

at every point for a century past just as a live flame maintains itself. You may imagine how inevitably the leaders of the cotton industry became the leaders of the people of England against a monopoly which raised the price of food. Lancashire was the home of the cotton trade in England. It was the millions of Lancashire who led the people of England against the monopoly which taxed their food. Manchester was the centre of the cotton trade. It is Manchester which has stamped its name on the school of thought that produced the fiscal policy of the State which is still with us, and which grew out of the agitation for the repeal of the Corn Laws in England."

But now the commercial world has passed through another orbit and a new situation has developed. In the Western Hemisphere a great nation has sprung up, which from being the chief grower of the world's cotton has become a rival to Great Britain herself in the manufacture of cotton. In a sense this situation has also come about through free trade, for we have in the American Union a population of nearly 80,000,000 with neither duties nor customs' houses between any of the States—the most extensive application of free trade in the history of the world. With this market to themselves and a tariff against the outside world, the United States cotton manufacturers now rank next to Britain and are steadily gaining access to foreign markets, even in Canada, where we have a preferential tariff favoring Great Britain. And still the United States is the leading grower of raw cotton, to such a degree that the shortage of its crop this year has left millions of spindles and thousands of looms idle in Great Britain and America.

While, as in times past, the United States needed cotton goods, there was no state or trade reason against the free export of raw cotton, but now that that nation is one of the largest manufacturers of cotton goods, producing within itself all the fabrics it requires, and yet looking for markets for its fabrics abroad, the contingency of an export duty, or even a prohibition, is not an inconceivable one. In these circumstances, it is not merely the question of growing raw cotton within the bounds of the British Empire that is forcing itself upon the attention of British manufacturers and statesmen, but the greater question of the general trade relations of the Motherland with its daughter nations and dependencies. The time is not far distant when the British Empire will contain 100,000,000 white people and 400,000,000 or 500,000,000 people of various other colors and races. While other nations, by means of one-sided trade arrangements, are making inroads on these markets, is it not necessary to review the position and establish a free trade system, or an approach to it, within the Empire with a slight discrimination against those

nations who so heavily penalize British trade now? Such a policy may be a short cut to that universal free trade which free traders of the old Manchester school have looked for in vain.

These thoughts are suggested by a joint letter, signed by a dozen prominent Liberal members of the Imperial Parliament, among whom are some connected with the textile trades of Lancashire, Yorkshire and Scotland. The letter, from which we make the following extracts, is remarkable in that it shows a change in party lines on this fiscal question, for the Liberals are by tradition free traders, and from the standpoint of party politics, it would be to their advantage to remain so in this crisis. In supporting Mr. Chamberlain's policy, the writers argue: "Even supposing that a tax imposed on foreign corn would increase its cost in the same proportion, it is obvious that such an increase could be immediately compensated by a corresponding reduction in the taxation of other necessities of life. For example, the duty on tea alone, almost entirely a product of the Empire, amounted last year to £5,800,000. But beyond this, and as a natural result of the working of the new proposals, we look forward to such an organization of the food supplies within the Empire as would effect a considerable reduction in the cost of living in this country. As an instance, it may be pointed out that at present New Zealand mutton brings the exporter in New Zealand only 2d. per lb. on the average, while it costs the consumer in Great Britain 7d. Many of the British colonies are beyond doubt great and undeveloped estates, the production of which might be multiplied many times over in the near future under the stimulus of an intelligently directed fiscal policy of the States comprising the British Empire. It must be remembered, on the other hand, that the growing demand upon the resources of foreign supply now existing—e.g., in the United States—will before long produce a tendency to considerably higher prices than those hitherto prevailing. The advocates of the new policy may fairly claim that they are providing for this contingency by endeavoring to place our food supplies for the future upon a cheaper and surer basis.

The changed conditions since the time free trade was adopted are noted, particularly the effect of trusts selling their commodities in the British market at prices below the cost of production, and the fact that the Cunard Line is said to be no longer able to exist "on commercial principles," that is, without State aid, against its rivals. The letter notices the advantages of special privileges in colonial markets, in view of the opinion that British exports to tariff-protected countries have about reached their limit, and in conclusion says: "It is our opinion that to arm ourselves with power of self-protection in our negotiations with foreign powers is no longer a matter of