

tion, but in the interests of the whole people of Canada.

In these days no country can be great or attractive without diversity of occupation and opportunity, and the farming, mining, lumbering and fishing population of Canada who form nearly one half of the people, would be very short-sighted were they to begrudge to the industrial classes those privileges which are essential in order to obtain for themselves the advantage of a home market and for their children the opportunity of diversity of occupation without leaving the Dominion.

I do not claim that the adoption by the United Kingdom and each of the self-governing colonies of a system of double tariffs would lead to an immediate and great increase between the component parts of the Empire. As I have already said, we are working not for a cut and dried scheme to go into immediate and complete operation, but for *tendencies*. It is an educational campaign upon which we have set out. We have to accustom the Briton in the United Kingdom to the idea of Fair Trade, as distinct from so-called Free Trade (which is only free on one side) without creating the impression that he is being asked to make substantial sacrifices for merely sentimental reasons. And we have to accustom the Briton in Canada and the other colonies to the idea that he can discriminate between the family and the stranger, between his commercial friends and his commercial foes, without the slightest danger to his very properly cherished autonomy. It must not be forgotten that many other factors enter into this problem of increasing trade and commerce between any two countries besides that of tariffs.

How else can we explain the operation? I might perhaps call it inoperation of the Canadian Preferential Tariff in favour of Great Britain?

Let me recall to you briefly the main outlines of that Tariff:

The Preferential Tariff provided that, on and after the 1st August, 1898, all imports from Great Britain shall come into Canada, on paying a duty to Customs of 25 per cent. less than that levied on goods from foreign countries. (2) A provision to aid the West Indies by admitting their products at the full reduction of 25 per cent., a similar provision for any other British Colony or possession, the customs tariff of which is, on the whole, as favourable to Canada as the British preferential tariff is to such Colony or possession, provided, however, manufactured articles admitted under such preferential tariff are *bona fide* manufactures of a country or countries entitled to the benefit of such tariff, and such benefits shall not extend to the importation of articles into the production of which there has not entered a substantial portion of the labour of such countries, a provision that the reduction is not to apply to wines, malt, liquors,

spirits, spirituous liquors, liquid medicines, and articles containing alcohol, tobacco, cigars and cigarettes.

The following parts of the Empire are included in the preferential arrangement: The United Kingdom, Bermuda, British West Indies, Bahamas, Jamaica, Turks and Caicos Islands, Leeward Islands, Windward Islands, Barbados, Trinidad, Tobago, British Guiana, British India, Ceylon, Straits Settlement, New Zealand.

From July, 1900, the preference was raised from 25 p.c. to 33 $\frac{1}{3}$ p.c., and now let us see what have been the practical results of that interesting experiment so far as we can infer them from statistics.

COURSE OF IMPORTS FOR 8 YEARS PRIOR TO 1897 AND FOR 8 YEARS SINCE AND INCLUDING THAT YEAR.

Year.	From Great Britain.	From United States.	Total.
	\$	\$	
1889.....	42,317,389	50,537,440	109,673,447
1890.....	43,390,241	52,291,973	112,765,584
1891.....	42,047,526	53,685,657	113,345,124
1892.....	41,348,435	53,137,572	116,978,933
1893.....	43,148,413	58,221,976	121,705,030
1894.....	38,717,207	53,634,100	113,093,983
1895.....	31,131,737	53,634,521	105,252,511
1896.....	32,979,742	58,574,024	110,587,480
Dec.....	9,337,647	Inc. 8,036,584	Inc. 914,033
Decrease per cent..	22.7 p. c.
Increase per cent...	15.7 p. c.	8.3 p. c.
1897.....	29,412,188	61,649,041	111,294,021
1898.....	32,500,917	78,705,590	130,698,006
1899.....	37,060,123	93,007,165	154,051,593
1900.....	44,789,730	109,844,378	180,801,316
1901.....	43,018,164	110,485,008	181,237,988
1902.....	49,213,762	120,807,050	202,791,595
1903.....	58,896,901	137,605,195	233,790,516
1904.....	61,777,574	150,826,515	251,464,332
	Inc. 32,365,386	Inc. 89,177,474	Inc. 140,170,311
Increase per cent..	110.0 p. c.	144.6 p. c.	125.9 p. c.

These statistics show that the imports prior to 1897 were stagnant, the increase in 8 years, 1889 to 1896 having been only 8.3 p.c. In this stagnation the imports from Great Britain suffered the most, as they actually were reduced between 1889 and 1896 by 22.7 p.c. *This was owing to a series of bad years.* In 1897 a great revival of trade set in, which at once began to enlarge the imports. In this revival the British imports shared, so that from 1897 to 1904, they increased 110 per cent., the United States imports in the same years increased 144.6 per cent., or 34.6 p. c. more than the British, and the total imports from all countries increased 125.0 p.c., or 15.0 p.c. more than the British, which had the advantage for six of these years of a preferential tariff.

Is it reasonable to attribute the increase in British imports after 1897 to the preferential tariff when their increase was less than the average for the whole imports.

Let us for a moment, in order to make every pos-