

complicated affair, and the nation is nothing less than a large trading concern with various interests to consult, with an immense mass of detail to consider, and with a vast capital at stake. I know there are many temptations connected with a scale of Customs duties, such as the influence upon politics of protected industries and monopolies. But desperate diseases require heroic remedies. Something must be done, or British trade will fall into a decline. The idea that more technical education will mend matters is inadequate to cure an evil so widespread. The evil is just a combined effort of all the principal foreign manufacturing nations to break down in their own interest Great Britain's commercial supremacy. It is a selfish, but perfectly human ambition. How is the attempt to be met and withstood?

The Nature of the Policy.

The basis on which a Commercial Union of the Empire could rest is nearly always stated as preferential trade. The public men and public writers who have discussed the subject seem to arrive at a common conclusion. They realize that the self-governing colonies are not wedded to protection as a theory, but as a convenient means of raising necessary revenue. The colonies could not dispense with this form of taxation wholly, since it is pointed out that in sparsely settled countries like Australia, Canada and South Africa the cost of collecting a revenue levied by direct taxation removes it from the sphere of practical proposals. England herself augments her revenues by Customs taxation to the extent of about \$100,000,000 a year. Tariffs may be reduced, but they must continue to exist in some form, and, consequently, some kind of mutual preferential tariff treatment between Great Britain and her colonies seems to offer the most practical means of attaining an Imperial Commercial Union. The idea is not new. It was the former policy of Great Britain, previous to the abolition of the Corn Laws and the inauguration of the Free Import system. Prior to 1842 the following, among other colonial productions, received preferential treatment in the British market: Cocoa, coffee, furs, hides, molasses, rice, sugar, timber, tobacco leaf, wines and wool. When Sir Robert Peel's Government took the first step toward Free Imports in 1846 by cutting down the duties on wheat for a three-year period, with the avowed intention of wiping them out ultimately, it was provided that the duties on foreign wheat should diminish from 10s. a quarter down to 4s. a quarter in 1849. But preferential treatment for colonial wheat and flour was retained for those three years, the duties being respectively 1s. a quarter on wheat and 4d. per cwt. on flour. In 1849, the rates were equalized, and the 1s. duty on wheat and the 4d. duty on flour continued to be imposed on foreign and colonial wheat and flour alike until 1869. Then, under Mr. Gladstone's Government, they were abolished, but the British consumer got no benefit, for the prices of these commodities did not fall, in accordance with the theory that a duty is paid by the consumer. But preferential treatment did not cease on other colonial products in 1849. Such articles as barley, butter, cheese, cottons, rice, soap, tallow, tongues and twine from colonial possessions continued to enjoy preferential treatment, some of them down to 1860. Have the ideas of 1860, which have prevailed since, any Divine authority or any overwhelming economic force that they should not be revised after the lapse of 40 years? Surely

it is simply a matter of convenience, of the interest of the Empire, of commercial benefit, of the national desire.

The Preferential Policy Worked Out.

Many suggestions have been made, and much thought bestowed upon a possible policy. I have before me a great mass of clippings, pamphlets, official returns and public speeches dealing with the subject. It would be easy to draw up an elaborate scheme by the aid of all the material that has been accumulating during the past ten years. But a cumbrous policy would be open to much criticism and many objections in detail. The simpler the policy the better chance it has of adoption. In 1894, The London Statist, a financial weekly of standing, offered a prize for the best essay on "The Commercial Union of the Empire." The prize was divided between two writers—one taking preferential trade as its basis, the other free trade. The former proposal seems the more feasible, as the self-governing colonies will be unable to do away with their tariffs. The author of it was J. G. Colmer, of the Canadian Office in London, whose plan, briefly outlined, impresses one as carefully thought out, containing no startlingly new or objectionable features, and capable of adaptation to the requirements of the situation.

1. **TARIFF PREFERENCE**—It was proposed that Great Britain should impose the following duties upon the articles named when imported from foreign countries, leaving them free of duty when imported from the colonies:

	s.	d.			s.	d.
Cattle.....	10	0	each.	Ivory....	20	0 per cwt.
Sheep.....	1	0	"	Leather ..	0	2 "
Meats.....	1	4	per cwt.	Sugar.....	0	4 "
Cheese.....	1	6	"	Wool.....	2	3 "
Butter.....	2	6	"	Tallow....	0	9 "
Wheat.....	0	3	"	Sealskins...	0	9 each.
Flour.....	0	4½	"	Fish Oil.....	10	0 per ton.
Hemp... ..	15	0	per ton	Logwood ..	4	0 "
Nuts and Ker-						
nels for Oil...	7	6	"	Mahogany ..	5	0 "

These duties amount only to about three per cent. ad valorem, except in the cases of wheat and flour.

Great Britain should reduce by one half the duties on the following articles, when they come from the colonies: Cocoa, coffee, and tea. The duty on tobacco might be reduced 5 per cent. all round.

These changes would involve a loss to the annual revenue of £2,000,000, and an increase to it of £2,700,000, leaving a net increase of £700,000 yearly.

The colonies would, of course, give satisfactory preference in tariff to British manufacturers.

2. **PURPOSE OF THE DUTIES.**—This additional revenue might go into a fund to be spent upon Imperial Defence.

3. **AN IMPERIAL COUNCIL.**—It is recommended that a Colonial Council, consisting of several members of the Imperial Cabinet and representation from each colony, should be formed to consult regarding the questions arising out of a preferential tariff and Imperial Defence.

This plan has the merit of being simple. It presents no insuperable obstacles. I am inclined to think that Canada should begin to take action along similar lines, asking for the appointment of a Commission of Inquiry, similar to that suggested by Mr. Chamberlain, and composed of representatives from other colonies.