for all time. The Balkan war, or some other event, may upset many existing friendships, or a skillful diplomat may rearrange the grouping of the Powers to our disadvantage. A State which is very vulnerable and which at the same time is rich in valuable possessions is exposed to the danger of attack by a hostile coalition. Therefore we should rely for our defence only on our own strength. In our own strength alone we can find safety.

As our population and wealth increase comparatively slowly, while the population and wealth of our great national competitors grow comparatively quickly, Great Britain will from year to year find it more difficult to hold her own in a world of large States. From year to year it is becoming increasingly clear that Great Britain cannot provide for the defence of the Empire single-handed. Recognizing our difficulti-our Dominions have come to our aid with splendid generosity. T are providing fleets and armies. But we cannot safely rely for the defence of the Empire in the present loose arrangements between Great Britain and the D inions. The Empire requires for its security an Imperial Army and an Imperial Fleet, paid for out of an Imperial exchequer, and controlled and directed by an Imperial Government. The defence of the Empire must be organized. But only the unification of the Empire will make possible the creation of an adequate organization. That has been recognized by the leading Colonial statesmen. Therefore they have urged us to call them to our councils.

The unification of the Empire is necessary, not only for its defence, but also for its development. The time of small States is past. The future belongs to the great States. In the first chapter of his "Wealth of Nations" Adam Smith demonstrated by his description of the manufacture of pins the superior efficiency of the factory system, which allows the division of labour, over the small employer and the individual artisan. The factory system applies not only to the manufacturing Industries but also to States. Greatness in States makes not only for strength and security but also for efficiency in every branch of human activity owin, to a better division and application of labour. The greater the national market the greater the industrial efficiency of the nation. In a small but highly-cultured State, such as Sweden, there is no room for an iron industry as large, and therefore as efficient, at that at Pittsburg. Efficiency in art and science also . favoured by a large State, for only a large and prosperous State can give an adequate scope to its talented citizens. A great electrician, engineer, chemist, financier, inventor, painter, or sculptor, born in some small State, such as Denmark or Holland, will naturally seek occupation in some larger State.

The unification of the Empire makes not only for strength, peace, progress and prosperity, but also for social betterment. To lift up the masses we require two things; security and prosperity. Without security from foreign attack there will be little prosperity.

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