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# THE COLONIAL TARIFF POLICY OF FRANCE

BY
ARTHUR GIRAULT

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PRINTED IN ENGLAND
THE OXFORD UNIVERSITY PRESS

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### Carnegie Endowment for International Peace

DIVISION OF ECONOMICS AND HISTORY

John Bates Clark, Director

# THE COLONIAL TARIFF POLICY OF FRANCE

#### By ARTHUR GIRAULT

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OXFORD: AT THE CLARENDON PRESS

London, Edinburgh, New York, Toronto, Melbourne and Bombay

HUMPHREY MILFORD

1916

# INTRODUCTORY NOTE BY THE DIRECTOR

The Division of Economics and History of the Carnegie Endowment for International Peace is organized to 'promote a thorough and scientific investigation of the causes and results of war'. In accordance with this purpose a conference of eminent statesmen, publicists, and economists was held in Berne, Switzerland, in August 1911, at which a plan of investigation was formed and an extensive list of topics was prepared. The programme of that Conference is presented in detail in an Appendix. It will be seen that an elaborate series of investigations has been undertaken, and the resulting reports may in due time be expected in printed form.

Of works so prepared, some will aim to reveal direct and indirect consequences of warfare, and thus to furnish a basis for a judgement as to the reasonableness of the resort to it. If the evils are in reality larger and the benefits smaller than in the common view they appear to be, such studies should furnish convincing evidence of this fact and afford a basis for an enlightened policy whenever there is danger of international conflicts.

Studies of the causes of warfare will reveal, in particular, those economic influences which in time of peace bring about clashing interests and mutual suspicion and hostility. They will, it is believed, show what policies, as adopted by different nations, will reduce the conflicts of interest, inure to the common benefit, and afford a basis for international confidence and good will. They will further serve to reveal the natural economic influences which of themselves bring about more and more harmonious relations and tend to substitute general benefits for the mutual injuries that follow unintelligent self-seeking. Economic internationalism needs to be fortified by the mutual trust that just dealing creates; but

just conduct itself may be favoured by economic conditions. These, in turn, may be created partly by a natural evolution and partly by the conscious action of governments; and both evolution and public action are among the important subjects of investigation.

An appeal to reason is in order when excited feelings render armed conflicts imminent; but it is quite as surely called for when no excitement exists and when it may be forestalled and prevented from developing by sound national policies. To furnish a scientific basis for reasonable international policies is the purpose of some of the studies already in progress and of more that will hereafter be undertaken.

The publications of the Division of Economics and History are under the direction of a Committee of Research, the membership of which includes the statesmen, publicists, and economists who participated in the Conference at Berne in 1911, and two who have since been added. The list of members at present is as follows:

EUGÈNE BOREL, Professor of Public and International Law in the University of Geneva.

LUJO BRENTANO, Professor of Economics in the University of Munich; Member of the Royal Bavarian Academy of Sciences.

CHARLES GIDE, Professor of Comparative Social Economics in the University of Paris.

H. B. Greven, Professor of Political Economy and Statistics in the University of Leiden.

FRANCIS W. HIRST, Editor of The Economist, London.

DAVID KINLEY, Vice-President of the University of Illinois. HENRI LA FONTAINE, Senator of Belgium.

His Excellency Luici Luzzatti, Professor of Constitutional Law in the University of Rome; Secretary of the Treasury, 1891-3; Prime Minister of Italy, 1908-11.

GOTARO OGAWA, Professor of Finance at the University of Kioto, Japan.

Sir George Paish, Joint Editor of The Statist, London.

MAFFEO PANTALEONI, Professor of Political Economy in the University of Rome.

EUGEN PHILIPPOVICH VON PHILIPPSBERG, Professor of Political Economy in the University of Vienna; Member of the Austrian Herrenhaus, Hofrat.

PAUL S. REINSCH, United States Minister to China.

His Excellency BARON Y. SAKATANI, recently Minister of Finance; Present Mayor of Tokio.

