

A  
UNITED  
EMPIRE.

PAPER READ BY

THOMAS MACFARLANE, F.R.S.C.,

BEFORE THE

*Montreal Branch of the  
Imperial Federation League  
in Canada,*

MONDAY, 21st DECEMBER, 1885.

Union of Canada

England  
Scotland  
Ireland  
Wales  
Newfoundland

Victoria

New South Wales

New Zealand

South Australia

Tasmania

Cape of Good Hope

Honduras

Leeward Islds.

Labuan

Heligoland

Jamaica

W. Af. Settlements

Hong Kong

Fiji Islands

Mauritius

Queensland

W. Australia

Ceylon

Natal

Guiana

Windward Islds.

Trinidad

Bahamas

New Guinea

Straits Settlements

St. Helena

Cyprus

Bermuda

Gibraltar

Malta  
Falkland Isles



India  
Perim  
Aden

1885  
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*The* EDITH *and* LORNE PIERCE  
COLLECTION *of* CANADIANA



*Queen's University at Kingston*

## A United Empire.

At a meeting of the Montreal Branch of the Imperial Federation League in Canada held on Monday, the 21st December, 1885, at which Mr. Henry Lyman, Chairman, presided, the following paper was read by Mr. Thomas Macfarlane, F.R.S.C., and is published at the request of the Branch :—

The news of the formation of an Imperial Federation league, by some of the foremost statesmen and administrators of the Empire, was indeed glad tidings to many of us. In many loyal hearts, scattered far and wide throughout Britain's vast colonial possessions, the thought of a United Empire has been hidden away for years like a dream, the realization of which seemed too much even to hope for. A hundred years ago it was more than a dream to the U. E. Loyalists. It was to them a hope, a religion, which caused them to fight on a losing side, to sacrifice house and homestead, and to begin a new exile in the primitive forests of Canada, but upon British soil and under the British flag. The Imperial Federation movement began with those hardy backwoodsmen, and in my opinion it is matter for regret that the name of our branch of the league does not connect it with that movement of a hundred years ago. If priority in originating and dying for our idea has any value, then the name of our association in Canada having for its object the closer union of all British countries should be the United Empire league. The friends of union in South Africa have adopted the title of the Empire league, and have been allowed by the Imperial Federation league in London to retain it, the aim and principles of the two societies being the same. Here in Canada it would not only be more suitable, but would awaken historical recollections of which we may well be proud, if our branch, with the consent of the society at headquarters, were to be called the United Empire League of Canada.

It can scarcely be denied that in some respects the word "Federation" is an unfortunate one for indicating our purpose. In the minds of those to whom it is mentioned

it causes visions of federal councils, new constitutions, expensive legislatures and selfish office-holders to arise, and before the advocates of union can explain their definition of federation, they have first to show what the word is not to signify. Besides, the correctness of the term is doubtful. Should a closer imperial union be brought about it will, and must be, something altogether different from any sort of "federation" which has heretofore existed. With Canada already confederated, Australia almost so, and South Africa aspiring to the same distinction, their closer union with the other parts of the Empire would become a federation of confederations, without a parallel in history. On the other hand, the words "United Empire" are much more direct and significant. They convey at once the idea that the empire is to be strengthened by union, and that only such steps as can plainly be seen to lead to that end will be advocated. The notion of a "scheme" disappears, and the advocates of the new movement may at once proceed to state what practical measures in their opinion would tend to "combine on an equitable basis the resources of the Empire for the maintenance of common interests and adequately provide for an organized defence of common rights."

During a recent visit to England and Scotland I think I perceived evidences, among the trading and middle classes, of the growth of a feeling of interest in, and kindness towards the colonies. So far as I can judge, this feeling takes the shape of a desire for closer union and better trade relations between them and the Mother Country. Contemporaneously with this sentiment, there seems to have arisen a deep dissatisfaction at

