. These aggregate in value 34.3 million yen, or about 1.5 per cent. All of the other items may be classed as manufactured or semi-manufactured articles. They aggregated in value 220.7 million yen, or 9.6 per cent. Among the manufactured or semi-manufactured articles were included sugar and aquatic products. Sugar was included because the raw sugar, a product of the soil, is imported. The exported sugar is refined sugar, made from the imported raw sugar. The exported aquatic products are for the most part canned goods.

Turning now to the imports, we see that by far the most important is raw cotton (573 million yen). This is followed by machinery (113.6 million yen) and wool (101.8 million yen). These three constitute over 35 per cent of the total imports (1929). Other imports of importance are oil cake (75.9 million yen), wood (88.8 million yen), sulphate of ammonia (48.1 million yen), coal (43.0 million yen), petroleum (34.7 million yen), and crude rubber (33.9 million yen). The oil cake and sulphate of ammonia are materials for her agriculture (oil cake for cattle feeding and sulphate of ammonia for fertilizing). The others are machinery or materials for her factories. Food items are also important; they are (expressed in million of yen) wheat, 70.9; soya beans, 60.1; sugar, 31.2; rice, 22.8; cottonseed, 6.4; eggs, 4.0; condensed milk, 4.0; wheat flour, 1.0.

Of the enumerated items, 73.5 per cent may be classed as goods destined for use in her factories (raw materials or machinery); 13.2 per cent for food; 9.1 for agriculture and dairying; and 4.2 for direct use as finished manufactured products.

As was noted in a previous paragraph, the items enumerated comprise only 68 per cent of the total imports for the year under consideration (1929). The remaining 32 per cent may include a larger percentage of finished manufactured goods—consumers' goods as distinguished from producers' goods. But a difference in distribution among these remaining imports can hardly change the picture

in its essentials. Considering the density of her population, Japan is still to a rather surprising extent self-sufficient in her food supply. However, it is significant that no less than 13.2 per cent of her imports are of a nature to be used directly or indirectly for food. The percentage of finished manufactured goods suitable for direct use in satisfying a human want constitutes only a small percentage of her imports. The great bulk is made up of goods for use in her factories. Her own factories in the main supply her own needs for manufactured goods, and yield a surplus for export from the proceeds of which she can buy foodstuffs, raw materials, and machinery.

Returning to the export table, it was stated that the enumerated exports constituted some 80 per cent of the total exports. The remaining 20 per cent are made up of numerous commodities, none of which are individually as important as those enumerated. If impediments were not placed in the way of the free exchange of goods between countries it would be safe to assume that a country's exports were made up of the goods which relatively to other countries she was best fitted to produce. Under this assumption, the enumerated exports would, roughly speaking, represent the exports in which Japan had the greatest comparative advantage. This is not strictly true, because some exports are staple commodities of which the consumption is very great; others are specialties of no great importance of which the production and consumption under any conditions would be small.

However, since impediments in the nature of protective tariffs are in fact imposed upon international trade, the bare fact of small exports of a given commodity does not prove that the country is at a relative disadvantage in its production, nor does the bare fact that it exports more of commodity A than of commodity B prove that it is at a greater comparative advantage in the production of the former.

Our analysis of Japan's economic position indicates that it is to her interest, in solving her great population problem to export manufactured goods and, before export, to carry the process of manufacture to as high a stage as possible. Yet, her greatest export is in fact raw silk, a commodity at the lowest stage of manufacture, while her exports of silk fabric in the more advanced stages are relatively small. Outside of the textiles we notice among the exports of com-

modities in an advanced stage of manufacture, potteries, glass manufactures, carpets, matches, tooth brushes, lacquered ware, mats, mirrors, clocks, and umbrellas. If Japan were free to pursue her own interest we should expect the exports of commodities such as these to occupy a much more prominent place than they do.

It would be interesting to study Japan's total export trade as related to the tariffs of all countries of destination, with a view to discovering to what extent this trade is diverted by these tariffs from the channels in which it would flow if the tariffs did not exist. So comprehensive a study cannot be attempted here. But some light may be thrown on it from the study of Japan's trade with the other Pacific countries included in this book.

Before proceeding to this study, a word should be said in regard to Japan's own tariff policy. In 1846, England, confronted with a situation somewhat similar to that of Japan, adopted free trade and thereby made it possible to maintain a much larger population in her rather restricted area⁴ than would otherwise have been possible. Japan has pursued a half-way policy. To maintain her growing population, she is becoming increasingly dependent on foreign markets for her manufactured goods, as was England; but she still endeavors to maintain prices for the benefit of her agricultural population by duties on foodstuffs. As will be seen by the table, wheat, soya beans, sugar, rice, eggs, condensed milk, and wheat flour are all dutiable. Moreover, in spite of the fact that the solution of her population problem is based on exports of manufactured goods, she imposes duties on such goods. Consistency would indicate a policy of free trade in order that her labor and capital might be concentrated on such manufactures as she could export and which, therefore, needed no tariff. Raw materials for her manufactures and her agriculture are, however, generally admitted free of duty. Raw cotton, oil cake, coal, sulphate of ammonia, crude rubber, flux, phosphorite, cottonseed, cocoons, and wild silk, are so admitted.

On the whole, the tariff of Japan, as shown by the table, does not indicate any distinct national policy based on Japan's position of dependence on foreign trade. Rather, it closely resembles the tariffs

⁴The area of the United Kingdom (England, Wales, Scotland, Northern Ireland, Isle of Man, and the Channel Islands), 94,284 squares miles, is considerably smaller than that of Japan proper.

of other countries that have no such dependence. It suggests pressures on the tariff-making body by various economic groups, each seeking its own self-interest without reference to the interests of other groups or of the nation as a whole. However, as has been shown, Japan is in an economic position in which the free admission of her manufactured products by other nations, or at least their admission at moderate rates of duties, is to her a matter of vital importance; but so long as she puts tariff barriers in the way of their products, she is hardly in a position to protest at their exclusion of hers, or if she does make such protests to expect that these will receive much consideration.

We will now consider more in detail the trade of Japan with the other countries treated in the study.

TRADE WITH OTHER PACIFIC COUNTRIES

For trade with Australia, see Chapter I, page 41.

For trade with Canada, see Chapter II, page 82.

For trade with China, see Chapter III, page 133.

JAPAN-NEW ZEALAND

Japan's exports to New Zealand are smaller even than her exports to Australia and Canada, already considered. They constitute only from 1 to 2 tenths of 1 per cent of her entire exports. Yet it would seem that between New Zealand and Japan, as between Australia and Japan, opportunity existed for a large and mutually beneficial trade. Like Australia, New Zealand is rather sparsely populated, and like Australia also it has developed a considerable manufacturing industry but is still predominantly agricultural—or rather pastoral. Animal husbandry is the leading industry. Only about 3 per cent of the total area is under cultivation. The greater part of the country is still in forest. With a total area of 106,260 square miles, the entire population is only about 1½ million. Because of mild winters, abundant rainfall, and many acres of rich meadow land, no region in the world is better adapted to dairying and sheep raising. Wool, butter, meats, hides and skins are its chief products, and of these it has a large export surplus. With these it might easily supply a large part of Japan's teeming population and receive

TABLE XXXIX. JAPAN--EXPORTS TO NEW ZEALAND^a
 With duties encountered. Values in thousand yen and as percentages of total.

Year	Total	Per Cent of Total Exports	Silk Tissue		Wood and Mfgs.		Stockinet or Knit Tissue		Cotton Tissue		Potteries		Toys		Buttons		Hats and Caps	
			Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	9,700	.5	2,984	30.8	...	...	...	...	1,275	13.1	303	3.1	248	2.6	..	...	46	.5
1921.....	1,600	.1	846	52.9	...	...	...	...	178	11.1	50	3.1	27	1.7	..	...	1	.1
1922.....	3,400	.2	2,050	60.3	...	...	...	...	634	18.6	33	1.0	96	2.8	..	...	..	...
1923.....	2,700	.2	1,209	44.8	43	1.6	10	.4	468	17.3	21	.8	47	1.7	48	1.8	9	.3
1924.....	2,900	.2	1,544	53.2	105	3.6	174	6.0	543	18.7	11	.4	58	2.0	51	1.7	2	.1
1925.....	3,100	.1	1,306	42.1	342	11.0	53	1.7	683	22.0	14	.5	77	2.5	47	1.5	13	.4
1926.....	2,900	.1	1,242	42.8	245	8.4	89	3.1	678	23.4	55	1.9	60	2.0	42	1.4	12	.4
1927.....	3,300	.2	1,930	58.5	160	4.8	152	4.6	487	14.8	58	1.8	51	1.5	50	1.5	22	.7
1928.....	3,100	.2	1,773	57.2	223	7.2	133	4.3	275	8.9	55	1.8	47	1.5	56	1.8	31	1.0
1929.....	4,100	.2	2,237	54.5	232	5.6	288	6.0	162	3.9	81	2.0	53	1.3	58	1.4	53	1.3
1930.....	3,200	.2	1,869	58.4	287	9.0	217	6.8	142	4.4	63	2.0	57	1.8	44	1.4	41	1.3
1931.....	2,000	.2	610	30.5	85	4.2	31	1.6	94	4.7	72	3.6	51	2.6	46	2.3	23	1.1
Tariff of: 1921.....			15%		35%		15%		15%		35%		35%		Free		40%	
1927.....			20%		40%		20%		20%		40%		40%		Free		45%	
1930.....			15%		45%		15%		15%		45%		45%		Free		50%	
1931.....			15%		45%		15%		15%		45%		50%		Free		50%	

Calendar years.

1920, 1921, and 1922 unavailable for wood, knit tissue, and buttons.

^a Source: *Annual Returns of the Foreign Trade of Japan*, Dept. of Finance, Tokio, Japan.

TABLE XL. NEW ZEALAND—EXPORTS TO JAPAN*

With duties encountered. Quantities in thousands of piculs. Values in millions of yen and as percentages of total.

Year	Total Exports to Japan	Per Cent of Total Exports to All Countries	Casein			Butter (Natural)			Sheep's Wool		
			Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	...	.0	...	..	....	...	..	....	...	..	....
1921.....	...	.0	...	..	....	...	..	....	...	..	....
1922.....	.4	.1	...	..	....	...	..	....	...	..	....
1923.....	.2	.0	...	..	....	...	..	....	...	..	....
1924.....	.1	.0	...	..	....	...	..	....	...	..	....
1925.....	.1	.0	...	..	....	.1	..	....	...	..	....
1926.....	.7	.2	...	..	....	.5	..	....	5.3	.5	71.4
1927.....	.4	.1	...	..	....	.8	..	....	...	..	....
1928.....	.8	.1	5.3	.2	25.0	.5	..	....	5.6	.5	62.5
1929.....	.7	.1	6.2	.3	42.9	1.6	.2	28.6	2.5	.2	28.6
1930.....	.4	.1	5.7	.2	50.0	1.6	.1	25.0	.6	.0	10.0
1931.....	1.4	.4	12.0	.3	21.4	.6	.0	....	19.4	1.1	78.6
Tariff of: 1910.....				20%		29.60 yen per 100 kin			Free		
1926.....				10%		29.60 yen per 100 kin			Free		

* Source: *Annual Returns of the Foreign Trade of Japan*, Dept. of Finance, Tokio, Japan.

in exchange the numerous manufactured commodities of which Japan has a surplus.

Such trade as exists is, indeed, along these lines. As shown by Table XXXIX, covering commodities aggregating about 75 per cent of Japan's exports to New Zealand, the chief articles of export are textiles (silk and cotton), wood manufactures, potteries, toys, buttons, and hats and caps. However, obsessed with the prevailing protectionist psychology, New Zealand endeavors by her tariff to hinder her people from enjoying these desirable commodities. Silk tissue, cotton tissue, and knit tissue encounter a duty of 15 per cent; wood manufactures a duty of 45 per cent, progressively increased from 35 per cent since 1921; potteries 45 per cent, progressively increased from 35 per cent since 1921; toys 50 per cent, progressively increased from 35 per cent since 1921. Of the imports enumerated only buttons are admitted free.

New Zealand's exports to Japan (Table XL) also follow the lines of comparative advantage. Only three items are listed in the Table (casein, butter, and sheep's wool), but these three constitute practically 100 per cent of her total exports to Japan.

JAPAN-PHILIPPINE ISLANDS

The Philippine Islands, at present under the United States flag and enjoying free trade with that country, have nevertheless a tariff of their own against other countries different from that imposed by the United States. Japan's exports to the Philippine Islands average about 2.6 per cent of her total exports, a larger percentage than is shipped to Australia, Canada, or New Zealand. Moreover, since 1922 it appears to be increasing. In that year it was 2.1 per cent; in 1931, 3.8 per cent.

The Philippine Islands, though much more densely populated than Australia, Canada, or New Zealand, are still mainly agricultural. The chief articles produced for export are sugar, manila hemp, copra, coconut oil, copra meal, and desiccated coconut. Since free trade exists between the Philippine Islands and the United States, the great bulk of Philippine trade is with that country. Still, the trade with Japan is substantial. The items enumerated in Table XLI constitute about 70 per cent of Japan's exports to the Philippine Islands. Cotton and silk fabrics, including shirts and drawers,

TABLE XLI. JAPAN—EXPORTS TO PHILIPPINE ISLANDS*

With duties encountered. Quantities in millions of kilos. Values in millions of pesos and as percentages of total.

Year	Total	Per Cent of Total Exports	Cotton		Total Silk		Undershirts and Drawers		Coal			Iron and Steel Enamelled Ware		Porcelain Dishes		Matches		
			Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent
1920.....	32.2	3.3	4.7	14.6	.....	.....	3.5	10.9	320.0	7.4	23.0	.46	1.4	...	...	.....	.69	2.1
1921.....	21.3	3.4	3.1	14.5	1.00	4.7	3.1	14.5	289.9	4.7	22.1	.30	1.4	.01	.0	.....	.64	3.0
1922.....	17.2	2.1	2.6	15.1	.69	4.0	2.8	16.3	215.6	2.6	15.1	.37	2.2	.01	.1	.....	.89	5.2
1923.....	16.1	2.2	3.7	23.0	.03	.2	2.7	16.8	119.1	1.4	8.7	.43	2.7	.29	1.8	.....	.71	4.4
1924.....	17.1	1.9	4.2	24.6	.54	3.1	3.4	19.9	125.5	1.2	7.0	.42	2.5	.37	2.2	.....	.80	4.7
1925.....	21.9	1.9	6.6	30.1	.87	4.0	3.1	14.2	136.6	1.3	5.9	.63	2.9	.53	2.4	1.50	.94	4.4
1926.....	23.2	2.3	6.3	27.1	1.20	5.2	3.2	13.8	201.5	1.9	8.2	.47	2.0	.56	2.4	1.80	.81	3.3
1927.....	22.2	2.2	6.0	27.0	1.30	5.9	3.2	14.4	139.0	1.4	6.3	.40	1.8	.50	2.3	1.60	.87	3.9
1928.....	25.9	2.3	7.2	27.8	2.10	8.1	3.7	14.3	150.8	1.5	5.8	.65	2.5	.60	2.3	1.40	.76	2.9
1929.....	23.9	2.2	5.9	24.7	3.30	13.8	3.0	12.6	225.3	2.1	8.8	.41	1.7	.49	2.0	.75	.43	1.8
1930.....	25.9	3.5	6.2	23.9	4.70	18.1	3.2	12.4	185.3	1.7	6.6	.36	1.4	.44	1.7	.64	.40	1.5
1931.....	22.0	3.8	5.6	25.4	3.70	16.8	2.4	10.9	90.8	.7	3.2	.42	1.9	.41	1.9	.48	.30	1.4
Tariff of 1909.....			7%		38%		21%		5%			19%		27%		75%		

TABLE XLI *Continued*

Year	Empty Bottles		Tableware (Glass)		Cigarette Paper			Shellfish—Dried, Smoked or Cured			Codfish, Dried, Smoked, etc.			Empty Bags			Fans, Not Electric	
	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Million Pieces	Value	Per Cent	Value	Per Cent
1920.....	.50	1.5	...	..	.21	.38	1.2	.08	.12	.4	.16	.06	.2	.010	.004	.0	...	..
1921.....	.28	1.3	.11	.5	.14	.21	1.0	.05	.06	.3	.13	.05	.2	.003	....	...	.07	.3
1922.....	.12	.7	.13	.8	.20	.24	1.4	.05	.06	.3	.08	.03	.2	.250	.040	.2	.06	.3
1923.....	.13	.8	.14	.9	.21	.19	1.2	.04	.05	.3	.09	.04	.2	.....	....	...	.06	.4
1924.....	.15	.9	.11	.6	.24	.18	1.0	.06	.07	.4	.16	.06	.3	.004	....	...	.05	.3
1925.....	.31	1.4	.17	.8	.16	.12	.5	.10	.11	.5	.36	.13	.6	.060	.020	.1	.06	.3
1926.....	.43	1.9	.14	.6	.16	.13	.6	.17	.16	.7	.45	.17	.7	1.100	.240	1.0	.09	.4
1927.....	.40	1.8	.15	.7	.25	.26	.9	.15	.18	.8	.32	.13	.6	1.400	.300	1.4	.08	.4
1928.....	.43	1.7	.17	.7	.30	.20	.8	.14	.18	.7	.35	.13	.5	1.500	.310	1.2	.10	.4
1929.....	.33	1.4	.14	.6	.16	.10	.4	.11	.14	.6	.37	.14	.6	.910	.200	.8	.07	.3
1930.....	.31	1.2	.15	.6	.18	.10	.4	.11	.13	.5	.39	.12	.5	.820	.140	.5	.07	.3
1931.....	.27	1.2	.17	.8	.30	.17	.8	.10	.12	.5	.34	.08	.4	.700	.110	.5	.06	.3
Tariff of 1909 ...	13%		17%		16%			7%			8%			13%			35%	

Ad valorem equivalent of specific rates are calculated for 1925 as an average year.

* Source: *Annual Report of the Insular Collector of Customs*, Dept. of Finance, Bureau of Customs, Manila, P. I.

TABLE XLII. PHILIPPINE ISLANDS—EXPORTS TO JAPAN*

With duties encountered. Quantities in thousand piculs. Values in million yen and as percentages of total.

Year	Total	Per Cent of Total Exports	Hemp, Jute, and Manila Hemp			Wood		Sugar			Leaf Tobacco			Copra		
			Quantity	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	16	5.3	205.5	6.2	38.7	.4	2.5	378.9	4.6	28.7	13.3	.6	3.7	....	..	...
1921.....	18	10.2	389.2	6.6	36.7	...	....	830.3	10.3	57.2	4.9	.2	1.1	.8	..	...
1922.....	15	7.9	319.4	4.2	28.0	...	....	144.0	1.1	7.3	....	..	...	....	..	...
1923.....	13	5.4	417.3	6.2	47.7	.1	.8	142.1	1.3	7.7	....	..	...	9.1	..	...
1924.....	18	6.6	533.8	11.6	64.4	.9	5.0	322.2	3.9	21.7	14.2	.6	3.3	3.0	..	...
1925.....	17	5.7	436.4	12.9	75.9	.3	1.8	216.2	2.5	14.7	5.3	.2	1.2	1.6	..	...
1926.....	19	6.9	571.1	14.1	74.2	.8	4.2	290.1	3.0	15.8	4.2	.2	1.1	....	..	...
1927.....	18	5.8	625.0	14.6	81.1	1.1	6.1	134.3	1.3	7.2	11.4	.4	2.2	....	..	...
1928.....	16	5.2	661.5	12.7	79.3	1.3	8.1	21.2	.2	1.2	8.7	.4	2.5	1.7	..	...
1929.....	18	5.5	784.3	14.4	80.0	1.9	10.5	7.2	...	....	8.5	.3	1.7	7.6	..	...
1930.....	11	4.1	638.8	8.3	75.4	1.5	13.6	....	...	....	4.6	.2	1.8	18.3	.2	1.8
1931.....	9	4.3	722.2	6.3	70.0	1.4	15.6	....	...	....	15.0	.6	6.7	30.7	.2	2.2
Tariff of: 1910.....			Free			.50 yen per 100 kin		3.35 yen per 100 kin (2.50 to 4.65 yen)			355%			Free		
1926.....			Free			Free		3.35 yen per 100 kin			355%			Free		

* Source: Annual Returns of the Foreign Trade of Japan, Dept. of Finance, Tokio.

preponderate, together accounting for over 50 per cent of the total. Other exports of importance are coal, potteries, glassware, cigarette paper, and marine products. For the most part, the duties are somewhat lower than those imposed in the other countries under consideration—cotton cloth, 7 per cent; undershirts and drawers, 21 per cent; coal, 5 per cent; porcelain dishes, 27 per cent; glass table ware, 17 per cent; marine products, 7 and 8 per cent. The duty on silk goods, however, is 38 per cent, and that on matches 75 per cent.

Philippine exports to Japan (Table XLII) constitute from 4 to 5 per cent of her total exports. About 80 per cent of these exports consist of hemp, jute, and Manila hemp. Other exports, in percentages of total, are wood, 10.5; leaf tobacco, 1.7; and in some years sugar and copra. Copra, hemp, and jute are admitted into Japan free of duty. The other items mentioned are dutiable.

The exports of Japan to the Philippine Islands greatly exceed in value those of the latter country to Japan. For the years 1920-1931 Japanese exports to the Philippine Islands averaged 22,400,000 pesos, and Philippine exports to Japan averaged 15,700,000 yen.⁵

JAPAN—UNITED STATES

The exports of Japan to the United States greatly exceed her exports to any other country; and her imports from the United States greatly exceed her imports from any other country. This is in part due to the mere magnitude of the market which the United States affords, her great population, and her great wealth. It is also due in part to the fact that, though the United States tariff is among the highest in the world, some of the articles of which Japan has a large export surplus are on the free list; and, so far as imports are concerned, it happens that some of the materials of which Japan stands most in need for her industries are among the articles which the United States is peculiarly well fitted to produce in huge surplus beyond her own needs.

A study of Table XLIII, including commodities which constitute over 90 per cent of Japan's total exports to the United States, shows that the exports of raw silk alone constitute over 80 per cent of the total, and that raw silk is admitted free of duty.

The articles admitted free of duty, 1929, were raw silk, 82.4 per

⁵ The par value of both the yen and the Philippine peso is 50 cents.

TABLE XLIII. JAPAN—EXPORTS TO UNITED STATES*

With duties encountered. Quantities in million pounds except Rapeseed Oil which is in million gallons. Values in million dollars and as percentages of total.

Year	Total	Per Cent of Total Exports	Silk									Crabmeat		
			Raw			Waste and Floss			Fabric			Quantity	Value	Per Cent
			Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent			
1920.....	414.6	42.6	22.9	219.8	53.0	2.3	4.5	1.1	2.3	28.1	6.8	4.0	2.1	.5
1921.....	251.3	40.0	31.7	188.1	74.8	1.8	1.5	.6	2.9	18.0	7.2	2.6	1.1	.4
1922.....	354.3	43.2	40.0	291.3	82.2	2.3	2.0	.6	1.9	13.5	3.8	3.5	1.8	.5
1923.....	346.9	48.0	33.3	275.9	79.5	2.8	2.8	.7	1.8	12.1	3.5	4.4	2.2	.6
1924.....	340.1	37.6	44.3	285.9	84.1	2.8	2.6	.8	1.5	8.4	2.5	4.7	1.5	.4
1925.....	384.0	33.4	49.7	317.7	82.7	3.9	4.6	1.2	1.6	7.6	1.2	9.0	3.0	.8
1926.....	400.7	39.2	53.8	328.9	82.1	2.9	3.2	.8	2.2	10.0	2.5	7.9	3.7	.9
1927.....	402.1	40.4	61.8	334.2	83.1	4.3	2.9	.7	2.0	7.8	1.9	8.7	3.7	.9
1928.....	384.5	39.0	64.1	318.1	83.0	4.4	1.8	.5	2.0	6.7	1.7	12.7	5.0	1.3
1929.....	431.9	40.2	69.7	356.1	82.4	3.5	1.3	.3	2.4	6.7	1.5	10.7	5.0	1.1
1930.....	279.0	38.0	59.9	221.5	79.4	2.7	.7	.2	1.1	2.7	1.0	9.5	4.2	1.5
1931.....	206.0	35.9	69.5	163.1	79.1	2.3	.3	.1	1.7	3.1	1.5	8.4	3.4	1.6
Tariff of: 1922.....				Free			Free			55% to 65%			15%	
1930.....				Free			Free			55% to 65%			15%	

Years end June 30.

* Source: *Commerce and Navigation*, Bureau of Foreign and Domestic Commerce, Dept. of Commerce, Washington, D. C.

