

the recent developments in the economic policy of foreign nations, as, for instance, in the United States, where a system in original intention defensive has been converted to offensive uses—the heavy tariffs now tending in many cases to increase the export trade—may be most naturally interpreted as the beginning of a tendency as yet unavowed, and, indeed, in great part unconscious, to substitute aggressive for protective methods.

Further, that the conditions of the future will be increasingly favourable to aggressive and unfavourable to protective methods may be inferred from a comparison of their respective aims and advantages. Protection has been defended chiefly on two grounds, the one purely economic, namely, that it is necessary to shelter nascent and rising industries from a competition which would otherwise be fatal to them, the other of a more general character, namely, that national self-sufficiency is essential to national security. Of these arguments it must be noted that the former justifies protection as a policy of merely, or at least mainly, temporary application during the earlier stages of industrial development in the case of a nation exposed to the competition of more advanced rivals, while, as regards the latter, it is obvious that the more economic interdependence tends to prevail universally the less urgent a matter will the preservation of national self-sufficiency become. An aggressive policy may likewise be defended on special grounds, as tending to assist and hasten the concentration of the national activity upon those industrial functions for which it is the best adapted; and likewise on general grounds, in view of the considerable dependence of national efficiency in all its branches upon a prosperous economic condition. Both sets of considerations may be expected to gain in force with the progress of civilisation. In the first place, the increasing advantage attending industrial organisations on a great scale is favourable to national specialisation, inasmuch as far greater opportunities for organisation are afforded where national activities are specialised than where they are diffused over a wide and