

The preference went into operation on the 23rd April, 1897, two months before the close of the fiscal year 1896-97. In view of the fact that a considerable length of time is necessary to disseminate information as to radical changes of such nature, and to secure compliance with the authorised regulations thereunder, it is not probable that the preference had much effect upon the trade operations of the fiscal year 1896-97, which closed on the 30th June, 1897. For comparative purposes, therefore, it seems fair to consider that year as the last prior to the preference.

It will be seen, then, from the following figures that since the preference went into operation there has been a steady and substantial increase of British imports to Canada.

IMPORTS ENTERED FOR CONSUMPTION FROM GREAT BRITAIN FOR THE YEARS 1897 TO 1901.

Year.				Dutiable.	Free.	Total.
				\$	\$	\$
1897	...	...	...	20,217,422	9,194,766	29,412,188
1898	...	...	...	22,556,479	9,944,438	32,500,917
1899	...	...	...	27,521,508	9,538,615	37,060,123
1900	...	...	...	31,561,756	13,227,974	44,789,730
1901	...	...	...	31,701,654	11,316,510	43,018,164

Comparing 1901 with 1897 there was an increase in British dutiable goods of 56 per cent.; free, 23 per cent.; and for the total, an increase of 46 per cent.

From the United States for the same period there were increases as follows:—

Dutiable	...	...	...	...	...	75 per cent.
Free	...	...	...	...	...	82 "
Total						79 "

From British colonies enjoying the preference the increases were thus:—

Dutiable	...	...	...	...	...	53 per cent.
Free	...	...	...	...	...	106 "
Total						73 "

The imports from all countries other than those mentioned increased at the following rates:—

Dutiable	...	...	...	...	...	32 per cent.
Free	...	...	...	...	...	41 "
Total						33 "

The total volume of imports from all countries increased in these ratios:—

Dutiable	...	...	...	...	...	60 per cent.
Free	...	...	...	...	...	67 "
Total						63 "

Attached hereto is a statement marked A showing the values of imports for the years 1897 and 1901, as regards total volume, Great Britain, United States, and other countries.

It will be noticed that the total dutiable imports increased in 1901 over 1897 by 60 per cent.—and that the same class of imports from Great Britain increased in practically the same proportion—the actual rate of increase being 56 per cent. When this is compared with the period from 1893 to 1897, when British dutiable imports decreased by 36 per cent., while those from the United States increased by 7 per cent., and from all other countries by 64 per cent., the showing is a gratifying one; and it is submitted it proves that the Canadian preferential tariff not only arrested the decline of British trade, but stimulated it.

Eighty-two per cent. of the dutiable goods entered for consumption last year (1901) from Great Britain came under the preference.

Particular attention should be directed to the fact that while British dutiable imports increased by 56 per cent. from 1897 to 1901 the increase in similar imports from all countries (exclusive of the United States) not enjoying the preference was at the rate of only 32 per cent.

Hereto attached, marked B, is a statement showing the principal increases from 1897 to 1901 in British imports.

In paragraph No. 11 of the memorandum styled "Effect of the Canadian Preferential Tariff on Trade between the United Kingdom and Canada," prepared in the Colonial Office, it is stated that a comparison of the percentages of the total import trade of Canada which came from the United Kingdom before and after the introduction of the preferential tariff respectively shows that the continuous decrease in the proportion of imports from the United Kingdom into Canada had not been arrested by the operation of the preferential tariff. It is true that Great Britain's proportion of Canada's total trade slightly decreased even with the preference in force, but it should be particularly noted that the preference only applies to dutiable goods. To ascertain the effect of the preferential tariff the comparison should therefore be made in regard to dutiable goods only. On this basis the figures show that whereas from 1893 to 1897 there was a decrease in the proportion of British imports from 45.61 per cent. to 30.53 per cent. in the following four-year period under the preference the average annual proportion was 30.29 per cent., and in 1901 it was 29.92 per cent.