

silk, it will still be better, instead of making the silk, to make more iron or cotton goods, and exchange them for silk. The employment of labour will be the same, and we shall get more silk if we spend our time on iron or cotton than if we devote it directly to the silk itself.

Everyone sees this in the case of wine or oranges, tropical spices or fruits. The same argument applies where the difference of advantage is less. When the difference vanishes, the exchange will pay the cost of the transport and will cease. We cannot secure more employment by diverting our energies from a more profitable to a less profitable industry.

THE FUTURE OF BRITISH COMMERCE UNDER FREE TRADE.

When we consider the very high duties imposed by various countries on our goods—duties imposed not for revenue, but to keep out our products, or, as it is euphemistically called, to “protect native industries”—it seems at first wonderful that we can do business with them at all. The average duties imposed on our goods are estimated by the Board of Trade*—to take a few of the highest and the lowest—as: By Russia, 131 per cent.; by the United States, 73 per cent.; by France, 34 per cent.; by Germany, 25 per cent.; by Canada, 17 per

*Memoranda, Cd. 3337. 1904.