

Foreign countries having increased their trade with Canada, it, of course, follows that Great Britain, with the advantage of the preference, has been in a much better position to do so.

The following table shows the average rates of duty paid on the importations for 1901 under the preferential tariff on the principal lines which are imported from Great Britain :—

PREFERENTIAL TARIFF.

	Per Cent.		Per Cent.
Cement	20·7	Gold and silver manufactures ...	20·0
Cottons	20·4	Gutta-percha manufactures ...	22·1
Drugs and chemicals ...	15·1	Hats and caps	20·0
Earthenware	20·0	Iron and steel	11·6
Fancy goods	22·2	Paints	7·6
Flax and jute	17·9	Paper and manufactures ...	18·9
Fur and manufactures ...	11·9	Silks	20·9
Glass	17·1	Woollens	23·0

It is contended that these rates admit of reasonable competition with the domestic producer in the Canadian market.

While on the whole the dutiable imports from Great Britain have increased materially under the operation of the preference, it is a matter of considerable surprise to find that the imports from foreign countries in quite a number of lines in which Britain chiefly competes, and to which the preference applies, have increased in as great a ratio as those from Britain, and in some cases at a greater rate. These statements, which are worthy of careful and serious consideration, are substantiated by the following figures :—

DUTIABLE IMPORTATIONS FOR CONSUMPTION INTO CANADA.

	1897.	1901.
	\$	\$
Silks from Great Britain	1,396,015	2,107,032
" other countries	592,290	1,618,991
Fancy goods from Great Britain ...	873,182	898,131
" other countries	607,524	1,032,582
Gloves and mitts from Great Britain ...	228,427	215,122
" other countries	287,951	487,456
Combs from Great Britain	35,399	54,137
" other countries	38,210	74,341
Collars and cuffs from Great Britain ...	30,119	25,612
" other countries	9,033	63,463
Buttons from Great Britain	31,113	30,352
" other countries	104,313	147,038
Furs from Great Britain	185,724	378,331
" other countries	210,774	587,060
Glass from Great Britain	187,888	352,204
" other countries	951,876	1,223,415
Hats, caps, and bonnets from Great Britain ...	694,342	893,501
" other countries	497,062	768,262
Gutta-percha and indiarubber manufactures from Great Britain ...	90,274	155,445
" other countries	227,701	454,446
Gold and silver manufactures from Great Britain ...	50,365	63,012
" other countries	245,778	296,634
Paints and colours from Great Britain ...	210,234	224,202
" other countries	309,211	544,641
Varnish and japans from Great Britain ...	24,910	36,166
" other countries	35,811	80,858

It might be remarked here that if any doubt exists in Britain as to the substantial nature of the preference granted by Canada in favour of British goods, certainly none exists in the United States. The manufacturers there have found it necessary to reduce their prices to Canada to offset the preference.

To conclude and to summarise it is respectfully submitted—

- (1.) That the preference is a very substantial and genuine one.
- (2.) That it gives British merchants a material advantage over foreign competitors in the Canadian markets.
- (3.) That the preferential rates are not too high to shut out reasonable competition with the Canadian producer.