

created in order to see in what way practical effect might be given to the aspiration. If that be the case, and if it were thought that at the present time you were not prepared to go beyond inquiry, if it were the wish of the other colonies, of Canada and of the South African colonies to join in such an inquiry, Her Majesty's Government would be delighted to make arrangements for the purpose and to accept any suggestions as to the forms of the reference and the character and constitution of the Commission, and would very gladly take part in it."

The offer (made June 24, 1897) was not accepted. The reason for rejecting it, and at whose instigation the rejection took place, is not known officially. The Premiers united in asking that the Belgian and German treaties, preventing preferential treatment between Great Britain and her colonies, be denounced. The Imperial authorities assented, and the treaties ceased to exist July 1, 1898.

The hesitation in meeting proposals like this of Mr. Chamberlain, and the failure to take up a definite policy, is due largely to the uncertainty felt by the colonies as to what Great Britain may do. No Canadian representative, for example, at any Imperial conference has thus felt able to do more than express in general terms the adhesion of Canada to an Imperial Customs arrangement. The largest interests at stake are those of Great Britain. She is expected to speak first. Without an intimation from Great Britain signifying a willingness to modify, or in some measure sacrifice, her policy of Free Imports, the colonies can do little more than Canada has already done: give a voluntary tariff preference to the British Empire. But that does not solve the whole question. The subject of a permanent reciprocal preference remains to be dealt with.

The Position of the United Kingdom.

A colonial writer must speak with moderation in discussing what part Great Britain and Ireland should play in bringing about an Imperial Customs Union. The people of these islands are themselves the sole judges of their commercial interests. We, in the colonies, may suggest, argue, even agitate, but in the end the decision will rest with the British people. A determined effort on the part of any colony to press the matter on the attention of England may look selfish, but I am inclined to think the time has come, in Canada at least, for such an attempt to be made.

Meantime, there are not wanting Englishmen of the highest influence and ability who point out to their countrymen the disadvantages of a one-sided Free Import system. The Prime Minister, the Marquis of Salisbury, has shown how it hampers the Imperial Government in framing commercial treaties. He declared, in one of his public addresses:

"We live in an age of war and tariffs. Every nation is trying how it can, by agreement with its neighbor, get the greatest possible protection for its industries, and, at

the same time, the greatest possible access to the markets of its neighbors. I want to point out to you that what I observe is that while A is very anxious to get the favor of B, and B is anxious to get the favor of C, nobody cares two straws about getting the favor of Great Britain. What is the reason of that? It is that in this great battle Great Britain has deliberately stripped herself of her armor and her weapons by which the battle has to be fought. You can not do business in this world of evil and suffering on those terms. If you fight, you must fight with the weapons with which those whom you are contending against are fighting."

Notwithstanding the free market for their products which obtains in England, they give England little, or nothing, in return for these favors. How long will it be in her interest to submit to this? Until the exact value to her of the Free Import system has been demonstrated. Lord Masham has furnished a good defense of the proposition that under certain conditions the absence of a Customs duty may prove a positive loss to the community; its existence may be a source of gain. "The real point to be considered," he says, "from a national point of view, is whether the duty enhances the price to the consumer in a greater ratio than the united gains (and other advantages) of all the producers." To illustrate this, Lord Masham presents the following argument: "For illustration, suppose we take a piece of Bradford soft goods. The wool comes from Australia, is British grown, and carried in British steamers. It is warehoused in London, sold at auction, and forwarded to Bradford, where it is sorted by the wool merchant, combed and spun, then manufactured, and finally dyed and finished for the merchant. Now, it is evident that there must be a large national gain in all these operations, both in capital and labor, to subsidiary trades such as coal, iron, soap, leather, wood, dyewares, etc., consumed in its manufacture, and also the shopkeepers' profits derived from the wages earned by the operatives. Should I be wrong in estimating the national advantage or gain at 20 per cent.? It is probably much more. Now comes the whole important question: Is it for the national advantage and general prosperity to allow this industry to be destroyed, because French goods can be imported 5 per cent.

cheaper? It appears to me, as a man of business, that it is not the way to get rich to lose 20 per cent. to gain 5, but that is what we are doing to the extent of millions."

Now, this argument of Lord Masham is luminous and convincing. It proves beyond a doubt that Free Imports only pay when you can figure out a national loss if a duty were imposed. It pays us to let in raw material free, but where unlimited free imports of manufactures are let in, enough to close down or ruin similar domestic industries, the community does not gain. In each case you must figure it out, not putting on too high a duty or one too low. Free Trade is easier, but England never had and cannot get Free Trade. Free Imports is an entirely different system. Under Lord Masham's system, the tariff might be complicated and difficult to frame. But what of that? Business always is an onerous,



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