

A Preference on wool would, therefore, be no advantage to Australia.

EFFECT OF PROTECTION ON HOME TRADE.

But it is sometimes said that if we make an article at home instead of importing it we make two profits instead of one, and secure increased employment for our people. The argument seems to be that if we buy, say, certain silk goods worth £1,000, the foreigner secures the profit and wages; while if we make them here our countrymen do so. That, however, is not a complete statement. How do we pay for the silk? By an export of equivalent value, say, of cotton goods or iron. If, then, we make more silk goods and less cotton or iron, there is no doubt an increase of employment in the silk industry, but, on the other hand, there is a corresponding diminution in that of cotton or iron. Moreover, we get more silk goods by the amount of labour spent on the iron or cotton goods than if it was devoted to the production of the silk goods directly. But it is said that we might make both the iron and the silk, and so make two profits. Is this so?

Why are we to assume that it is possible to sell more goods at home? If this can be done, such a transaction may stand by itself. Let us make the goods and sell them at home. But, as regards the