TABLE XLIII *Continued*

Year	Tea			Decorated China		Dried Beans			Undressed Furs		Hats				
	Quantity	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Material		Straw, etc.		
											Value	Per Cent	Value	Per Cent	
1920.....	29.7	9.4	2.7	3.9	.9	.0	.0	.0	5.3	1.3	6.1	1.5	1.5	.3	
1921.....	21.4	4.7	1.9	3.1	1.2	.0	.0	.0	1.2	.5	1.6	.6	.1	.0	
1922.....	36.4	9.6	2.7	2.2	.6	11.5	.5	.1	...	...	2.1	.6	.1	.0
1923.....	36.2	9.2	2.6	2.9	.8	54.0	1.7	.5	...	...	3.2	.9	.2	.1
1924.....	28.6	6.2	1.8	2.9	.8	33.9	1.0	.3	...	...	1.7	.5	.1	.0
1925.....	29.6	6.4	1.6	2.9	.8	25.9	1.1	.3	...	...	1.5	.4	.7	.2
1926.....	28.3	6.9	1.7	4.4	1.1	20.2	.6	.1	...	...	1.9	.5	2.0	.5
1927.....	26.4	5.9	1.5	3.4	.8	27.6	.9	.2	4.6	.1	1.8	.5	1.7	.4	
1928.....	23.4	5.2	1.4	3.5	.8	34.7	1.3	.3	3.5	.9	.6	.2	.4	.1	
1929.....	24.5	5.1	1.2	3.6	.8	39.5	2.1	.5	4.2	1.0	.7	.2	2.8	.6	
1930.....	20.9	3.9	1.4	2.6	.9	54.7	2.3	.8	2.0	.7	.5	.2	1.9	.7	
1931.....	21.4	3.1	1.5	b	...	40.7	1.0	.5	1.4	.7	.3	.1	3.0	1.4	
Tariff of:															
1922.....		Free			70%		1 $\frac{3}{4}$ ¢ per lb. (47%)		Free		15%-20%		25%-60%		
1930.....		Free			70% plus 10¢ per doz.		3¢ per lb. (66%)		Free		15%-25%		25% to \$4 per doz. plus 60%		

^b Changed listing.

TABLE XLIII *Continued*

Year	Pyrethrum			Camphor			Menthol			Brushes		Rapeseed Oil		
	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent
1920.....	.0	.0	.0	2.3	3.0	.7	.0	.0	.0	.0	.0	1.2	1.4	.3
1921.....	.0	.0	.0	.7	1.6	.6	.0	.0	.0	.0	.0	.3	.2	.1
1922.....	.6	.2	.1	4.0	2.7	.8	.0	.0	.0	1.4	.4	.1	.1	.0
1923.....	2.5	1.2	.3	5.6	3.9	1.1	.0	.0	.0	2.1	.1	.1	.1	.0
1924.....	3.5	1.4	.4	2.6	1.6	.5	1.4	.1	.0	1.0	.3	.1	.1	.0
1925.....	5.0	1.0	.3	3.6	2.1	.5	2.4	.3	.1	.9	.2	.4	.4	.1
1926.....	8.1	1.0	.2	3.1	1.9	.5	2.7	.4	.1	1.3	.3	1.5	1.1	.3
1927.....	7.8	1.1	.3	3.1	1.6	.4	.3	1.1	.3	.7	.2	2.4	1.4	.3
1928.....	12.0	3.3	.9	5.5	2.2	.6	.2	.8	.2	.9	.2	1.9	.6	.2
1929.....	8.8	2.0	.5	5.6	2.3	.5	.2	1.0	.2	2.0	.5	1.6	1.0	.2
1930.....	8.2	1.3	.5	2.1	1.0	.4	.3	.9	.3	.8	.3	1.7	.8	.3
1931.....	3.9	.4	.2	3.0	1.2	.6	.3	.7	.3	.7	.3	1.3	.6	.3
Tariff of:														
1922.....		Free			1¢ per lb.			50¢ per lb. (7%)		45%			6¢ per gal.	
1930.....		Free			1¢ per lb. or 5¢, lb.			50¢ per lb. (16%)		50% plus 2¢ or 50% plus 1¢			6¢ per gal.	

TABLE XLIV. UNITED STATES—EXPORTS TO JAPAN^a
 With duties encountered. Quantities as specified. Values in million yen and as percentages of total.

Year	Total	Per Cent of Total Exports	Cotton Ginned			Cedar, Pine and Fir		Petroleum Products						Gas and Petrol Engines		
			Million piculs	Value	Per Cent	Value	Per Cent	Petrol Benzine ^b			Kerosene and Gasoline ^c			1,000 piculs	Value	Per Cent
								Million gallons	Value	Per Cent	Million gallons	Value	Per Cent			
1920.....	873	5.3	3.3	339.2	38.9	14.4	1.6	1.2	1.3	.1	29.4	18.9	2.2	5.8	.8	.1
1921.....	574	6.4	3.5	217.4	37.9	30.5	5.3	1.4	1.5	.3	17.7	11.5	2.0	6.0	.7	.1
1922.....	596	7.8	2.2	143.4	24.1	34.2	5.7	1.3	1.2	.2	14.7	9.3	1.6	13.5	1.0	.2
1923.....	512	5.5	2.2	150.2	29.3	51.6	10.1	3.8	3.0	.6	17.9	9.3	1.8	15.8	1.2	.2
1924.....	671	7.3	2.2	204.9	30.5	102.3	15.2	7.7	5.9	.9	19.4	10.3	1.5	38.8	3.0	.4
1925.....	665	6.8	3.8	360.2	54.2	60.2	9.1	7.7	5.6	.8	18.8	9.8	1.5	24.0	2.0	.3
1926.....	680	7.1	4.5	317.4	46.7	84.5	12.4	13.1	8.1	1.2	8.5	3.8	.6	48.2	3.0	.4
1927.....	674	6.9	6.3	343.6	51.0	71.1	10.5	10.7	5.5	.8	13.1	5.9	.9	52.1	3.7	.5
1928.....	626	6.1	3.9	245.9	39.3	84.9	13.6	.....	.....	.....	45.2	18.8	3.0	82.3	6.8	1.1
1929.....	654	6.2	4.4	276.3	42.2	67.3	10.3	.....	.....	.....	53.3	21.5	3.3	106.2	8.6	1.3
1930.....	443	5.8	3.8	176.8	39.9	32.6	7.4	.....	.....	.....	62.6	24.3	5.5	69.1	4.9	1.1
1931.....	342	7.1	5.3	153.7	44.9	26.2	7.7	.....	.....	.....	59.0	22.0	6.4	.....	.....	.....
Tariff of: 1910.....				Free			1.8 yen per cu.m.									20 yen per 100 kin
1926.....				Free			1.8 yen per cu.m.		7.50 yen per 100 Amer. gallons							22 yen per 100 kin
1932.....				Free			3.0 yen per cu.m.		7.50 yen per 100 Amer. gallons							35 yen per 100 kin

^a Source: *Annual Returns of the Foreign Trade of Japan*, Dept. of Finance, Tokio, Japan.

^b Not over specific gravity .930.

^c Specific gravity .730 to .9218.

TABLE XLIV *Continued*

Year	Petroleum Products						Iron and Steel Products						Wheat		
	Crude and Heavy Oils			Other Mineral Oils			Tinned Iron and Steel			Waste and Old Iron			Thousand piculs	Value	Per Cent
	Million gallons	Value	Per Cent	Million piculs	Value	Per Cent	Thousand piculs	Value	Per Cent	Thousand piculs	Value	Per Cent			
1920.....	1.1	.3	.0	.27	4.9	.6	612.6	15.1	1.7	417.9	3.4	.4	13	.2	.0
1921.....	.2	.....	.....	.19	3.7	.6	409.6	10.0	1.7	30.0	.2	.0	2,583	16.8	2.9
1922.....	1.3	.3	.1	.15	2.2	.4	606.9	2.8	.5	212.6	.6	.1	2,193	14.7	2.5
1923.....	15.0	2.9	.6	.49	6.2	1.2	257.4	3.9	.8	92.0	.3	.1	2,839	18.3	3.6
1924.....	29.9	4.0	.6	.74	10.2	1.5	741.4	12.9	1.9	147.0	.4	.1	4,567	28.8	4.3
1925.....	47.6	6.7	1.0	.39	6.0	.9	720.9	13.0	2.0	195.0	.7	.1	2,840	25.6	3.8
1926.....	58.1	8.6	1.3	.47	5.3	.8	577.4	8.5	1.2	321.0	.8	.1	3,258	25.3	3.7
1927.....	88.9	10.9	1.6	.33	3.2	.5	818.2	12.2	1.8	1,312.0	3.1	.5	2,609	18.4	2.7
1928.....	215.0	20.5	3.2	.39	3.4	.5	854.4	12.0	1.9	2,845.0	6.3	1.0	2,456	15.9	2.5
1929.....	254.2	26.1	4.0	.34	2.8	.4	868.6	13.2	2.0	3,602.0	8.3	1.3	2,439	15.0	2.3
1930.....	256.3	25.4	5.7	.32	2.3	.5	797.3	11.0	2.5	4,153.0	9.3	2.1	3,399	18.0	4.1
1931.....	264.2	25.0	7.3	.28	1.8	.5	340.2	3.9	1.1	562.0	.8	.2	884	2.5	.7
Tariff of: 1910..	.27 yen per 10 Amer. gal.			.96 yen per 100 kin			10% or .691 per 100 cattles			.18 yen per 100 kin			.77 yen per 100 kin		
1926..	2.75 yen per 10 Amer. gal.			7.50 yen per 100 Amer. gal.			.70 yen per 100 kin			Free			1.50 yen per 100 kin		
1932..	2.75 yen per 10 Amer. gal.			7.50 yen per 100 Amer. gal.			.70 yen per 100 kin			Free			2.50 yen per 100 kin		

TABLE XLIV *Continued*

Year	Automobile Parts ^d		Leaf Tobacco			Hides and Leather									Automobiles	
	Value	Per Cent	Thousand piculs	Value	Per Cent	Cow and Buffalo Hides			Leather, Dyed or Colored			Leather, Sole			Value	Per Cent
						Thousand piculs	Value	Per Cent	Thousand piculs	Value	Per Cent	Thousand piculs	Value	Per Cent		
1920.....	5.4	.6	29.4	5.6	.6	13.0	1.2	.1	.7	1.0	.1	24.8	4.0	.5	4.6	.5
1921.....	4.0	.7	8.0	1.3	.2	22.8	.8	.1	1.7	1.5	.3	23.0	2.9	.5	2.2	.4
1922.....	.2	.0	6.6	.9	.2	8.0	.3	.1	1.2	.8	.1	10.2	1.1	.2	.3	.1
1923.....	3.3	.6	20.9	2.4	.5	12.6	.5	.1	1.8	1.1	.2	11.1	1.3	.3	2.7	.5
1924.....	11.1	1.7	86.7	9.4	1.4	59.5	2.4	.4	3.0	2.2	.3	16.6	1.9	.3	7.3	1.1
1925.....	6.0	.9	37.2	4.6	.7	52.6	2.6	.4	2.3	2.0	.3	12.7	1.6	.2	3.2	.5
1926.....	9.3	1.4	53.4	6.4	.9	92.4	4.2	.6	2.3	2.0	.3	15.8	1.7	.2	3.2	.5
1927.....	9.4	1.4	71.3	7.7	1.1	65.6	2.9	.4	2.5	2.2	.3	13.1	1.6	.2	3.8	.6
1928.....	16.4	2.6	67.0	6.8	1.1	39.3	2.6	.4	1.9	1.8	.3	7.9	1.2	.2	6.6	1.1
1929.....	22.0	3.4	82.0	8.0	1.2	68.4	3.4	.5	1.4	1.4	.2	8.2	1.1	.2	8.9	1.4
1930.....	15.3	3.5	48.8	5.0	1.1	55.3	2.3	.5	1.0	.8	.2	4.0	.5	.1	4.5	1.0
1931.....	12.7	3.7	64.7	5.5	1.6	74.1	1.9	.6	.9	.7	.2	6.4	.5	.1	3.1	.9
Tariff of: 1910..	30%			355%			Free		10%			5.69 yen per 100 catties			50%	
1926..	25%			355%			Free		145 yen per 100 kin			21.00 yen per 100 kin			35%	
1932..	35%			355%			Free		145 yen per 100 kin			21.00 yen per 100 kin			35%	

^d Include chassis, tires, and other parts.

TABLE XLIV *Continued*

Year	Phosphorite			Lead—Ingots and Slabs			Rosin			Condensed Milk			Caustic Soda		
	Thousand piculs	Value	Per Cent	Thousand piculs	Value	Per Cent	Thousand piculs	Value	Per Cent	Thousand piculs	Value	Per Cent	Thousand piculs	Value	Per Cent
1920.....	768	2.7	.3	59.1	1.3	.1	256.5	5.6	.6	38.5	2.3	.3	348.6	4.4	.5
1921.....	102	.1	.0	174.3	2.1	.4	115.6	.9	.2	41.4	2.5	.4	18.7	.2	.0
1922.....	262	.5	.1	1.1	...	...	63.2	.4	.1	34.3	1.9	.3	63.2	.8	.1
1923.....	253	.5	.1	4.2	...	...	168.3	1.1	.2	47.4	2.5	.5	1.1	1.1	.2
1924.....	218	.3	.0	90.9	2.1	.3	282.4	2.3	.3	67.0	3.2	.5	86.5	.9	.1
1925.....	1,406	1.9	.3	56.6	1.3	.2	250.2	3.1	.5	52.8	2.1	.3	112.5	1.2	.2
1926.....	2,061	2.6	.4	208.3	3.9	.6	291.0	4.6	.7	57.1	2.3	.3	268.0	2.5	.4
1927.....	2,563	2.5	.4	334.2	5.4	.8	284.6	3.5	.5	60.2	2.6	.4	230.0	2.0	.3
1928.....	2,703	3.2	.5	436.5	6.1	1.0	316.9	3.4	.5	65.3	2.4	.4	360.1	3.1	.5
1929.....	3,622	4.2	.6	310.6	4.5	.7	351.8	3.5	.5	69.7	2.6	.4	372.2	3.3	.5
1930.....	4,085	4.3	1.0	354.9	4.1	.9	314.1	2.3	.5	65.4	2.2	.5	246.6	2.1	.5
1931.....	3,512	3.0	.9	281.6	2.5	.7	386.9	2.0	.6	57.6	2.0	.6	294.3	2.3	.7
Tariff of: 1910.....		Free		.316 yen per 100 cattles			.....			5%			.70 yen per 100 kin		
1926.....		Free		.40 yen per 100 kin			.....			11 yen per 100 kin			1.50 yen per 100 kin		
1932.....		Free		.40 yen per 100 kin			.....			20 yen per 100 kin			1.50 yen per 100 kin		

TABLE XLIV *Continued*

Year	Chloride of Potash (Crude)			Rice			Mechanics' Tools Agricultural Imple- ments and Parts		Sulphate of Ammonia (Crude)			Aluminum Ingots, Slabs and Grains		
	Thousand piculs	Value	Per Cent	Thousand piculs	Value	Per Cent	Value	Per Cent	Thousand piculs	Value	Per Cent	Thousand piculs	Value	Per Cent
1920.....	4.3	.2	.0	1.2	...	...	2.6	.3	646.5	11.0	1.3	13.2	1.1	.1
1921.....	....	....	..	284.1	2.8	.5	1.3	.2	793.9	6.4	1.1	20.3	1.2	.2
1922.....	....	....	..	733.5	8.1	1.4	1.0	.2	799.0	6.8	1.1	9.4	.4	.1
1923.....	....	....	..	307.3	2.8	.5	1.5	.3	750.1	9.2	1.8	17.1	.9	.2
1924.....	....	....	..	315.0	3.8	.6	2.7	.4	567.5	5.5	.8	23.6	1.4	.2
1925.....	....	....	..	184.5	2.4	.4	1.8	.3	880.1	8.9	1.3	50.5	3.6	.5
1926.....	....	....	..	207.4	2.5	.4	...	..	1,145.3	9.8	1.4	33.5	2.2	.3
1927.....	....	....	..	735.0	8.7	1.3	...	..	679.0	5.2	.8	25.8	1.5	.2
1928.....	229.4	1.5	.2	390.0	3.4	.5	2.2	.3	473.6	3.5	.6	59.9	3.5	.6
1929.....	339.0	2.4	.4	453.0	4.0	.6	2.0	.3	895.1	6.4	1.0	108.5	5.9	.9
1930.....	230.5	1.6	.4	276.0	2.3	.5	1.3	.3	689.5	3.9	.9	40.5	1.9	.4
1931.....	341.1	2.4	.7	276.7	1.3	.4	.9	.3	62.4	.3	.1	2.4	.1	.0
Tariff of: 1910.....		Free		1.00 yen per 100 kin			20%			Free		3.20 yen per 100 kin		
1926.....		Free		1.00 yen per 100 kin			20%			Free		3.20 yen per 100 kin		
1932.....		Free		2.00 yen per 100 kin			20%			Free		3.20 yen per 100 kin		

cent; silk waste and floss, 0.3 per cent; tea, 1.2 per cent; undressed furs, 1.0 per cent; and pyrethrum powder, 0.5 per cent. These constituted 85.4 per cent of her total exports to the United States. From this it would appear at first sight that, so far as Japan was concerned, the United States tariff was very liberal. This would, however, be a hasty judgment. It would be nearer the truth to say that Japan has adjusted her exports to the United States tariff, taking advantage of the few cases in which articles were on the free list or were admitted at a low rate, rather than to say that the tariff was really liberal.

In studying the economic situation in Japan, it was shown that in order to meet her population problem and the problem involved in her rather scanty supply of raw materials, it was necessary for Japan, as far as possible, to acquire credits with which to provide herself with food and raw materials by exporting commodities in which the value added by manufacture was as great as possible. To export raw silk, silk floss and waste, tea, undressed furs, and pyrethrum powder, is all very well if she can do no better; but it would be much better to export silk fabric, china and earthen ware, hats, brushes, and many other commodities not shown in the list (because exports under present tariff rates are insignificant), but which under a lower duty would become important. Among these may be mentioned toys, imitation pearl beads, rugs, mats and matting, now nearly excluded by almost prohibitory tariffs. It will be noticed that on the manufactured articles that do come in in considerable quantities, the duties are very high—silk fabric, 55 to 65 per cent; china ware, 80 per cent; material for hats, 15 to 25 per cent; hats, from 25 per cent to \$4 per dozen plus 60 per cent; brushes, 50 per cent plus 1 or 2 cents each. On many manufactured articles, not shown in the list, the duties are as high or higher than those shown. In view of these facts, the United States tariff as respects Japan can hardly be classed as liberal.

As was stated, the importance of the United States in Japan's foreign trade is hardly less as respects imports than as respects exports. Japan's greatest manufacturing industry is the manufacture of cotton fabric. The greater part of the raw material for this industry is derived from the United States. Her imports of raw cot-

ton from the United States in 1929 constituted about one-half of her total imports of raw cotton from all countries.

Table XLIV shows the principal exports of the United States to Japan. Together they constitute over 80 per cent of her total exports to Japan, and the total exports to Japan constitute about 6 per cent of her total exports to all countries—not a large figure considered as a percentage, but in absolute value constituting a market of no inconsiderable importance to American agriculture and industry.

By far the greatest export, as has just been noted, is raw cotton. Of our cotton crop more than half is exported, and of these exports Japan alone takes not far from 40 per cent. The maintenance of the Japanese market is thus a matter of vital importance to cotton growers. Other exports of importance, expressed in percentages, are wood, 10.3; petroleum products, 7.7; agricultural products (wheat, rice, and tobacco), 4.1; automobiles and parts, 4.8; minerals (iron, lead, and aluminum), 4.9; machinery, 1.4; hides and leather, 1.0; and fertilizers, 2.0 (Figures for 1929).

Of these items, raw cotton, old iron, hides, and certain fertilizers are admitted free of duty—all of the others are dutiable.

From what has been said it is apparent that between the United States and Japan a trade has developed which is of great importance to the welfare of considerable parts of the population in both countries. A serious disturbance to this trade would bring hardship to cotton growers in the United States and to thousands of the population of Japan engaged in the production of raw silk. These are the items of chief importance, but others deserve mention. The livelihood of many workers in the silk and pottery industries of Japan, in the manufacture of imitation pearl beads, of toys, of mats and matting, of hats and hat material, and of brushes, is closely tied up with the continuance of exports of these articles to the United States and may at any time be imperiled by changes in the American tariff.

CHAPTER V

NEW ZEALAND

Area 106,260 square miles, population 1,490,405

NEW ZEALAND consists of three islands extending in a generally southwesterly direction from about south latitude 34° to south latitude 47°, the total distance covered being about 1,100 miles. The North Island is about 540 miles long, with a width ranging from 20 to 200 miles. It is separated from the South Island by Cook Strait. South Island is about 520 miles long, ranging from 100 to 160 miles in width. The third island is known as Stewart Island. It is separated from South Island by Foveaux Strait. It is very much smaller than either of the other islands, being not more than 40 miles in length.

Compared with some of the other countries with which we are dealing, New Zealand is small in area and small in population, yet it is by no means unimportant from the standpoint of international trade. Its per capita trade is the largest in the world, and while in absolute volume its foreign trade is not large, it is still sparsely populated and, with an area considerably larger than that of the United Kingdom, its trade possibilities are very great.

The physical basis for its large per capita trade lies in the fact that New Zealand in her resources and principal industries is admirably adapted to complement those of more highly industrialized nations. The dense populations of such countries as Japan and England need the agricultural and pastoral products of sparsely populated countries, and they in turn need the manufactured products of the former. The advantages to both countries of trade of this sort is too obvious to call for further comment.

In the case of New Zealand, it is pastoral rather than agricultural products in which she has the greatest comparative advantage. New Zealand, as we have seen, lies entirely in the south temperate

zone; but on account of its great extent north and south the range of climate, if based solely on latitude, might be expected to be nearly as great as that of the United States. However, its insular position in the midst of the vast expanse of the Pacific Ocean moderates the extremes of temperature and assures abundant moisture. The comparatively mild winter, the rainfall, and the hilly country with abundant pasture land, practically determine the country's two greatest industries, sheep raising and dairying. Of wool, frozen meats, hides and skins, and dairy products, especially butter, New Zealand has a large export surplus.

New Zealand is not particularly well adapted to manufacturing. Its chief mineral resources are gold, silver, antimony, manganese, and coal. Another important product is the fossil gum of the kauri tree. It will be noticed that this list does not include iron. It has, of course, abundant resources for the manufacture of woollen goods, but for cotton manufacture the raw cotton would have to be imported. Moreover, to obtain the economies of large-scale machine methods of production, a country needs a large population to afford the necessary market. This New Zealand has not; nor is she likely to have it for many years. Clearly, from a purely economic standpoint, the wellbeing of the people of New Zealand as well as that of the people living in dense centers of population is best served by an exchange of products.

That to a great extent New Zealand, as well as other countries, is profiting by such an exchange of goods is evidenced by her large per capita trade. New Zealand's foreign trade (1927-1930) was valued at \$316.60 per capita and has been rapidly increasing. That of the United States in the same four-year period was only \$70.80.

GENERAL EXPORTS AND IMPORTS

That New Zealand's foreign trade, in spite of tariff barriers set against it both by herself and by other countries, follows the general course just outlined will be made apparent by Tables XLV and XLVI.

As will be seen by the tables, New Zealand's foreign trade, measured in dollars and cents, is comparatively small, and the part of it taken by the countries here studied is still smaller. In 1929 her

TABLE XLV. NEW ZEALAND—PRINCIPAL EXPORTS*
 Values in millions of pounds sterling and as percentages of total.

