

and intercourse which do not extend to foreign nations. It necessarily involves mutual participation in certain advantages from which other countries are excluded. The commonest form of such a commercial union is that presented by the United States, by the various kingdoms and principalities constituting the German Empire, and by the different provinces which form the Dominion of Canada. Such union provides for perfect freedom of trade between the states or provinces so bound together, with more or less restriction of intercourse as regards commerce with other countries. This restriction usually assumes the form of duties upon imports, the proceeds of which are, in many cases, required for purposes of revenue. No other plan of commercial federation has had any successful existence in the world's experience, and, therefore, when a British Commercial Union is mooted it is at once taken to mean, on the one hand, free trade betwixt the various parts of the Empire, and, on the other hand, a tariff of some description, discriminating against foreign nations.

But perhaps this definition of a commercial union may not be satisfactory to those political economists who advocate the greatest possible freedom of trade, not only between the integral parts of the same federation, but between such aggregated communities and other nations throughout the world. Possibly their idea of a commercial union is unrestricted commerce, not only between its members, but with all the world besides. If so, it is one of these unrealisable combinations that have had no existence in the past, and do not seem possible in the future. Let us suppose, for instance, the various obstacles in the shape of tariffs that are said to obstruct trade between the British possessions at the present time to be entirely removed, or to be all remodelled after the English fashion, without the institution of any Imperial tariff leviable on foreign importations; would it be possible to look upon the result of such an arrangement as a "union," in any commercial sense? Certainly not; at any rate, it could not be regarded as an improvement on the union we at present enjoy. It seems that no matter how the present British tariffs may be modified or improved, such changes would not bring British possessions into closer union if the question of a common customs tariff, to be imposed by all of them

as against foreign countries, were kept out of consideration.

Since, therefore, a British commercial union involves the imposition of duties on imports, it is necessary to return to the consideration of the question as to how the simplest form of it, indicated above, would answer for the whole British Empire. What would be the consequence if absolute internal free trade were adopted in conjunction with an Imperial tariff? What would be the consequence if the amount of revenue at present derived from customs duties throughout the Empire were obtained, not by taxing British products, but by duties on foreign importations? It is in solving such problems as these that recourse must be had to Sir R. W. Rawson's "Synopsis," in which the necessary figures were given for the year 1885, since which time no other computation has been made. According to the statistics of this work, it appears that the sum of £37,189,274 was raised in the year 1885, in the various parts of the Empire, by duties on imports and exports. In the same year the value of the imports from foreign countries into the Empire was as follows:

Into Great Britain and Ireland	£286,560,000
Into India, Ceylon, Straits Settlements, Labuan and Mauritius	24,337,000
Into Canada and Newfoundland	12,736,000
Into Australasia	6,751,000
Into West Indies, Honduras and British Guiana	3,206,000
Into Africa	1,061,000
Into Gibraltar, Malta, Bermuda and the Falkland Islands	154,000
Total	£331,811,000

A simple calculation shows that it would be necessary to impose a duty of 11.1 per cent. on this amount to obtain the revenue above mentioned. All agree that revenue must be raised in the various possessions; opinions may vary as to the manner of obtaining it. If it were proposed to raise that part of it now derived from customs duties by a duty of 11.1 per cent. ad valorem on foreign imports, it would become necessary to ask, how much would, in this case, be collected in the various divisions of the Empire. The following statement gives the answers and compares the amounts, with the sums actually raised at present from customs duties:

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