

possible expediency, but rather one of urgent national necessity. The most important instance which has been mentioned of a possible danger arising from the policy of preferential tariffs is that of the cotton trade, where most of the raw material comes from the United States. It is suggested that that country might retaliate by an export duty on raw cotton. Even if the difficulties in the way of such an action were to be overcome, it is evident that the argument tells rather for than against the proposed policy. The cotton industry of the United States is rapidly growing. It already compares in its consumption of raw cotton with the British industry, and is becoming an important competitor with Lancashire in the open markets of the world. It stands to reason, in such circumstances, that, if we are regarded as irrevocably bound to our existing fiscal policy, the cotton industry of the United States will tend to follow the example of other industries in that country, and that there will be in time a demand for such protection as the State can give for its development as against foreign rivals. The obvious form for that protection to take in the United States is an export duty upon the raw cotton supplied to our own competing factories—a contingency which we should have to meet at present without any instrument of defence or negotiation in our hands. For these amongst other reasons it appears to us that the proposals in question call for serious and mature consideration, and that there is a very real danger lest we should too hastily assume that the issues now involved are the same as those discussed in the old controversies sixty years ago between protection and free trade."

#### COTTON GROWING WITHIN THE EMPIRE.

The recent remarkable shortage in the supply of raw cotton, which has paralyzed not only the mills of Lancashire and other cotton manufacturing districts, but even disorganized the trade of the United States, has brought home to British merchants and manufacturers the necessity which this Journal has urged of growing cotton within the Empire to such an extent as to make the cotton manufacturing centres of Greater Britain practically independent of other nations, in case of war or of those whims of trade policy which may at times be almost as distressing in their effects on trade as war itself. The uplands of South Africa and South Central Africa, now under British sway, are capable of growing excellent cotton; the arable lands of Egypt and the Soudan are capable of a large extension of the area of fine staple cotton, which they already produce. India can also grow much more cotton than she does, and the experiments in growing cotton in the British West African settlement and British Borneo are very encouraging. The interior regions of the great Australian

continent, now practically a desert, only require irrigation to grow a serviceable grade of cotton; and each of these various regions would by its variations of soil and season, produce a staple differing in some respects from all the others, and by this difference would give versatility to the products of the British mills, and of course to those of Canada.

The sections of country above named do not by any means exhaust the list of lands under the British flag where cotton may be grown. Cotton was successfully raised in the British West Indies over a century ago. The changes that brought its extinction and the further changes that may bring in a new era of profitable cultivation in this part of the Empire are instructively set forth in an article in "Our Western Empire," a journal, published in London, devoted to the development of trade between Great Britain, Canada and the West Indies. The article will be found on page 234.

#### THE GERMAN PRESS AND THE SURTAX.

Some of the German papers profess to believe that the surtax imposed by Canada on their goods will not hurt Germany so much after all, especially in view of Mr. Chamberlain's proposals for inter-Empire trade. The Cologne Gazette consoles itself by the following argument: "If Mr. Chamberlain's influence ultimately enables him to establish a closer economic connection between the colonies and the Mother Country, the duties which will have to be imposed on food-stuffs imported into England will be an indirect advantage to continental countries. If food is dearer trade unions and labor associations will demand and will obtain higher wages. Production will, therefore, be more costly in England, and German industries will compete at an advantage. Protective duties levelled against German goods will, moreover, have no lasting effect, for in the long run it is the quality of goods which enables them to retain a market. It has been universally recognized in the last ten years that German goods are generally as good as, often better, and almost without exception cheaper than those produced in Great Britain. Germany can, therefore, afford to regard dispassionately plans which will affect in a much greater degree the United States, Russia, and other grain-exporting countries. The talk about the punishment of Canada is simply an attempt to create a feeling which may help on Mr. Chamberlain's plans."

The London Times points out the insincerity of this argument by recalling the fact that the Cologne Gazette did not refuse to vote for the increase in the minimum duties on imported grain during the last session of the Reichstag. Possibly they hold with John Lyly that "perfume may refresh the dove, but kill the beetle." Again, the argument that quality in