

(See Appendix B. and Table I). It is clear, however, (1) that Britain's share would be much less now were it not for the preference, and (2) that preference may offset but it cannot nullify the influence of nearness, aggressive methods, advertising and conformity to local customs and fashions.

As to the value of the present British preference to Canada, the only Canadian exports substantially affected are sugar and automobiles. It must be admitted that the rapid increase in automobile exports is largely due to Britain's preference: the General Motors Company is now carrying on practically all its export business from its Ontario plants. Over \$13,000,000 of sugar and \$9,000,000 of automobiles were exported from Canada to Britain in 1923; the only other items in the British preferential tariff of any importance to Canada were, Condensed Milk (\$925,000.); films (\$707,000); unmanufactured tobacco (\$248,000); all other commodities were less than \$100,000. in value (See Table 2).

The Conservative Party in Canada would of course make capital of any flat rejection of a British offer; possibly also the British Government, if unwilling to support a food tax, might prefer to placate its Die-hard supporters by throwing the responsibility for blocking action upon Canada. These considerations will probably make it appear desirable to let the British Government take the initiative, expressing readiness to consider any proposal it wishes to make, while not demanding that any be made.

The Australian policy falls into three parts:

- (1) A demand for substantial preference on existing duties, particularly on dried fruits; this will be supported by South Africa.
- (2) A demand for the grant of preference on meat and grain.
- (3) As an alternative, the establishment of Empire marketing agencies, on the analogy of war purchase boards; a National Purchase Board in Great Britain through which alone foreign goods, wheat, meat, wool, etc., could be imported, and a Selling Board in each