

sary foods and materials is drawn from foreign countries, and only a quarter grown at home or imported from the Colonies, but the result of Colonial preference will be so to stimulate the flow of population to these Colonies and so to develop their agricultural and other resources, that in a very short time they will supply all that you get from foreign countries and as cheaply.

"You will have your free food and your free materials as before, but from inside the Empire instead of from without." Thus runs the argument. This assumption seems to be that a preferential duty will in a few years' time stop the influx of foreign wheat, wool, meat, &c., and substitute Colonial produce. To the quite pertinent objection, "If the Colonies can put in all the wheat and wool we need as cheaply as the foreigner, why not do so without a preference?" the usual answer is: "They will do so if only you stimulate them and guarantee them a monopoly of your market, a monopoly which cannot be abused, for inside the Empire there is ample competition."

This answer is, of course, wholly inadequate. The surplus population of Europe and its surplus capital must be presumed largely to flow into the United States, Argentina, and other foreign countries, because by going there it can find a more profitable market in Great Britain and elsewhere for the agricultural and mining wealth it helps to produce, than by going into Australia and Canada. How can a British preference for Colonial produce divert this flow from the United States and Argentina into Canada and Australia? Only by raising the rates of profit on investments and the wages of labour in those Colonies. This can only be done by raising the prices of the Canadian or Australian produce in the British market, for otherwise how can the capital and labour be got to develop land which it does not pay to develop now?

The only conceivable efficient cause of the great Colonial development Mr. Deakin and others are seeking to promote is higher prices for Colonial produce in the British market. And if for Colonial produce, then