

Eleventh Day.
6 May 1907.

PREFERENTIAL
TRADE.

(Mr.
Lloyd George.)

inter-Imperial trade, provided such a scheme did not inflict sacrifices on any individual community so great as to produce a sense of grievance with the conditions of Empire, so deep as to introduce elements of discontent and discord into the confederation, and thus imperil its efficacy and maybe its continued existence as an organisation. We heartily concur in the view which has been presented by the Colonial Ministers that the Empire would be a great gainer if much of the products now purchased from foreign countries could be produced and purchased within the Empire. In Britain, we have the greatest market in the world. We are the greatest purchasers of produce raised or manufactured outside our own boundaries. A very large proportion of this produce could very well be raised in the Colonies, and any reasonable and workable plan that would tend to increase the proportion of the produce which is bought by us from the Colonies, and by the Colonies from us and from each other, must necessarily enhance the resources of the Empire as a whole. A considerable part of the surplus population of the United Kingdom which now goes to foreign lands in search of a livelihood might then find it to its profit to pitch its tents somewhere under the Flag, and the Empire would gain in riches of material and of men. We agree with our Colonial comrades, that all this is worth concerted effort, even if that effort at the outset costs us something. The federation of free Commonwealths is worth making some sacrifice for. One never knows when its strength may be essential to the great cause of human freedom, and that is priceless.

I am not one of those who believe that the value of great ideals is to be assessed always by Board of Trade returns. In the main purpose, therefore, which has brought you and ourselves to this Conference, we agree. We differ only on ways and means. But that is a difference which in my opinion can be bridged over by men honestly seeking the same end in the same spirit. But the first essential condition of co-operation under such circumstances is to recognise frankly and tolerantly each other's point of view and above all to shun pressing methods of solution about which there is an irreconcilable difference of principle. Let us rather search out other devices wherein common action is attainable, although the proposals made may not, in the opinion of partisans of rival schemes, be the most efficacious that could be devised. We have made sacrifices to found and maintain this great commonwealth of nations known as the British Empire in the past; we are still making sacrifices to the same end in the present. We are prepared to face even greater sacrifices in the future, but we are convinced that to tax the food of the people is to cast an undue share of that sacrifice on the poorest and most helpless part of our population, and that a tax on raw material would fetter us in the severe conflict we are waging with the most skilful trade competitors with whom any nation has ever yet been confronted. That would be a sacrifice which would diminish our power for further sacrifice, and we doubt the wisdom of making it.

May I also point out that in the resolution submitted by Mr. Deakin you are asking us to do what no protectionist country in the world would think of doing; you are asking us to tax necessities of either life or livelihood, which we cannot produce ourselves and of which you cannot for many a long year supply us with a sufficiency? And that is why we cannot see our way to agree to this particular method of drawing the Empire together which is contained in the resolution we are now discussing.

Mr. DEAKIN: Will you be good enough to take me as registering a formal objection whenever the word "tax" is used instead of "duty"? I tried to explain that duties are not always taxes.

Mr. LLOYD GEORGE: I do not wish to use words giving offence.