

memorandum to explain their attitude on this question, that of preference. Listen to these words:

Memorandum by Canadian Ministers

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. . . .

They were then called colonies, not dominions.

. . . 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.

Mr. Chamberlain, on behalf of the Imperial government, was unable to agree to the proposals of the Canadian ministers. He represented that the Imperial government, while highly appreciating the good feeling manifested by Canada in the granting of preferential treatment, did not think the material results to the trade of the United Kingdom were as great as the Canadian ministers claimed. He further said that the change desired by Canada would be an important departure from the established fiscal policy of the kingdom, and that if the proposals could be entertained at all, as to which he was not prepared to commit himself, it would be necessary for Canada to offer some material tariff concessions beyond those which she had already voluntarily given.

I would say that sounds like bargaining.

The Canadian ministers, therefore, submitted a memorandum on the subject of the advantages already received by Great Britain from the Canadian preferential tariff, with a view to showing that these were of much value, and entitled to weight in the consideration of the whole subject.

While urging that the benefits of the preference were such as to entitle Canada to the desired exemption from the duties on food products in the United Kingdom, the Canadian ministers stated that within certain limitations they were prepared to consider the request of Mr. Chamberlain for further concessions in return for the desired preference in the markets of the United Kingdom.

Is that bargaining or is it not?

While it was not deemed necessary to enter into questions as to the wisdom or unwisdom of the policy adopted by all governments in Canada, of raising the revenues chiefly from customs duties, the Canadian ministers pointed out that under that policy large industries had grown up which had to be considered in connection with proposed tariff changes.

I wonder what more than that was said by this government.

Large reductions of duties had been made in recent years, especially on British imports. It was feared that in some lines of importance further reductions might create a disturbance of trade which would not be conducive to the welfare of the country. But the Canadian ministers pointed out that the Canadian tariff was by no means prohibitive, that large quantities of goods were imported, and that a great proportion of these came from foreign countries. In any lines in which it appeared that the goods would be manufactured in Great Britain it might be possible to so readjust some duties as to give an additional advantage to the British manufacturer, and thus turn over to him a volume of trade which at present is held by the manufacturers of foreign countries.

Is that bargaining or is it not?

The Canadian ministers stated that if they could be assured that the Imperial government would accept the principle of preferential trade generally, and particularly grant to the food products of Canada in the United Kingdom exemption from duties now levied, or hereafter imposed, they, the Canadian ministers, would be prepared to go further into the subject and endeavour to give to the British manufacturer some increased advantage over his foreign competitors in the markets of Canada.

Is that bargaining or is it not?

Meanwhile the Canadian ministers determined to present to the conference a resolution affirming the principle of preferential trade, and the desirability of its adoption by the colonies generally, and also expressing the opinion of the prime ministers of the colonies that His Majesty's government should reciprocate by granting preferential terms to the products of the colonies in the markets of the mother country. The Canadian ministers desired to have it understood that they took this course with the strong hope and expectation that the principle of preferential trade would be more widely accepted by the colonies, and that the mother country would at an early day apply the same principle by exempting the products of the colonies from customs duties.

Listen to these words, Mr. Speaker, which constitute the mild threat about which we have heard. Perhaps in this age it was expressed more vigorously, but we gave utterance to exactly the same thoughts here contained.

If, after using every effort to bring about such a readjustment of the fiscal policy of the empire, the Canadian government should find