Year	Total Exports		Wool			Butter			Meats—Frozen			Cheese			Tallow		
	Value	Quantity Millions of lbs.	Value	Per Cent	Quantity Millions of cwt.	Value	Per Cent	Quantity Millions of cwt.	Value	Per Cent	Quantity Millions of cwt.	Value	Per Cent	Quantity Thousands of cwt.	Value	Per Cent	
1920.....	46.4	162	11.9	25.6	.3	3.0	6.5	4.62	11.7	25.2	1.22	6.2	13.4	541	1.75	3.7	
1921.....	44.8	159	5.2	11.6	.9	11.2	25.0	4.32	11.2	25.0	1.37	8.2	18.3	554	.87	2.0	
1922.....	42.7	322	11.9	27.9	1.1	9.0	21.1	3.51	8.4	19.7	1.16	4.7	11.0	530	.75	1.6	
1923.....	46.0	218	10.9	23.7	1.2	10.7	23.3	3.04	9.0	19.6	1.44	6.9	15.0	505	.78	1.7	
1924.....	52.6	206	15.3	29.1	1.3	11.6	22.1	3.21	9.4	17.9	1.59	7.0	13.3	480	.80	1.5	
1925.....	55.3	206	17.7	32.0	1.2	10.2	18.4	3.41	11.1	20.1	1.38	5.8	10.5	501	.89	1.6	
1926.....	45.3	213	11.8	26.0	1.2	8.7	19.2	3.03	8.6	19.0	1.46	5.9	13.0	423	.74	1.5	
1927.....	48.5	220	13.0	26.8	1.4	10.9	22.5	3.36	9.1	18.8	1.49	5.6	11.5	477	.71	1.4	
1928.....	56.2	227	16.7	29.7	1.4	11.3	20.1	3.79	10.3	18.3	1.57	6.7	11.9	515	.80	1.4	
1929.....	55.6	235	15.4	27.7	1.6	13.2	23.7	3.34	9.9	17.8	1.78	7.0	12.6	417	.69	1.2	
1930.....	44.5	197	7.7	17.3	1.9	11.9	26.7	4.04	10.9	24.5	1.81	6.4	14.4	493	.68	1.5	
1931.....	35.2	212	5.5	15.6	2.0	10.6	30.1	4.14	8.9	25.3	1.64	4.5	12.8	465	.41	1.1	

* Source: *Trade and Shipping of the Dominion of New Zealand*, Census and Statistics Office, Wellington, N. Z.

TABLE XLV *Concluded*

Year	Hides and Skins									Sausage Skins			Phormium—Fiber and Tow			Milk—Pre-served	
	Sheep			Calf and Cattle—n.e.i.			Rabbit			Quantity Thous- ands of cwt.	Value	Per Cent	Quantity Thous- ands of tons	Value	Per Cent	Value	Per Cent
	Quantity Millions	Value	Per Cent	Quantity Millions	Value	Per Cent	Quantity Millions	Value	Per Cent								
1920.....	9.22	3.06	6.7	.57	1.14	2.4	14.4	.83	1.7	25	.45	.9	22	.69	1.5	.79	1.7
1921.....	8.44	.97	2.2	.80	.57	1.3	13.9	.45	.9	23	.45	.9	11	.32	.7	1.11	2.5
1922.....	9.50	.98	2.3	.72	.50	1.2	15.5	.57	1.4	26	.47	1.2	11	.29	.7	.53	1.2
1923.....	7.54	1.12	2.4	1.05	.78	1.7	14.2	.47	1.1	22	.42	.9	12	.31	.7	.51	1.1
1924.....	8.82	1.51	2.9	1.30	.89	1.7	20.4	.74	1.3	25	.56	1.1	15	.42	.8	.30	.6
1925.....	8.69	1.99	3.6	1.38	1.03	1.8	19.7	.84	1.4	28	.67	1.3	20	.57	1.1	.42	.7
1926.....	9.23	1.54	3.3	1.39	.83	1.8	17.1	.83	1.8	31	.78	1.8	21	.59	1.3	.34	.7
1927.....	9.92	1.55	3.3	1.37	1.01	2.1	12.9	.68	1.4	31	.75	1.4	20	.53	1.0	.35	.6
1928.....	10.18	1.92	3.4	1.40	1.34	2.4	12.1	.58	1.0	34	.80	1.4	16	.39	.7	.39	.7
1929.....	9.63	1.81	3.3	1.13	.78	1.4	9.1	.36	.6	33	.65	1.2	15	.38	.7	.35	.6
1930.....	11.02	1.52	3.4	1.10	.54	1.2	7.2	.14	.3	40	.78	1.7	9	.22	.5	.35	.8
1931.....	12.09	.81	2.3	1.03	.35	.9	6.2	.11	.3	33	.40	1.1	2	.38	1.1	.25	.6

TABLE XLVI. NEW ZEALAND—PRINCIPAL IMPORTS^a
 With duties levied.^b Values in millions of pounds sterling and in percentages of total.

Year	Total Imports	Vehicles		Textiles		Metal Manufactures		Apparel		Machinery		Oils, Fats, etc.		Vegetable Foodstuffs and Salt		Tobacco	
		Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	62	6	10.0	8.9	14.4	6.6	10.6	3.7	6.0	2.7	4.4	3.0	4.8	5.3	8.5	2.0	3.2
1921.....	43	3	7.0	4.9	11.4	6.3	14.7	2.1	4.9	3.7	8.6	2.8	6.5	3.5	8.1	1.0	2.3
1922.....	35	2	5.7	4.4	12.6	4.2	12.0	2.0	5.7	2.8	8.0	2.2	6.3	2.9	8.3	1.3	3.7
1923.....	43	4	9.3	5.2	12.1	5.0	11.6	2.8	6.5	3.0	7.0	2.3	5.3	3.2	7.4	1.5	3.5
1924.....	49	5	10.2	4.6	9.4	5.5	11.2	2.7	5.5	4.0	8.2	3.1	6.3	4.8	9.8	1.6	3.3
1925.....	53	6	11.3	5.0	9.4	5.6	10.6	2.9	5.5	4.5	8.5	3.4	6.4	4.2	7.9	1.8	3.4
1926.....	50	5	10.0	4.4	8.8	5.2	10.4	2.8	5.6	4.2	8.4	3.9	7.8	4.3	8.6	1.7	3.4
1927.....	45	3	6.7	4.2	9.3	5.0	11.1	2.6	5.8	4.2	9.3	3.1	6.9	3.5	7.8	1.7	3.8
1928.....	45	4	8.9	5.4	12.0	4.6	10.2	4.7	10.4	4.1	9.1	2.9	6.4	3.5	7.8	1.5	3.3
1929.....	49	6	12.2	5.8	11.8	5.2	10.6	4.8	9.8	4.3	8.8	3.3	6.7	2.9	5.9	1.3	2.7
1930.....	43	4	9.3	5.1	11.9	4.6	10.7	4.4	10.2	4.2	9.8	3.4	7.9	2.8	6.5	1.1	2.6
1931.....	25	1.3	5.2	3.1	12.4	2.3	9.2	2.4	9.6	2.3	9.2	2.1	8.4	2.2	8.8	.7	2.8
Tariff of: 1921.....		25% + £15 each		10%		35%		40%		10%		Free ^c				4s. 8d. per lb.	
1927.....		50%		15%		40%		45%		25%		4d. per gallon				4s. per lb.	
1930.....		56%		15%		45%		50%		25%		6d. per gallon				4s. per lb.	
1931.....		56%		25%		45%		55%		25%		8d. per gallon				6s. per lb.	
1931 (Nov.)		56%		15%		45%		50%		25%		6d. per gallon				4s. per lb.	

^a Source: *Trade and Shipping of the Dominion of New Zealand*, Census and Statistics Office, Wellington, N. Z.

^b Tariff rates are of the general schedule.

^c Rates apply to motor spirit. Kerosene, free.

TABLE XLVI *Concluded*

Year	Drugs, etc.		Paper		Stationery		Earthenware, etc.		Tea		Timber		Manures		Sugar	
	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	1.5	2.4	1.1	1.8	1.0	1.6	1.1	1.8	1.0	1.6	.6	1.0	.8	1.3	1.8	2.9
1921.....	1.1	2.6	1.2	2.8	.9	2.1	1.1	2.6	.3	.7	.8	1.9	.4	.9	2.1	4.9
1922.....	1.1	3.1	.6	1.7	.7	2.0	.7	2.0	.5	1.4	.6	1.7	.2	.6	1.4	4.0
1923.....	1.1	2.6	1.0	2.0	.8	1.9	.8	1.9	.8	1.9	.6	1.4	.3	.7	1.5	3.5
1924.....	1.1	2.2	.9	1.8	.9	1.8	.9	1.8	.9	1.8	1.0	2.0	.3	.6	1.6	3.3
1925.....	1.2	2.3	1.0	1.9	1.0	1.9	1.0	1.9	.9	1.7	1.2	2.3	.4	.8	1.2	2.3
1926.....	1.2	2.4	1.1	2.2	1.0	2.0	.9	1.8	.9	1.8	.9	1.8	.5	1.0	1.2	2.4
1927.....	1.2	2.7	1.0	2.2	.9	2.0	.9	2.0	.9	2.0	.8	1.8	.5	1.1	1.0	2.2
1928.....	1.2	2.7	1.1	2.4	.9	2.0	.9	2.0	.9	2.0	.8	1.8	.6	1.3	1.1	2.4
1929.....	1.3	2.7	1.2	2.4	1.0	2.0	1.0	2.0	.9	1.8	.8	1.6	.8	1.6	.7	1.4
1930.....	1.2	2.8	1.2	2.8	.9	2.1	.8	1.9	.7	1.6	.9	2.1	.6	1.4	.7	1.6
1931.....	1.0	4.0	.9	3.6	.6	2.4	.5	2.0	.7	2.8	.2	.8	.5	2.0	.6	2.4
Tariff of:																
1921.....	Free and 35%		35%		45%		15%		2d. per pound		2s. per 100 sup. ft.		Free		3/8d. per pound	
1927....	Free and 40%		35%		45%		20%		2d. per pound		3s. per 100 sup. ft.		Free		1/4d. per pound	
1930....	Free and 45%		40%		50%		15%		5d. per pound		7s. 6d. per 100 sup. ft.		Free		1/4d. per pound	
1931....	Free and 45%		40%		50%		15%		2d. per pound		7s. 6d. per 100 sup. ft.		Free		1/4d. per pound	
1931 (Nov.)	Free and 45%		40%		50%		15%		2d. per pound		7s. 6d. per 100 sup. ft.		Free		3/8d. per pound	

^a Certain types free, all years.

total exports and imports combined amounted to only \$520,000,000. In the same year, the foreign trade of the United States was valued at \$9,580,000,000, exceeding that of New Zealand in the ratio of about 18 to 1. However, as the population of the United States exceeds that of New Zealand in the ratio of about 82 to 1, the showing, relatively speaking, is not so bad.

Great Britain takes about 80 per cent of New Zealand's foreign trade, leaving only 20 per cent for the rest of the world. Of this 20 per cent the greater part is with the countries here considered. Australia takes 4 per cent of the total; Canada, 4.6 per cent; China, .1 per cent; Japan, .5 per cent; the Philippine Islands, 0.4 per cent; and the United States, 7.5 per cent (Figures for 1929).

The items in Table XLV comprise about 90 per cent of New Zealand's exports, and are all, with the exception of phormium, products of her pastoral industries. Wool leads, showing, in 1929, 27.7 per cent of the total. Then follow butter, 23.7 per cent; frozen meat, 17.8 per cent; and cheese, 12.6 per cent. Hides and skins, including sheep, calf, and rabbit, constitute 5.3 per cent; tallow, 1.2 per cent; sausage skins, 1.2 per cent; and preserved milk, 0.6 per cent.

The enumerated imports, Table XLVI, constitute some 80 per cent of the total. Over 60 per cent are made up of manufactured goods, vehicles (motor cars), being in the lead and alone constituting over 12 per cent of the total. Other manufactured goods are textiles and apparel, 21.6 per cent; metal manufactures and machinery, 19.4 per cent; paper and stationery, 4.4 per cent; and earthenware, 2.0. There are some foodstuffs to supplement domestic production: oils and fats, 6.7 per cent; vegetable foodstuffs and salt, 5.9 per cent; tea, 1.8 per cent; and sugar 1.4 per cent.

On the whole, the trade of New Zealand is quite in line with her resources and her needs—imports of manufactured articles from more industrialized nations, paid for by the products of dairying and animal husbandry. During the past twelve years, exports have averaged slightly greater than imports, the average excess being £2,600,000. In the two years 1920 and 1926 imports exceeded exports; but on account of its great extent north and south the range ports.

TRADE WITH OTHER PACIFIC COUNTRIES

For trade with Australia, see Chapter I, page 45.

For trade with Canada, see Chapter II, page 87.

For trade with China, see Chapter III, page 143.

For trade with Japan, see Chapter IV, page 183.

NEW ZEALAND—PHILIPPINE ISLANDS

New Zealand's trade with the Philippine Islands is very limited. Because of the reciprocal free trade relations between the Philippine Islands and the United States, and because of the fact that New Zealand can offer but few commodities which, considering the absence of duty, cannot be obtained to better advantage in the United States, a limited trade was to be expected. The principal items are shown in Tables XLVII and XLVIII. Only one item of export is shown, namely, butter, but this constituted in 1929 99.7 per cent of the total exports to the Philippine Islands, and this total was less than 0.04 of one per cent of her total exports to all countries. Only one import item, hemp, is shown in the table of imports. This, however, constitutes between 80 and 90 per cent of the total. The value of the total exports to the Philippine Islands in 1929 was £19,343, and the value of the imports £29,000.

TABLE XLVII. NEW ZEALAND—EXPORTS TO PHILIPPINE ISLANDS*

With duties encountered. Quantity as indicated. Value in thousands of pounds and as percentages of total.

Year	Total	Per Cent	Butter		
			Quantity 1,000 cwt.	Value	Per Cent
1920.....	.....	..	...	.....	.....
1921.....	.....	..	...	.....	.....
1922.....	.1	.0	.....	.....	.....
1923.....	13.6	.0	1.5	12.4	91.9
1924.....	21.3	.0	2.2	18.7	87.8
1925.....	6.3	.0	.7	5.6	88.9
1926.....	14.5	.0	1.7	13.8	95.2
1927.....	10.0	.0	1.2	9.3	93.0
1928.....	3.4	.0	.4	3.4	100.0
1929.....	19.3	.0	2.3	19.3	100.0
1930.....	12.5	.0	1.7	12.3	98.4
1931.....	5.4	.0	.9	5.3	98.1
Tariff of: 1909.....	.....	.....	.....	6¢ per kilo	.....

* Source: *Trade and Shipping of the Dominion of New Zealand*, Census and Statistics Office, Wellington, N. Z.

TABLE XLVIII. PHILIPPINE ISLANDS—EXPORTS TO NEW ZEALAND*
 With duties encountered. Values in thousands of pounds sterling and as percentages of total.

Year	Total Exports to New Zealand	Per Cent of Total Exports to All Countries	Hemp		
			Quantity thousand of tons	Value	Per Cent
1920.....	76	.2	.7	47	61.8
1921.....	23	.1	.4	17	73.9
1922.....	18	.1	.4	15	83.3
1923.....	24	.1	.5	21	87.5
1924.....	31	.1	.7	26	83.9
1925.....	52	.2	.7	45	86.5
1926.....	40	.1	.6	35	87.5
1927.....	37	.1	.6	32	86.5
1928.....	31	.1	.5	26	83.9
1929.....	29	.1	.5	24	82.9
1930.....	23	.1	.6	20	87.0
1931.....	9	.0	.4	8	88.9
Tariff of: 1921.....				Free	
1927.....				Free	
1930.....				Free	
1931.....				Free	

* Source: *Trade and Shipping of the Dominion of New Zealand*, Census and Statistics Office, Wellington, N. Z.

NEW ZEALAND—UNITED STATES

New Zealand's exports to the United States (Table XLIX) until recently stood second only to her exports to Great Britain. The United States took about 7.5 per cent of New Zealand's exports; Canada, 4.6 per cent; and Australia 4 per cent. These figures are for 1929. The American Tariff Act of 1930 bore heavily on New Zealand's exports and cut down the proportion going to that country to about 5 per cent in 1930, and to a still lower percentage in 1931, 2.5 per cent; so that now exports to the United States stand below those to Australia.

Imports from the United States (Table L) constitute a much higher percentage of total imports: 19.1 per cent in 1929. Canada ranks next, 9.8 per cent; and Australia third, 6.7 per cent.

It will thus be seen that imports from the United States greatly exceed exports to that country. In 1929, the exports were valued at about £4,200,000, and the imports at £9,300,000. In 1931, the relative disparity was even greater: £880,000 exports as against £3,900,000 imports. The principal reason for this disparity is that the American tariff bears with peculiar severity on two of New Zealand's chief exports, butter and wool. The duty on butter has

TABLE XLIX. NEW ZEALAND—EXPORTS TO UNITED STATES^a

With duties encountered. Quantities in millions of pounds unless otherwise indicated. Value in millions of dollars and as percentages of total.

Year	Total Exports to United States	Per Cent of Total Exports to All Countries	Hides and Skins			Sausage Casings			Combing Wool			Clothing Wool		
			Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	25.6	11.3	....	9.6	37.5	2.6	1.3	5.1	....	....	....	....	....	....
1921.....	9.8	4.5	....	2.8	28.6	1.5	1.1	11.2	1.0	.1	1.0	8.4	1.4	14.3
1922.....	10.4	5.0	....	.5	4.8	1.7	1.4	13.5	9.3	1.6	15.4	1.5	.2	1.9
1923.....	15.6	7.0	....	3.1	20.0	1.3	1.2	7.7	12.9	3.8	24.4	.6	.2	1.3
1924.....	13.5	5.3	....	4.6	34.1	1.2	1.4	10.4	5.7	1.8	13.3	.2	.1	.7
1925.....	19.7	7.3	....	6.9	35.0	1.2	1.6	8.1	10.1	5.1	25.9	.6	.3	1.5
1926.....	18.8	8.5	....	5.8	30.9	1.4	1.8	9.6	17.5	5.4	28.7	1.0	.3	1.6
1927.....	12.7	5.4	21.4	5.3	41.7	1.1	1.2	9.4	4.9	1.5	11.8	.6	.2	1.6
1928.....	19.2	6.8	26.2	8.2	42.7	0.9	1.1	5.7	7.7	2.9	15.1	1.9	.7	3.6
1929.....	20.8	7.5	21.7	6.8	32.7	1.2	1.2	5.8	8.5	3.1	14.9	2.2	.8	3.8
1930.....	11.6	5.2	18.2	4.5	38.8	1.4	1.5	12.9	4.5	1.0	8.6	2.9	.7	6.0
1931.....	4.4	2.5	11.3	1.5	34.1	1.0	.7	15.9	.6	.1	2.3	.3	.1	2.3
Tariff of: 1922.....				Free			Free		(56%)	31¢ per lb.		(55%)	31¢ per lb.	
1930.....				Free ^b			Free		(70%)	27 to 32¢ per lb.		(65%)	29¢ per lb.	

^a Source: *Commerce and Navigation*, Bureau of Foreign and Domestic Commerce, Depr. of Commerce, Washington, D. C.^b Cattle and buffalo, 10 per cent.

TABLE XLIX *Concluded*

Year	Kauri Gum			New Zealand Fiber			Undressed Fur			Butter			Fresh Beef		
	Quantity	Value	Per Cent	Quantity millions of tons	Value	Per Cent	Quantity thousand pounds	Value	Per Cent	Quantity	Value	Per Cent	Quantity	Value	Per Cent
1920.....	...	...	...	...	...	...	...	2.3	9.0	.6	.3	1.2	...	...	...
1921.....	...	...	...	...	...	...	...	.7	7.1	1.0	.4	4.1	...	...	...
1922.....	1.8	.3	2.9	...	...	...	...	...	...	1.0	.3	2.9	...	...	...
1923.....	8.2	1.9	12.2	...	...	...	...	...	...	4.7	1.6	10.3	...	...	...
1924.....	4.9	.9	6.7	...	...	...	...	...	...	4.3	1.5	11.1	3.4	.2	1.5
1925.....	4.1	.7	3.6	...	...	...	...	...	...	2.4	.8	4.1	1.6	.1	.5
1926.....	5.4	.9	4.8	5.0	1.0	5.3	...	...	...	2.1	.7	3.7	.8	.1	.5
1927.....	4.0	.6	4.7	4.5	.7	5.5	665	1.0	7.9	3.4	1.0	7.9	1.5	.1	.9
1928.....	5.1	.7	3.6	2.7	.4	2.1	433	.5	2.6	2.7	.9	4.7	29.0	2.2	11.5
1929.....	4.5	.7	3.4	4.0	.6	2.9	520	.7	3.4	1.3	.5	2.4	21.6	1.9	9.1
1930.....	2.6	.4	3.4	2.8	.4	3.4	439	.3	2.6	1.0	.3	2.6	2.2	.2	1.7
1931.....	1.6	.2	4.5	.2	...	...	657	.3	6.8	.8	.2	4.5	1.0	.1	2.3
Tariff of:															
1922...		Free			Free			Free		(22%)	8¢ per lb.		(26%)	3¢ per lb.	
1930..		Free			Free			Free		(43%)	14¢ per lb.		(58%)	6¢ per lb.	

TABLE L. UNITED STATES EXPORTS TO NEW ZEALAND*

With duties encountered. Quantities as specified. Values in thousands of pounds and as percentages of total.

Year	Total	Per Cent	Mineral Oils									Passenger Cars		Cinema Films		
			Motor Spirit			Kerosene			Lubricating			Value	Per Cent	Quantity million lin. ft.	Value	Per Cent
			Quantity million gals.	Value	Per Cent	Quantity thousand gals.	Value	Per Cent	Quantity thousand gals.	Value	Per Cent					
1920.....	11,800	.7	9.0	900	7.6	4,730	310	2.6	1,286	199	1.7	1,744	14.8	4.9	85	.7
1921.....	8,200	.9	13.0	1,349	16.5	4,440	247	3.0	1,439	229	2.8	383	4.7	5.1	109	1.3
1922.....	5,400	.7	10.2	999	18.5	3,900	184	3.4	940	130	2.4	233	4.3	7.4	110	2.0
1923.....	7,000	.8	11.1	1,050	15.0	4,800	202	2.9	1,729	216	3.1	806	11.5	7.8	119	1.7
1924.....	7,900	.8	18.7	1,388	17.6	3,900	194	2.5	2,083	256	3.2	811	10.3	8.6	142	1.8
1925.....	8,900	.9	25.1	1,776	20.0	3,700	158	1.8	1,040	222	2.5	1,231	13.8	9.9	181	2.0
1926.....	10,000	1.0	32.3	1,962	19.6	3,600	166	1.7	2,208	243	2.4	1,569	15.7	10.0	193	1.9
1927.....	8,100	.8	36.0	1,586	19.6	3,400	144	1.8	2,749	260	3.2	920	11.4	12.4	217	2.7
1928.....	8,200	.8	46.0	1,435	17.5	3,500	142	1.7	2,761	267	3.3	1,275	15.5	10.4	163	2.0
1929.....	9,300	.9	44.0	1,581	17.0	4,300	155	1.7	3,096	291	3.1	1,355	14.6	12.5	181	1.9
1930.....	7,600	1.0	49.0	1,567	20.6	4,100	135	1.8	3,136	300	3.9	495	6.5	11.9	187	2.5
1931.....	3,900	.8	50.0	1,006	25.8	2,600	81	2.1	1,128	120	3.6	60	1.5	10.3	135	3.5
Tariff of: 1921.....			Free			Free			8d. (gal.)			25% & £15 ea.		1d. (lin. ft.)		
1927.....			4d. (gal.)			Free			8d. (gal.)			35% & 15%		1d. (lin. ft.)		
1930.....			6d. (gal.)			Free			1s. (gal.)			40% & 16¼%				
1931.....			8d. (gal.)													
1931 (Nov.).....			6d. (gal.)													

* Source: *Trade and Shipping of the Dominion of New Zealand*, Census and Statistics Office, Wellington, N. Z.

TABLE L Continued

Year	Hardware		Tel. and Tel. ^b Accessories		Sulphur			Gas, Oil and Hot Air Engines		Raisins, Dried			Machinery for Industry	
	Value	Per Cent	Value	Per Cent	Quantity thousand cwt.	Value	Per Cent	Value	Per Cent	Quantity thousand lbs.	Value	Per Cent	Value n.e.i.	Per Cent
1920.....	201	1.7	8	.1	71	18	.2	121	1.0	2,254	86	1.6	93	.8
1921.....	164	2.0	48	.6	91	17	.2	49	.6	1,555	56	.7	98	1.2
1922.....	76	1.4	19	.4	180	33	.6	9	.2	3,240	100	1.9	21	.4
1923.....	112	1.6	44	.6	138	25	.4	24	.4	4,086	94	1.3	20	.3
1924.....	101	1.3	49	.6	191	33	.4	36	.5	4,140	78	1.0	21	.3
1925.....	92	1.0	42	.5	360	59	.7	43	.5	4,603	79	.9	21	.2
1926.....	233	2.3	156	1.6	495	81	.8	44	.4	5,536	103	1.0	36	.4
1927.....	169	2.1	178	2.2	615	130	1.6	33	.4	5,316	90	1.1	55	.7
1928.....	144	1.8	73	.9	688	142	1.7	58	.7	6,198	86	1.0	96	1.2
1929.....	176	1.9	130	1.4	666	138	1.5	89	1.0	6,112	77	.8	85	.9
1930.....	156	2.1	137	1.8	369	78	1.0	101	1.3	4,717	59	.8	74	1.0
1931.....	51	1.3	77	2.0	241	61	1.6	26	.7	5,135	76	1.9	21	.5
Tariff of: 1921.....	35%		10%			Free		20%			Free ^c		10%	
1927.....	40%		25%			Free		35%			Free ^c		25% ^d	
1930.....	45%		25%			Free		40%			Free ^c		25%	

^b Not wireless.^c 2d. lb. suspended.^d Prohibition subject to Minister, if product could be produced in New Zealand.

