

Matters went on until the Colonial Conference of 1902, held in London at the time of the Coronation. In the meantime the British Government had put a small tax upon wheat. When the Colonial Conference took place, the Canadian Ministers who took part in it proposed that inasmuch as Great Britain had departed from the policy of free trade to the extent of putting a small duty upon wheat, she should, in return for the Canadian preference of 33 1-3 per cent., remit the wheat duty as against Canadian wheat, so that while wheat from foreign countries would pay the duty going into England, Canadian wheat would go in free.

The ground taken in answer to this suggestion by the British Government was that the preference of 33 1-3 per cent. given by Canada to British manufacturers still left the Canadian duty so high as to be virtually prohibitive, so that it was held that the Canadian preference was of little substantial value to British manufacturers. The Canadian Ministers cited the statistics of importations to show that such was not the case, but that British trade with Canada had been favorably affected by the preference in a very substantial degree. Further than that, the Canadian Ministers stated that if the wheat duty were remitted upon Canadian wheat, they were prepared to give a further preference in regard to certain classes of goods which are at the present time largely imported into Canada from foreign countries, but which could be brought from England if the tariff were arranged in a manner more favorable to British interests.

Notwithstanding these proposals the British Government declined to remit the duty on wheat in favor of Canada.

Although there was no apparent result from the conference which took place at that time, the discussion has borne fruit during the last year, and it is not too much to say that the proposals which have now been made by Mr. Chamberlain are the results of the action taken by Canada in 1897, and the further discussions which have taken place since that time with reference to the Canadian tariff. In fact the Canadian preferential tariff inaugurated the actual operation of preferential tariffs within the Empire. The Canadian example has been to some extent followed by the South African Customs Union, and the advantages of preferential tariffs are now well recognized.