

Twelfth Day.
7 May 1907.

Mr. H. LLEWELLYN SMITH, C.B., Permanent Secretary to the Board of Trade.

Mr. A. WILSON FOX, C.B., Comptroller-General of the Commercial, Statistical, and Labour Departments of the Board of Trade.

Mr. G. J. STANLEY, C.M.G., of the Board of Trade.

Mr. ALGERNON LAW, of the Foreign Office.

Mr. THOMAS W. HOLDERNESS, C.S.I., of the India Office.

PREFERENTIAL
TRADE.

CHAIRMAN : I am not quite sure how the members of the Conference would wish to proceed at this particular point of our proceedings, but I think we are all agreed that we must, if possible, close the discussion on which we have been engaged the last few days during this sitting. I only wish to say with regard to myself, that I do not wish to detain the Conference by any intervention in this debate, because the case for the Government has been put by the heads of those departments of His Majesty's Government who are specially responsible, and, as far as I am concerned, I am entirely in accord with the principles and sentiments which they have expressed; but my friend, and the representative of the Colonial Office in the House of Commons, Mr. Churchill, would like to say a few words to the Conference on one particular side of this question of which he is specially in charge, and I ask the Conference to hear him now.

Mr. DEAKIN : We shall all be delighted.

Mr. WINSTON CHURCHILL : Lord Elgin, and gentlemen, the economic aspect, both from the point of view of trade and finance, of the question of Imperial Preference has already been dealt with very fully by the Chancellor of the Exchequer and the President of the Board of Trade, and I desire in the very few observations with which I shall venture to trespass upon the indulgence of the Conference to refer very little to the economic aspect, but rather to examine one or two points about this question of a political, of a Parliamentary, and almost of a diplomatic character. I want to consider for a moment what would be the effect of a system of preferences upon the course of Parliamentary business. The course of Colonial affairs in the House of Commons is not always very smooth or very simple to discover, and I am bound to say that, having for one-and-a-half years been responsible for the statements on behalf of this Department which are made to the House of Commons, I think enormous difficulties would be added to the discharge of Colonial business in the House of Commons if we were to involve ourselves in a system of reciprocal preferences. I think every one will agree, from whatever part of the King's dominions, or to whatever party he belongs, that Colonial affairs suffer very much when brought into the arena of British party politics. Sometimes it is one party and sometimes it is another which is concerned to interfere in the course of purely Colonial affairs, and I think such interferences are nearly always fraught with vexation and inconvenience to the Dominions affected. Now, the system of Imperial preference inevitably brings Colonial affairs into the Parliamentary and the party arena; and, if I may say so, it brings them into the most unpleasant part of Parliamentary and political work, that part which is concerned with raising the taxation for each year. It is very easy to talk about preference in the abstract and in general terms, and very many pleasant things can be said about mutual profits and the good feeling which accrues from