

arrangement with you which would involve the expenditure of 400,000*l.*, and that you would contribute 200,000*l.* and we 200,000*l.*, that is one way of interpreting "equivalent contribution." The other is the way you have explained now, that we should contribute forty times as much.

Mr. F. R. MOOR : With about forty times as much at stake.

Mr. LLOYD GEORGE : No, it is not we who have come first of all to complain of present arrangements.

Mr. DEAKIN : First of all, we are 5,000,000 people and I have yet to learn that you number forty times that.

Mr. LLOYD GEORGE : The difference would be nearly ten to one.

Mr. DEAKIN : You are a little more than eight to one.

Mr. LLOYD GEORGE : One per cent. would mean that your share would be 50,000*l.*

Mr. DEAKIN : I will not touch that now. I will go into the figures later. The principle is that you put into this fund, for argument's sake, 800,000*l.*, and we 100,000*l.*, as far as we two are concerned. Then for any joint service you would consider how much of your 800,000*l.* you would devote towards it, and we should consider how much of our 100,000*l.* we should devote towards it. We should not be the only partners. Any proposal we were interested in, New Zealand might be and Canada might be, and others might be. But the idea is to have a joint fund. Roughly the amount contributed by each country to that fund should be within its own control to the extent that it could not be applied to any purposes until its legislature has approved of the proposal, which would set out how much the United Kingdom, how much Canada, how much Australia, and how much New Zealand contribute. The Legislatures do not let go of anything. They deal with their own money under this resolution as they do now, and unless they are satisfied a fair distribution has been arranged they will not pass it.

Mr. LLOYD GEORGE : Still, if it is a bargain between us and the Colonies that we should spend some four million pounds upon objects of this kind, we have to spend them somehow or break the treaty.

Mr. DEAKIN : Yes, while the treaty lasts.

Mr. LLOYD GEORGE : Before we enter into a bargain of that sort we have to see what it means.

Sir WILFRID LAURIER : You say it is to be a general fund, and if you create a general fund, how are you leaving it to the Legislatures to distribute?

Mr. DEAKIN : You have no choice between that and creating some other body which would displace our Legislatures. I think that is impossible.

Sir WILFRID LAURIER : You can leave it to each Legislature to do as much as it pleases without creating a fund.

Thirteenth Day.
8 May 1907.

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IMPERIAL
SURTAX ON
FOREIGN
IMPORTS.
(Mr. Lloyd
George.)