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18.—*Retaliatory Duties.* By H. Dietzel. Translated by D. W. Simon, D.D., and W. Osborne Brigstocke. 128 pp., crown 8vo. London: T. Fisher Unwin, 1906. Price 2s. 6d. net.

This Essay, from the pen of Professor Dietzel, of the University of Bonn, has, we are told on the title-page, been translated for the benefit of the Unionist Free Trade Club. It is an interesting addition to the copious literature which has appeared, and, apparently, continues to appear, in connection with the fiscal controversy. It is not the less valuable because, as we imagine, all Professor Dietzel's arguments would find entire favour neither with "convinced Free Traders" nor with advanced Tariff Reformers. He himself indeed belongs by conviction to that select class, the numbers of which are as yet comparatively small, of Continental Professors who are not Protectionists. The general moral of this particular brochure must be understood as condemnatory rather than appreciative of retaliatory duties; and the author adopts as his own the employment, current among orthodox free traders, of the term "natural" as exclusive of the action of government in the direction or control of commerce, international or domestic, and holds firmly the characteristic persuasion that a restriction of imports, which may be caused by retaliatory duties, must not only in all probability *pro tanto* prejudice the consumers of the articles on which the taxation is imposed, but also, by an equivalent diminution of exports, involve a loss to exporters from the taxing country. But he does not reach his final conclusions with the absolute unqualified abruptness which recommends itself to the practice, or profession, of the strictest of free traders; and some even of the members of the Unionist Free Trade Club might conceivably view with suspicion and misgiving, if they did not reject, certain portions of the reasoning of which he has occasion to make use.

He believes, for instance, in contradiction to the opinion formed apparently by Professor Smart in a book also reviewed in the present number of this *Journal*, in the possibility of securing concessions by a policy of Retaliation. He does not hold, with the Glasgow Professor, that retaliation has been shown to be always futile. He does not think, with some other Free Traders, that the actual result is invariably the "very opposite" of that which was intended. In his final chapter he draws, in fact, an instructive distinction between Germany's policy of reciprocity in 1891, of which by comparison he approves, and the same nation's policy, of which he disapproves, pursued in 1903. The reasons given for this difference of judgment are illustrative of the general line of argument followed in the earlier chapters. Caprivi succeeded with his "fiscal inducements," Professor Dietzel contends, first, because his policy had "a clear end in view," secondly, because it "started from a fixed basis in the existing tariff," and lastly, because the "conjuncture was favourable." The latter policy by contrast has not succeeded because it is an attempt at an uncertain "via media," it has

abandoned the previous definite basis, and the circumstances are unfavourable.

It is in a similar spirit that Professor Dietzel maintains in the previous chapters of the essay that retaliatory duties must be appraised, not by reference to abstract principles, but with regard to concrete cases. The final verdict accordingly may not always be adverse ; but the possibilities should be weighed with scrupulous care. Some risk must be run and some cost incurred, and indirect consequences may outweigh direct results. Yet "applied to the right objects, carried out with a wise hand at the proper time, a policy of Reciprocity may serve the purpose of internationalising Free Trade." It should however be added that the balance of the scales, if we understand Professor Dietzel aright, inclines to the probability that, more often than not, these criteria will be disregarded, and he lays the stress of his emphasis on those indirect, but not less important, effects, such as the restriction of exports to pay for the taxed imports, which are likely to be neglected by the retaliators.

He also draws a distinction between the employment of retaliatory duties for temporary ends, and their embodiment in an enduring policy. The first forms the subject of Chapter I, and he applies to the use of such "fighting duties," as he calls them, the special term "retorsion." The more permanent policy, discussed in Chapter II, is the policy of "reciprocity." He recognises the possibility that the one policy may pass insensibly into the other, and he appreciates, and even emphasises, the danger that either or both may be converted, by deliberate intent or unnoticed lapse, into protective duties. In fact, the more specious term is in his opinion not unfrequently employed to mask the less respectable policy.

Yet in spite of the bias of his opinions, which he makes no pretence of hiding, it may be said with truth and justice that not a little of Professor Dietzel's reasoning would be accepted and welcomed by fiscal reformers, whether they were stationed, as he represents Lord St. Aldwyn as taking his stand, at the point where nothing more than occasional retaliation (or what our author distinguishes as "retorsion") at opportune "conjunctures" be intended, or, like Mr. Balfour in his earlier inner mood, as Professor Dietzel thinks, they contemplate a more permanent policy of reciprocity, or even, like the followers of Mr. Chamberlain, they advocate avowedly a change comprehensive in range and unmistakable in direction, if moderate in degree. By impartial students of the vexed debate an essay so reasonable in tone, in which lucidity of exposition is so happily combined with extensive erudition and suggestive freshness, will, we are sure, be cordially appreciated and carefully digested. Whether in the end they agree or do not agree with the author, they will be grateful to the translators for affording this means of becoming acquainted with his views.

L.L.P.