

would not like to pronounce without his authority; but I would say definitely at once we propose to improve the preference on wine, and we shall be able to state before the Conference ends precisely what extension we contemplate.

#### **Barley and Hops.**

Then I think I ought perhaps to mention two matters which are contingent upon decisions of policy in this country, barley and hops; but I would like to say at once that in the event of a duty being imposed upon malting barley we should give a preference of one-third to the Dominions, and, similarly, if at the end of the period of the hop-control it was decided to safeguard the hop-producers here by means of a duty rather than by means of a continuation of control, we would also give a preference of one-third upon imported hops, which ought to give a considerable benefit.

Those are the further items which, as the result of these discussions, we are prepared definitely to table and to ask the Parliament of this country to sanction. I think with that I would leave the further discussion on preference open for the Conference.

#### **Proposals welcomed by Canada.**

*Mr. Graham:* Mr. Chairman, needless to say, I have listened with interest and with gratification to the remarks you have just made in reintroducing this question of preference. The Canadian members of the Conference considered at some period the proposals as to preference put forward by the Government of Great Britain at the meeting of the 9th October, and, as you are aware, we have taken repeated opportunities since to discuss the whole situation with yourself and with the Chancellor of the Exchequer in the endeavour to set forth the Canadian position.

The preferential proposals which have been mentioned to-day, and which it has been observed are within the framework of the existing fiscal system of Great Britain, will, we are certain, be received in Canada with due appreciation, as of distinct value to Dominion producers.

On two subsidiary phases of these proposals questions have been put for consideration by the Dominion representatives: First, the duty on "other dried fruit" is proposed to be levied on such fruit—*e.g.*, apples, pears, and peaches—as the Dominion representatives may consider of interest to their trade. The dried fruits suggested, in addition to those already included, appear to comprise those in which our producers are chiefly interested. Secondly, as to tobacco, two alternative proposals are made, stabilization of the existing duty over a term of years, or an increase of the preference from one-sixth to one-fourth. An increase of the preference would, in our belief, present most in the way of advantage to the producers of tobacco in Canada. As to the course which the British Government and Parliament should follow, we would not venture to express an opinion.

#### **Canada's Present Position in regard to Imperial Preference.**

More important are the general issues raised in the statements made by yourself in your presentation of the present proposals, and by the Chancellor of the Exchequer. I may quote from the statement made by the Chancellor:—

"We want you . . . to tell us whether what we have proposed is going to help you; whether our proposals can in any way be improved, and, if so, in what direction. That does not bind us to accept any suggestions that you make to us, any more than you are bound to accept any suggestion we may put to you as to what we might desire by way of increasing our trade with you; but it does give us the opportunity, at any rate, of realizing what the position is, and then it will be for us to say whether, consistently with the interest of our own people here, we can carry out what you have suggested to us."

In response to this welcome overture I have pleasure in giving you a brief statement of our position. Canada has been the pioneer in the modern development of preferential trade within the British Empire. She gave the first preference to British goods in 1897-98, and took the initiative in requesting the abrogation of treaties which stood in the way of Imperial preference. This policy she has steadfastly maintained. The Canadian preference now covers, in varying degrees, practically the whole range of competitive British exports to the Dominion. During the last session of Parliament a 10-per-cent. discount on existing duties, constituting a further increase in the prevailing preference, was provided in the case of British goods imported through a Canadian port.

#### **Preferences not accorded in a Bargaining Spirit.**

Canada has given preference in her own interest as well as what she conceived to be the interest of the rest of the Empire. It has never hitherto, in the case of the United Kingdom, been made conditional on the grant of an equal preference in return. We have at all times recognized the importance of conceding to each Government concerned the right to legislate as its own interests might demand on tariff matters, or, in other words, complete control over its own fiscal policy. Should the British people decide at any time that it will be in their own interests, as well as what they conceive to be the interests of the Empire, to make far-reaching changes in their present fiscal policy, Canada will naturally expect that in the establishment of a tariff full and adequate consideration would be given, through preferential duties, to the interests of Canada's producers and to the substantial preferences which Canada accords to British goods. The Prime Minister of Great Britain has recently announced that the new fiscal policy of the British Government will include a substantial preference to the Dominions, not as a matter of bargaining but as a free-will offering. This has been the spirit in which Canada has approached the question, and it was, we believe, the only position possible to take under past circumstances.