

with the United Kingdom, or the United States, or any other Power, merely because of possible differences. Such possibility must no doubt be one of the factors for careful consideration when making our bargain ; and we must see to it that either we are in some way secured against it, or that the arrangement is sufficiently advantageous to ensure us against the risk.

All, then, that Canadians can at present say upon the subject of Protection and preferential tariffs is :

(1) We believe in the protection and development of our manufactures ; and we cannot agree (*a*) that "within the Empire Protection must disappear ;" or (*b*) that with regard to articles which we do not now make we will leave their manufacture to others ; or (*c*) that we will order our affairs so that we may not "fall (or rather rise) to the level of the United States."

(2) Nevertheless there is scope for preferential arrangements ; and we believe that a treaty can be made which would be beneficial both to the United Kingdom and to Canada.

(3) We are ready to try what a spirit of good-will can accomplish.

Thus far there can be little doubt that I have reflected Canadian opinion. The following consideration comes from myself. It has not been adequately (hardly at all) discussed in Canada. It relates to the indirect effect of preferential tariffs ; by which I mean the hostility that would be aroused in other countries by preferential arrangements between the United Kingdom and Canada.

Some are foolishly inclined to declare that they do not care what that effect would be. That is, of course, very absurd. We propose an arrangement in which we see certain advantages, and we are stupid indeed if we take no note of the disadvantages.

Others, with more appearance of reason, protest that Great Britain and Canada are both parts of one Empire ; that we are perfectly entitled to make internal arrangements without properly provoking the hostility of anybody else ; that the States