

submitted to the conference by Mr. Gerald Balfour, president of the British Board of Trade, which appears on page 35 of the conference report, and reads as follows :

#### PREFERENTIAL TRADE.

Memorandum by Mr. Gerald Balfour, President British Board of Trade.

As a result of the communications which have taken place, it is understood that the representatives of the colonies hereinafter mentioned are prepared to recommend to their respective parliaments preferential treatment of British goods on the following lines :—

#### CANADA.

The existing preference of 33½ per cent, and on additional preference on lists of selected articles—

- (a) by further reducing the duties in favour of the United Kingdom ;
- (b) by raising the duties against foreign imports ;
- (c) by imposing duties on certain foreign imports now on the free list.

The rest of the memo. refers to Australia, New Zealand and the Cape, and I need not detain the House by reading it.

Now, the result of the whole discussion, so far as the record shows, is a resolution found on page thirty-six :—

The general resolution that was finally adopted as covering the principle underlying the several proposals comprised in Mr. Balfour's memorandum, was as follows :—

1. That this conference recognizes that the principle of preferential trade between the United Kingdom and His Majesty's dominions beyond the seas would stimulate and facilitate mutual commercial intercourse, and would by promoting the development of the resources and industries of the several parts, strengthen the empire.

2. That this conference recognizes that, in the present circumstances of the colonies, it is not practicable to adopt a general system of free trade as between the mother country and the British dominions beyond the seas.

3. That with a view, however, to promoting the increase of trade within the empire, it is desirable that those colonies which have not already adopted such a policy should, as far as their circumstances permit, give substantial preferential treatment to the products and manufactures of the United Kingdom.

4. That the Prime Ministers of the colonies respectfully urge on His Majesty's government the expediency of granting in the United Kingdom preferential treatment to the products and manufactures of the colonies, either by exemption from or reduction of duties now or hereafter imposed.

5. That the Prime Ministers present at the conference undertake to submit to their respective governments at the earliest opportunity the principle of the resolution, and to request

them to take such measures as may be necessary to give effect to it.

It will be observed that Mr. Balfour's memo. speaks of an increased preference to be granted to Great Britain by Canada, but does not make any reference to any preference to be granted by Great Britain to Canada. That, however, means nothing, because the reciprocal character of the arrangement was well understood and so expressed in the other documents. The conclusion of the whole discussion was that this additional preference which we were debating was only to be granted to the mother country for and in consideration of the preference we had asked for the products of Canada in the markets of Great Britain. That is made abundantly clear in the memo. of the Canadian ministers, which is filed on the subject. That memo. is a little lengthy, yet I must ask the House to bear with me while I read it, because although it was published some months ago, its nature may be forgotten. As it is a statement not only of our views, but of the views which were expressed by Mr. Chamberlain on behalf of the British government, and was published with his authority, I think we shall do well to give its terms our consideration :—

#### MEMORANDUM OF CANADIAN MINISTERS AT COLONIAL CONFERENCE.

This subject has frequently engaged the attention of the conference. At an early stage Mr. Chamberlain suggested that the question could most conveniently be considered by the representatives of each colony placing themselves in communication with the President of the Board of Trade, Mr. Gerald Balfour, and the officials of that department. Accordingly the Canadian ministers had several protracted interviews with these gentlemen, and discussed the whole subject very fully. Opportunity was also taken to present the Canadian view to Mr. Chamberlain. Now that the conference is drawing to a close, it is desirable that the course of the discussion, and the conclusions reached by the Canadian ministers, should be outlined and placed on record.

From the beginning of the proceedings the Canadian ministers have claimed that in consideration of the substantial preference given by Canada for some years to the products of the mother country, Canadian food products should be exempted in the United Kingdom from the duties recently imposed. Representations to this effect previously made through the High Commissioner for Canada were supplemented by the ministers, both in writing and in the personal interviews with the Imperial ministers.