the manner in which the free trade advances of England have been met by foreign nations during the last twenty years. Even the artisan and the laborer, as well as the manufacturer, are becoming aware that no such thing as free trade exists in England; that such a thing is impossible, so long as foreign nations impose high duties on English exports. The system now prevailing is called foul, fettered, false and foolish trade; retaliation is openly spoken of, and the advocates of fair trade are increasing in numbers. The colonies come in for their share of the blame, and it is sometimes difficult to persuade the British manufacturer that the protective policy of most colonies is necessitated by their peculiar circumstances as new and undeveloped countries. It is here, I think, that the Imperial Federation movement is exposed to the greatest danger. It will never be accomplished, if its consummation is to be postponed until unanimity of opinion prevails, as to tariff questions, throughout the British Empire. On this account I was induced to bring forward and explain to my Scotch and English friends a plan for the establishment of a united empire, capable of producing an Imperial revenue, providing for naval defence and improving British trade. This plan met with the hearty approval of many of my Liberal as well as Conservative friends, and this, as well as other reasons, has encouraged me to make it the subject of the present paper. It is, briefly stated, the imposition of a duty of 5 per cent. on all imports from foreign countries into any part of the Empire, the proceeds to be devoted exclusively to naval defence. This duty would, of course, be over and above and independent of all existing tariffs, home or colonial, nor would it prevent any of the provinces of the Empire from modifying its ordinary tariff in any way it saw fit.

That it is the duty of the colonies to pay their share of the cost of defending their shores and shipping was most forcibly and eloquently set forth by Principal Grant at a public meeting held in this city in May last. So far as this country is concerned, I should like to see this duty fulfilled at once, but unfortunately we are unable to cause other people in this country, all at once, to look at the matter from our point of view. They are not always prone to act on sentimental or patriotic grounds. The question of advantage has to be debated, and if we can show that it is not only our duty, but our in-

terest, to contribute to the defence of the Empire the work of converting others to our principles will become easier. I shall endeavor to show that such a plan as the one I have indicated would very much stimulate material progress in all British possessions, besides providing a revenue for their defence.

With the assistance of your honorary secretary I have tried to ascertain the annual value of all foreign imports into British territory and estimate it to be approximately as follows:—

Into Great Britain and Ireland...	£328,210,000	
Into India.....	£ 7,808,000	
Into Straits settlements.....	7,646,000	
Ceylon.....	162,000	
	£ 15,616,000	
Into Mauritius.....		885,000
Into New South Wales.....	1,920,000	
Into Victoria.....	1,968,000	
Into South Australia.....	392,000	
Into West Australia.....	16,000	
Into Queensland.....	102,000	
Into New Zealand.....	652,000	
	£ 5,050,000	
Into Natal.....	£ 191,000	
Into Cape of Good Hope.....	769,000	
Into Lagos.....	146,000	
Into Gold Coast.....	84,000	
Into Sierra Leone..	126,000	
	£ 1,316,000	
Into Canada.....	£12,215,000	
Into Newfoundland.....	512,000	
	£ 12,727,000	
Into Jamaica.....	£ 410,000	
Into Barbados.....	488,000	
Into Trinidad.....	1,310,000	
	£ 2,208,000	
Into British Guinea.....		516,000
Total.....	£366,528,000	

A duty of 5 per cent. on this sum would realize £18,000,000 sterling, a sum far more than sufficient to meet the Imperial naval estimates, which now amounts to about £12,000,000 a year. It would, however, be unwise to propose a lower duty than 5 per cent. ad valorem at first, because it might be necessary to exempt certain articles even from the 5 per cent. duty, and, moreover, the adoption of our plan might cause a slight diminution in the quantity and value of foreign imports.

In proposing such a duty as this, I entirely disavow being actuated by considerations either for protectionist or free trade principles. I start from the position that the British Empire exists, that all are interested in having its coasts and shipping adequately defended, and that the cost of so doing should be borne equitably by those receiving the benefit. We have our choice of raising the money required for this purpose chiefly by

direct taxation, as is done in England, or indirectly by customs duties. I think all who have considered the subject will admit that we cannot resort to direct taxation here. It only remains then to enquire whether the colonies should contribute their quota from their ordinary revenue or by means of a special duty such as I have proposed. The latter I advocated as the fairest and most convenient. Being imposed upon all goods of whatever character, received from ports external to the British Empire, it cannot be said to be protectionist or for the purpose of favoring any particular industry. That it would, however, favor the trade and commerce of the Empire generally, is, I believe, apparent, and it may be well now to enquire how this customs duty of 5 per cent on foreign goods would be likely to affect trade in the various parts of the Empire.

