

Twelfth Day.
7 May 1907.

PREFERENTIAL
TRADE.

Mr. DEAKIN: Surely there must be some proportion kept between cause and effect? Let me refer to one of your arguments, which is fair, but cannot be applied either as immediately or as strongly as you applied it; that is the argument that you cannot give a little without being obliged to give a great deal more. First, we cannot argue it, because that depends upon yourselves. Looking at the Commonwealth, if you tell us if we do something, we will have to do a great deal more, I say, my experience does not warrant that conclusion. It is perfectly true a new start may establish a tendency, if it is successful, encouraging you to go further, but if it is not successful it establishes a tendency to go back. We have gone back when we have thought we have made a mistake, and gone forward when we have thought we have made a success. When you start interfering with your industrial or economic system, even to improve it, you encourage demands from other portions of your community who wish to share the same advantages which they believe others receive. That is quite true. But really that is a contention which can be so universally applied against every legislative project and proposal no matter what it may be, that it has no particular force when associated with this proposal, at any rate, no more force than it has when associated with every form of legislative proposal. In some cases it would have less, and in others more force, but it is never more than a guess.

Mr. LLOYD GEORGE: May I just point out this—and one of Mr. Chamberlain's friends, Mr. Bonar Law, said it recently—that Mr. Chamberlain's idea when he started was not to go in for a general protective system, but purely to set up a system of preferential trading with the Colonies on the basis of a tax on corn; but he found when he looked at the whole problem that the demand for protection would be irresistible, and he tacked on a general system of protection to the preferential proposals.

Dr. JAMESON: That is a general system of protection, and not a general tariff with a view to giving preference to the Colonies. There is always this horrid word "protection."

Mr. LLOYD GEORGE: I said yesterday I do not want to quarrel about words. I will use the word "tariff." I do not want to beg the question by using words you do not accept. I only state the fact that Mr. Chamberlain found the demand would be irresistible, and he had really to supplement his proposals by a proposal for a general tariff. That was really the meaning of the Glasgow speech.

Mr. DEAKIN: May I come back to my argument in this way?—the proposal for a preferential tariff will benefit the Colonies. The people of Great Britain say it is a very admirable thing to benefit the Colonies, but then begin to ask Why should not we benefit ourselves at the same time and in the same way?

Mr. LLOYD GEORGE: They do not say so as a matter of fact.

Mr. DEAKIN: That was Mr. Chamberlain's line of advance.

Mr. LLOYD GEORGE: Yes, that was Mr. Chamberlain's proposal, and I think he did it under pressure. I am sure he was keen about the other.