

the consent of the several parties interested in them, but no change in the protective portions of the tariff, no creation of new intermediate tariffs, no special commercial treaty with a foreign country, no system of bounties to home producers, could be permissible without Imperial sanction. The Colonies would find that not only the interests of Great Britain herself, but of India and of the various Crown Colonies, had to be carefully weighed whenever, for reasons protective or financial, they wished to make alterations in their tariff.

The absolute control over their finances which they have hitherto possessed would thus be grievously curtailed. Depending, as they all do, for their public income upon Customs to a far larger extent than Great Britain, they would find the loss of fiscal freedom and elasticity involved a corresponding loss of liberty in the administration of their Government.

If Canadian preference had been secured by express agreement with Great Britain, receiving a definite *quid pro quo*, do Sir W. Laurier and Mr. Fielding suppose for one moment that they would have been free to cut down in their 1904 Budget the preference on British cloth for the benefit of Canadian woollen mills, or that they could qualify the preference on British rails by bounties to Canadian companies?

In the Report of the Conference the resolutions of the Colonial representatives, affirming the desirability of preferential trade and urging this policy upon the Imperial Government, are followed by a resolution upon Commercial Relations to the effect that "this Conference, recognising the importance of promoting greater freedom and fuller development of commercial intercourse within the Empire, believes that their object may be best secured by leaving to each part of the Empire liberty of action in selecting the most suitable means of attaining this, having regard to its own special conditions and requirements," &c.

The considerations we have named show that any effective system of Imperial preference involves less liberty of action for the several parts of the Empire, since it precludes them from determining their tariff