

them hitherto." If we do not do this, Canada will fall to the level of the United States, Australia will fall to the level of Canada, South Africa will fall to the level of Australia.

That is to say, Canada and the others (from their standpoint) will *rise* to the level of the United States as a manufacturing country. Canada will not agree to any intervention tending to prevent or retard that consummation; and Canadians are glad to gather from Mr. Chamberlain's later speeches that from the policy of this one, also, he has receded—that he is now willing to negotiate preferential tariffs along the line of Canadian policy.

Indeed, one of his suggestions is a very distinct adoption of Canadian methods, and indicates the distance travelled since the declaration that "within the Empire Protection must disappear." I refer to his proposal (Welbeck speech)

to put such a duty on flour as will result in the *whole* of the milling of wheat being done in this country.

Canadian mills would suffer heavily by the imposition of such a duty, but Canada would not complain—the leaf is out of her own book.

The flour suggestion is a very good illustration of the difficulties which will have to be met when we come to settle the terms of preferential treaty—difficulties so great that some persons declare that the necessary bargaining between different parts of the Empire will lead to friction, to ill-feeling, and possibly to dissolution. Canada's experience lends some colour to this contention. The most formidable Canadian movements towards annexation with the United States arose because of the United Kingdom's termination (1846) of the preference which prior to that date she had given to Canadian products; and an increasing cordiality between Canada and the United States was turned into hostility (1865) by the termination at the instance of the Americans of the Reciprocity Treaty. But such possibilities cannot be avoided. We cannot refrain from the creation of advantageous relations, either