

Sir WILFRID LAURIER : It is an additional tariff, call it what you please. You propose to add 1 or 2 per cent., and I do not care what kind of goods it is. The goods are foreign on which you levy the duties, or if that is not so then you introduce another element of disturbance. What you propose, Mr. Deakin, is that in addition to the tariff which in Canada is levied on an industry which in Australia is also levied up, you should put another one per cent. From my experience that question of one per cent. more or less causes very serious debates in the preparation of the tariff and I would not be prepared to follow that course, as in my opinion it would upset all that we have in view in framing the tariff.

Tenth Day.
2 May 1907.

IMPERIAL
SURTAX ON
FOREIGN IMPORTS.

Sir JOSEPH WARD : I am inclined to think. Lord Elgin, that as the matter is a new one altogether to me, at least, it had better be deferred.

Mr. DEAKIN : As we were deferring it I mentioned it now in order that when suggested again on the next occasion, it may be examined without further delay. The President of the Board of Trade could be heard to speak upon it.

Mr. LLOYD GEORGE : I would be prepared to speak to it, but I agree with Sir Wilfrid Laurier and Sir Joseph Ward that it is simply adding another complication to the one which is involved in the preferential proposal.

Mr. DEAKIN : This is a very complex Empire, and only complex means can deal with its needs.

Mr. LLOYD GEORGE : I think that very often the simplest proposals are those which deal most effectively with complicated situations.

Dr. JAMESON : I think it would be better to defer the discussion for the present.

Sir JOSEPH WARD : I should just like to say that at the first blush, I am inclined to think that this suggestion of a surtax is a mistake from the point of view of New Zealand. I am a supporter of Preference on certain articles as between our country and the Old Country. If there is any intermediate proposal of putting an all-round surtax upon all foreign goods into the Old Country as well as into our countries that is going to divert the more material one from the point of view in which I regard it in trying to bring about in the future an interchange by way of Preference between Britain and her Colonies. It would mean in our country that all we would require to do in our Customs tariff next year would be that instead of saying we had, say, an increase of 10 per cent. against foreign goods, which we have now to some extent upon some articles, it would mean making it 11 or 12½ per cent. I do not think that is the best way, and my belief is that it is far better for us by steamship and mail subsidies and reducing the cost of our cabling to try to bring about improved conditions which will be generally beneficial. I do not like to commit myself to the idea of Mr. Hofmeyr's suggestion—I have not read it myself—of a surtax. I think it better to work for preference upon certain articles between the old country and our countries.

Dr. SMARTT : You could ear-mark one per cent. of your preferential tariff for Imperial purposes.