TABLE L *Concluded*

Year	Tobacco Mfgs.			Apparel (Ready Made)		Hosiery, n.e.i.		Cotton Piece Goods, n.e.i.		Printing Machines		Sewing Machines	
	Quantity thousand lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	1,109	268	2.3	125	1.1	140	1.2	304	2.6	26	.2	31	.3
1921.....	417	113	1.4	61	.7	51	.6	115	1.4	39	.5	29	.4
1922.....	532	136	2.5	101	1.9	185	3.4	132	2.4	46	.9	15	.3
1923.....	547	133	1.9	110	1.6	78	1.1	81	1.2	68	1.0	22	.3
1924.....	517	129	1.6	79	1.0	69	.9	42	.5	56	.7	17	.2
1925.....	497	125	1.4	90	1.0	83	.9	91	1.0	61	.7	29	.3
1926.....	416	99	1.0	94	.9	101	1.0	72	.7	80	.8	31	.3
1927.....	414	101	1.2	97	1.2	97	1.2	67	.8	84	1.0	27	.3
1928.....	322	74	.9	78	1.0	103	1.3	71	.9	53	.6	29	.4
1929.....	316	76	.8	74	.8	53	.6	61	.7	31	.3	41	.4
1930.....	234	57	.8	62	.8	24	.3	46	.6	26	.3	35	.5
1931.....	224	50	1.3	28	.7	17	.4	22	.6	8	.2	20	.5
Tariff of:													
1921.....	4s. 8d. per lb.			40%		40%		10%		10%		10%	
1927.....	4s. per lb.			45%		45%		15%		25%		Free	
1930.....	4s. per lb.			50%		50%		15%		20%		Free	
1931.....	6s. per lb.			55%		55%		25%					
1931 (Nov.)	4s. per lb.			50%		50%		15%					

rapidly risen from 2.5 cents a pound under the Act of 1913, to 14 cents a pound under the Act of 1930. The duty on wool under the Act of 1930 is 29 cents a pound, equivalent to an *ad valorem* duty of about 65 per cent.

New Zealand's chief exports to the United States are hides and skins, some 32 per cent of the total in 1929. Next in rank, in spite of the high duty, is wool—combing wool and carpet wool. This amounted to nearly 19 per cent in 1929 but fell off to 14.6 per cent in 1930. Some butter is still exported, about 2.5 per cent. Other exports are sausage casings, kauri gum, fibers, furs, and beef. The items enumerated in the table constitute nearly 80 per cent of the total exports to the United States.

By far the most important imports from the United States are automobiles and mineral oils. These, together constituted 36.4 per cent of the total imports from that country in 1929. Nearly all the other important imports are manufactured goods. This was to be expected. New Zealand is a pastoral country and the United States one of the most highly industrialized countries in the world. Among the imports enumerated in the table are hardware; telegraph and telephone accessories; gas; oil and hot air engines; machinery; apparel; hosiery; cotton piece goods; printing-machinery; and sewing machines. The enumerated items constitute less than 50 per cent of New Zealand's total imports from the United States. This also was to have been expected. The United States produces a vast number of manufactured articles. Of these a few basic materials and types of machinery will show individually large exports. After these have been enumerated, there will be many items large in the aggregate but individually small. It will be noted how, in the table, a few items show a considerable percentage (mineral oils and cars), and the others tail off from these to an item like sewing machines, 0.4 of 1 per cent. In order to include anything like 100 per cent of the total, a great number of items would need to be enumerated.

It will be noted that these imports from the United States are for the most part subject to duty. The duties are considerable, some of them being as high as 55 per cent. A few items are admitted free—kerosene, sulphur, raisins, and sewing machines.

It would seem that the trade between New Zealand and the

United States was highly advantageous to both countries. The countries are eminently complementary. The United States, because of its great population and its advanced stage of industrialization, making possible the most economical methods of large-scale machine production, is in a position to supply New Zealand with manufactured articles much cheaper than New Zealand can produce them herself. New Zealand, because of her climate, soil, and sparse population, is peculiarly adapted to the production of wool, dairy products, and other products of a pastoral industry. As has been shown, such trade as exists is along these lines; but it is greatly hampered by the tariffs of both countries. From a purely economic standpoint, reduction or removal of these duties would be to the advantage of both.

CHAPTER VI

THE PHILIPPINE ISLANDS

Area 114,400 square miles, population 12,204,100

THE PHILIPPINE ISLANDS lie in the Pacific Ocean some 700 miles southeast of China between north latitude 5° and north latitude 9°. They are at present under the United States flag, though a recent act of Congress provides for their independence after a period of twelve years, provided the act is ratified by the Philippine Legislature and the Filipinos, by popular vote, ratify a constitution for the new island government. The group contains in all some 7,000 islands of which only 466 have an area of a square mile or more. The principal islands with their area in square miles are Luzon, 40,814; Mindanao, 36,906; Samar, 5,123; Negros, 4,902; Palawan, 4,500; Panay, 4,448; Mindoro, 3,794; Leyte, 2,799; Cebu, 1,695; Bohol, 1,534; and Masbate, 1,255. As may be inferred from the latitude the climate of the islands is entirely tropical, though their insular position somewhat tempers the heat, and in higher altitudes the climate is temperate.

The islands have some mineral resources—gold, silver, iron, copper, bismuth, tin, mercury, platinum, and nickel. Gold, however, is the only mineral mined on a commercial basis. The other mineral resources have been but little developed. There is some manufacturing, most of it supplying products not far removed from the crude state. Among these are sugar, manila hemp, cigarettes, cigars, copra, coconut oil, cut timber, and split and unsplit rattan. As a large part of the population has not yet reached the industrial stage, some being still primitive, there is not the demand for the advanced machine products of a highly industrialized civilization. Native hand-woven fabrics and crude utensils are much used in the regions removed from the large towns. There is, however, a considerable population made up of Malays, Chinese, Mestizos, and Caucasians, accustomed to the refinements of an industrialized civili-

zation. The requirements of these classes are met chiefly by commerce. Great quantities of sugar, manila hemp, copra, coconut oil, copra meal, desiccated coconut, and some other products are exported, and in exchange manufactured products and some food products are imported.

The Philippine Islands have a tariff of their own as against all countries not under the United States flag. As between the Philippine Islands and the United States, however, free trade at present exists.¹ The nature and extent of Philippine trade will be shown and discussed more in detail in connection with the following tables.

GENERAL EXPORTS AND IMPORTS

Referring to Table LI, it will be seen that the principal exports consist of a comparatively few products of the soil or products derived from these. They are sugar, derived from the sugar cane; the coconut and its products; and various fibers and their products. The most important export is sugar. In 1929 it constituted 32.4 per cent of the total exports. Moreover, exports of sugar have been rapidly increasing. From about 180,000 metric tons in 1920 they have increased to 752,900 metric tons in 1931, a fourfold increase. Next in importance is the coconut and its products: copra, 9.4 per cent of the total exports in 1929; copra cake, 2.3; coconut oil, 17.7; desiccated coconut, 2.2; in all 31.6 per cent. Third in importance are certain fibers and their products, abacà (hemp), 17.3; knotted abacà, 0.9; maguey, 1.0; cordage, 1.1; buntal fiber, 0.4; buntal hats, 1.2; in all 21.9 per cent. These three classes of exports constitute some 86 per cent of the total exports. If we add to these the other items enumerated in the table, embroideries, 3.5; timber, 2.2; and tobacco, 5.3, we have accounted for nearly 97 per cent of the total exports, leaving only a narrow margin for miscellaneous articles.

Looking now at the imports (Table LII), we have a very different picture—a considerable number of enumerated articles constituting in all less than 70 per cent of the total imports, leaving a large margin for individually unimportant, unenumerated articles. Of the items shown in the table, cotton products are the most important,

¹This applies only to commodities which are of the growth or product of the Philippine Islands and the United States respectively. Articles imported into the Philippine Islands from a foreign country, say, China or Japan, are subject to duty if exported to the United States.

TABLE LI. PHILIPPINE ISLANDS PRINCIPAL EXPORTS*

Values in millions of pesos and as percentages of total.

Year	Total	Sugar			Coconut Oil			Abacá (Hemp)			Copra			Tobacco and Mfgs.		Embroideries	
		Quantity million kilos	Value	Per Cent	Quantity million kilos	Value	Per Cent	Quantity million kilos	Value	Per Cent	Quantity million kilos	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	302	180.2	98.4	32.6	77.6	46.5	15.4	141.5	71.9	23.8	25.8	7.4	2.5	40.0	13.2	15.6	5.2
1921.....	176	289.9	51.0	29.0	90.3	32.1	18.2	100.4	26.0	14.8	150.3	26.1	14.8	16.6	9.4	10.7	6.1
1922.....	191	362.1	51.2	26.8	107.2	31.5	16.5	172.0	39.1	20.5	173.0	28.2	14.8	17.3	9.1	6.5	3.4
1923.....	242	272.0	69.0	28.5	89.2	28.1	11.6	190.4	49.9	20.6	207.1	38.5	15.9	21.0	8.7	12.7	5.2
1924.....	271	357.8	83.7	30.9	111.6	37.6	13.9	177.3	59.9	22.1	156.7	30.7	11.3	19.7	7.3	9.4	3.5
1925.....	298	546.8	91.0	30.5	104.1	39.6	13.3	151.0	71.0	23.8	147.7	31.7	10.6	18.9	6.3	9.1	3.1
1926.....	274	411.2	64.4	23.5	117.3	44.7	16.3	154.0	64.3	23.5	174.0	37.2	13.6	17.3	6.3	11.9	4.3
1927.....	311	553.3	100.6	32.3	144.8	49.7	16.0	148.8	59.4	19.1	199.3	38.3	12.3	17.8	5.7	7.7	2.5
1928.....	310	569.9	95.1	30.7	142.2	47.0	15.2	174.8	53.2	17.2	234.4	45.1	14.5	17.1	5.5	8.9	2.9
1929.....	329	695.9	106.5	32.4	190.5	58.4	17.7	189.4	56.8	17.3	173.6	31.1	9.4	17.6	5.3	11.5	3.5
1930.....	266	744.0	104.5	39.3	147.4	38.3	14.4	169.3	36.8	13.8	174.3	26.9	10.1	15.7	5.9	6.8	2.6
1931.....	208	752.9	99.9	48.1	165.0	30.1	14.5	132.1	17.9	8.6	174.2	18.3	8.8	14.8	7.1	5.0	2.4

* Source: *Annual Report of the Insular Collector of Customs*, Department of Finance, Bureau of Customs, Manila, P. I.

TABLE LI *Continued*

Year	Copra Cake and Meal			Timber and Lumber			Coconut Desiccated and Shredded			Hats—Buntal		
	Quantity million kilos	Value	Per Cent	Quantity million cu. meters	Value	Per Cent	Quantity million kilos	Value	Per Cent	Quantity millions	Value	Per Cent
1920	37.0	2.4	.8	...	...	...	...	...	...	.20	.9	.3
1921	44.4	1.2	.7	.03	1.6	.9	...	...	...	.14	.4	.2
1922	67.1	2.4	1.3	.04	1.7	.9	1.0	.4	.2	.25	.8	.4
1923	50.8	1.8	.7	.09	3.1	1.3	4.3	1.8	.7	.37	1.1	.5
1924	65.7	3.4	1.3	.12	4.1	1.5	8.1	3.2	1.2	.58	2.2	.8
1925	55.8	3.4	1.1	.12	4.2	1.4	12.5	5.2	1.7	.91	4.7	1.6
1926	71.2	3.5	1.3	.15	5.1	1.9	14.3	5.5	2.0	.67	3.0	1.1
1927	90.8	5.0	1.6	.17	5.6	1.8	15.2	5.7	1.8	.66	3.1	1.0
1928	81.6	5.8	1.9	.20	6.2	2.0	20.4	7.4	2.4	1.20	6.5	2.1
1929	113.8	7.6	2.3	.25	7.2	2.2	22.3	7.1	2.2	.87	4.0	1.2
1930	89.9	3.8	1.4	.19	5.5	2.1	19.9	5.9	2.2	.85	2.5	.9
1931	98.6	3.0	1.4	.17	3.7	1.8	16.8	3.6	1.7	.53	1.1	.5

Year	Cordage			Maguay			Knotted Abaca			Buntal Fiber		
	Quantity million kilos	Value	Per Cent	Quantity million kilos	Value	Per Cent	Quantity million kilos	Value	Per Cent	Quantity million kilos	Value	Per Cent
1920	2.0	1.4	.5	10.8	2.7	.9	.06	.2	.1	...	...	..
1921	1.8	.9	.5	12.0	1.8	1.0	.05	.1	.1	...	...	..
1922	2.6	1.1	.6	19.7	3.0	1.6	.40	.9	.5	...	...	..
1923	3.1	1.5	.6	25.6	4.2	1.7	.60	1.7	.7	...	...	..
1924	4.5	2.2	.8	28.1	5.8	2.1	.58	1.8	.7	.03	.2	.1
1925	5.5	3.3	1.1	24.3	6.4	2.1	.51	1.7	.6	.03	.2	.1
1926	4.6	2.8	1.0	17.9	4.8	1.8	.60	2.1	.8	.02	.1	.0
1927	5.6	3.3	1.1	17.6	4.1	1.3	.50	1.9	.6	.05	.3	.1
1928	6.6	3.5	1.1	17.2	3.5	1.1	.29	1.0	.3	.17	.9	.3
1929	7.1	3.8	1.1	16.0	3.2	1.0	.90	3.1	.9	.22	1.4	.4
1930	6.3	3.1	1.1	13.5	1.9	.7	1.40	3.9	1.5	.21	1.4	.5
1931	4.6	1.8	.9	6.9	.5	.2	.23	.6	.3	.08	.6	.3

TABLE LII. PHILIPPINE ISLANDS--PRINCIPAL IMPORTS*

With duties levied. Quantities in millions of kilos unless otherwise specified. Values in millions of pesos and as percentages of totals.

Year	Total Imports	Cotton				Petroleum											
		Cloth		Other		Crude Fuel Oil			Gasoline and Other Naphthas			Illuminating Oil and Kerosene			Lubricating Oil		
		Value	Per Cent	Value	Per Cent	Quantity Millions of liters	Value	Per Cent	Quantity Millions of liters	Value	Per Cent	Quantity Millions of liters	Value	Per Cent	Quantity Millions of liters	Value	Per Cent
1920.....	299	50.1	16.8	19.2	6.4	40.8	2.0	.7	34.7	7.7	2.6	51.1	7.7	2.6	5.1	1.2	.4
1921.....	232	25.6	11.0	13.3	5.7	29.5	1.0	.4	43.8	8.8	3.8	65.6	9.0	3.9	14.1	3.9	1.7
1922.....	160	34.4	21.5	12.8	8.0	301.2	5.3	3.3	22.4	3.8	2.4	38.8	3.5	2.2	4.0	.7	.4
1923.....	175	33.3	19.0	13.0	7.4	219.0	3.4	1.9	19.6	2.1	1.2	56.8	4.8	2.7	7.2	1.4	.8
1924.....	216	35.3	16.3	14.1	6.5	268.1	4.1	1.9	38.9	4.9	2.3	65.2	5.8	2.7	10.3	2.2	1.0
1925.....	239	40.3	16.9	14.9	6.2	239.5	4.8	2.0	48.3	5.6	2.3	60.0	5.1	2.1	9.1	1.5	.6
1926.....	239	40.6	17.0	15.9	6.7	183.4	2.6	1.1	55.2	7.1	3.0	67.3	5.8	2.4	11.6	1.9	.8
1927.....	232	31.7	13.7	14.4	6.2	161.7	2.2	.9	53.9	6.3	2.7	69.0	5.6	2.4	9.1	1.1	.5
1928.....	269	40.2	14.9	16.0	5.9	150.8	2.7	1.0	86.9	7.8	2.9	69.4	4.6	1.7	15.0	2.2	.8
1929.....	294	37.7	12.8	16.3	5.5	227.8	2.8	1.0	98.0	8.8	3.0	84.6	5.9	2.0	11.5	2.0	.7
1930.....	246	23.3	9.5	13.7	5.6	230.0	2.9	1.2	93.4	7.6	3.1	68.8	4.6	1.9	14.5	2.4	1.0
1931.....	198	20.5	10.4	12.2	6.2	296.4	3.5	1.8	145.3	8.6	4.3	94.7	4.5	2.3	12.5	1.9	1.0
Tariff of 1909 ^b		n. s. p. f., 25%				25¢ per 100 kilos			25¢ per 100 kilos			25¢ per 100 kilos			25¢ per 100 kilos		

^a Source: *Annual Report of the Insular Collector of Customs*, Dept. of Finance, Bureau of Customs, Manila, P. I.^b All articles of growth and product of the United States, free. Source: Philippine Tariff Act of 1909.

TABLE LII Continued

Year	Total Cars (Vehicles and Parts)		Wheat Flour			Silk and Man- ufactures of, Including Synthetic		Paper				Dairy Prod- ucts		Rice		
	Value	Per Cent	Quan- tity	Value	Per Cent	Value	Per Cent	Books and Printed Matter		Total Unprinted Paper		Value	Per Cent	Quan- tity	Value	Per Cent
								Value	Per Cent	Value	Per Cent					
1920.....	14.3	4.8	45.7	9.4	3.1	6.0	2.0	2.2	.7	5.0	1.7	6.4	2.1	.....	.....	....
1921.....	10.8	4.7	41.2	7.0	3.0	3.7	1.6	3.0	1.3	6.1	2.6	4.3	1.9	59.5	6.6	2.8
1922.....	2.3	1.4	42.0	5.8	3.6	3.1	1.9	1.4	.9	3.5	2.2	3.9	2.4	37.8	3.8	2.4
1923.....	3.5	2.0	52.6	7.0	4.0	3.2	1.8	1.9	1.1	4.2	2.4	4.9	2.8	66.4	7.4	4.2
1924.....	6.0	2.8	62.4	8.0	3.7	4.4	2.0	2.5	1.2	3.8	1.8	5.6	2.6	151.0	18.5	8.6
1925.....	9.4	3.9	69.6	11.2	4.7	5.6	2.3	3.1	1.3	3.7	1.5	5.8	2.4	101.1	12.7	5.3
1926.....	9.1	3.8	67.0	9.7	4.1	7.1	3.0	2.7	1.1	4.3	1.8	6.5	2.7	70.4	9.0	3.8
1927.....	10.3	4.4	67.5	9.7	4.2	8.0	3.4	3.0	1.3	4.7	2.0	6.6	2.8	12.4	2.1	.9
1928.....	13.0	4.8	75.9	10.6	3.9	8.5	3.1	3.2	1.1	5.0	1.9	7.4	2.7	43.7	4.8	1.8
1929.....	14.3	4.9	77.6	10.1	3.4	9.3	3.2	2.9	1.0	5.5	1.9	7.7	2.6	105.0	11.6	3.9
1930.....	13.1	5.3	70.5	9.0	3.7	8.7	3.5	2.8	1.1	5.0	2.0	7.2	2.9	11.0	1.5	.6
1931.....	9.2	4.6	79.0	6.4	3.2	6.5	3.3	1.9	1.0	4.6	2.3	8.2	4.1	13.4	1.2	.6
Tariff of 1909 ^b	15-25%		47¢ per 100 kilos			Raw, 25% Manufactured 40-50%		25%		10-15%		Butter, 6¢ per kilo		Unhusked, 80¢ per 100 kilos Husked, \$1.20 per 100 kilos		

TABLE LII Continued

Year	Tobacco and Manufactures of		Electric Machinery, etc.		Meat Products		Vegetable Fibers and Manufactures of		Fertilizers		Coal		
	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity	Value	Per Cent
1920	1.5	.5	3.4	1.1	5.2	1.7	3.6	1.2	...	...	540.1	10.8	3.6
1921	4.3	1.9	4.7	2.0	6.3	2.7	2.3	1.0	1.9	.8	461.9	7.0	3.0
1922	2.5	1.6	1.9	1.2	4.6	2.9	2.3	1.4	3.0	1.9	461.5	5.0	3.0
1923	2.3	1.3	2.3	1.3	3.7	2.1	2.7	1.5	1.2	.7	465.3	5.0	2.9
1924	3.0	1.4	4.3	2.0	4.3	2.0	2.8	1.3	4.3	2.0	479.7	4.6	2.1
1925	3.7	1.5	3.3	1.4	5.1	2.1	5.1	2.1	4.0	1.7	469.9	4.3	1.8
1926	4.3	1.8	3.4	1.4	5.4	2.3	4.9	2.1	1.9	.8	545.8	5.2	2.2
1927	5.5	2.4	4.9	2.1	5.8	2.5	4.6	2.0	3.8	1.6	477.0	4.6	2.0
1928	6.2	2.3	4.4	1.6	5.9	2.2	4.8	1.8	3.7	1.4	549.8	5.2	1.9
1929	6.5	2.2	7.5	2.6	6.1	2.1	6.5	2.2	5.8	2.0	601.4	5.1	1.7
1930	5.9	2.4	9.7	3.9	4.1	1.7	6.4	2.6	4.7	1.9	534.0	4.6	1.9
1931	5.4	2.7	7.0	3.5	4.0	2.0	3.5	1.8	3.8	1.9	538.9	3.0	1.5
Tariff of 1909 ^b	Leaf, unstemmed, \$4.08 per kilo		10-25%		Fresh, \$1.00 per 100 kilos		Manufactured, 30%		Inorganic, 5% Animal wastes, 10%		25¢ per 1,000 kilos		
	Leaf, stemmed, \$5.52 per kilo				Canned or ported, 15%								
	Cigars, \$9.93 per kilo + 25%												

TABLE LII *Concluded*

Year	Total Chemicals, etc.		Fish and Fish Products		Vegetables		Total Leather		Fruits and Nuts		Auto Tires		Soaps	
	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	4.4	1.5	5.1	1.7	2.4	.8	3.1	1.0	1.0	.3	4.0	1.3	.6	.2
1921.....	3.3	1.4	3.0	1.3	2.8	1.2	1.8	.8	2.1	.9	2.2	.9	.7	.3
1922.....	2.9	1.8	2.8	1.8	2.7	1.7	1.6	1.0	1.6	1.0	1.5	.9	.7	.4
1923.....	3.3	1.9	4.0	2.3	2.8	1.6	1.7	1.0	2.1	1.2	1.7	1.0	.8	.5
1924.....	3.6	1.7	4.2	1.9	3.0	1.4	2.4	1.1	2.0	.9	1.9	.9	.9	.4
1925.....	4.0	1.7	5.0	2.1	3.7	1.5	3.0	1.3	2.3	1.0	2.5	1.0	1.0	.4
1926.....	4.3	1.8	4.5	1.9	3.8	1.6	3.2	1.3	2.3	1.0	2.3	1.0	1.8	.8
1927.....	4.2	1.8	4.6	2.0	3.6	1.6	3.0	1.3	2.5	1.1	4.1	1.8	2.0	.9
1928.....	4.7	1.7	4.4	1.6	4.1	1.5	3.5	1.3	3.3	1.2	3.0	1.1	2.1	.8
1929.....	5.1	1.7	4.7	1.6	4.3	1.5	3.6	1.2	3.4	1.1	3.3	1.1	2.0	.7
1930.....	4.8	2.0	4.2	1.7	3.7	1.5	3.3	1.3	3.0	1.1	3.2	1.3	1.8	.7
1931.....	4.8	2.4	2.6	1.3	3.7	1.9	2.2	1.1	2.9	1.5	2.2	1.1	1.5	.8
Tariff of 1909 ^b	n. s. p. f., 25%		Salted, \$1.60 per 100 kilos Canned, 15-25%		In bulk, 80¢- \$1.50 per 100 kilos		15-25%		Fruits, fresh, \$1.25 per 100 kilos Fruits, dried, \$1.50 per 100 kilos Nuts 25%		25%		15%	

constituting over 18 per cent of the total. Next in order are manufactured products and, next, food. The manufactured products are (Figures for 1929) automobile and parts, including tires, 6.0 per cent; silk manufactures, 3.2; paper, 1.9; tobacco manufactures, 2.2; electric machinery, 2.6; chemicals, 1.7; leather, 1.2; soap, 0.7 per cent. The remaining articles in the table are books, 1.0; vegetable fibers, 2.2; fertilizers, 2.0; coal, 1.7; petroleum products, 6.7; wheat flour, 3.4; dairy products, 2.6; rice, 3.9; meat products, 2.1; fish and fish products, 1.6; vegetables, 1.5; fruit and nuts, 1.1.

