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increasing our trade with you; but it does give us the opportunity at any rate of realising what the position is, and then it will be for us to say whether, consistently with the interest of our own people here, we can carry out what you have suggested to us."

In response to this welcome overture, I have pleasure in giving you a brief statement of our position.

Canada has been the pioneer in the modern development of preferential trade within the British Empire. She gave the first preference to British goods in 1897-8, and took the initiative in requesting the abrogation of treaties which stood in the way of Imperial preference. This policy she has steadfastly maintained. The Canadian preference now covers, in varying degrees, practically the whole range of competitive British exports to the Dominion. During the last session of Parliament, a ten per cent. discount on existing duties, constituting a further increase in the prevailing preference, was provided in the case of British goods imported through a Canadian port. Canada has given preference in her own interest as well as what she conceived to be the interest of the rest of the Empire. It has never hitherto, in the case of the United Kingdom, been made conditional on the grant of an equal preference in return. We have at all times recognised the importance of