

Twelfth Day.

7 May 1907.

PREFERENTIAL
TRADE.

(Mr. Deakin.)

Those who followed Mr. Churchill closely will acquit me of, at all events, consciously distorting or exaggerating his arguments, and have pursued them very little further than he took them himself. Every one of his contentions was followed up only to a certain point, and fell very far short of its reasonable application. All his arguments right through, that friction in Parliament is undesirable, that constant discussions on financial matters, especially taxation, is relatively unprofitable and to be deprecated, that the arrangement of financial relations which are to the loss of one party and to the profit of the other are certain to aggravate the losing party—all those things were true, but were magnified and exaggerated so beyond all measure—that they temporarily hypnotised the Under Secretary, as he with his eloquence was hypnotising us. It is as a protest that I venture to urge that after all preference proposals do not differ materially from the ordinary financial proposals of each year. They may not match those contained in the recent Budget of prosperity which the Chancellor of the Exchequer has delivered, but belong to a class of proposals which this country will have to face as every other country has to face them when times of depression come, when income is short and has to be sought by new modes, when fresh departures have to be taken as they have been taken in our country in connection with land taxation, income taxes, and imposts generally of that sort. In regard to these, feeling does become heated and very fierce for a time, but it is only for a time. The same experience has to be gained in this country. There is nothing to differentiate essentially your dealing with preference from your dealing with other financial questions. No preference is proposed in perpetuity. Yet one argument of the Under Secretary seems to suggest that he was thinking of a preference that could not be departed from and to which no term was fixed, whereas other parts of his address showed that he realised that they were only treaties for fixed times, and bound to be reviewed, though during currency they were capable of being reviewed only by consent. I do not know whether that consent would ever be sought or given, but am perfectly certain that no self-governing community would entertain the project of parting with its rights over its own taxation for more than a very limited period. Each of the Dominions, having entered into a treaty of reciprocity for a limited period, would hold to it without undue exacerbation on the part of its politicians or people. We have tried it and therefore know. As a matter of fact, we have faced precisely the same kind of problems, precisely the same class of irritating questions, as Mr. Churchill considers preference must be. It has its risks like every proposal. It has all the risk of every movement forward. If you sit still you are comparatively safe; directly you advance you incur the chance of collision with obstacles; but every day we have to move individually. Every year let us hope our communities will move, and move onwards. Unless we are going to forego all advance we must take the consequences, the accompaniments of advance, namely, increase of responsibility. For my own part I should be very sorry to see any doctrine adopted which suggests that it is intended to wrap the British Empire in a napkin in case it should catch cold. To treat it as if it possessed so tender a cuticle that it could not be touched without permanent and fatal irritation, is to brand it as a poor organism incapable of coping with the ordinary difficulties in its path, or the necessary ailments which come from abuses or mistakes. I do not say that working out a complete and uniform and perfect system of preference is an easy thing. I only say that none of us believed or expected it can be done until after years of experience, but what we would have been quite satisfied with now would have been an experiment, no matter how small, so long as it was genuine, something tentative, something modest, even if only made by means of reductions of existing duties. We wish for something that will enable us to test experimentally, as for my part I think we ought to test these and other