

ately adopted by Great Britain half a century ago, and which has been maintained and extended ever since. By a consistent adherence to this system, one duty after another has been swept away in this country, until, at the present day, the few import duties remaining are retained, either for revenue purposes alone on articles not produced here, or in order to protect the excise revenue.

10. A differential duty is open to all the objections, from the consumer's point of view which can be urged against a general duty, and, while it renders necessary the same restrictions on trade, it has the additional disadvantage of dislocating trade by its tendency to divert it from its regular and natural channels.

11. These general objections to the policy advocated are sufficiently serious, and there are others, no less serious, which flow from the existing conditions under which the trade of the Empire is distributed.

12. Assuming that the preference aimed at by the resolutions is given in the way most favourable to trade, namely, by the partial remission of existing duties in favour of British and colonial goods, rather than by an increase of duties on foreign goods (coupled with the imposition of duties on goods of foreign origin now admitted free which compete with British and colonial produce), it is obvious that, as the total trade of the Empire with foreign countries far exceeds the trade between the various members constituting the Empire, the volume of trade upon which taxation is to be placed exceeds the volume which would be partially relieved. The result would not only necessitate increased taxation but would involve a serious net loss of trade, the burden of which in both cases would fall with greatest severity on those parts of the Empire which have the largest proportion of foreign trade, and the loss to these parts would more than outweigh the gain to the other parts.

13. On closer examination it would appear that the material results of the proposal would be even more prejudicial than appears from the general statement of its more obvious results. In the case of this country, the bulk of the imports from foreign countries and almost the whole of our imports from the Colonies consists of food or raw materials for manufacture.

14. To impose a duty on food means at once a diminution of the real wages of the workman. If, in addition to this, a duty were imposed on raw materials, a further encroachment would have to be made on wages to enable the manufacturer to compete with his rivals in countries where there are no such duties.

15. The Hon. Mr. Foster, in his speech introducing the motion now under review, drew a vivid picture of the vigorous and unrelenting competition which the British manufacturer has to meet in the markets of the world: and, if he somewhat over-estimated the results of that competition, there can be no question as to the fact that in many branches of trade in which Great Britain once held a distinct superiority, other nations now compete on equal terms. In so far, then, as the British manufacturer failed to shift the burden of any duty on food and raw materials on to wages he would be at a disadvantage in the open markets of the world, and the remission in the Colonies of part of the duty in his favour would scarcely place him on level terms with his foreign competitor even there.