It will be seen that the imports include articles of great importance to that part of the population which has developed what may be called "civilized" needs. Doubtless, if these imports were cut off industries could be developed for producing most of them within the country, but the people are not particularly adapted to produce them, while the islands are particularly adapted to the production of certain staple products which constitute the exports. They can, for the present, at least, be obtained much more economically by exchange than by direct production.

Since exports are necessary to obtain credits with which to buy imports, it follows that the people of the Philippine Islands are dependent for many of the conveniences and luxuries of life, if not the necessities, upon the tariff policies of the countries with which they trade.

TRADE WITH OTHER PACIFIC COUNTRIES

For trade with Australia, see Chapter I, page 55.

For trade with Canada, see Chapter II, page 93.

For trade with China, see Chapter III, page 147.

For trade with Japan, see Chapter IV, page 186.

For trade with New Zealand, see Chapter V, page 208.

PHILIPPINE ISLANDS—UNITED STATES

The exports of the Philippine Islands to the United States in 1929 were valued at \$125,800,000, or 76.5 per cent of the total exports; and the imports from the United States in the same year were valued at \$92,500,000, or 62.9 per cent of the total imports. In recent years the exports to the United States have greatly exceeded in value the imports from the United States, as will be seen from Table LIII

TABLE LIII. PHILIPPINE ISLANDS—EXPORTS TO UNITED STATES*

With duties encountered. Quantities as specified. Values in million dollars and as percentages of total.

Year	Total	Per Cent of Total Exports	Cane Sugar			Coconut Oil			Copra		
			Million lbs.	Value	Per Cent	Million lbs.	Value	Per Cent	Million lbs.	Value	Per Cent
1920.....	113.0	74.8	292	42.4	37.5	153.2	23.9	21.2	22.7	.4	.4
1921.....	52.2	59.3	330	17.4	33.3	164.0	13.2	25.3	82.8	3.1	5.9
1922.....	61.7	64.3	550	19.3	31.3	224.1	16.1	26.1	193.1	7.0	11.3
1923.....	77.7	64.2	476	29.5	38.0	180.7	13.0	16.7	259.9	10.4	13.4
1924.....	97.1	71.4	678	39.5	40.7	224.6	17.3	17.8	238.6	10.5	10.8
1925.....	111.8	75.0	985	42.1	37.7	232.5	19.6	17.5	284.1	14.0	12.5
1926.....	103.8	75.1	761	29.6	28.5	245.1	22.1	21.3	275.7	14.0	13.5
1927.....	116.0	74.3	1,061	47.6	41.0	293.4	22.9	19.7	341.4	15.1	13.0
1928.....	115.6	74.6	1,150	46.9	40.6	290.6	23.1	19.9	371.9	16.5	14.3
1929.....	125.8	76.2	1,421	49.7	39.6	411.9	29.6	23.5	310.2	13.2	10.5
1930.....	109.4	82.2	1,587	51.4	47.0	317.9	19.9	18.2	336.6	12.5	11.5
1931.....	87.1	83.7	1,635	49.9	57.3	325.2	15.3	17.6	267.5	6.6	7.6
Tariff of: 1922.....				Free			Free			Free	
1930.....				Free			Free			Free	

Years end June 30.

* Source: *Commerce and Navigation*, Bureau of Foreign and Domestic Commerce, Dept. of Commerce, Washington, D. C.

TABLE LIII *Concluded*

Year	Manila or Abaca Fibre			Coconut Meat, Desiccated or Prepared			Cotton Wearing Apparel		Cigars and Cheroots		
	Thousand tons	Value	Per Cent	Million lbs.	Value	Per Cent	Value	Per Cent	Thousand lbs.	Value	Per Cent
1920.....	66.7	20.2	17.9	....	...	...	7.3	6.5	5,470	11.0	9.7
1921.....	30.9	5.7	10.9	....	...	...	5.1	9.8	1,660	3.1	5.9
1922.....	75.1	9.4	15.2	.8	.09	.1	2.3	3.7	2,367	3.9	6.3
1923.....	105.0	13.7	17.6	8.6	.9	1.2	.4	.5	4,221	5.6	7.2
1924.....	81.0	14.2	14.6	16.1	1.5	1.5	3.7	3.8	3,158	4.7	4.8
1925.....	62.2	18.1	16.2	24.5	2.4	2.1	4.0	3.6	3,226	5.1	4.6
1926.....	69.0	18.2	17.5	28.9	2.7	2.6	5.4	5.2	3,021	5.0	4.8
1927.....	51.0	13.1	11.3	34.0	3.0	2.6	3.5	3.0	2,645	4.1	3.5
1928.....	46.5	9.4	8.1	46.7	4.0	3.5	3.6	3.1	2,574	4.2	3.6
1929.....	71.3	13.3	10.6	43.1	3.4	2.7	4.6	3.6	2,073	3.3	2.6
1930.....	61.9	8.5	7.8	45.3	3.3	3.0	3.1	2.8	1,901	3.0	2.7
1931.....	30.5	2.9	3.3	37.1	1.9	2.2	2.0	2.3	2,056	3.1	3.6
Tariff of: 1922.....		Free			Free			Free		Free	
1930.....		Free			Free			Free		Free	

TABLE LIV. UNITED STATES—EXPORTS TO PHILIPPINE ISLANDS*
All goods admitted free of duty. Values in millions of pesos and as percentages of totals.

Year	Total Exports to Philippine Islands	Per Cent of Total Exports to All Countries	Iron and Steel		Cotton Goods		Mineral Oil		Automobiles		
			Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity thousands	Value	Per Cent
1920.....	185	1.1	38	20.5	45	24.3	16	8.6	3.8	9.0	4.9
1921.....	148	1.6	38	25.7	19	12.8	19	12.8	1.9	5.4	3.6
1922.....	95	1.2	12	12.6	32	33.7	11	11.6	.5	.8	.8
1923.....	101	1.1	14	13.9	27	26.7	10	9.9	1.5	2.0	2.0
1924.....	121	1.3	19	15.7	26	21.5	14	11.6	3.0	3.0	2.5
1925.....	139	1.4	21	15.1	29	20.9	14	10.1	4.0	5.0	3.6
1926.....	143	1.5	22	15.4	24	16.8	13	9.1	5.0	6.0	4.2
1927.....	143	1.5	20	14.0	33	23.1	15	10.5	5.0	7.0	4.9
1928.....	168	1.6	32	19.0	31	18.5	14	8.3	6.0	8.0	4.8
1929.....	185	1.7	36	19.5	32	17.3	17	9.2	7.0	10.0	5.4
1930.....	150	1.9	30	19.2	17	10.9	14	9.0	5.0	8.0	5.1
1931.....	124	2.6	20	16.1	16	12.9	15	12.1	4.0	5.0	4.0

Year	Wheat Flour			Meat and Dairy Products		Total Tobacco		Total Electrical Goods		Paper and Manufactures of	
	Quantity millions of kilos	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	20	4	2.2	7	3.8	3.0	1.6	...	...	4	2.2
1921.....	26	5	3.4	5	3.4	4.0	2.7	...	...	5	3.4
1922.....	31	4	4.2	3	3.2	2.0	2.1	1.6	1.7	4	4.2
1923.....	42	6	5.9	4	4.0	2.0	2.0	2.0	2.0	5	5.0
1924.....	51	7	5.8	5	4.1	3.0	2.5	4.0	3.3	4	3.3
1925.....	59	9	6.5	6	4.3	3.0	2.2	3.0	2.2	5	3.6
1926.....	49	8	5.6	7	4.9	5.0	3.5	4.0	2.8	5	3.5
1927.....	58	8	5.6	6	4.2	4.0	2.8	3.0	2.1	5	3.5
1928.....	66	9	5.4	7	4.2	6.0	3.6	4.0	2.4	6	3.6
1929.....	66	9	4.9	7	3.8	6.3	3.4	6.0	3.2	6	3.2
1930.....	62	8	5.1	7	4.4	5.6	3.6	9.0	5.8	6	3.8
1931.....	66	5	4.0	7	5.6	5.3	4.3	6.0	4.8	5	4.0

* Source: *Annual Report of the Insular Collector of Customs*, Dept. of Finance, Bureau of Customs, Manila, P. I.

TABLE LIV *Concluded*

Year	Fish and Fish Products		Silk and Manufactures of		Tires		Total Leather		Automobile Parts	
	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	5.0	2.7	3.0	1.6	4.0	2.2	2.8	1.5	1.8	1.0
1921.....	2.3	1.6	1.2	.8	2.2	1.5	1.6	1.1	1.9	1.3
1922.....	2.3	2.4	1.2	1.3	1.6	1.7	1.4	1.5	.6	.6
1923.....	3.4	3.4	1.4	1.4	1.6	1.6	1.5	1.5	.6	.6
1924.....	4.0	3.3	2.0	1.7	2.0	1.7	2.0	1.7	1.0	.8
1925.....	4.0	2.9	2.0	1.4	2.0	1.4	3.0	2.2	1.0	.7
1926.....	4.0	2.8	5.0	3.5	4.0	2.8	3.0	2.1	2.0	1.4
1927.....	4.0	2.8	3.0	2.1	2.0	1.4	3.0	2.1	1.0	.7
1928.....	3.0	1.8	4.0	2.4	3.0	1.8	3.0	1.8	2.0	1.2
1929.....	4.0	2.2	4.0	2.2	3.0	1.6	3.0	1.6	2.0	1.1
1930.....	3.0	1.9	2.0	1.3	3.0	1.9	3.0	1.9	1.9	1.2
1931.....	2.0	1.6	1.0	.8	2.0	1.6	2.0	1.6	1.5	1.2

and Table LIV. Since 1927 the figures for the excess of exports over imports have been: 1927, \$44,500,000; 1928, \$31,600,000; 1929, \$33,300,000; 1930, \$34,400,000; 1931, \$25,100,000. This excess of exports over imports which has characterized the trade of the Philippine Islands with the United States, has also (as might be expected from the preponderant share of that trade taken by the United States) characterized the total trade of that country. However, since 1927, the excess in the case of the total trade has steadily diminished. The figures are: 1927, \$39,500,000; 1928, \$20,500,000; 1929, \$17,500,000; 1930, \$10,000,000; 1931, \$5,000,000. It will be seen, by comparing these figures for excess, that in each year the excess in the case of the United States is greater than the excess in the case of the total trade, that is, that in Philippine trade with countries other than the United States there is an excess of imports. The excess of imports over exports with countries other than the United States has been: 1927, \$5,000,000; 1928, \$11,100,000; 1929, \$15,800,000; 1930, \$24,400,000; 1931, \$20,100,000.

This excess of exports over imports in the case of the United States and excess of imports over exports in the case of other countries is suggestive of a connection with the tariff. The Philippine Islands enjoy free trade with the United States but encounter tariffs in other countries; and moreover, imports from other countries encounter Philippine tariffs. In exporting to the United States, Philippine products get the full benefit of tariff-augmented prices. In importing, however, it would appear that the prices of many commodities are so much lower in other countries that the Philippine merchant will often find it to his advantage to purchase in these countries even though he has to pay the Philippine duty.

As is to be expected, since the trade with the United States constitutes nearly three-fourths of the total trade, we shall find about the same alignment of commodities as in the total trade: sugar (1929), 39.6 per cent; the coconut and its products, 36.7; fibers, 10.6; wearing apparel, 3.6; and cigars and cheroots, 2.6 per cent; making in all 93.1 per cent of the total exports to the United States. As to imports, the table shows for manufactured goods (iron and steel, cotton, autos and parts, electric goods, paper, and silk), 53.5 per cent; foods (wheat flour, dairy products, and fish products), 10.9 per cent; petroleum products, 9.2 per cent; tobacco, 3.4 per

cent; and leather, 1.6 per cent; making all together 78.6 per cent. It is probable, in the case of both the total imports and the imports from the United States, that manufactured goods, especially if we include canned foods, constitute the greater part of the unenumerated items, and that hence the dependence of the Philippine people on imports for this class of goods is even greater than is shown in the tables.

CHAPTER VII

THE UNITED STATES

Area 3,025,433 square miles, population 122,775,046

IN ADDITION to the area and population of Continental United States named above, the following outlying regions are under the United States flag: Alaska, 590,884 square miles, population, 55,036; American Samoa (Tutuila), 77 square miles, population, 8,056; Guam, 210 square miles, population, 13,275; Hawaiian Islands, 6,449 square miles, population, 255,912; Panama Canal Zone, 527 square miles, population 22,858; Philippine Islands, 114,400 square miles, population, 12,204,100; Porto Rico, 3,435 square miles, population, 1,299,809; Virgin Islands, 132 square miles, population, 26,051. It thus appears that all of the regions under the United States flag have an area of 3,742,273 square miles and a population of 135,063,915. Free trade exists between the forty-eight States of which the continental United States is composed and between these outlying dependencies with one another and with the United States. The same rates of duty apply as against all foreign countries on imports into the United States and any of its possessions—except the Philippine Islands, the Virgin Islands, American Samoa, and the island of Guam.¹ All of the continental United States is in the temperate zone, but some of its possessions are in the tropic and one in the frigid zone. It is abundantly supplied with mineral resources, coal, petroleum and natural gas, iron, copper, lead, quicksilver, manganese, gold, silver and other metallic ores; and with clay, with marble, with limestone, and with granite. In variety of climate, fertility of soil, suitable for almost any crop that can be grown, no other nation is more bountifully provided by nature. If the bounty of nature or a high average grade of intelligence and

¹ There is one exception to this statement. By special treaty, imports from Cuba are admitted into the United States at a rate 20 per cent lower than that provided for in the general tariff act.

resourcefulness among its people could insure permanent prosperity, the people in the United States should enjoy it. If free trade, as is taught by one school of economists, could insure permanent prosperity the United States should have it. For, the forty-eight States and the outlying insular possessions are endowed with natural resources of such extent and variety as to assure almost complete self-sufficiency to the United States. They make of the United States a world in itself, and among them is absolute free trade. If protection, as is taught by another school of economists, could insure permanent prosperity, the United States should enjoy it. For, with reference to the rest of the world the American tariff is among the highest.² From what has been said, it is apparent that the United States has all of the prerequisites of prosperity, whether it elects through its tariff policies to expand or contract the volume of its international trade. It is less dependent on foreign trade than countries more circumscribed in area and in the extent and variety of their natural resources. It is not, for example, in the position of Japan.

Still, the nature and extent of its foreign trade are by no means a matter of indifference. Abundant and varied as are its resources, some materials it must have which it cannot produce, and others, while the need for them is not so imperative, add greatly to the comfort and convenience of its people. And if it would import these materials it must pay for them with its exports.

We will, therefore, first study the total exports and imports of the United States, classified by commodities. In a general way a country exports those commodities which it can produce at less capital and labor cost than the country to which it exports them, and imports the commodities which it cannot produce at all or, at least, in which it is at a comparative disadvantage. This natural

² At the present writing the United States is in the trough of a period of depression. Over 13,000,000 men and women who desire employment are unemployed. Business is everywhere stagnant. Men are filled with apprehension and foreboding. Why, with all the enumerated advantages, this state of affairs should exist is perhaps the most searching question that ever confronted a great people. To go into this matter would take us too far afield. The fact that this depression exists in spite of the vast free trade area covered by the United States and its possessions, and in spite of perhaps the highest protective tariff in the world against all other countries, is evidence that the forces underlying such periods of economic collapse lie deeper than the tariff policies of nations.

basis for international trade is, however, much modified or even completely obscured by protective tariffs. Frequently, the articles which a country exports are not those in which it has the greatest comparative advantage but those which it can insinuate through the chinks of the tariff walls of other nations.

GENERAL EXPORTS AND IMPORTS

Tables LV and LVI show the foreign trade of the United States, classified by the principal commodities that enter into it.

A striking circumstance connected with the foreign trade of the United States is the great excess of exports over imports. In every year shown in the table this excess exists, in some years greater and in some years less, but persistent. In 1920 it was over three billion dollars, and in 1931 it fell to 336 million. The average excess for the twelve years was \$1,009,000,000.

If commodity imports and exports were the only items of international trade such a disparity could hardly continue over so long a period. International balances are settled in gold, as between countries which are on a gold standard; and an excess of exports from a given country persistent over a period of years would cause gold to flow to the country, and normally would have the effect of so raising prices that the country would be a poor country for other countries to purchase in, and hence the trade-tide would turn. This is assuming that the gold entering the country acts as a circulating medium or as the basis of a circulating medium, thus by its increasing quantity raising prices. However, the gold may be hoarded in the vaults of banks, or it may be used in the arts. In either case, the gold may then be regarded as a commodity import, and a parity between imports and exports be shown to exist.⁸

It is not unlikely that the persistent excess of commodity exports over imports in the case of the United States may in part be accounted for by either or both of these destinations of the gold inflow. Gold is an important commodity in the United States. It is used by dentists, gold beaters, and jewelers. Moreover, it is hoarded in the vaults of banks. However, the phenomenon is to be accounted

⁸ Even if countries were not on a gold standard, the tide of trade would follow similar laws. A country exporting commodities in excess of its imports would be acquiring increased purchasing power in the form of credits which would have a tendency to raise prices, much as would an inflow of gold.

TABLE LV. UNITED STATES—PRINCIPAL EXPORTS*
Quantities as specified. Values in millions of dollars and as percentages of totals.

Year	Total	Raw Cotton			Refined Petroleum		Autos and Parts		Wheat and Flour		Raw Tobacco			Iron and Steel ^b	
		Quantity million bales	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent
1920.....	8,228	6.2	1,136	13.8	519	6.3	...	....	821	10.0	480	245	3.0	...	...
1921.....	4,485	6.5	534	11.9	363	8.1	...	....	551	12.3	525	205	4.6	...	...
1922.....	3,832	6.1	673	17.6	313	8.2	103	2.7	292	7.6	442	147	3.8	136	3.6
1923.....	4,167	5.3	807	19.4	327	7.8	171	4.1	205	4.9	497	153	3.7	167	4.0
1924.....	4,591	6.8	951	20.7	393	8.6	210	4.6	328	7.2	575	164	3.6	150	3.3
1925.....	4,910	8.5	1,060	21.6	423	8.6	318	6.5	234	4.8	477	154	3.1	144	2.9
1926.....	4,809	9.0	814	16.9	497	10.3	320	6.7	285	5.9	487	137	2.8	174	3.6
1927.....	4,865	9.5	826	17.0	430	8.8	389	8.0	325	6.7	512	140	2.9	161	3.3
1928.....	5,128	8.7	920	17.9	465	9.1	500	9.8	194	3.8	584	154	3.0	180	3.5
1929.....	5,241	7.6	771	14.7	493	9.4	539	10.3	192	3.7	566	146	2.8	200	3.8
1930.....	3,843	6.6	497	13.0	438	11.4	277	7.2	157	4.1	580	146	3.8	139	3.6
1931.....	2,424	7.0	326	13.4	232	9.6	147	6.1	84	3.5	525	111	4.6	63	2.6

* Sources: *Commerce and Navigation and Commerce Year Book*, Bureau of Foreign and Domestic Commerce, Dept. of Commerce, Washington, D. C.

^b Mill products and semi-manufactures.

TABLE LV Continued

Year	Fruits and Nuts		Copper and Manufactures		Coal and Coke			Cotton Manufactures		Chemicals*		Lard		
	Value	Per Cent	Value	Per Cent	Quantity million tons	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million lbs.	Value	Per Cent
1920.....	84.4	1.0	142	1.7	38.0	360	4.4	402	4.9	154.1	1.9	612	143.4	1.7
1921.....	70.1	1.6	93	2.1	25.0	171	3.8	117	2.6	54.0	1.2	869	112.5	2.5
1922.....	75.9	2.0	104	2.7	13.9	96	2.5	139	3.6	53.1	1.4	767	91.5	2.4
1923.....	68.6	1.6	129	3.1	24.8	166	4.0	138	3.3	58.4	1.4	1,035	130.1	3.1
1924.....	97.7	2.1	157	3.4	19.4	116	2.5	133	2.9	55.0	1.2	944	125.7	2.7
1925.....	102.0	2.1	161	3.3	19.2	107	2.2	148	3.0	59.7	1.2	689	118.0	2.4
1926.....	111.8	2.3	141	2.9	36.0	204	4.2	129	2.7	64.6	1.3	699	108.6	2.3
1927.....	121.7	2.5	150	3.1	19.8	110	2.3	133	2.7	72.6	1.5	681	92.0	1.9
1928.....	129.3	2.5	170	3.3	18.4	99	1.9	135	2.6	74.7	1.5	760	98.7	1.9
1929.....	137.5	2.6	183	3.5	19.7	106	2.0	135	2.6	81.9	1.6	829	105.5	2.0
1930.....	110.9	2.9	105	2.7	17.3	90	2.3	89	2.3	74.1	1.9	643	73.4	1.9
1931.....	109.3	4.5	55	2.3	13.1	65	2.7	60	2.5	79.2	3.3	569	51.1	2.1

* Coal tar, medicinal and industrial.

TABLE LV *Continued*

Year	Boards and Sawed Timbers			Meats			Rubber and Manufactures		Leather		Petroleum Crude Oil		Paper, Except Printed Matter	
	Quantity million bd. ft.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	.....	.....	...	.....	273.4	3.3	85.4	1.0	108.9	1.3	29.0	.4	65.8	.8
1921.....	.....	.....	...	.....	150.9	3.4	30.8	.7	31.8	.7	20.2	.5	29.0	.6
1922.....	1,882	67.0	1.7	789	134.5	3.5	34.0	.9	45.5	1.2	18.3	.5	22.7	.6
1923.....	2,368	102.6	2.5	1,036	149.4	3.6	37.0	.9	42.8	1.0	23.1	.6	24.0	.6
1924.....	2,630	101.1	2.2	803	113.4	2.5	39.6	.9	49.1	1.1	26.5	.6	23.1	.5
1925.....	2,502	99.0	2.0	611	117.9	2.4	51.3	1.0	52.1	1.1	24.2	.5	23.8	.5
1926.....	2,694	96.6	2.0	513	106.8	2.2	60.7	1.3	49.8	1.0	28.5	.6	26.7	.6
1927.....	2,950	106.9	2.2	389	71.0	1.5	70.7	1.5	54.0	1.1	26.0	.5	26.8	.6
1928.....	3,119	108.0	2.1	398	67.7	1.3	69.5	1.4	55.1	1.1	26.8	.5	30.7	.6
1929.....	3,078	109.8	2.1	445	78.7	1.5	76.9	1.5	42.9	.8	37.8	.7	37.0	.7
1930.....	2,258	77.9	2.0	380	65.6	1.7	58.9	1.5	35.4	.9	32.1	.8	30.3	.8
1931.....	1,645	44.8	1.8	253	35.6	1.5	36.7	1.5	25.6	1.1	20.8	.9	22.4	.9

TABLE LV *Continued*

Year	Wood Manufactures		Furs and Manufactures		Books and Printed Matter		Naval Stores		Fish		Dairy Products		Leather Manufactures	
	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	64.6	.8	32.9	.4	24.8	.3	34.5	.4	31.5	.4	80.8	1.0	83.3	1.0
1921.....	28.2	.6	14.9	.3	21.1	.5	11.4	.3	15.9	.4	44.1	1.0	29.4	.7
1922.....	24.5	.6	22.3	.6	17.6	.5	18.5	.5	15.8	.4	25.6	.7	16.7	.4
1923.....	33.3	.8	22.6	.5	19.0	.5	24.8	.6	17.0	.4	27.9	.7	22.2	.5
1924.....	32.2	.7	26.1	.6	19.9	.4	25.3	.6	20.3	.4	28.1	.6	19.8	.4
1925.....	36.1	.7	26.6	.5	21.0	.4	31.8	.6	20.7	.4	23.6	.5	20.6	.4
1926.....	37.9	.8	23.2	.5	21.9	.5	36.9	.8	19.9	.4	19.0	.4	18.5	.4
1927.....	38.0	.8	30.9	.6	24.1	.5	34.3	.7	18.3	.4	17.4	.4	18.4	.4
1928.....	37.5	.7	39.5	.8	24.2	.5	26.4	.5	20.8	.4	18.5	.4	17.5	.3
1929.....	40.9	.8	35.7	.7	27.1	.5	31.0	.6	23.5	.4	17.9	.3	17.7	.3
1930.....	29.8	.8	27.4	.7	24.0	.6	22.7	.6	17.2	.4	14.4	.4	12.5	.3
1931.....	19.2	.8	19.3	.8	18.2	.8	14.3	.6	11.4	.5	11.0	.5	7.0	.3

TABLE LV *Concluded*

Year	Oil Cake and Meal		Barley and Malt			Refined Sugar			Oats and Oatmeal		Rye and Flour	
	Value	Per Cent	Million bu.	Value	Per Cent	Million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	18.0	.2	22.0	34.6	.4	924	94.9	1.2	16.1	.2	125.8	1.5
1921.....	24.5	.5	34.6	31.8	.7	938	48.8	1.1	5.3	.1	44.5	1.0
1922.....	19.9	.5	23.4	18.1	.5	1,837	69.7	1.8	19.0	.5	46.0	1.2
1923.....	19.8	.5	15.2	12.5	.3	445	28.9	.7	7.3	.2	29.0	.7
1924.....	27.6	.6	24.6	26.6	.6	441	24.0	.5	5.9	.1	40.2	.9
1925.....	31.7	.6	33.8	32.6	.7	759	28.1	.6	22.0	.4	37.5	.8
1926.....	26.4	.5	16.9	13.8	.3	214	7.6	.2	11.8	.2	12.4	.3
1927.....	30.1	.6	40.8	38.5	.8	251	10.3	.2	9.3	.2	39.9	.8
1928.....	27.1	.5	54.9	48.4	.9	245	8.5	.1	9.5	.2	17.6	.3
1929.....	28.4	.5	32.9	27.5	.5	205	6.1	.1	7.6	.1	3.7	.1
1930.....	9.7	.3	11.9	9.1	.2	156	3.8	.1	.7	.0	.3	.0
1931.....	11.2	.5	8.4	5.9	.2	105	2.2	.1	.7	.0	.1	.0

TABLE LVI. UNITED STATES—PRINCIPAL IMPORTS*
 With duties levied. Quantities as specified. Values in millions of dollars and as percentages of totals.