THEODOR SCHIEMANN, Professor of the History of Eastern Europe in the University of Berlin.

HARALD WESTERGAARD, Professor of Political Science and Statistics in the University of Copenhagen.

FRIEDRICH, FREIHERR VON WIESER, Professor of Political Economy at the University of Vienna.

The function of members of this Committee is to select collaborators competent to conduct investigations and present reports in the form of books or monographs; to consult with these writers as to plans of study; to read the completed manuscripts, and to inform the officers of the Endowment whether they merit publication in its series. This editorial function does not commit the members of the Committee to any opinions expressed by the writers. Like other editors. they are asked to vouch for the usefulness of the works, their scientific and literary merit, and the advisability of issuing them. In like manner, the publication of the monographs. does not commit the Endowment as a body or any of its officers to the opinions which may be expressed in them. The standing and attainments of the writers selected afford a guarantee of thoroughness of research and accuracy in the statement of facts, and the character of many of the works will be such that facts, statistical, historical, and descriptive, will constitute nearly the whole of their content. In so far as the opinions of the writers are revealed, they are neither approved nor condemned by the fact that the Endowment causes them to be published. For example, the publication of a work describing the attitude of various socialistic bodics

on the subject of peace and war implies nothing as to the views of the officers of the Endowment on the subject of socialism; neither will the issuing of a work, describing the attitude of business classes toward peace and war, imply any agreement or disagreement on the part of the officers of the Endowment with the views of men of these classes as to a protective policy, the control of monopoly, or the regulation of banking and currency. It is necessary to know how such men generally think and feel on the great issue of war, and it is one of the purposes of the Endowment to promote studies which will accurately reveal their attitude. Neither it nor its Committee of Research vouches for more than that the works issued by them contain such facts; that their statements concerning them may generally be trusted, and that the works are, in a scientific way, of a quality that entitles them to a reading.

JOHN BATES CLARK,

Director.

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# FIRST PART THE EVOLUTION OF THE COLONIAL TARIFF POLICY OF FRANCE

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## PUBLICATIONS OF THE DIVISION OF ECONOMICS AND HISTORY

THE Conference which met at Berne in 1911, under the auspices of the Division of Economics and History of the Carnegie Endowment for International Peace, appointed three Commissions to draft the questions and problems to be dealt with by competent authorities in all countries. The first Commission was entrusted with The Economic and Historical Causes and Effects of War; the second with Armaments in Time of Peace; the third with The Unifying Influences in International Life. Subsequently the suggestions of the three Commissions were considered and approved by the entire Conference.

The questions are to be discussed scientifically, and as far as possible without prejudice either for or against war; and their discussion may have such important consequences that the questions are presented below in extenso.

#### Report of the First Commission

#### THE ECONOMIC AND HISTORICAL CAUSES AND EFFECTS OF WAR

The Conference recommends the following researches:

- 1. Historical presentation of the causes of war in modern times, tracing especially the influence exercised by the striving for greater political power, by the growth of the national idea, by the political aspirations of races and by economic interests.
  - 2. Conflicts of economic interests in the present age:
  - (a) The influence of the growth of population and of the industrial development upon the expansion of States.
  - (b) The protectionist policy; its origin and basis; its method of application and its influence upon the relations between countries; bounties (open and disguised, public and private); most-favoured-nation treatment; the attitude towards foreign goods and foreign capital; the boycott; discouragement of foreign immigration.

