

British Islands. And he now admits that a new situation must be met by a new policy. To appreciate the boldness of the stand the Colonial Secretary has now taken it is necessary to remember that of the total trade of the United Kingdom some seventy per cent. is done with foreign nations and say thirty per cent. with her own colonies. And the cry has thus far been: "Shall we, the British nation, quarrel with seventy per cent. of our commerce for the sake of advantaging thirty per cent.?" Not unnaturally the answer has been NO. But the trade with the colonies is growing fast, and there are signs that the trade of the Mother Country with the outside world cannot maintain its former proportions. Besides, while political antagonisms and trade competition of foreign nations threaten the supremacy of Great Britain in the world's commerce, the attitude of her colonies has steadily become politically more friendly, commercially more intimate. In short, she needs her colonies now more than ever before.

In these circumstances, Mr. Chamberlain asks the question:

"Is it better to cultivate the trade of those who rightly enough are our competitors and rivals or that of our colonies and friends of kin? That is the new position which the people of this Empire have to consider. I do not want to hasten their decision. They have two alternatives. They may maintain in its severity the artificial and wrong interpretation which has been placed upon the doctrine of free trade by the small remnant of "Little Englanders," who profess to be the sole repositories of the doctrines of Cobden and Bright. In that case they will be absolutely precluded either from giving preference or favor to the colonies abroad or from even protecting the colonies when they offer a favor to us.

"The second alternative is that we must insist that we will not be bound by any purely technical definition of free trade; that while we seek a free interchange of trade between ourselves and all nations of the world, we will nevertheless resume the power of negotiating, and if necessary, retaliating whenever our interests or our relations with the colonies are threatened by other people."

It is a bold step for a British statesman to take, virtually proposing preferential tariffs with the colonies. But it is a perfectly defensible attitude to say: if the world is commercially in arms against us, surely we may look to our colonies to maintain with us an imperial front against all comers. Lord Rosebery, who is one of the least hide-bound of the opposition party, went so far on Tuesday as to say he did not regard free trade as a part of the Sermon on the Mount. But he thought it would be "inadvisable, even for the benefit of her colonies, to quarrel with customers (foreign nations), who had enabled her to accumulate the wealth which gave her power to bear the heavy expenditure" of defending her colonies. Therefore he cautiously advised a conference between British and Colonial financial experts on the subject.

The difficulty of the situation, looking to a reciprocal arrangement with the colonies, is illustrated by a reference to the preference given by Canada to Britain in her tariff. "We may have supposed," Mr. Chamberlain says, "That an agreement of this kind by which Canada does a kindness to us was a matter of family agreement concerning nobody else. Unfortunately Germany thinks otherwise. Germany insists upon rating Canada as though it were a separate country, and has penalized Canada by additional duties on Canadian goods. German newspapers frankly explain that this is a policy of reprisal, and that it is intended to deter other colonies from giving us the same advantage." And evidently the Germans believe, as other nations will be quite as ready to believe, that "a nation of shopkeepers," as the English were declared a century ago to be, will never consent, for the sake of cementing relations with its colonies, to forego any portion of the world-wide trade it has so long enjoyed.

It remains to be seen how far a sentiment of imperial unity, coupled with a belief in the enormous impulse which would be given to colonial trade by preferential legislation towards the colonies, will carry the British people. Referring to the action of Canada in giving Great Britain a tariff preference, the Colonial Secretary said, we must assume with authority, that "Canada is now willing to go further, especially regarding goods in which the British competed with foreigners, if Great Britain was willing to give her a drawback or a tax of a shilling per quarter on grain." This hardly agrees with what we have heard from Ottawa about a threatened abolition of the preference. However, "The Government had to refuse that offer because the established fiscal policy bound it to keep the British market open for all the world." The accepted doctrine of the free traders of Great Britain was, he declared, that even though other nations closed their markets against Great Britain, the latter could not offer any favor to her own children, or make any difference between those who treated her well and those who treated her badly. "He himself was a free trader, but he doubted whether the present interpretation of the term was the true one." Very significant is it to find, among the comments of the British press on Mr. Chamberlain's "trumpet call" and Mr. Balfour's speech to those who protested against the remission of the grain duty, the *Tory Morning Post* saying that "Mr. Chamberlain has started on a path in which, so long as he leads, he will not lack followers if the spirit in which he leads is the right one." This speech of Chamberlain's has started a ball rolling that is likely to roll far.

THE DRY GOODS TRADE.

If the dry goods merchants were consulted, they would no doubt advise unanimously in favor of a continuance of the present weather. A month ago a certain degree of slackness was visible in several lines of goods owing to the cool weather, but since the starting in the present warm spell the movement has been very much brisker. Country retailers were among the first to note what a difference was made by a few warm days; and their stocks which, early this month, were pretty full, were speedily broken into. The result is that a good sorting trade is being done, which state of things is likely to become accentuated within the next two or three weeks, provided the weather continues seasonable. There can be little doubt however, that the present season, which promised at first to be an unusually early one, will be later than usual, and that the sorting trade which as a rule is about over by the middle of this month will go on well into June. In no branch of dry goods has the improvement in conditions been more marked than in men's and boys' outing goods. For these there has been quite a rush. This applies not only to shirts for boating, etc., but to all sorts of light attire both for country and city. Light material for ladies' blouses, dress goods etc., are also selling very freely.

The upward movement in staple cotton goods continues unabated, and it is not by any means improbable, though two or three weeks ago it was thought so, that such goods will make further advances in the fall. Some experts believed this time last month that the price of raw cotton, though it would remain firm, would show no further actual rise. But this forecast has not been verified, for only last week one or more fractional advances took place in Liverpool and New York. In the aggregate, these advances make a difference of nearly a cent per pound. The fol-