A.—5. 340

Tenth Day.

2 May 1907.

PREFERENTIAL
TRADE.
(Sir W. Lyne.)

when she outpaced all her neighbours and was at the zenith of her powers in manufactures, surely there is a time when all the people will not say: "I am a Free Trader because my grandfather was"—and that is what most of them do say; they cannot give you any other reason. If you ask nine out of ten, especially those who come to the Colonies as Free Traders (they do not remain Free Traders long) the question why they are Free Traders, the answer of most is, "Oh, my grandfather was one."

We are accustomed to look upon the Empire as a concrete quantity. It is nothing of the kind, but rather a scattered mass of units, some great, some small, bound together to a large extent only by the ties of blood and sentiment. Whether it makes for strength or weakness no man may surely say. In my opinion, compared with the United States and other great Empires, it lacks that cohesion, those qualities of strength and unity of purpose which, welding the whole in a common destiny, afford an unbroken rampart to each storm and danger; and in regard to that, if anyone looks at the map they will see how diversified and how distributed the Colonies of Great Britain are—the Empire of Great Britain; they will see it is the most vulnerable Empire that the world knows, and that is all the more reason why it should be more cemented than it is at the present time, with ties of kinship and of commerce.

The greatest administrative genius of modern times is said to have exclaimed, "Give me ships, Colonies, and commerce," and therein lies the watchword of the present time—British ships, British Colonies, and British commerce.

In a recent reprint of the work of John Barnard Byles, originally published in 1849, entitled "Sophisms of Free Trade and Popular Political Economy Examined," there is a remarkable anticipation of the aspirations which are now finding expression throughout the length and breadth of the Empire: "The great Lord Chatham was not only a Protectionist but an "ultra-Protectionist; jealous even of the Colonies"—and that is what it seems to me the present Government are—and he said, "They shall not make so That seems to be the policy of Great Britain at the much as a nail." present time; because we want to convert raw material into the manufactured article we are not to have preference unless we pull down our tariff barrier to the ground. "The true policy would differ from Lord Chatham's, for it "would treat the Colonists as if they inhabited an English country, giving "them full liberty to grow and manufacture what they pleased. It would "differ from the system of the Free Traders, for in place of disadvantages it "would give them in common with all their fellow subjects an advantage in "the Imperial markets, and take in return a reciprocal advantage in the "Colonial markets; the first markets in the world, instead of being opened "as now to all without distinction, would give a preference to British "subjects. It requires little foresight to perceive how powerfully self-interest " would bind the Colonies to the Mother Country, and the Mother Country to "the Colonies. . . . If the vast Dominions of the British Crown do "not compose a State without a parallel for greatness and prosperity, the "fault must be in the policy of the Imperial Government," and not of the That is truer to-day that at the time the foregoing was written.

The proposals lately made have given life and shape to the ideals. They possess the very ingenious and masterful advantages that whilst each self-governing State may retain its full freedom in regard to domestic and fiscal affairs, it may also participte in an Imperial Customs Union (I refer to those proposals made by Mr. Chamberlain), and whilst preserving its own industries each unit may share and contribute to the prosperity of the Empire as a whole, giving preference to our own people, and combating the competition of the foreigner. In 1889 the late Lord Salisbury, dwelling upon the