

emacy, and unless she saved it by pre-
gements with the Colonies, the Empire
t very long. The high-and-dry free
ad been lamenting the effect upon trade
erlain's policies—to this day they re-
e Boer war added eight hundred million
national debt, reduced consols disas-
queathed to South Africa a commercial
ch is an unconscionably long time in
htway proclaimed that British commerce
uch promising case, and that everything
est in a beautiful world. A political
ed, the like of which no man had fore-
side shone in the controversy that rent
ernment and converted a hopeless Oppo-
overnment without having won a division
or secured a verdict at the polls. The
thought he had made a great discovery
made only half a discovery. The free
is creed, consulted the Board of Trade
magined that everything was settled for
sides talk in the same strain after four

Meantime the unemployed problem has
us that the Government has inaugurated
inery for providing work for the work-
ality of the Imperial race in the Imperial
ating because an increasing proportion
et plenty of food. The balance of inter-
ce is being steadily transferred to the
ns overseas. To this end they were
t manly to fret because the courses of
move cyclonically.

and Both Are Wrong.

ate the British situation you must ex-
tly the governing claim made by each
will be driven to pushing your enquiries
ich neither of them seems wishful to
quest for light will probably become
g where theirs leaves off—if you judge
oth sides issue for public consumption.
ormer says the commercial power of
ave danger. He is right. He says it is
le tariffs, principally of Germany, France
States. He is only half right. There is
ational commerce than the history of a
know the origin of a fight you must not
struck the first blow, but what led to it.
says cheap food and raw material are
ercial country that can neither feed itself
ops—such as cotton and wool—on which
ries depend. He is right. He also says
ing to fear, because her turnover is in-
s wrong. He ignores the proofs that
are increasing their turnover more
itain. Take shipping. In gross, Ger-
behind Britain. But she has progressed
steamers are the fleetest on the Atlantic.
nan Lloyd boats are in every sea—which
of any one British passenger-carrying
ywhere there is complaint that British
ed by foreign crews.

and High.

g ago England was literally the work-
ld. The cotton trade of Lancashire was
because other countries either could not
ake cotton goods for themselves. The
the economic marvel of the nations. But
n the same degree of pre-eminence.
o there was not a power loom in Russia.
huge cotton mills in several cities, filled
achinery and run by English foremen.
ot go on exporting machinery and the
at machinery makes. The country that
to-day will make its loom to-morrow.
a have for centuries known how to
y in silk. When the yellow man has
ower looms he will not go to Lancashire

for cloth. In Canada this week thousands of articles
have been manufactured such as, not so long ago, could
only have come from England. Obviously, there is
going on a readjustment of production as inevitable as
the seasons, and as certain to prejudice Britain's trade
supremacy. Against it a preferential tariff could, at
best, give only a promise to postpone the inexorable.

But there is another, and a deadlier factor in the
case. The tariff reformer advises his compatriot to tax
German goods because they are made by workmen re-
ceiving very much lower wages than a British toiler
would accept, and against the selling effect of which the
British manufacturer is impotent, to his own loss and
the loss of his employee. Isolated, the argument is
unanswerable. But it does not solve a problem in which
German competition is only one of many constituents.
For the remedy of a ten per cent. tariff against the
German invader is also recommended as a defence
against the American invader, whose producing unit is
much more highly paid than the British workman.
Clearly, the trouble sits on something else besides wages
sheets. What is it?

"Buy What I Make."

As the vital breath of British commerce is in her
overseas business, you must learn how she has handled
herself in distant markets, where, formerly, she was
virtually a monopolist, on account of her unapproached
manufacturing and carrying facilities. It is more im-
portant for the present purpose to know how Germany
and the United States got into neutral markets than it
is to be full of knowledge of what they are doing to-day,
because they obtained their foothold when their equip-
ment was far inferior to what it is now. From a cloud
of witnesses, select the British consuls all over the
world—men, on the whole, slow to observe the currents
of trade, because they were recruited mainly from the
classes who regarded trade as beneath the dignity of
gentlemen. They testify that the Britisher, presuming
on his old-time dominance, refused to study the likes
and dislikes of his customers, declined to use their lan-
guage and currency in his price lists—in short, took this
stand: "These are the goods I make, and these are the
prices I ask. If you don't like 'em, don't buy 'em."
"Good day." And, in many instances, "Good day" it
was, for the German came along, acted on the simple
but profound counsel to become all things to all men,
and, by suiting himself to the customer, got the business
which John Bull imagined he controlled.

