

and bound for the same port. Many reasons can be advanced why the neutral ship would be the safer of the two under such circumstances.

They do not explain what the urban population of Great Britain is to do for food, whilst the Colonies are getting ready to supply the shortage their scheme must at once create in Great Britain. Such a shortage would have to be created in order to make the scheme effective in giving an impetus to production in the colonies. Nor do they explain why under a liberal preference (about 50% on the average) the colonies supplied much less food stuff to the Home market, than they did immediately after this preference was abolished.

For the sake of argument we will grant that under this scheme the Colonies would in course of time, be in a position to supply all the imported food Great Britain might need; and examine for a moment the immediate effect the imposition of such duties would necessarily have, on the industrial life of the Empire.

The first effect of a tax on food stuffs, if high enough to produce the result aimed at by the preferential trader, would be to exalt prices; not only in Great Britain, but throughout the Empire. Owing to the great disparity between the rural and urban class of England this exaltation in the price of food would be felt more keenly there than in any other part. In proportion to the rise in the price of food, there would necessarily occur a cessation of effective demand, both for food and other commodities as well as securities. This cessation of effective demand from the great mass of people