- (c) International loans; the policy of guarantees; the relations of the creditor to the debtor States; the use of loans for gaining influence over other States.
- (d) Rivalry among States with respect to capitalist investments in foreign countries:
  - 1. The endeavour to obtain a privileged position in banking enterprises, in the opening and development of mines, in the letting of public contracts, in the execution of public works, in the building of railways (Siberian, Manchurian, Persian Bagdad Railway, Adriatic Railway, &c.); in short, the organization of larger capitalistic enterprises in foreign countries.
  - 2. The hindering of foreign countries by convention from executing productive enterprises on their own soil, e.g. from building railways in their own countries.
- 3. The anti-militarist movement, considered in its religious and political manifestations. (Only opposition to all military organization is here to be considered.)
- 4. The position of organized labour and the socialists in the various States on the questions of war and armaments.
- 5. Is it possible to determine a special interest of individual classes making for or against war, for or against standing armies?
- 6. The influence of women and woman suffrage upon war and armaments.
- 7. The extension of obligatory military service in the different States, in times both of war and of peace.
  - (a) The conditions of military service; the system of enlistment and of general obligatory service, the actual position of aliens.
  - (b) The ratio of the persons obliged to render military service to the entire population.
  - (c) The influence of the present system of military obligation and the organization of armies upon warfare and upon its duration.
- 8. The economic effects of the right of capture and its influence upon the development of navies.
- 9. War loans provided by neutral countries; their extent and influence on recent warfare.
  - 10. The effects of war:
  - (a) Financial cost of war. The methods of meeting it: Taxation; International Loans; External Loans.
  - (b) Losses and gains from the point of view of public and private economic interests; checks to production and the destruction of productive forces; reduction of opportunities for business enter-

prises; interruption of foreign trade and of the imports of food; the destruction of property; shrinkage of values of property, including securities; financial burden caused by new taxes, debts, and war indemnities; effects upon private credit and upon savings banks; advantages to those industries which furnish military materials; advantages and disadvantages to neutral countries.

- (c) The effects of war upon the supply of the world with food and raw materials, with special reference to those States which are in large degree dependent upon other countries for such supplies, e.g. Great Britain and Germany; by diversion of capital from those countries which produce food and raw materials (especially the stoppage of railway building and of new investments in agriculture and other industries).
- (d) The condition of the victorious State: manner of levy and use of contributions and war indemnities; influence upon industry and social life.
- (e) The manner in which the energy of nations is stimulated or depressed by war.
- 11. Loss of human life in war and as a result of war: influence upon population (birth-rate, relation between the sexes, ratio of the various ages, sanitary conditions).
- 12. The influence of war and of the possibility of war upon the protective policy, upon banking conditions (especially upon banks of issue), and upon monetary systems.
- 13. The influence of annexation upon the economic life of the annexing States, and upon the State whose territory has been annexed.
- 14. The annexation of half-civilized or uncivilized peoples, considered especially from the point of view of the economic interests, which act as motive powers; the methods through which private enterprises take root in such regions and through which they bring influence to bear upon their own governments; the effects of such annexations upon the development of trade with the annexing State and with other countries, as well as upon the economic and social life of the natives.
- 15. The progressive exemption of commercial and industrial activities from losses and interferences through war.
  - 16. Influence of the open-door policy upon war and peace.

#### Report of the Second Commission

ARMAMENTS IN TIME OF PEACE. MILITARY AND NAVAL ESTABLISH-MENTS. THE THEORY, PEACTICE, AND HISTORY OF MODERN ARMAMENTS.

- 1. Definition. Armaments might be described as 'the preparations made by a State either for defence or for attack'. These would include the provision of food, financial preparations, and also semi-military railways, canals, docks, &c.
- 2. Causes of armaments. Motives for increasing or commencing them, distinguishing the great from the small powers.
- 8. Rivalry and competition in armaments. Motives and consequences of rivalry, with the possibilities of limitation.
- 4. Modern history of armaments, with special fullness from 1872. To be noted as important landmarks:
  - (a) The introduction of conscription into Germany, France, Austria, Italy, Japan, &c.
    - (b) Modern inventions affecting war.
    - (c) The question of privateering and private property at sca.
    - (d) Duration of military service.
    - (e) The traffic in arms.
- 5. Military budgets from 1872 (distinguishing ordinary from extraordinary expenditures).
  - 6. The burden of armaments in recent times.
    - (a) The proportion of military to civil expenditure.
    - (b) Military expenditure per capita.
  - (c) Military expenditure from loans in time of peace, i.e. a comparison of expenditure from taxes with expenditure from borrowed money.
  - (d) Comparative burdens of individual taxpayers in different countries and the extent to which the differences are due to armaments.
    - (e) Military pensions.
  - (f) It is desirable to ascertain where possible the ratio between the total income of each nation and the total expenditure on armament at various times.
- 7. The effects of war preparations upon the economic and social life of a nation:
  - (a) On the sustenance of the entire population of a country at war.