By far the greater part of the cost of the naval defence of the Empire would, if my suggestion were adopted, still have to be borne by Great Britain and Ireland, for their foreign imports amount to 90 per cent. of those of the whole Empire. But, instead of having to be raised by the income and other direct taxes, it would be levied on goods from foreign countries. At present, as is well known, customs duties are levied principally on tobacco and snuff, wines and spirits, tea, coffee, chicory and cocoa, currants, figs and raisins. On what principle other articles escape duty has never been very intelligible to me. Why raw materials should be duty free one may perhaps comprehend, but the argument in favor of this does not apply to foreign manufactured goods. Mr. Sherlock, of Liverpool, has published some very remarkable figures regarding the importation of these into England. During the fourteen years ending 31st December, 1884, there were admitted, entirely duty free, the following goods:—

Silk manufactures to the value of.	£148,097,194
Woollens, carpets and rugs.....	96,830,043
Cotton manufactures.....	27,337,579
Chemicals.....	15,969,544
Clocks and watches.....	13,152,249
Copper manufactured.....	38,328,539
Gloves of leather.....	22,687,900
Glass manufactures.....	22,737,634
Hats and bonnets of straw.....	889,927
Iron steel manufactures and machinery.....	25,339,584
Leather, tanned.....	44,858,581
Lead, manufactured.....	21,588,850
Oilseed cake.....	22,135,072
Paper.....	15,639,845
Sugar, refined, and candy.....	58,618,583
Zinc, manufactured.....	15,285,672
Goods unenumerated.....	556,927,483

In all more than 1,146 million pounds sterling. A duty of 5 per cent. on this would have produced over £57,000,000, or £4,096,390 per annum, an amount almost as much as is raised from the duty on tea. It is hard to adduce reasons in favor of taxing tea which would not apply equally well to silks, clocks and watches, paper, sugar and musical instruments. It is plain that Great Britain and Ireland would suffer no disadvantage from having customs duties levied on these, rather than a corresponding amount of revenue now raised by duties on imports from British Colonies or by other taxes. Among raw materials the most troublesome items are, of course, flour and grain. Our proposed duty of 5 per cent. might be stigmatized as an attempt to raise the prices of grain for the benefit of the farmers. That it would have this effect is very doubtful. The food supplying capacities of Canada, India and Australia are so enormous that the only effect of the 5 per cent. duty would be to give to the foodstuffs of British possessions a preference over those of Russia and the United States without raising their prices. But even assuming that the prices of wheat and flour were to be increased by half of the amount of the duty, that only means the addition of 10½d to the price of a quarter of wheat at 35s, which could not materially effect the price of bread. To put a duty on manufactured articles and allow raw materials and grain to remain free would really be a species of protection which we are told the English nation would never approve of. But to put a light tax on all imports without exceptions, would be fair all round, and it would be difficult to single out any description of import which should not be called on to pay for the protection which trade in it receives from the British navy.

Over against the disadvantages of this 5 per cent. duty to Great Britain, if there really are any such, must be placed the preference which her products would obtain in the markets of her colonies and India. This is no slight consideration, in view of the increase in the duties levied by foreign countries on English manufactures. This, and the consequent loss of her foreign markets, is one of the causes of the great depression in trade now prevalent in England. Even during the short time of my last visit there, I heard that Germany had increased the duty on firebricks by 17s per ton, and had proposed to put a duty on imported coal. This would, no doubt, have been done had

not Belgium threatened in that event to put a countervailing duty on the coal brought by her manufacturers from Rhenish Prussia. But England does not even grumble—far less threaten—and the few free ports still remaining open to her are mostly in her own possessions, and even there the foreigner, who protects his own markets, is most unjustly placed on an even footing with her. The mere expression of a wish to have such matters otherwise arranged would doubtless have prompt attention in her colonies, but free trade England is too proud to ask any favors. If our 5 per cent. duty were levied on non-British goods not to protect British trade, but to give it the preference and to raise a revenue for Imperial defence, foreign nations would have to pay a little for access to British markets, although far less than they charge for admission to their own. The slight discrimination would turn the scale in favor of English trade and an improvement in it would at once be apparent.

We have seen that nine-tenths of the cost of the naval defence of the British Empire would, under our scheme, still fall upon Great Britain and Ireland. Of the remaining tenth, about one-third would have to be contributed by the Dominion of Canada. Five per cent. upon her foreign imports would amount to about £600,000 or \$3,000,000 annually. When we consider that our neighbors to the south have much higher duties, we cannot suppose that 5 per cent. additional on goods from the United States and the continent of Europe would be productive of much inconvenience. Possibly on some articles, however, the ordinary rate of duty of the Dominion tariff would have to be modified. Importations from England would be unaffected and very likely increase in amount. Many descriptions of hardware, glass and pigments would be bought in England instead of Germany, and raw sugars would come from British West Indies rather than Cuba.