The Yankee has had his own special attacking force
—he has been the travelling apostle of time and labor-
saving. London is full of trans-Atlantic office fur-
niture, not because this continent produces wood
and England does not, for in any case the wood
has to be shipped across the sea; and it is more costly
to ship it as a finished, carefully-packed article than as
compact cargo that runs no risk of breakage. American
business furniture, made by costly workmen, is in
demand, not because it is American, but because it is
vastly more convenient than the homemade article. In
the main, the British manufacturer has lost hold because
he would not, in time, adapt himself to changing con-
ditions—even when he could be induced to believe that
conditions were changing. There are many refreshing
exceptions. But the general trend of the British mind
was as complacent in trade as it was in war.

Boasting into Decline.

To a disheartening extent it so remains. Before
us are letters which show a sublime indifference to ele-
mental conditions of the Canadian market. It is almost
impossible to convince some British firms that by slight
adaptations of their goods they could treble their sales
in this country. They will spend more time and money
in trying to prove that their product ought to satisfy
than would be necessary to change it from a salesman's
burden to a traveller's delight. They are apt to expect
their agents to open up new ground in this sub-conti-

nent at the same expense as they cover their long-
cultivated fields in territory with eight times the popu-
lation in a fiftieth of the area. If they are told how New
York and Chicago houses spend money to get a share
of business in a new country, they will regard their in-
formant as a sort of incipient pickpocket. The con-
servatism of the British manufacturer and wholesaler is
a fearful and wonderful thing. The greatest wholesale
dry goods house in the world—Cook's, of St. Paul's
Churchyard—boasted to the editor of this paper, only
two years ago, that they possessed neither typewriter
nor passenger elevator in their eight-storey building.
Another great dry goods house announced with pride
their dislike of small accounts.

Mr. Chamberlain's Blunder.

The loss of prestige is primarily due to this kind of
thing. The sufferers need, as a first aid to recovery,
not crutches, but pin-pricks. To tell them that they
are being shamefully used by the Germans and Ameri-
cans, and that a ten per cent. tariff will clear the air
and fill the till, is to induce a little more folding of the
hands. It may well be that in the effort to restore
speed to progress a tariff may be serviceable. But it
will never supply the force, without which all else is
vain. Neither will it, through its reaction on colonial
commerce, achieve all the objects which Mr. Chamber-
lain prophesied for it. The might of Mr. Chamberlain's
name must not be allowed to blind us to the undigested
features of his original scheme. When so eminent a
statesman is capable of saying, as he did at Glasgow,
that if Britain responded to the colonial call for prefer-
ence, the colonies would consent not to expand those
manufactures in which Britain could supply their
demand, he more than ever placed upon us the neces-
sity of considering the whole subject independently of
any inspiration from London. Leaving aside that
blunder, explicable only as Dr. Johnson's definition of
"pastern" was, the basis of Mr. Chamberlain's case was
that, as Britain was losing ground in foreign markets,
she should make her own less accessible to her rivals,
and foster transactions with Canada, Australasia and
South Africa until they could outweigh business with
the rest of the world.

Here, indeed, is a consummation for which we all
would unfeignedly work, if only we could be satisfied
of its practicability. But what does Britain send us that
cannot, presently, be made in Canada? The question
is not disposed of by saying that we cannot, for many
years, make all we want. Tariff reform is a policy for
the consolidated prosperity of the Empire, the cardinal
feature of which is to be more and more manufacturing
in Britain for export to such places as Canada. The
more you look at the thing as it really is the more are
you convinced that liberty of fiscal independence is the
only reasonable position for those who do not imagine
that fiscal revolutions are as simple as the turning of
cakes.

Preference Serves Consumer Now.

But do not the Daughter Nations believe in pre-
ference, and ought not the Mother Country to listen to
them? Certainly, certainly. We should be recreant
to our business instincts if we were unwilling to accept
from Britain a better price for our goods. When she
can be brought to see that there would be no hardship
in taking taxes off tea, sugar and tobacco and putting
them on flour and wheat, a long step in advance will
have been taken. Her education is woefully neglected,
as we have tried to show. But while it is going on, let
us be content, as Sir Wilfrid Laurier is, to permit our
consumer to buy English goods at more reasonable prices
than he pays for similar articles from the United States.
Whatever the advantage to our kinsman may be, the
existing preference is no hardship to us, whether
flour becomes dearer to the British housewife or not.

If it is true that the fundamental need of British
commerce is a rejuvenation of methods that inhere in the