

Eleventh Day.
6 May 1907.

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PREFERENTIAL
TRADE.

(Mr.
Lloyd George.)

weight of the arguments they addressed to the Conference on Thursday, to continue what I cannot help thinking for the practical purposes of this Conference is, after all, a purely theoretical discussion as to the rival merits of Free Trade and Protection. I should have been very pleased to have left the matter as it was dealt with in the speech of the Chancellor of the Exchequer; but Sir William Lyne and Dr. Smartt have since made certain statements, quoted certain figures, and used certain arguments, which, having regard to the fact that this debate is to be published, the Government cannot permit to go altogether unanswered. I had hoped we might have frankly acknowledged the limitations imposed upon us by the convictions we respectively hold, and which those who send us here hold, on fiscal issues, and that we could have proceeded on that understanding to take counsel with each other in order to ascertain whether it is not possible to find other means of serving the object we have a common interest in—means which would not bring either or any of us into conflict with convictions or constituents. We are quite aware that the Colonies regard a tax on our goods as well as on foreign goods to be necessary, not merely for the purpose of raising revenue, but for the protection of their own industries.

Mr. DEAKIN : A "duty."

Mr. LLOYD GEORGE : A "duty" on our goods—I do not mind the word. I am prepared to substitute that word. Mr. Deakin informed us in his impressive speech that the last general election in the Australian Commonwealth was fought on the issue of preferential tariffs within the Empire. I believe that at that election Mr. Deakin also sought and secured a mandate for raising the protective duties now levied by the Commonwealth against the importation of goods in which Britain drives a very considerable trade with the Australian consumer at the present moment.

Sir WILFRID LAURIER : I do not understand from Mr. Deakin that the last issue in the Australian elections had been directed to the question of preference or no preference.

Mr. DEAKIN : Mr. Lloyd George has inverted the order. There are two issues; the first issue, as we put it, was Protection.

Mr. LLOYD GEORGE : A higher tariff.

Mr. DEAKIN : Yes, because without the tariff we do not get the opportunity of preference. We mentioned preference second in order of importance. In logical order we say Protection and preferential trade. You in your argument take them in the inverse order. There is nothing in that. Both issues were submitted. I have convincing evidence of that in the statement made by the Leader of the Opposition when the House met two months ago, after the elections, in which he expressly acknowledged that those two issues had been submitted to the country and decided beyond any doubt whatever, although that decision was adverse to himself.

Mr. LLOYD GEORGE : I accept Mr. Deakin's statement. I am building my argument on that basis. It was quite open for the representatives of the Imperial Government at this Conference to have ignored this mandate, and to have endeavoured to commit their colleagues sitting round this table to a policy to which we knew in advance they could not