On the other hand Canadian timber would have the advantage in the markets of England over that from Norway or Russia, and perhaps manufactured lumber now supplied by the United States and Norway could be furnished from Canada. The trade in grain, flour, farm produce, cattle, fish and petroleum with Great Britain would be stimulated, and very possibly it might be found that certain mineral products, now supplied

by other countries, would be shipped from Canada to England.

India would contribute about £400,000, and 5 per cent. on her foreign imports, which are now mostly free would hardly be felt. Here too English manufactures would be benefited as compared with those from other parts of Europe, from China or the United States. With regard to Indian exports the growth of cotton, rice, wheat and tea would be stimulated, and possibly many varieties of timber be sent to England which are now obtained from Central and South America.

As regards the West Indies, it is possible that our discriminating duty of 5 per cent. in favor of British products would favorably affect the sugar plantations in Jamaica, Barbadoes, Trinidad and Demerara, and surely this advantage would not be grudged by any one to an interest which has suffered so severely from unfair competition on the part of foreign countries. Many of us indeed, believe that duties should be levied on foreign sugars, equivalent to the amount of bounty of which they have the benefit, and our 5 per cent. duty would tend slightly in this direction. It would also favor the trade in coffee, cocoa, mahogany and dye woods with British Honduras, British Guiana and the West India islands rather than with Guatemala, Mexico, Ecuador, Brazil, Venezuela and Hayti. Fruit, drugs and India rubber from the British tropics would also have the advantage.

We cannot imagine that Australia would make any objection to paying her share of the cost of naval defence, seeing that New South Wales was the first British colony to send, at its own cost and completely equipped, a contingent of troops to aid the Imperial forces, and that Victoria has been the only colony which offered naval assistance to the Admiralty under the Colonial Naval Defence act. If any inducement were required it might be found in the consideration that her wool and copper, together with the flax, gums and peculiar timbers of New Zealand, would be favored in British and Indian ports.

In what particular manner British Africa and other distant islands and possessions would be affected by our proposal it is impossible for us, with our limited knowledge, to say. But there is every reason for supposing that its influence would be very beneficial generally. As to foreign countries, they have thrown into the faces of British political economists their advice as to free trade principles, and cannot complain of our following

their example to the limited extent of extorting some slight equivalent for permission to trade in our markets. After all, even they would derive some benefit from the proposed tax, for the British navy is the marine police force of the world, from which the commerce of all the civilized nations derives unsuspected benefits.

If the various members of the British Empire were to consent thus to allow a duty of 5 per cent. to be levied on their imports from foreign countries, and to agree to contribute the proceeds towards the maintenance of the British navy this would constitute an Imperial revenue different altogether, and to be kept entirely distinct from colonial, Indian or English revenue. Its management might be entrusted to the present Imperial Government, acting in concert with the Colonial Governments, represented by their agents' general, on the understanding that the British navy is to be regarded as a truly Imperial institution. This, indeed, it has long been, thanks to the generosity of England, who has hitherto defended her colonies without hinting about recompense in the slightest possible way. It would, of course, follow that the maintenance of the various fortified harbors and coaling stations necessary for the fleet would be defrayed from this new Imperial exchequer, and, no doubt, the working of the various telegraph lines for keeping up communication between these and the mother country would be chargeable against the same fund. In this way not only would the various parts of the Empire be more closely

united and better organized for purposes of defence, but they would be incidentally favoring each other as regards the interchange of their respective products whether consisting of raw or manufactured material. Whether the motherland or the colonies should make the first advances towards proposing some such arrangement as I have indicated, it is perhaps unnecessary to discuss. It might be said that Great Britain, having been the first to take action in abolishing the old differential duties, should be the first to propose their reimposition. In any case it would seem practicable to put the proposed plan in operation without waiting for the realization or even discussion of any elaborate scheme of Imperial Federation. A simple application of the imperial to the colonial authorities, or vice versa, might produce the wished for result without any great constitutional change. If a constitution for the whole Empire should ultimately become necessary, it would probably be best to leave it unwritten and allow it gradually to develop as the British constitution did before it.

It is believed that the results of such a policy as that now advocated would be very far-reaching, and that the remotest parts of the Empire would feel its beneficial influence. Under its operation the time would very soon arrive when it would be possible to say with truth,

“Through all her vast domains Old England's  
heart  
New lifeblood sends, enkindling as of yore  
High hope that ne'er her Empire shall depart,  
But firm united be for evermore.”