Year	Total	Raw Silk			Coffee			Crude India Rubber			Newsprint			Sugar		
		Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity billion lbs.	Value	Per Cent	Quantity billion lbs.	Value	Per Cent
1920.....	5,102	30.0	284.9	5.6	1,297	252.4	4.9	566.5	242.8	4.8	1.46	68.9	1.4	8.07	1,017	19.9
1921.....	2,557	45.3	259.0	10.1	1,341	142.8	5.6	415.3	73.8	2.9	1.59	79.3	3.1	5.97	235	9.2
1922.....	3,074	50.7	365.8	11.9	1,246	160.8	5.2	674.4	101.8	3.3	2.06	72.3	2.4	9.72	252	8.2
1923.....	3,732	49.5	391.9	10.5	1,410	190.2	5.1	692.5	185.0	5.0	2.62	98.0	2.6	7.71	380	10.2
1924.....	3,575	51.3	327.6	9.2	1,421	248.8	7.0	734.8	174.2	4.9	2.71	101.3	2.8	8.27	364	10.2
1925.....	4,176	63.8	396.3	9.5	1,284	286.2	6.9	888.5	429.7	10.3	2.90	103.7	2.5	8.92	246	5.9
1926.....	4,408	66.4	392.8	8.9	1,493	322.7	7.3	925.9	505.8	11.5	3.70	124.0	2.8	9.42	232	5.3
1927.....	4,163	74.0	390.4	9.4	1,433	264.3	6.3	954.7	339.8	8.2	5.97	131.5	3.2	8.43	258	6.2
1928.....	4,078	75.5	368.0	9.0	1,457	309.6	7.6	978.1	244.8	6.0	4.31	139.4	3.4	7.74	207	5.1
1929.....	4,339	87.0	427.0	9.8	1,482	302.4	7.0	1,269.9	241.0	5.6	4.84	144.5	3.3	9.78	209	4.8
1930.....	3,114	73.7	262.9	8.4	1,599	209.5	6.7	1,089.8	140.6	4.5	4.56	131.8	4.2	6.99	129	4.1
1931.....	2,088	83.8	191.3	9.2	1,741	174.9	8.4	1,124.0	73.8	3.5	4.13	112.2	5.4	6.34	113	5.4
Act of: 1922.....			Free			Free			Free			Free			1.76¢ lb.—82% ^b	
1930.....			Free			Free			Free			Free			2.00¢ lb.—166% ^b	

Years end June 30.

* Source: *Commerce and Navigation and Commerce Year Book*, Bureau of Foreign and Domestic Commerce, Depr. of Commerce, Washington, D. C.

^b Given rates on polarization 96 degrees Cuban rate; full duty; 1922, 2.2¢ per lb., 1930, 2.5¢ per lb.

TABLE LVI *Continued*

Year	Copper and Manufactures		Hides and Skins			Wood Pulp			Vegetable Oils (Edible and n.e.s.)		Tin—Bars, Blocks, etc.			Fruits and Nuts		Furs and Manufactures	
	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million tons	Value	Per Cent	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	90.0	1.8	510.2	243.9	4.8	.8	89.4	1.8	108.0	2.1	126.0	73.8	1.4	101.6	2.0	92.4	1.8
1921.....	45.8	1.8	348.0	67.6	2.6	.6	39.3	1.3	39.9	1.6	54.2	16.6	.6	73.5	2.9	40.1	1.6
1922.....	66.8	2.2	551.2	107.0	3.5	1.1	63.3	2.1	64.1	2.1	134.8	40.8	1.3	72.5	2.4	68.1	2.2
1923.....	96.0	2.6	531.6	118.9	3.2	1.2	74.7	2.0	70.2	1.9	154.4	61.1	1.6	70.5	1.9	88.0	2.4
1924.....	96.2	2.7	356.5	75.0	2.1	1.4	75.7	2.1	65.2	1.8	145.7	68.9	1.9	72.3	2.0	87.7	2.5
1925.....	84.3	2.0	362.4	96.8	2.3	1.5	81.8	2.0	81.3	1.9	171.7	95.1	2.3	88.7	2.1	115.3	2.8
1926.....	99.7	2.3	368.6	96.8	2.2	1.5	91.4	2.1	85.6	1.9	172.8	104.8	2.4	87.6	2.0	117.4	2.7
1927.....	84.9	2.0	447.1	112.8	2.7	1.5	86.1	2.1	85.0	2.0	159.3	100.9	2.4	84.7	2.0	138.0	3.3
1928.....	98.2	2.1	506.0	150.8	3.7	1.6	83.9	2.0	84.6	2.1	174.7	87.0	2.1	89.7	2.2	121.7	3.0
1929.....	153.7	3.5	515.6	137.3	3.2	1.7	89.0	2.1	108.2	2.5	195.2	91.8	2.1	86.9	2.0	125.8	2.9
1930.....	104.6	3.4	399.9	92.3	3.0	1.6	81.3	2.6	78.8	2.5	180.8	60.2	1.9	75.5	2.4	68.7	2.2
1931.....	48.7	2.3	271.1	50.3	2.4	1.2	60.9	2.9	51.6	2.5	148.0	36.7	1.8	60.0	2.9	55.9	2.7
Act of: 1922.....	Free ^a		Free			Free			40%		Free			Free or 34%		32%	
1930.....	Free		10%			Free			56%		Free			Free or 46%		Free or 32%	

TABLE LVI *Continued*

Year	Art Works		Fertilizers			Burlaps			Cotton Manu- factures		Chemicals		Raw Tobacco			Wool Manu- factures	
	Value	Per Cent	Quan- tity million tons	Value	Per Cent	Quan- tity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quan- tity million lbs.	Value	Per Cent	Value	Per Cent
1920	28.7	.6	...	114.9	2.3	571.4	89.3	1.8	137.6	2.7	71.4	1.4	82.1	81.5	1.6	58.1	1.1
1921	21.0	.8	...	30.7	1.2	475.1	41.4	1.6	75.4	2.9	40.3	1.6	52.9	44.1	1.7	37.8	1.5
1922	27.0	.9	1.3	45.1	1.5	522.0	49.1	1.6	87.1	2.8	41.4	1.3	77.8	66.0	2.0	59.4	1.9
1923	29.5	.8	1.8	63.9	1.7	598.5	67.0	1.8	100.0	2.7	47.2	1.3	57.7	57.1	1.5	69.1	1.9
1924	31.7	.9	1.9	66.5	1.9	575.6	59.4	1.7	90.9	2.5	43.1	1.2	68.6	75.4	2.1	69.3	1.9
1925	46.9	1.1	2.3	78.0	1.9	625.8	85.0	2.0	79.3	1.9	48.8	1.2	77.7	71.5	1.7	73.9	1.8
1926	53.5	1.2	2.1	69.2	1.6	599.0	82.2	1.9	67.1	1.5	54.0	1.2	67.9	60.6	1.4	70.7	1.6
1927	60.4	1.5	1.8	58.8	1.4	569.6	67.2	1.6	66.2	1.6	58.0	1.4	102.7	74.6	1.8	78.8	1.9
1928	65.7	1.6	2.5	78.1	1.9	620.0	80.1	2.0	69.3	1.7	53.2	1.3	74.8	55.2	1.4	78.4	1.9
1929	82.1	1.9	2.3	72.3	1.7	643.6	77.4	1.8	69.3	1.6	59.9	1.4	68.0	53.8	1.2	78.5	1.8
1930	65.1	2.1	2.0	59.1	1.9	598.1	54.3	1.7	46.2	1.5	44.5	1.4	71.5	40.9	1.3	40.1	1.3
1931	38.5	1.8	1.4	44.7	2.1	431.4	28.8	1.4	40.5	1.9	32.4	1.6	74.4	37.0	1.8	22.9	1.1
Act of: 1922	Free			Free ^a		1¢ lb.—7%			Ave. 53%		20% to 50%		53% Ave.			61% Ave.	
1930	Free			Free		1¢ lb.—15%			Ave. 60%		30% to 50%		75% Ave.			73% Ave.	

^a Small quantities of: copper at 25%, fertilizers at 10%, fish free, and gums (camphor) at 8%.

TABLE LVI *Continued*

Year	Wool, Raw			Vegetables and Preparations		Sawmill Products		Fish			Flax, Hemp, and Ramie Manufactures		Diamonds		
	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Quantity thousand carats	Value	Per Cent
1920.....	259.6	127.0	2.5	46.8	.9	73.0	1.4	.....	35.2	.7	53.4	1.1	486	57.4	1.1
1921.....	320.7	60.5	2.4	18.1	.7	41.3	1.6	.....	29.0	1.1	32.0	1.3	305	29.0	1.1
1922.....	376.7	86.5	2.8	23.2	.8	63.8	2.1	302.7	30.6	1.0	44.3	1.4	635	52.4	1.7
1923.....	394.2	129.7	3.5	25.6	.7	82.6	2.2	270.6	26.7	.7	45.5	1.2	773	60.5	1.6
1924.....	268.2	93.1	2.6	27.6	.8	72.9	2.0	298.8	30.0	.8	54.7	1.5	747	60.0	1.7
1925.....	339.2	141.9	3.4	36.2	.9	78.1	1.9	276.1	30.1	.7	47.6	1.1	733	61.1	1.5
1926.....	310.3	106.7	2.4	38.8	.9	74.6	1.7	324.1	34.3	.8	47.0	1.1	833	66.4	1.5
1927.....	267.3	82.9	2.0	39.2	.9	64.0	1.5	321.4	35.4	.9	50.9	1.2	718	54.3	1.3
1928.....	244.5	80.0	2.0	40.4	1.0	54.9	1.3	373.9	38.5	.9	44.8	1.1	769	57.1	1.4
1929.....	280.4	87.3	2.0	48.1	1.1	54.2	1.3	369.6	39.8	.9	45.2	1.0	818	55.9	1.3
1930.....	163.7	37.1	1.2	36.8	1.2	35.9	1.2	346.7	35.5	1.1	33.6	1.1	651	31.7	1.0
1931.....	158.4	22.4	1.1	23.0	1.1	20.3	1.0	278.8	28.3	1.4	29.3	1.4	512	18.1	.9
Act of: 1922.....	31¢ lb.	55%		26%		Free ^d		19% Ave. ^o			44% Ave.		10% and 20%		
1930.....	34¢ lb.	89%		64%		Free		21% Ave.			50% Ave.		Free and 10%		

^o Small quantities of: copper at 25%, fertilizers at 10%, fish free, and gums (camphor) at 8%.

^d Fine manufactures up to 60%.

TABLE LVI *Concluded*

Year	Cocoa Beans			Flaxseed			Cotton, Raw			Tea			Gums and Resins		Silk Manufactures	
	Quantity thousand lbs.	Value	Per Cent	Quantity million bu.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Quantity million lbs.	Value	Per Cent	Value	Per Cent	Value	Per Cent
1920.....	343.7	54.3	1.1	24.6	74.6	1.5	300.0	138.7	2.7	90.2	24.4	.5	52.9	1.0	75.3	1.5
1921.....	304.8	23.1	.9	12.3	20.4	.8	138.9	32.9	1.3	76.5	14.2	.6	22.7	.9	48.3	1.9
1922.....	344.9	32.0	1.0	14.9	31.1	1.0	186.2	47.7	1.6	97.1	23.8	.8	30.5	1.0	37.4	1.2
1923.....	414.2	33.8	.9	24.3	49.0	1.3	187.4	49.4	1.3	105.1	29.7	.8	42.7	1.1	44.6	1.2
1924.....	378.3	29.4	.8	16.6	30.0	.8	160.6	48.6	1.4	92.8	27.2	.8	28.3	.8	37.7	1.1
1925.....	382.0	38.2	.9	16.5	39.7	1.0	156.7	52.8	1.3	100.9	31.4	.8	30.7	.7	36.7	.9
1926.....	426.3	42.7	1.0	22.5	41.4	.9	181.4	46.2	1.0	95.9	31.3	.7	34.0	.8	40.6	.9
1927.....	425.0	56.8	1.4	21.8	38.0	.9	205.6	45.7	1.1	89.2	28.2	.7	32.0	.8	42.2	1.0
1928.....	379.2	47.2	1.1	17.6	31.2	.8	172.0	42.8	1.0	89.8	27.2	.7	32.2	.8	41.4	1.0
1929.....	507.6	49.5	1.1	24.2	46.5	1.1	223.3	53.3	1.2	89.4	25.9	.6	35.6	.8	39.0	.9
1930.....	373.2	31.2	1.0	12.7	26.7	.9	128.4	25.3	.8	84.9	22.6	.7	21.4	.7	18.7	.6
1931.....	416.0	23.2	1.1	14.5	14.1	.7	61.3	6.1	.3	80.7	18.7	.9	13.1	.6	16.6	.8
Act of: 1922.....	Free			40¢ bu.—22%			Free			Free			Free ^o		61% Ave.	
1930.....	Free			65¢ bu.—67%			Free			Free			Free		64% Ave.	

for in greater part by items of invisible trade—foreign loans, foreign travel, remittances to friends and relatives in other countries, and other services calling for payment.

By far the most important of these invisible items of trade in the present case is foreign loans. Capitalists in the United States during the past decade have made enormous loans in foreign countries. These loans for a time increase the purchasing power of the countries to which they are made, and a part of this purchasing power is expended in buying commodities in the United States. Eventually, assuming that the loans are paid, principal and interest, the excess of purchasing power will be transferred to the United States, and commodity imports may be expected to exceed commodity exports. This matter is discussed more at length in the closing chapter. Attention is called to it here because this excess of exports is in many quarters regarded as a matter for self-congratulation. It is thought to be evidence that the United States is growing rich at the expense of other nations. What it really boils down to is this: during the past ten years, the United States has shipped abroad commodities to the value of several billion dollars for which it has not yet been paid.

So varied and well balanced are the resources of the United States, and so varied also are the needs of its people and of its industries, that in the tables showing its exports and imports, we are not surprised to find a vast number of commodities, each constituting only a moderate percentage of the total, rather than a few commodities constituting an overwhelming percentage of the total, with comparative significance for all the others. However, there are a few commodities which the people of the United States need in great quantities for direct consumption, or which her industries need as raw materials, which cannot be so conveniently obtained by direct production as by exchange. Among these (figures for 1929) are raw silk, 9.8 per cent of the total imports; coffee, 7.0; rubber, 5.6; and sugar, 4.8. Other imports worthy of special mention are newspaper, copper manufactures, hides, wood pulp, vegetable oils, fruits and nuts, furs, art works, tin bars, fertilizers, wool and woolens, flax and flaxseed, and diamonds. In this list the fact that art works and diamonds are each among the imports showing more than 1 per cent of the total is worth noting. They are evidence of the

extent to which the people of the United States, or at least certain classes of them, can afford luxuries.

Among the exports, also, a few stand out from the others as of significant importance. First among them is raw cotton, 14.7 per cent of the total; next autos and parts, 10.3; and next petroleum and its products, 10.1. Others worthy of mention are wheat and wheat flour, raw tobacco, iron and steel, fruits and nuts, copper and copper manufactures, coal and coke, cotton manufactures, packing house products, boards and lumber, each of them showing over 2 per cent of the total.

Of very great importance to the United States in her international relations, and particularly in establishing her position in international trade, is the admirable balance in her natural resources. With some exceptions, she has the resources for supplying nearly all the major needs of a great people. Her trade with the rest of the world, therefore, is based upon convenience and desirability rather than necessity, upon comparative rather than upon absolute advantage. She can produce nearly all she needs, but she can obtain many articles with less effort by exchange than by direct production. To bring out this point, contrast the United States with an imagined country which had, let us say, the richest gold or the richest diamond deposits in the world, but otherwise was a desert. Cut off from the rest of the world, the latter country would cease to exist; connected with the rest of the world it might sustain a considerable population. Such a country would be dependent on foreign trade for its very existence. At the other extreme is the United States. Except for a comparatively few articles, rubber, and some minerals, the United States might be cut off entirely from the rest of the world, and after some years of confusion the people could accommodate themselves to these conditions, utilize only their own resources, and maintain a self-contained economy. Probably, so far as concerns the requirement of a normal life, the mass of the people would hardly know the difference.

Hence, aside from those items in her foreign trade in which the United States is distinctly complementary in production and needs with other countries, there remains a large part of her exports and imports consisting of what may be called competitive trade—that is to say, of trade made up of items which are produced both in the

United States and in the countries between which and the United States the trade takes place. It resembles trade between two of its own contiguous States.

Such a trade is peculiarly subject to obstruction by tariff legislation. Referring to Table LVI, one is struck by the extremes in rates. Of the thirty enumerated articles, no less than fifteen are admitted free of duty, and the imports of these fifteen articles aggregate nearly 40 per cent of the total. Once outside the free list, however, there is a tendency to impose high rates. A few of the enumerated articles, it is true, pay moderate rates—burlaps, 15 per cent; hides (free until 1930), 10 per cent; and fish, 21 per cent; but much more characteristic are such rates as sugar, 166 per cent; vegetable oils, 56 per cent; cotton manufactures, 60 per cent; raw tobacco, 75 per cent; raw wool, 89 per cent; wool manufactures, 73 per cent; flaxseed, 67 per cent; flax, hemp, and ramie manufactures, 50 per cent; and silk manufactures, 64 per cent.^{8a}

These extremes of policy—free list or high duty—are not difficult to account for. The reader should disabuse his mind of the idea that in framing a tariff Congress is basing rates on some abstract principle. It has no ideal of what a perfect protective tariff should be to which the act under discussion should be made to conform. It has only in the vaguest sense any idea of national welfare. What it is acutely conscious of is conflicting pressures of powerful private interests, each seeking its own good at the expense of all others. The tariff as it emerges from Congress is necessarily a resultant of these conflicting pressures.

As it is for the interest of self-seeking groups to obtain their raw materials free of duty, we may expect that raw materials will be so admitted unless the American group producing a given raw material can impress Congress with the idea that it controls votes enough to make such a course politically unwise. In the latter case, a duty is placed on the raw material, and a "compensatory duty" is added to the duty on the finished product. If the finished product immediately above the raw material is itself a material for a product in a still higher stage, a further compensatory duty is added to the duty on this product also, and so on to the highest

^{8a} These are ad valorem equivalents for specific duties and, of course, vary with the price.

stage, all of the producers thus pooling their issues at the expense of the ultimate consumer. As examples of the process just described we may cite the cases of the vegetable oils and hides. Oils were for the most part free of duty until the Act of 1921. In that year certain agricultural interests attained sufficient political importance to secure fairly heavy duties, which duties were further increased in 1930. Hides remained free until 1930, when the same interests were able to secure a moderate duty. In general, when a commodity is subject to a compound duty—such a duty, say, as the duty on certain grades of wool fabrics: 40 cents per pound and 50 per cent *ad valorem*—one part of the duty is compensatory for the duty on the raw material, and the other part is for net protection.

The pyramiding process of adding compensatory duties at every stage above the raw material accounts in part for the generally high range of duties in the American tariff above the free list. More important is the difference in the costs of production among competing producers in the same industry. In all cases in which cost studies have been made it has been found that a wide range exists between the lowest and highest or marginal cost. The marginal-cost producer can always make a case before Congress that he is hard pressed by foreign competition. Perhaps he can show that his business cannot continue unless an increased duty is granted. The lower-cost producers will acquiesce in his appeal, they may even give him financial backing, because, while they may be making adequate profits under the existing tariff, they will make greater profits if the duty, and hence the price, is increased. But if the higher rate is granted the higher price will create a new group of marginal producers who will be hard pressed and appeal for a still higher tariff. Hence, once an article is made dutiable, the forces back of the process of tariff making work in the direction of higher and higher rates. This tendency is clearly indicated by the figures in Table LVI. It may be stated that the rates in the Act of 1922, shown in the table, were for the most part very much higher than the rates under the Act of 1913, which it succeeded,⁴ and it will be seen that the rates in 1930 were in general higher than those in 1922. To cite a few items, the duty on Cuban sugar was 1 cent

⁴The Emergency Tariff Act of 1921 was the immediate predecessor of the Act of 1922. The Emergency Act was not a general tariff act. It limited itself to an increase in duty on certain agricultural products.

per pound in 1913, 1.6 cents per pound in 1921; 1.7648 cents per pound in 1922; and 2 cents per pound in 1930. Vegetable oils (generally free of duty in 1913) averaged 40 per cent in 1922, and 56 per cent in 1930. Comparable increases may be noted in the cases of cotton manufactures, chemicals, raw tobacco, wool and woollens, vegetables, flaxseed, flax, hemp and ramie manufactures, and silk manufactures.

Finally, one other factor leading to an increase in duties, not only in the United States, but in all other countries, is the tendency of an increase in rates by one country to evoke a like or greater increase in rates by all the countries against which the increased rates were levied. Retaliation as a principle of tariff making is seldom officially admitted. It is asserted that the rates in question are based solely on domestic considerations, each nation putatively oblivious of the behavior of its fellows, acting solely in the interest of its own industries. However, it is at least a curious coincidence that tariff-making policies appear to be contagious. A study of the tables presented in this volume reveals an upward trend in rates during the past decade all along the line.

The logical outcome of such a trend is increasing isolation among nations, a tendency for each nation to become more and more a self-contained unit. If such is to be the outcome it is apparent, from what has been said, that the United States can view the future with more equanimity than many nations which are more vitally dependent on foreign trade. Especially is this true if the idea of a self-contained economy is not to be taken too literally, if trade among nations in goods which are complementary to their respective needs and resources is still to continue,—to be concrete, if, for example, Japan will still take the raw cotton of the United States and the latter country can still obtain raw silk, rubber, spices, and certain minerals from foreign sources.⁵

The pros and cons of a self-contained economy, especially as it applies to the Pacific countries here treated, will be discussed more at length in the concluding chapter. Here it may be stated that while the United States might without great inconvenience approxi-

⁵ It is realized that no hard and fast line can be drawn between what has been called complementary trade as distinguished from competitive trade. With a sufficiently high duty, most complementary trade would become competitive. It is not beyond the

mate such an economy, there is perhaps no country which would profit more by universal free trade. Her abundant, varied, and well-balanced resources and the intelligence and energy of her people assure to her sufficient diversification in her industries. There is no danger of her becoming a one-crop country. Even under the handicap of foreign tariffs hardly second to her own in their forbidding rates she has throughout her history shown herself able to compete in manufactured as well as agricultural products, especially in the products of industries calling for large-scale machine methods of production. With freer access to markets these exports could be greatly increased, and with the credits so obtained her people could import the innumerable articles, of use, refinement, luxury, and curiosity, which the varied talents and aptitudes of every people are daily pouring into the world markets.

