

formerly carried a duty under the preference but which were made free in the Dunning budget. Mr. Dunning stated in his budget speech that it was ridiculous to continue meaningless duties of this kind. Therefore he made these items free. He was well aware that no trade could develop under them. But as a result of the Dunning budget it is now true that out of 1188 items in the Canadian tariff, 589 ² are free under the preference.

1178
half of 1188 = 594

The Purpose of the British Preference.

What is the purpose of the British preference?

It sprang out of a desire to increase trade within the Empire, and to protect Canadian consumers from exactions of Canadian manufacturers operating behind high tariff walls. And today the necessity of retaining and extending the preference is more real and vital than ever before.

The Liberal party believes there is a natural basis for trade between the United Kingdom and Canada. Canada produces enormous quantities of grain and other food stuffs. Great Britain is unable to feed her millions of population and must and does import, annually, approximately \$300,000,000 of grain and other food stuffs. Canada is the one great source within the Empire from which Great Britain may draw wheat.

But Great Britain is a manufacturing country and to keep her population employed must find markets for manufactured goods. Canada imports hundreds of millions of dollars worth of manufactured goods each year, and the purpose of the preference, as enlarged by the Liberal party this year, is to exchange Canadian wheat and other food stuffs for British manufactures.

The British Preference and the Western Farmer.

No policy could better serve the interest of western producers. Economically the western producer receives less benefit from the tariff than any other class of citizen in Canada. He produces annually about 400,000,000 bushels of wheat, of which the home market requires for seed and food, not more than 100,000,000 bushels. The surplus must be sold on the world market and the world price governs the price of the whole.

Take a piece of paper and pencil and figure it out. The price of wheat at any prairie point on any given day is the price at Liverpool, less the cost of transporting it to Liverpool. That is, the western farmer obtains the Liverpool price and pays the cost of sending his wheat to that market. And the price of