

I have cited, despair of our finding eventually a means of improving the commercial conditions within the Empire. In fact, I have only mentioned them in order to indicate rocks that should be avoided. I am enthusiastically in favour of anything that will tend to promote inter-imperial trade; partly for business reasons and partly because I believe it will help to perpetuate the imperial connection which alone can (at least for many years to come) guarantee the practical independence of Canada.

The next thing we have to bear in mind is that England is a nation of shop-keepers, and that John Bull likes to be master in his own shop, in which respect his colonial sons are very much like him.

Then we must remember that Great Britain has not only world-wide interests but world-wide responsibilities with which we have no direct connection.

Changes in her fiscal policy reasonable enough in themselves may be regarded as indications of hostility towards powers with which it is her paramount interest to be on terms of cordiality.

The greatest difficulty of all, perhaps, is the tendency in both the Mother Country and the colonies to make this question of such vital importance to the whole Empire, the *sport of party politics*.

The problem then is to find a fiscal policy which will not violate the autonomy of the United Kingdom nor of the self-governing colonies, which will not destroy England's foreign trade nor check the industrial development of Greater Britain, which will not be offensive to foreign nations, and which will yet tend to promote trade between all parts of the British Empire.

Frankly, I do not believe that it is within the range of possibility for the ingenuity of mortal man to devise any cut or dried scheme which will bring into operation, at any given date, a policy which will fulfill all these conditions.

But I do believe, nevertheless, that a policy of this kind is attainable within a very few years by a process of rapid growth.

What we have to work for is not a cut and dried scheme immediately acceptable to all parts of the Empire, but *tendencies* which will at no distant date bring us into the closest possible commercial union with every free country flying the British flag, and with every other country that is willing to trade with the British Empire upon something like equal terms.

I favour the adoption by the whole Empire, every part acting freely for itself, of an Imperial policy, which shall be at once a friendly offer and a friendly challenge, to the whole world, to do business on equal terms.

My suggestion is that the Imperial Parliament acting for the United Kingdom, and every Colonial Parliament acting for its own Colony, shall adopt

a maximum and a minimum tariff, and give every country under heaven its choice which it may accept upon the usual reciprocal terms. The Parliaments should then delegate to their respective Governments full powers to extend to any other country the advantages of the minimum tariff upon that country conceding similar privileges in return.

How does this scheme comply with the conditions I have just laid down? I submit that it cannot violate the autonomy of any part of the Empire because every part will legislate for itself and in its own interests. It will not destroy England's trade but will tend to increase it. It will not check the industrial developments of Greater Britain because each colonial legislature can surely be trusted to frame its two tariffs with a view to the sufficient protection of its home industries. It cannot be offensive to foreign nations because there will be no discrimination against any country; the stranger will be offered the same trade conditions as the member of the family.

How then is *this* Imperial Preferential Trade, if the stranger is to be treated as one of the family?

My answer is that the ultimate interests of the British Empire and of every part thereof lie in the direction of universal free trade and that the adoption of the Imperial Policy I have suggested would be the biggest step ever made in that direction.

When I say that the ultimate interests of every part of the British Empire lie in the direction of universal free trade, I by no means exclude Canada. I take it that most of us in the Dominion who are protectionists, are such not from any belief in protection as an economic principle of general application, but as a necessity arising out of our peculiar circumstances. Let us cultivate an intelligent faith in our own country.

I believe that Canada with her enormous wealth in natural resources, with her unequalled water powers, and with her hardy, industrious, and intelligent population, can hold her own in competition on fair and equal terms with the whole world. That we can be ahead on all lines of industry, I do not pretend. On the contrary, I would imagine that under the conditions I have foreshadowed certain lines of manufacture would by a process of natural selection be eliminated from Canadian industries, while others would be greatly developed, and no doubt new ones introduced. But I contend that this process of natural selection would work entirely in the best interests of the Canadian people as a whole. And those are the only interests that we have any right to hold supreme.

I am prepared to justify the granting of great and exceptional privileges to the manufacturing industries of Canada, not in the interests of the manufacturers, not in the interests even of what is called the industrial population, which after all amounts to less than twenty per cent. of the entire popula-