True, certain tariff-sheltered industries would have to go, industries in which the United States is at a comparative disadvantage. In general, however, it would not be the industry as a whole which would be obliged to succumb, only the marginal producers, the relatively inefficient units. From a purely economic standpoint, it would in the long run be for the national welfare to eliminate these inefficient units, and turn the labor and capital which they have ineffectively consumed into other channels. Under the pressure of competition it may be assumed that this labor and capital would find its way into industries in which the country is at a comparative advantage. Here, either by direct production or by exchange with the products of other countries, it would contribute more to the nation's wealth than in its former tariff-sheltered position.

To sum up, it has been shown that the United States may approximate a self-contained economy with less loss than most other countries, but that it is in a position to gain immeasurably by a wider expansion of its world trade.

TRADE WITH OTHER PACIFIC COUNTRIES

For trade with Australia, see Chapter I, page 58.

For trade with Canada, see Chapter II, page 96.

bounds of possibility that raw silk, tea, coffee, and rubber could be produced in the United States. Moreover, with a removal of the duty, some trade now competitive would become complementary. Such would be the case with tungsten ore. However, in some cases a difference in degree almost becomes a difference in kind.

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For trade with China, see Chapter III, page 147.

For trade with Japan, see Chapter IV, page 190.

For trade with New Zealand, see Chapter V, page 209.

For trade with the Philippine Islands, see Chapter VI, page 225.

CHAPTER VIII

OTHER COUNTRIES

IN THE foregoing chapters certain Pacific countries have been treated in considerable detail with reference to their exports and imports. Tables have been presented showing the principal exports, each to each, and the duties encountered. For each country also have been given tables showing the principal exports and imports to all other countries, and the duties levied on imports. The countries so treated were Australia, Canada, China, Japan, New Zealand, the Philippine Islands, and the United States. These countries all have representation in the Institute of Pacific Relations, as do also Great Britain and the Union of Socialist Soviet Republics.

To obtain a complete picture of Pacific trade, these last-named countries should have been included, and for that matter many others. A full treatment would include India, the Dutch East Indies, Mexico, and other Asiatic and Central and South American countries. Indeed, the line could not be drawn here, for Europe and Africa trade with the countries bordering on the Pacific, and the tariff policies of all these countries affect this trade. It is believed, however, that even from a study of the seven countries treated a fairly adequate picture of the trade and tariff problems of the Pacific can be developed and certain conclusions arrived at. Some of these problems have been discussed in connection with the trade of each of the countries, and the conclusions will be summarized in the following chapter. In this chapter a few words may be said about Soviet Russia, recently become a member of the Institute of Pacific Relations, and Great Britain, as representing British India and other regions bordering on the Pacific.

UNION OF SOCIALIST SOVIET REPUBLICS

The Union of Socialist Soviet Republics has an area of 8,144,282 square miles and a population estimated at over 161,000,000. In area and population, it exceeds those of any other country bordering

on the Pacific. Because of its vast area and the variety and balance of its resources it can, if it so elects, or if it is forced into such a condition by the hostile tariffs of other countries, develop an approximately self-contained economy. In this respect it resembles China and the United States. But, also like these two countries, it can, from the vantage ground of comparative self-sufficiency, greatly enrich itself and add to the wellbeing of its people by foreign trade. Moreover, its politico-economic structure puts it in a position of unique advantage over any other country in the world with respect to one aspect of international trade.

For, it should not be forgotten that there are potential dangers as well as potential benefits arising from international trade. So long as international anarchy prevails in tariff making, a country permitting itself to develop an economy in which, like Japan and England, it is dependent on exports in order to secure a considerable part of the necessities of life for its people, is in a somewhat precarious position. Other countries may exclude its exports and leave it stranded. From this danger Soviet Russia, because of its vast and diversified resources, is comparatively immune.

Again, in all countries except Soviet Russia exports and imports are handled by uncoordinated private interests, each acting solely with a view to private profit. It is this situation which lies back of the current protectionist philosophy. It is this which creates the widespread illusion that an excess of exports constitutes a "favorable" balance of trade, that imports are a menace to industry, that national prosperity can be achieved only through scarcity. It is perfectly true that under an individualistic, competitive economy, a flood of imports is a menace to the domestic producer of the imported goods and to the labor force employed by him; it is true that for him an excess of his own exports is a favorable balance of trade; it is true that he does profit by a scarcity price for his goods. But Soviet Russia is under a planned economy and is in a position to realize the true advantage from foreign trade without dislocation of its industries. It is in a position to welcome imports and to distribute these forms of wealth among its people; and if the imports of any commodity combined with the domestic output exceed the people's needs, it can with a minimum of friction divert the labor engaged in the production of that commodity to the production of

the export commodities which are to pay for it or to the production of some other commodity for its own people of which there is not an excess.

In the recent past, under the first five-year plan which was directed primarily to the development of the basic industries, the policy has been to utilize exports only to the extent that imported goods are required for the needs of material construction. Once this preliminary step in national organization has been taken, it will be interesting to observe how a nation in a position to look at commerce from a national standpoint does in fact handle its foreign trade. Will it still regard an excess of exports as a "favorable balance of trade"? Will it still, through hostile tariffs, endeavor to repel accretions to its wealth from foreign sources as it would repel a pestilence? Will it still retain the trade concepts of a money economy or will it develop a new psychology of trade?

UNITED KINGDOM

The United Kingdom has an area of 94,284 square miles and a population of 48,284,328. It is represented in the Institute of Pacific Relations as having large interests in the Pacific, not only directly but also through India and the self-governing Dominions of Australia, Canada, and New Zealand. It absorbs some 80 per cent of New Zealand's trade, and a large percentage of the trade of Australia and Canada. From 1846 until quite recently, almost alone among nations, it has practised free trade.

England's free trade policy was in part the result of the teaching of the classical school of economics led by Adam Smith, and in part the result of the pressure of her powerful manufacturing interests. Previous to 1846 England was a protectionist country; and, having a rather dense population in proportion to available land, the forces chiefly interested in securing protection were the titled owners of the great estates. Through the "corn laws"—duties on imports of wheat and other grains—they could maintain a high price for these cereals. In the years following the industrial revolution the manufacturing interests came to contest more and more successfully with the aristocracy for a position of dominance. English manufacturers were first in the field and had little fear of foreign competition. On the contrary, it was to their interest to

expand to the uttermost the foreign market. They conceived that cheap food would enable them to pay smaller wages and so lower their labor cost. By this means they could still further underbid their foreign competitors and expand their exports. The laborers for their part believed that through their trade unions they could maintain or even improve their wages, and hence they also favored cheap food. The forces for free trade, aided by famine conditions for several years, finally gained the ascendancy, and England became a free trade country in 1846. By a bit of historic irony the change took place under the Conservative Ministry of Sir Robert Peel.

Under her free trade policy England prospered and increased in population to a point beyond the possibility of finding sustenance from the products of her own soil. That is, like Japan she was becoming increasingly dependent on foreign trade. Proponents of free trade generally appeal to the people on the ground that not only will the nation as a whole be better off but that each individual unit will be better off under free trade. Under the neo-Malthusian concept, what is more likely to happen is not that the same population will attain a higher standard of living, but that a much greater population will subsist at about the same standard of living.

So long as English manufacturers retained their ascendancy, and so long as other countries would accept their products, England could prosper under her free trade regime. As has been shown in the preceding pages, however, there has in recent years been a rising tide of protectionism throughout the world. Other countries aiming at self-sufficiency showed themselves less and less willing to take English goods. If England could not export, neither could she import. Like Japan, England finds herself in a position where the livelihood of her people is threatened. The manufacturing interests, finding their export markets menaced, true to the instinct of their class, turned to protection as a means of improving their domestic market. So in the last few years England has abandoned free trade. However, it is hard to see how shutting out foreign manufactured goods is going to increase the output of food. Should the policy of national self-sufficiency to be realized by protective tariffs go on to its logical culmination, England, like Japan, will be compelled, through the agency of birth control, migration, war,

or starvation to reduce her population until it does not exceed the means of subsistence to be derived from her own soil.

England, however, is the center of the British Empire, and the British Empire as a whole is even more competent to practice a self-contained economy than the United States, China, or Soviet Russia. A movement to look upon the Empire as a customs unit has already begun in tariff concession under the name of imperial preference. Such an aim obviously underlay the recent Ottawa Conference. In the case of the United States, particularistic greed was, through stress of circumstances, subordinated to national welfare in the adoption of the Constitution of 1789, prohibiting tariffs between States. To this circumstance, perhaps, as much as to any other, the United States owes its amazing progress and prosperity. The question arises whether, under a similar stress of circumstances, something like the same result may be brought about with reference to the British Empire as a whole.

If the British Empire with its vast resources on every continent, retaining the loyalty of all its constituent parts—Australia, Canada, India, New Zealand, South Africa, and the islands of the sea—could like the United States practice free trade within its own domain, it could look with comparative self-complacency on the tariff policies of the rest of the world.

CHAPTER IX

SUMMARY AND CONCLUSION

IN THE preceding chapters the trade of each of the countries having representation in the Institute of Pacific Relations was briefly discussed; tables were presented showing the principal exports of each of these countries to each of the others and the tariffs which these exports encountered in each case; and some comment was made as to the extent to which this trade reflected a spontaneous exchange based on relative advantage in production, and to what extent it was warped from such a spontaneous exchange by tariff barriers.

Before proceeding to a general discussion of the foregoing material, a word should be said as to the representative character of the tables. Every table covers about 80 per cent of the total included in the heading of the table: that is, if the table has to do with exports to all countries, the items specified cover about 80 per cent of the exports to all countries; if the table has to do with the exports of one country to a single specified country, the items cover about 80 per cent of the exports to that country. The question arises whether an 80 per cent sample is fairly representative. It should be stated at the outset that in this case it is probably not representative. It is probably weighted in favor of raw materials and semi-manufactured products as against the finished products of manufacture. Items were selected not by random sampling but in order of importance, and from the nature of the case the importance in trade of a raw material or semi-finished product is likely to be greater than that of any one of the innumerable finished products into which that material is manufactured. It is probable, therefore, that among the unenumerated items, finished manufactured products constitute a larger percentage than among the enumerated items.

For the reasons specified, the tables would be weighted in favor of commodities in their early stages of production even under uni-

versal free trade, but such weighting is increased by the character of existing tariffs. Raw materials or commodities only slightly above the raw material stage are, in general, admitted by all countries either free of duty or at much lower duties than are the finished products of manufacture. Hence, this freedom from hampering duties would tend to increase the importance of such commodities in every country's imports and exports, and thus make it more likely that they would appear among the enumerated articles.

The terms "favorable" and "unfavorable" balance of trade have been avoided. It is true that, as used by modern economists, these terms have a technical meaning. A favorable balance of trade means an excess of commodity exports, without any implication as to whether such an excess is really beneficial or the reverse. Nevertheless, it is feared that to the lay reader these terms do carry just such an implication, and hence it has seemed better to avoid them. Taking the analogy from an individual merchant or manufacturer whose sales exceed his purchases in value, it appears to the layman that a country is gaining in wealth when, expressed as values, its exports exceed its imports—hence the term, favorable balance of trade. However, even in the case of the individual merchant or manufacturer, the cycle is only half completed when the sales and purchases of commodities relating to his business have been consummated and entered on his books. Not until he has paid out the profits of his business for consumable goods—for the food, the clothing, the country estate, all the necessities and luxuries consumed by himself and his family—is the cycle really complete. Taking these later purchases into account and assuming that he does not involve himself in permanent and increasing indebtedness, his sales do in fact equal his purchases.

Consider now a country with respect to international trade. The industry of its people produces many useful goods, goods which satisfy their multitudinous wants. Why should it export any of these goods, except from motives of benevolence or charity? Obviously, if it is acting in its own self-interest, it will not export them unless it can exchange them for other goods which will better satisfy the people's wants than the exported goods. The real benefit from international trade, therefore, lies not in the exports but in the imports. If the country as a whole were informed with a

single unifying principle as the body is informed with a single consciousness which directs all bodily activities to the good of the whole organism, each country would strive to minimize its exports and maximize its imports—at any rate in so far as concerns its economic well-being. However, a country has no such consciousness. It is made up of myriads of separate, self-seeking consciousnesses, each one of which ordinarily does not look beyond its own satisfaction. On this account, and because the exchange is effected not directly in terms of goods for goods, but through the cycle of goods—money—goods, the true nature and the true benefits of international trade are obscured.

Not only is it not for the interest of a country to have its exports permanently exceed its imports, but even if this end were desirable it would not be attainable; at least it would not be attainable if commodity imports and exports were the only items entering into international trade.

Ordinarily, imports and exports are paid for by bills-of-exchange or drafts, and the drafts calling for payment by a given country to all other countries just about balance the drafts calling for payment to that country from all other countries. But suppose that in the given country exports did for a time exceed imports: then purchasing power would accumulate in that country, and prices would rise. A rise in prices would make the country a poor country to buy in and a good country to sell to. Exports would fall off, and imports would increase until the balance was restored.

However, it will be objected that this theoretical reasoning does not tally with facts. It is easy to find instances in which exports have annually exceeded imports over a considerable period of time, or in which for a like time imports have exceeded exports. Indeed, the exports of the United States during the past ten years have exceeded its imports by some four billion dollars. The reason for this is that commodities are not the only items calling for international remittances. Americans are great travellers. These American tourists spend considerable money abroad, thus giving foreigners the means of purchasing more commodities in the United States than they sell to the United States. A good deal of the trade of the United States is carried on in foreign bottoms. Hence, money paid for freight charges, like money paid abroad by tourists, will lead

to an excess of exports. But in the present instance the chief causative factor for the excess of American exports is to be sought in enormous foreign loans. Americans have made loans abroad, and from these loans foreigners have purchased American goods. In a sense, therefore, this great excess of exports during the past decade means that we have sold goods on credit. Several billion dollars worth of these exports represent goods that have not yet been paid for. As the foreigners who have contracted these loans come to pay them, principal and interest, Americans will have an excess of purchasing power, and the tide will turn—imports will exceed exports.¹

All of this is, of course, elementary to the economist; but as this book may be read by many who are not economists, and as a vast amount of misapprehension still exists in regard to the true significance of the terms "favorable" and "unfavorable" balance of trade, it was thought desirable not to use these misleading terms and to explain why terms in such general use were avoided.

One word may be added as a corollary. If the human cells that in the aggregate constitute a nation were dominated by a single consciousness, acting for the welfare of the whole and of each separate cell, there would probably be no protective tariff. Or if the idea of protection did occur it would be in the opposite direction. Each nation, motivated by self-interest, would bargain to bring in as many goods as it could in exchange for the goods which it shipped out. Since, however, such is not the case, since the trade is conducted by individuals through a money medium, and since individuals by excluding foreign goods may obtain a partial monopoly

¹ It might be possible for a country, even if its foreign trade consisted solely of what are ordinarily considered commodity exports and imports, to maintain a permanent excess of one over the other under the following conditions. (1) International balances are ordinarily paid in gold. Such gold balances will continuously become due to a country whose exports exceed its imports. If instead of using this gold as metallic money or as the basis of credit money, it uses it in the arts, say, in the forms of tooth fillings, gold leaf, plate, or jewelry, such gold will have no effect on the general price level; and hence the force which normally would change the direction of trade will be absent. The excess of exports may continue indefinitely. (2) A gold-producing country may coin the product of its mines. The quantity of money will thus constantly tend to increase, and raise the general price level. It will thus tend to become a good country to sell to and a poor country to buy in. Imports will permanently exceed exports, the excess being met from time to time by the shipment of gold balances to other countries.

In both of these cases, however, the exception to the rule is only apparent: in the first case gold becomes a commodity import and in the second case a commodity export.

for their own goods and thereby reap a monopoly price at the expense of their fellow countrymen, tariff problems do in fact arise.

Having concluded this preliminary explanation, we can now study the trade of the Pacific countries covered in this book with one another. We can review the circumstances peculiar to each, the needs of each, the abundance or paucity of resources of each, and point out, how under an enlightened policy of mutual aid, each contributing of its abundance to the deficiencies of the others, all might improve their economic well-being. Conversely, we can point out how, through hostile tariffs, each is falling short of its possible optimum.

The countries under review differ greatly in size, in density of population, in climate, and in the harmonious balance of their natural resources. It will be interesting to compare their geographical areas, their populations, and their densities of population. This comparison may be presented in tabular form.

TABLE LVII. COMPARISON OF THE COUNTRIES SPECIFIED WITH RESPECT TO AREA, POPULATION, AND DENSITY OF POPULATION

Country	Area in Square Miles	Population	Population per Square Mile
Australia.....	2,974,000	6,425,686	2.2
Canada.....	3,504,688	9,934,500	2.8
China.....	4,200,000	450,000,000	107.2
Japan.....	147,416	62,000,000	420.6
New Zealand.....	106,260	1,490,405	14.0
Philippine Islands.....	114,400	12,204,100	106.7
United States.....	3,025,433	122,775,046	40.6

It will be seen that the countries differ greatly in all these particulars. The area of China is 40 times that of the Philippine Islands, and its population is 300 times as great. Densities of population range from 2.2 to over 400 per square mile. However, it should be noted that, for a fair comparison, the figures in the table are somewhat misleading. The areas are total areas, but in all cases varying percentages of the total area are unsuitable for agriculture or even for habitation. Of the nearly 3,000,000 square miles of Australia, only about 500,000 have sufficient rainfall to make farming or animal husbandry possible, and even of this a considerable portion is adaptable to only a few crops. It is estimated that 20,000,000 is about the limit of Australia's population possibilities, and the optimum has been estimated at 13,000,000. Much of Canada

is in the frigid zone, and much is mountainous. Here again, the area adaptable to human use is only about one-sixth the total area—say 560,000 square miles. The stated area of China includes all the outlying provinces, considerable portions of which are desert. The area set down for Japan is the area of Japan proper. It is one of the three smaller countries; and even of the comparatively small area shown, only about one-sixth is suitable for agriculture. Yet Japan is exceeded in population only by China and the United States: with an area only about one-twentieth that of the United States, its population is half as great. On the other hand, it should be noted that Japan proper represents only about three-fifths of the area over which Japan exercises complete dominion. The Japanese Empire has an area of 260,461 square miles and a population of over 90,000,000. But even for the empire as a whole the population still remains denser than that of any other country in the table—347 per square mile. The only country comparable in density of population with Japan is China. The figure given in the table covers the entire Chinese Republic, including Manchuria, Mongolia, Chinese Turkestan, and Tibet. Considerable portions of the outlying provinces are not only uninhabited but uninhabitable. The area of China proper, excluding Manchuria, is 1,532,000 square miles, with a population estimated by the Chinese Maritime Customs at 432,500,000, or about 282 per square mile.

Besides differing greatly in area, population, and density of population, the countries under consideration differ greatly in climate and in the character and diversity of their natural resources. They differ in rainfall, in the chemical constituents of the soil, and in temperature, and they differ in their mineral resources. All of these differences are important in their bearing on the trade between the countries. In a broad way, all trade is based on differences rather than resemblances. Two countries so resembling one another in every respect that in the production of no commodity did one have even a relative advantage over the other, would have little or no occasion for trade, especially if they were separated by thousands of miles of ocean.

Of very vital importance in its bearing on the relation of tariffs to international trade are the diversity and distribution of nature's gifts among the countries under consideration and within each of

them. As between two countries, situated one in the tropics and the other in the colder parts of the temperate zone, the advantage of trade to each, in the products dependent on their respective climates, is so obvious and natural that these goods are likely to be admitted in both countries free of duty.² Minerals are likely to be admitted free of duty by a country which has no deposits of these minerals. If, in such cases, duties are imposed they are imposed rather for revenue than for protection. Protective duties usually arise where both countries produce the same or very similar goods but where one, either because of superior natural resources or because of superior industrial methods, has some advantage in production over the other.

The size and density of population of a country and the extent and variety of the natural resources within its borders determine to a great extent its dependence on international trade, and hence its solicitude with respect to the tariff policies of other nations. For some countries international trade may be classed as a necessity, for others it is in the nature of a luxury. If in her blind unconcern Nature has endowed one country with only a few gifts, especially if the few that she has given are given with lavish hand, that country is likely to become dependent on international trade, and to it the tariff policies of other nations become a matter of great solicitude. On the other hand, if she has endowed another country with a great variety of resources, all that are essential as a basis of civilized life, and has distributed them in well-balanced proportion to one another, even though in no single case has her bounty been great, that country is little dependent on international trade, and can watch the tariff antics of her neighbors with comparative unconcern.³ This matter is of such importance and has such a direct bearing on some of the countries discussed in this study that it may be developed at greater length. As types of countries to which international trade is of the nature of a necessity we may take Australia, New Zealand,

² This is not always true. The mania for protection is sometimes carried so far as to put heavy duties, say, on tropical fruits, in order to compel the people to eat native fruits.

³ Because of the widespread belief, based on the fallacy of a "favorable" balance of trade, that exports, even a permanent excess of exports, are a benefit to a country, countries in the situation described in the text are in fact just about as solicitous about their neighbor's tariff policies as are countries which are really dependent on international trade.

and Japan. As types of countries to which international trade is of the nature of a luxury we may take the United States and China.

To Australia and New Zealand, Nature has been lavish in some of her gifts and niggardly, or at best only moderately bountiful, in others. Vast areas in Australia are admirably adapted to cattle and sheep raising, and other vast areas to the growing of wheat, and all these areas are suitable for little else. She has some mineral resources, her chief mineral products in order of importance being silver-lead concentrates, coal, gold, copper, iron, zinc, and tin. A large part of her area is practically uninhabitable. Although the continent is about the size of the United States, she can never hope for a comparable population, probably not more than 15,000,000. Were she to attempt a self-contained economy, she would be obliged to leave unutilized the greater part of those resources in which Nature has been most bountiful, and to limit her population rather strictly, since her capacity for wheat, wool, and cattle production vastly exceeds the possibility of her own consumption. Even now she produces more than half the total Merino wool clip of the world. Were other nations to refuse to take her wool, wheat, and cattle products, or even to obstruct their importation by duties no higher than those of the United States, she would suffer great hardship; and some part of her population might be brought to the verge of starvation before she could adjust herself to a more nearly self-contained economy. As it is, by exporting her great excess of agricultural and pastoral products she has developed an economy assuring to a considerable population a high standard of living—among the highest in the world—and providing for a moderate increase in population for many years to come.

The situation of New Zealand is quite similar to that of Australia. Her great export industries are also pastoral, namely, wool and dairy products. Perhaps no country in the world is so well adapted to the production of butter as is New Zealand. One might imagine that Nature had this end in view when she called New Zealand into being. Her equable, moist climate, her great expanses of pasture land, her mild winters, permitting cattle to graze in the open, suggest intelligent design. On the other hand, she is even less well supplied with the raw materials of manufacture than Australia. Her population is too small to make modern methods of

large-scale production economic. Like Australia, she has developed an economy based largely on foreign trade and maintains a standard of living fully equal to that of her sister dominion. Deprived of her export markets, she too, would suffer much hardship, and be compelled to leave incompletely developed her unrivaled pastoral resources. The tariffs of other countries are to her also matters of vital concern.

This also may be said of Japan, though at first sight the situation there is very different. It may almost be said to be the exact reverse. Japan, even taking the empire as a whole, has a denser population than any other country shown in the table. Five-sixths of the island empire is too mountainous for agriculture. Were she compelled to feed herself entirely on her own production, each person could receive on an average the produce of only a quarter of an acre, supplemented by the products of her fisheries. With marine products she is indeed well supplied. The seas touching her long shoreline abound in fish, and fish and rice constitute the staple foods of the people. Still, even with her agricultural resources supplemented by her fisheries, she has a difficult population problem. Neither has Nature been particularly bountiful in other respects. She has some copper, coal, iron, and a few other minerals, but all except copper are in quantities insufficient for her own use.⁴ Her meager supply of iron is especially unfortunate for a country that aspires to become a great manufacturing nation. On the other hand, her mountain streams yield power for hydroelectric projects, and her soil and climate appear to be peculiarly adapted to the mulberry tree, making possible the production of enormous quantities of raw silk. Moreover, the mulberry tree does not necessarily encroach on her scanty measure of arable land. But her greatest asset is the patience and dexterity of her people. They adapt themselves readily to modern manufacturing methods and work for wages much less than those thought necessary in all of the other countries here discussed except China and the Philippine Islands.

