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conceding to each Government concerned the right to legislate as its own interests might demand, on tariff matters, or, in other words, complete control over its own fiscal policy. Should the British peoples decide at any time that it will be in their own interests as well as what they conceive to be the interests of the Empire to make far-reaching changes in their present fiscal policy, Canada will naturally expect that in the establishment of a tariff, full and adequate consideration would be given, through preferential duties, to the interests of Canada's producers and to the substantial preferences which Canada accords to British goods.

Mr. Baldwin has recently announced that the new fiscal policy of the British Government will include a substantial preference to the Dominions, not as a matter of bargaining but as a free-will offering. This has been the spirit in which Canada has approached the question, and it was, we believe, the only position possible to take under past circumstances. If, however, a general tariff is established in Great Britain as well as in the Dominions, and reciprocal trade arrangements are negotiated with foreign countries, as Mr. Baldwin has forecast, it is plain that in some measure a new situation will be created, and bargaining on a

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