The trade policy of imperial federation from an economic point of view

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THE TRADE POLICY
OF
IMPERIAL FEDERATION
FROM AN ECONOMIC POINT OF VIEW

BY
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"Outlines of Political Economy," the "Genesis of Federation," the
"Latest Phase of Imperial Federation," &c., &c.

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1892
To

THE COUNCIL AND MEMBERS

OF THE IMPERIAL FEDERATION LEAGUE,

THIS EFFORT IN THE CAUSE OF BRITANNIC UNITY

IS DEDICATED.
THE

TRADE POLICY OF FEDERATION.

AUTHOR'S NOTE.

England's Commercial Policy differs so radically from that, not alone of alien nations, but of the component States of her own Empire, that a change, either in her Policy or in theirs, is sooner or later inevitable. Advocates of Protection are just as enthusiastic as advocates of Free Trade; and neither party can see aught of good in the rival system. Others, again, find the solution in Reciprocity or Fair Trade. Now, like most questions in Social Science, Commercial Policy is somewhat intricate; nor is it possible to deal with it intelligently upon other than strictly economic grounds. In the following pages the writer has (in the form of a College Lecture) endeavoured to test the rival systems upon such grounds, and as impartially as possible. With some of the conclusions arrived at, it is possible that the reader will not agree; but it is hoped that he will, at least, be assisted to arrive at conclusions of his own based upon more solid considerations than mere partisan feeling.

M. H. H.
THE TRADE POLICY OF FEDERATION.

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PART I.

THE

TRADE POLICY OF FEDERATION.
PROTECTION, FREE TRADE, AND FAIR TRADE.

By common consent of mankind, the problems of Political Economy have come to be regarded as quite beyond the grasp of ordinary minds; they have been abandoned to the investigations of learned professors who make the "dismal science" their especial province, and the public has impatiently waited for enlightenment. Now, herein, the public intelligence has underrated its own powers, and has overrated the powers of the professors. Philosophy has been trying, for at least a hundred years, to arrive at definite conclusions, and has failed signally. It has steadily adhered to the synthetic instead of to the analytical process of reasoning; it has deposed Bacon, and replaced Aristotle; it has attempted to deduce fact from theory, instead of deducing theory from fact. As the inevitable results, there have been as many different theories as philosophers, who have persistently wasted their energies in upholding their own, or in refuting rival, hypotheses. Each school, convinced of the perfection of its own system, has an-
nounced itself prepared to instruct mankind how that perfection may be attained. Mankind, seeing this disagreement among the doctors, has refused to be instructed, preferring to be guided by such glimmerings of truth as experience seems to furnish, or by such notions of expediency as each community individually deems adaptable to itself. Hundred-voiced dogmatic Economy bewails this perverseness, loudly proclaiming that it has established a science upon a basis as firm as the law of gravitation, and quite overlooking the fact that whereas gravitation is a law, acknowledged by all astronomers, which has, in thousands of marvellous ways, proved its truth, the teachings of Political Economy are based (fortunately with a few exceptions) upon theories which, so far from being acknowledged by all Economists, are still the subjects of the fiercest contention, and which, so far from approving their truth in thousands of marvellous ways, need to be holstered up by thousands of marvellous excuses to account for their practical shortcomings. The bald fact is that the strong modern tendency to reduce all science to hard-and-fast rules has attempted to include a subject which is not a science at all. Science, in its technical sense, means knowledge of the laws of Cause and Effect—not theory. Strip Political Economy of the thousand and one theories upon which it is built, and what remains of proven fact?