Faced with these handicaps, the only peaceable means by which Japan can maintain her increasing population without degrading her standard of living is by building up manufactures. She may import

⁴ It is true that she exports considerable coal, but she imports more than she exports, so the statement in the text is substantially true.

raw materials, produce manufactured goods, sell abroad the excess above her own needs, and with the credits received for these sales import foodstuffs for the growing population and raw materials for her manufactures.

Through trade, therefore, she can support a much larger population than would be possible were she to practice a self-contained economy. On a given area of land, value can be produced in factories sufficient to purchase foods and some raw materials calling for a much greater area of land. Moreover, factory sites need not in the least encroach on her arable land.

Such an economy as has here been outlined is obviously dependent on the willingness of other nations to accept her exports. Exclusion of her exports by embargos or tariff barriers would bring confusion and disaster to her industries and a degradation of the standard of living, if not actual starvation to many of her people. At any rate, such would be the result until her population had been reduced to such an extent as to make possible a self-contained economy.

Fortunately for Japan, raw silk, her greatest export, is admitted free of duty in many countries, including her most important customer, the United States. A few other products—furs, rags for paper stock, tuna fish, tea, pyrethrum, and vegetable wax—also find markets in which they encounter no tariff barriers. It will be noticed, however, that these articles are for the most part raw materials or semi-manufactured products, while, as has just been explained, the success of Japan's economic policy is based rather upon the export of the finished products of manufacture than upon the export of raw materials and semi-manufactured goods. It is fortunate that countries will admit her raw silk, duty free. It would be more fortunate for her if they would so admit her silk fabrics. On her silk fabrics, her cotton fabrics, her china and earthenware, her brushes, hats and hat material, matting and carpets, toys, imitation pearl beads, and the other countless products of her industry, however, she encounters high and, for the past ten years, generally increasing duties.

Especially menacing to the success of her economic policy is the situation with respect to the export of her cotton fabrics. These constitute, after raw silk, her second greatest article of export; and her greatest customer has been China. The incipient industrializa-

tion of the latter country with the accompanying rising tide of nationalism and assertion of tariff autonomy threaten to close, or at least greatly to obstruct entrance to this market. Without any prejudice to China's equal right with all other nations to pursue whatever tariff policy she sees fit, it is apparent that Japan cannot view with unconcern the tariff policy of China in this respect.

As compared with silk and cotton, the other items of Japanese manufacture mentioned above, and many more items which might be mentioned, are of relatively small importance. But the fact that they are of small importance is no evidence of Japan's lack of ability to supply them in much greater quantities, nor of the potential importance of their export to the prosperity of the Japanese people. It is rather evidence of the forbidding tariff policies of other countries. This is especially true of the products of her potteries. Japan excels in the production of a grade of moderate-priced pottery ware which under a more liberal tariff policy of other nations would doubtless find an enormous market. As it is, however, the tendency throughout the world has been to increase duties on these articles.

Japan, Australia, and New Zealand have been named as countries to which foreign trade is of the nature of a necessity. The case is very different with China and the United States. To these countries it is more in the nature of a luxury. This, of course, is only relatively true. Neither country could maintain an absolutely self-contained economy without much inconvenience. Even the United States, with all its vast and diversified resources, could ill dispense with its imports of rubber, spices, tropical fruits, wood-oil, tea, coffee, and numerous other articles. Conceivably, most or all of them could be produced within its borders, or substitutes could be found, but it would be at a heavy cost. However, as compared with the other countries mentioned, China and the United States could be driven into some approach to a self-contained economy by the trade policies of their neighbors, with relatively little permanent dislocation of their industries. Both have vast agricultural and mineral resources, both cover regions varying in climate from sub-tropical to cool temperate, both have reserves of most (but not all) of the important minerals, both have populations so great as to make possible the most economical methods of large-scale, machine production. Either, should it see fit, could doubtless encyst itself in a

tariff sac and therein in time enjoy a fairly prosperous and varied existence.

However, in saying this, the hardships of the transition period, especially if the changes in tariff policy bringing it about were abrupt and far reaching, must not be underrated. This is true whether the tariff changes are made by the nation itself in its own imagined self-interest or by other nations in theirs. The great export industry of the three eastern provinces of China (Manchuria) is the production of soya bean oil. In 1921 and 1922 the United States imposed a heavy duty on this oil, previously duty-free. The duty was again raised in 1930, so that now it is almost prohibitory. Fortunately for China, these duties virtually destroyed a large refining-for-export industry in the United States, so that the export surplus previously taken by the United States was thereafter taken directly by refiners in Europe. Had other countries joined the United States in its tariff policy, the blow to China would have been very severe.

Should the United States, in its pursuit of the *ignis fatuus* of self-sufficiency, exclude virtually all imports (for it might produce sugar in sufficient quantities to supply all its sugar needs, it might make synthetic rubber or grow rubber in the Philippine Islands,⁶ it might get along without spices or find substitutes) it would *pari passu* destroy its exports; and this would bring no little confusion to cotton, wheat, and corn growers and to hog raisers, and even to those of our manufacturers who now enjoy a large export trade.

Still, when all is said, the United States and China would in the long run suffer less in their economic development from voluntary or enforced self-sufficiency than would New Zealand, Australia, and Japan. This is even more true of China than the United States. China is far less advanced industrially than the United States. The great mass of the population are small farmers; and, as is characteristic of the agricultural-handicraft stage of economic development, each farm comes near to being a self-sustaining unit.

The dependence of the several countries here treated on foreign trade is indicated by the following table showing the exports, imports, and total trade, and also the population and per capita trade of each.

⁶ Assuming that the Philippine Islands remain under the United States flag, which in view of the recent action of Congress seems unlikely.

TABLE LVIII. FOREIGN TRADE, POPULATION, AND PER CAPITA TRADE OF THE COUNTRIES COVERED IN THIS STUDY (1927-1930)

VALUES IN MILLIONS OF DOLLARS

Country	Exports	Imports	Total	Population	Per Capita Trade
Australia.....	663.2	711.6	1,374.8	6,425,386	\$214.1
Canada.....	1,263.0	1,164.0	2,427.0	9,934,500	244.3
China.....	600.0	751.0	1,351.0	450,000,000	3.0
Japan.....	1,896.0	2,034.0	3,930.0	62,000,000	317.0
New Zealand.....	248.2	223.8	472.0	1,490,405	316.6
Philippine Islands.....	152.0	130.0	282.0	12,204,100	23.1
United States.....	4,769.0	3,924.0	8,693.0	122,775,046	70.8

It will be seen that China shows the lowest per capita trade in the table, only 3 dollars. The Philippine Islands stand next with 23.1 dollars. A considerable part of the population of the Philippine Islands is still in a primitive economic state and continues the self-contained economy of their fathers. Another large part, while much beyond this stage is, not far advanced industrially. Their needs are less complex than those of the English-speaking nations appearing in the table. Nevertheless, while the people of the Philippine Islands can maintain their present standard of living on the basis of an approximately self-contained economy, they are in somewhat the same position as those of Australia and New Zealand. They can greatly profit by international trade. They have three great crops which are produced far beyond their own possibilities of consumption. These are the coconut with its derived products, copra, coconut oil, oil cake, and desiccated coconut; sugar; and Manila hemp and other fibers. With the export of these products they obtain credits for buying the innumerable comforts and luxuries produced in industrially more advanced countries. Were other countries, by their tariffs, to cut off these exports, the people of the Philippine Islands, at least the more sophisticated part of them, would suffer a real deprivation.

Next to the Philippine Islands in per capita foreign trade is the United States—70.8 dollars. This comparatively small per capita trade reflects the essential self-sufficiency of the country and perhaps its high tariff. And even of this comparatively small trade a large part may be classed as arising from convenience or luxury rather than necessity. Were it to isolate itself by its own tariff even to a greater extent than it has already done, or were it to be

isolated perforce by the tariff policies of other nations, it would probably be able to adjust itself to the new conditions with less dislocation of its economic structure than any of the enumerated countries except China.

The situation with respect to Australia, New Zealand, and Japan has already been described at some length. Their dependence on foreign trade is clearly reflected by the high per capita figures—214.1, 316.6, and 317.0 dollars respectively.

Canada also shows a high figure, 244.3 dollars per capita, higher even than Australia. She resembles Australia in having vast areas suited to the growing of wheat and other cereals and to animal husbandry. The exports of these staple products account for 43 per cent of her total exports—cereals and flour, 3.9 per cent, and animal industry 4.1 per cent. She also has vast forest and extensive mineral reserves. The exports directly or indirectly arising from her forests account for 17.9 per cent of the total, and her mineral exports for 7 per cent. It thus appears that 68 per cent of her exports arise from the abundance of these natural resources. Nevertheless, it is probable that Canada could adapt herself to an approximately self-contained economy induced by her own tariff policy or superimposed on her by the tariff policies of other nations, with less inconvenience than most of the countries shown in the table. She has not the range of climate nor the diversity of natural resources of the United States; her people are habituated to a more sophisticated culture than the masses of the Chinese. They would not be contented with so circumscribed a life. This, however, would not be necessary. Canada has the natural resources and the manufacturing potentialities for supplying all reasonable needs with comparatively little aid from outside. She has magnificent water power as well as coal and iron as a basis for her manufacturing, and a people capable of utilizing her resources to the utmost extent. With these resources and this people, her population might grow to such dimensions that living within herself she could maintain a well-balanced internal economy. Of course, even less than in the case of the United States would this be strictly true. There are some rather essential products which she could obtain only by exchange—rubber, spices, tropical fruits, tea, coffee, and other products, especially those of warmer climates. And to obtain these she would be

compelled to induce other countries to accept her exports, but as her exports are in the main foodstuffs and raw materials, and as highly industrialized countries, especially those having dense population, can hardly afford to exclude her foodstuffs, and protectionist practice shows itself far less intolerant of the import of raw materials than of the finished products of manufacture, she has little to fear. The extent of her self-sufficiency lies in her own volition. She is not under the hazard of Japan in having it foisted on her from without.

Two conclusions in regard to tariffs may be drawn from the tables presented in the preceding chapters. One of these was suggested in the last paragraph. In a broad way, rates of duty tend to increase as articles advance from stage to stage in the process of manufacture. Raw silk is admitted free of duty in the United States and several other countries, while silk fabric is generally subject to a heavy duty. The same statement will apply to raw cotton and cotton fabric. Iron ore is likely to be duty-free, pig iron and tonnage steel to be subjected to moderate duties, special steels and especially steel products in their final form, such as cutlery, to higher duties. This tendency is easily explicable from a protectionist standpoint. Protectionist theory and practice aim at the development within a country of as great a variety of industries as possible, even of industries to which the country is poorly adapted. This latter tendency may in some cases overcome the other tendency to admit raw materials duty free—as when the United States imposes a duty of approximately 200 per cent in the case of tungsten ore.

Indeed, it may be stated that, when the raw material is produced within the country, there is likely to arise a clash of interests between the producer and industrial consumer of the raw material, and the result will depend on the relative power of the contending forces. Soya bean oil is a raw material for soap, for paint, and for certain other products. Until 1921 it was admitted free into the United States as a raw material. At that time the farming interests became sufficiently organized to demand and obtain a high duty. Since then it has been dutiable as competing with the product of an American industry.

This tendency to protect with increasing duties the products of each advancing stage of manufacture may bring great hardship to a densely populated and highly industrialized country. It has caused

no little embarrassment in England; and among the countries treated in this study, it bears most heavily on Japan. As has already been noted, Japan's ability to maintain her large and increasing population depends in considerable measure on the credits she obtains from her exports. The possibility that other countries will exclude her exports is for her a serious menace. Her greatest export is raw silk, and in finding a market for this product she has so far found little difficulty. But aside from this and a few minor exports which may be classed as raw materials, the commodities of which she is best adapted to produce an export surplus are manufactured goods—the more highly manufactured the better. Hence the tendency just referred to is an ever present danger to Japan.

Another conclusion to be derived from a study of the tables is that tariffs have shown a marked tendency to increase during the past decade. A casual inspection of the tables reveals this tendency. In many cases, rates have remained constant during the decade, and in a few cases rates have been lowered; but in the vast majority of cases, where there has been a change it has been a change upward. The foregoing statement applies to all the countries shown in the tables, though in different degrees. It applies to both specific and *ad valorem* duties. The tables are, of course, incomplete, covering only some 80 per cent of the trade in each case, but inasmuch as the tables overstress the trade in raw materials and semi-manufactured products, and inasmuch as the tendency to high rates applies more markedly to finished goods than to goods in a lower stage of manufacture, it is believed that the tables underestimate rather than overestimate the upward trend of tariffs. Only a rough estimate will be attempted as to the magnitude of the trend and the extent to which it has impeded trade. A full discussion would require a weighting of the percentage increase in rate by the *potential* importance of the trade. However, leaving out of account articles which were subject to *ad valorem* rates, it would appear that Australia's tariff on dutiable articles was some 40 per cent higher in 1931 than it was in 1920; the Canadian tariff, 10 per cent; the Japanese tariff, 50 per cent; the New Zealand tariff, 24 per cent; and the United States tariff, 39 per cent. In 1920 China was subject to the conventional tariff of 5 per cent. By 1932 rates were well abreast of protectionist countries, ranging from $7\frac{1}{2}$ to 60 per cent.

By far the greater part of Philippine trade was with the United States with which country mutual free trade prevailed. Imports from other countries were dutiable at rates running as high as 45 per cent. During the decade under discussion, however, the general tariff enacted in 1909 remained in force.

Significant among tariff changes since 1920 are the increased duties levied by Japan on agricultural products and foodstuffs. The duty on wool has increased from 0 to $14\frac{1}{2}$ yen per 100 kin; on wheat, from .77 yen per 100 kin to 2.50 yen per 100 kin; on hides, from 0 to 21 yen per 100 kin; on rice and paddy, from 1 yen per 100 kin to 2 yen per 100 kin, and on wheat flour, from 1.85 yen per 100 kin to 2.90 yen per 100 kin. A consistent policy of industrialization with a view to sustaining as great a population as possible on a restricted area would, of course, call for free entry of foodstuffs as well as raw materials. The increasing duties on the former suggest that, in the light of increasing duties on her manufactured products by other countries, Japan is recognizing the hazard of an economy based on access to foreign markets and is attempting to revert to a more self-contained economy. In spite of her dense population, Japan is even now to a surprising extent self-sustaining. Food imports (1925-1929) were only 43 pounds per person, or 5 per cent of consumption when measured in pounds or 8 per cent when measured in calories. Such a policy, therefore, is not without possibility of success. Still, 5 per cent of Japan's population is over three million persons. If access to foreign markets were denied, some three million of Japan's present population would have to be eliminated in order that the remainder could maintain the present standard of living. It is conceivable that Japanese statesmen may decide, not without color of reason, that if her neighbors are to continue making their tariff walls more and more forbidding, the three million who must be eliminated might as well be eliminated in war for the acquisition of new territory in which to expand, as by slow starvation.

In connection with the tendency of the countries treated in this study to increase their duties, it would be interesting to establish some sort of a tariff index, by which the heights of the tariffs could be compared. An attempt was made by the Economic and Financial Section of the International Economic Conference, held under the

auspices of the League of Nations in 1927, to establish such an index for European countries and the United States. The tables presented in this volume afford material for making a similar study for the Pacific countries here treated. Two methods were employed by the Conference. Under Method A, a list of 78 commodities (or groups of commodities) were compiled, and the average import value of each commodity (or group of commodities) was compiled, and the average import value of each commodity (or group of commodities) in the country whose tariff it was intended to measure, was ascertained. The tariff rate applicable to each commodity or group of commodities was then calculated and expressed as a percentage of the price. Thus all specific duties were converted into *ad valorem* duties. The unweighted arithmetic average of the percentages was then calculated.

Under Method B, fourteen export countries were selected, and for each country a list of approximately twenty of its most important representative, easily definable, export articles constructed. The export price of each article was then ascertained, and the duty imposed by the country whose tariff was being measured was calculated in the same method as for Method A. An average was then struck of the calculated *ad valorem* rates.⁶

After some reflection, it was decided not to attempt such a computation here. The tariff level index has undoubted value as a rough and ready measure in comparing the tariff policies of the countries studied. There is, however, danger that it may be misleading. In the first place, as is shown by the tables, tariffs are in a continuous state of flux. An index computed for one year might not be accurate for the next. The policy of all protective countries appears to be to keep a watchful eye for any item of competitive trade that shows promise of flourishing and nip it in the bud. In the second place the forbidding character of a tariff is to be measured not so much by actual as by potential trade. An article subject to heavy duties might be so impeded by them that it would fail to get on the list of enumerated articles at all; yet were the duties removed it might become an important item of international trade. In the third place, the burdensomeness of a duty is relative not only to potential trade in general but specifically to the potential trade

⁶ International Economic Conference, May 1927, *Tariff Level Indices*, page 4.

of each country. A country having a considerable free list, but having for other articles a high rate, may appear to be very liberal in its tariff policy to one country and very burdensome to another. The United States admits raw silk and rubber free of duty and imposes heavy duties on wheat and wool. Hence, so far as Japan and certain British and Dutch possessions are concerned, it is not burdensome, but to Australia and New Zealand it is burdensome. That is, this is the conclusion we would reach, basing our induction on actual trade, for the exports of raw silk and rubber are overwhelmingly great as compared with any other item from the countries mentioned. But if we consider potential trade the United States tariff will appear to be burdensome to Japan. Remove the duties on silk fabric, pottery wares, and some other articles on which the duties are almost prohibitive, and it may well be that such a flood of these articles would come in that it would appear in retrospect that the tariff had been a great hardship to Japanese trade.

Instead of attempting a tariff index it was thought better to describe the trade between the countries taken by pairs in the chapters devoted to each, pointing out in each case what were the possibilities of trade based on the reciprocal advantages in production of each of the two, and to what extent the trade which would naturally spring up between them was impeded by tariffs.

One other matter of observation to be derived from the tables is the marked falling off in trade during the last years. This is shown in Table LIX.

From this table it will be seen that between 1929 and 1931 both imports and exports fell off in all the countries named, by percentages ranging from 32.8 (Philippine Islands imports) to 53.7 (United States exports). Moreover, the few cases for which it was possible to obtain 1932 data indicate that the decline continued through that year, and the tables in preceding chapters showing the trade between countries taken in pairs show that this decline was universal. Taking the trade of all the seven countries together, the decline in exports was 48.9 per cent and that of imports 46.3 per cent.

The question arises whether there is any causal relation involved in this striking inverse correlation between the increase in duties discussed in preceding paragraphs and this decline in international

TABLE LIX. DECLINE IN TRADE, 1929-1931
 Values in millions of dollars

Country	Exports			Imports			Total Trade		
	1929	1931	Per Cent Decline	1929	1931	Per Cent Decline	1929	1931	Per Cent Decline
Australia.....	689.6	432.6	37.2	695.9	296.9	57.3	1,385.5	729.5	47.4
Canada.....	1,389.0	817.0	41.2	1,266.0	907.0	28.4	2,655.0	1,724.0	35.0
China.....	650.0	319.0	50.9	820.0	492.0	40.0	1,470.0	811.0	44.8
Japan.....	1,074.5	573.5	46.6	1,108.0	618.0	44.2	2,182.5	1,191.5	45.4
New Zealand.....	270.6	171.3	36.7	238.4	121.7	49.0	509.0	293.0	42.4
Philippine Islands.....	164.5	104.0	36.8	147.0	99.0	32.8	311.5	203.0	34.8
United States.....	5,241.0	2,424.0	53.7	4,339.0	2,088.0	51.9	9,580.0	4,512.0	52.9
Total.....	9,479.2	4,841.4	48.9	8,614.3	4,622.6	46.3	18,093.5	9,464.0	47.7

trade. That the increasing duties were not the sole cause is evidenced by the fact that the decline in trade is nearly as pronounced in the case of commodities which continued on the free list throughout the whole period and on commodities which, though dutiable, experienced no change in the tariff as on commodities which were subjected to an increase in tariff. In the case of the United States, an ingenious study by Dr. Ray Ovid Hall⁷ appears to demonstrate that out of a falling off of \$696,000,000 in imports into the United States between the calendar year 1929 and the year October 1, 1930 to October 1, 1931, \$316,000,000 could be fairly attributable to the Tariff Act of 1930. It has been shown that a falling off in imports necessarily involves a corresponding falling off in exports. This conclusion, based on theory, is verified by the table. It will be seen that both exports and imports dropped by about the same amount in all the countries for which data were presented. The same reasoning that Dr. Hall applies to the 1930 Tariff Act of the United States could be applied to tariff increases by other countries. Hence it is probable that a large part of the decline in trade among these Pacific countries—a decline amounting to \$8,629,500,000—was the direct result of the general upward trend in tariffs to which reference has been made.

It is not pretended that tariffs were the sole cause. There are forces inherent in our present capitalist economic order which are bound to bring about recurring periods of feverish business activity and acute depression, and undoubtedly the falling off in international trade was in large measure due to the world depression. However, the world depression is closely related to the world increase in tariffs. A tariff levied by one country tends to dislocate business in the countries against which it is levied, and a dislocation of business, a maladjustment of production to demand, is the primary cause of the so-called vicious circle or vicious spiral which characterizes a period of depression. When the bill which eventuated in the Act of 1930 was before Congress, some thirty-six nations made representation to the State Department as to its ill effects. In the Czechoslovakian communication we read:

⁷ The article referred to was prepared for the Social Science Research Council. The author had the privilege of seeing it in manuscript form.

The proposed tariff would of necessity throw thousands of people into the ranks of the unemployed and bring a crisis to Czechoslovakian industry, causing a general depression.

These words are in the letter from Japan:

The proposed increase in the House tariff bill affects Japanese products of many varieties. . . . Engaged in producing these articles, chiefly designed for export to the United States, there is a large number of workers throughout Japan. To them a prohibitive American tariff spells loss of livelihood.

Hence, it would appear that the general upward trend in tariffs was in some measure responsible for the general world depression which, in conjunction with the direct effects of increased duties, was responsible for the decline in world trade.

One other consequence of the general upward trend in tariffs may be noted. Since the Great War there have been persistent attempts through such agencies as the League of Nations and the Kellogg Pact to organize the world for peace. In spite of these efforts, the situation in the Far East is at the present writing most menacing. It has been shown in these pages that some of the countries, notably Japan, were dependent on international trade. This upward trend of tariffs cannot but be looked upon by such countries with great solicitude. To just what extent the increasing duties on Japanese exports are responsible for Japan's recent military activities, it is impossible to say; but they are at least a factor. Nationalistic tariffs are a menace to international peace.

The menace arises, however, not so much from the existence as from changes in tariffs. This study has shown the close relation between population and freedom in international trade. A country, especially a country somewhat ill-balanced in its natural resources, can support a much larger population when it has free access to foreign markets than is possible when these markets are closed to it. As a chain has the strength of its weakest link, so a country subjected to a self-contained economy can maintain a population limited by the output from its poorest necessary natural resource. Such a country if never admitted to foreign trade will of necessity maintain such a limited population. But once let foreign trade be open to it, and the population will quickly grow beyond the possibility of a self-contained economy. If these foreign countries then exclude its

exports, its population will be faced with starvation, and the supreme instinct of self-preservation is likely to lead it into war.

This consideration suggests that tariffs are not matters of purely national concern, a conclusion reinforced by the trade movements shown in Table LIX. Modern methods of industry and modern commerce have made the nations of the world a unit. If a nation elects to practise a self-contained economy, that is its own affair. It can isolate itself from the international complex and adapt its population, at least approximately, to its own resources. Such, indeed, appears to be the logical goal to which the recent tariff policies of all nations seem to be driving them. And it may be said that such a world economy is not without arguments in its favor. As has been pointed out, so long as international anarchy in tariff making prevails, any nation permitting itself to become dependent on international trade is incurring a considerable risk. Moreover, if, as now seems to be in the air, nations are to replace free competition with a planned economy, one nation is perhaps as large a unit as is desirable for such an economy. At any rate, if a planned economy is to be successful the planning will have to extend to imports and exports as well as to domestic industry.

However, while the determination to practise a self-contained economy may be a nation's own affair, the method by which it attains this end is not. All the evidence presented in this study points to the conclusion that the trade policy of any one nation affects other countries quite as much as itself. If in the exercise of sovereignty one nation without regard to consequences may make sudden and violent changes in its tariff, bringing disaster to sister nations, they likewise in the exercise of sovereignty may take such measures of self-defense as they see fit. In the last analysis this means war. But through the League of Nations Covenant and the Kellogg Pact, the nations have agreed so far to subordinate their national sovereignties to the common good as to renounce war as a means of settling international disputes. If such agreements are to be anything more than pious hopes they must go further and also subordinate such provocatives of war as tariff making to international law.

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