

LECTURE No. 3.

Friday, February 9th, 1906.

THE ECONOMICS OF EMPIRE.

Economic aspect of the Empire. Its varied products. Its self sufficiency. Present separation into tariff areas. A glance at Tariff History. The Free Trade movement in England. Sanguine expectations of the followers of Cobden. Failure of the free trade propaganda in foreign countries. The adoption of the protective system by Germany, France and the United States. The present markets of the world. (1) The protected Markets. (2) The neutral markets. (3) The open markets. The Theory of One Side Free Trade, or Free Imports. The "dumping" of surplus products. Movement of British trade since 1870. Increase of Imports. Decline of export of manufactured articles to protected countries. Large export of coal. The Colonial Tariffs. Present extent of Colonial preferential duties and their effect upon Trade. Mr. Chamberlain's proposals. A tax of six cents a bushel on wheat imported from foreign countries. Effect of this on Canadian production. The opening of the North-West. Effect of such a tax on the British consumer. The free food argument. Proposal of a British tariff of 10 per cent. on foreign manufactures. Policy of reciprocity and retaliation. The principle of inter-imperial preference. How far can it be carried? Is ultimate economic union possible? The claim of Imperial Unity over purely commercial considerations.