(b) On railway policy.

- (c) On public administration and on social legislation.
- 8. The economic effects of withdrawing young men from industrial pursuits, into the army and navy:
  - (a) Compulsory.
  - (b) Of non-compulsory service (specially in the case of mercenary troops).

(Allowance being made for the industrial value of military education and training.)

- 9. The influence of changes in the occupations of a people upon the composition and efficiency of armies, and the influence of the changes in the composition of armies on the economic life.
- 10. Loans for armaments (participation of domestic and foreign capital).
- 11. The industries of war, i.e. the various manufactures and other industries which are promoted and encouraged by military and naval establishments, distinguishing between:
  - (a) Government undertakings (arsenals, dockyards, &c.).
  - (b) Private undertakings, including the history and working of the great armament firms, which sell to foreign customers as well as to their own governments.
- 12. War materials (munitions of war). Their recent development and their cost. This includes arms, ammunition, armour-plate, warships, guns of all kinds, military airships, &c. So far as possible the effect of recent inventions upon offensive and defensive war should be indicated.

#### Report of the Third Commission

#### THE UNIFYING INFLUENCES IN INTERNATIONAL LIFE

- 1. The Conference is of the opinion that the economic life of individual countries has definitely ceased to be self-contained; and that, notwithstanding the barriers raised by fiscal duties, it is becoming in ever-increasing measure a part of an economic life in which the whole world participates.
- 2. It desires that this change be studied with the object of ascertaining to what extent the economic life of individual nations has ceased to be self-contained, and the causes which are bringing about the greater interdependence of nations.
  - 3. Special attention should be paid to the following factors:
  - (a) How far the growth of population is responsible for the changes that have occurred and are in progress.

- (b) The extent to which the insufficiency of the natural resources of individual countries for their own requirements has contributed to it.
- (c) Whether the increasing economic unity of the world is the cause or the result of the rising in the standard of living, and how far the increasing welfare of nations has been caused by the growing unity.
- (d) In what measure the need of individual countries to obtain materials of production from other lands and to find new markets for their own products is responsible for the growth of international dependence.
- 4. The Conference desires that investigations be made into:
- (a) The volume of the world's production of all the many articles of food; of the various raw materials, and of the principal manufactures.
- (b) The productions of individual countries, and the extent to which they are retained for home consumption or are exported.
- (c) The consumption of individual countries, and the extent to which the various articles are supplied from home productions or are imported.
- 5. The Conference wishes to ascertain to what extent the economy of production by large units, instead of by small units, has contributed to the international dependence of nations.
- 6. The development of this world-embracing economy has taken place in great measure in consequence of the investment of capital by rich countries in less developed lands. Through this there have arisen close relations and a great increase of wealth, not only for the lending and the borrowing countries, but for all nations. The Conference is of the opinion that researches should be made into the extent of the interdependence of the nations in the matter of capital.
- 7. The Conference desires to institute inquiries into the interdependence of the financial centres of the world.
- 8. The Conference desires to make the unifying effects of international trade, the building of railways, the progress of shipping, the improvement and extension of all means of communication and the progress of inventions, the subjects of careful investigation.
- 9. The Conference is in favour of making a comprehensive study of the various international unions and associations, in which the social and economic interests of all classes of society are now either organized or in process of organization, through official or private action.

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