

sible allowance for the increase which could possibly be attributed to the Preferential Tariff, take another view of these statistics. For instance, prior to 1897, there was an actual decrease of 22.7 p.c. in the imports from Great Britain, and an actual increase of 15.9 p.c. in the imports from the United States.

In the eight years following there was an increase of 110 p.c. in the imports from Great Britain, and an increase of 144.6 p.c. in the imports from the United States.

Suppose that we give the Preferential Tariff the credit of having stopped the downward tendency of British imports, as well as having started an upward movement; suppose that we add to the 110 p.c. increase of the last eight years the 22.7 p.c. of decrease in the previous years, we have an improvement in British imports of 132.7 p.c.

Then, on the other hand, suppose we deduct from the 144.6 p.c. of United States imports in the last eight years, the 15.9 p.c. of increase in the previous eight years, we have a net improvement in United States imports of 128.5 p.c.

In other words, giving the British preference the utmost possible credit for results so far as can be proven by figures, the British imports have only increased 4.2 p.c. more than the United States imports in the eight years, during about six of which the preference has been in existence. I am not saying this in depreciation of the Preferential Tariff, but simply to point out that, for some reason, the preference has failed to produce as great results as were naturally expected. We must not, therefore, assume too readily that discriminating tariffs *alone* will bring about immediate radical improvement in the trade between the different parts of the Empire. Nor, on the other hand, need we take it for granted that, because a one-sided experiment in preferential trade on a comparatively small scale has apparently failed to produce anticipated results, therefore, a bigger experiment on similar lines would be a failure. Then it must be borne in mind that no figures can possibly show how much *worse* the imports from the United Kingdom into Canada might have looked but for the preference.

There is one advantage which the American exporter will always enjoy over the English exporter in supplying Canada with his wares, and that is, nearness to the market. The advantage is not so much in the matter of the cost of transportation as in the economy of time. A merchant in Montreal, or Toronto, can obtain goods from the United States in from twenty-four to forty-eight hours, whereas to obtain similar articles from England is a matter of from two to three weeks at the best. This in itself is a serious handicap to the British exporter. Then complaints are sometimes made of the traditional conservatism of the English

houses, of their reluctance to accommodate their methods to the tastes of their colonial customers. They are also said to be less elastic in the matter of credit than their competitors in the United States; and, finally, the Americans are more active and aggressive in their inroads upon the Canadian markets. Most of the principal American manufacturing establishments are represented in Canada by permanent resident agents.

The fierce opposition aroused in England by Mr. Chamberlain's splendid campaign in favour of Imperial Preferential Trade impresses me with the conviction, that the difficulties in the way of making anything of the nature of treaties of commerce between the mother country and the colonies on a preferential basis are too great to be overcome in a few years. I cannot sufficiently express my admiration for the courage and ability with which Mr. Chamberlain has taken hold of this question, and has at least succeeded in making what would have been laughed to scorn a few years ago—a *live issue in British politics*.

To sum up my argument, we have a great educational work to do. We must aim, not so much to bring about a fiscal revolution within the Empire immediately, but rather to give such direction to fiscal reform movements all over the British Empire, that they will tend to a common centre, a common object. To do this effectually, we must respect prejudices that we do not share, and must credit our friends over the seas with knowing something about their own business.

Lastly, looking at the matter entirely from the point of view of our own interests, we must remember that the question is not wholly one of trade and commerce. No nation of five to six millions of people in the whole world has its independence so amply or so cheaply guaranteed. The Imperial connection which is our safeguard neither restricts our liberties, nor costs us a dollar, and is the best asset we possess. The time is coming (I hope soon) when, for our credit sake, we shall ask the privilege of contributing in some form to the cost of the defence of the Empire. Incidentally, we are aiding in this defence by the construction of our transcontinental railways. A few thousand miles of railway in South Africa might have saved thousands of English lives, and millions of English money. A double track on the Trans-Siberian Railway might have saved the Russian Empire from disastrous defeat. No one, however, pretends that our transcontinental railway enterprises are intended as a contribution to Imperial defence, valuable as they may be for service incidentally.

Canada is becoming rich enough in financial resources, and self-respecting enough to assume some portion of the responsibilities, and to bear her fair share of the cost of Imperial defence.