

anything about all those questions of detail. But, in order to fulfil my undertaking, I conclude with this brief exposition, and will answer questions as well as I can, if asked to make it complete.

Fourteenth Day.
9 May 1907.

IMPERIAL
SURTAX ON
FOREIGN
IMPORTS.
(Mr. Deakin.)

Mr. LLOYD GEORGE : Lord Elgin, and gentlemen, I am exceedingly obliged to Mr. Deakin and the Conference, for allowing me to take this matter first, because I have my Patents Bill in the House of Commons, and have to attend to the piloting of it through Committee.

The Chancellor of the Exchequer, in his speech last week, stated very clearly that the Government were quite prepared to consider, and to consider favourably, with a view to action, any workable scheme for improving Imperial inter-communications, and I understand that this proposal of Mr. Deakin's is a response to the appeal Mr. Asquith made for a workable scheme. As Mr. Deakin has put it, it is a business proposition.

The first thing I point out—as he has already pointed out in reply to Mr. Churchill's question—is that this is not exactly Mr. Hofmeyr's proposal, and I do not think it is Sir George Clarke's proposal.

Mr. DEAKIN : No; both of them had in mind an Imperial Council.

Mr. LLOYD GEORGE : Yes, but from another very important point of view Sir George Sydenham Clarke's proposal, and Mr. Hofmeyr's, were, I thought, more or less on the same lines. I understand that they proposed that a fund should be raised for Imperial purposes, but first amongst the Imperial purposes they placed the question of Imperial defence.

Mr. DEAKIN : Sir George Sydenham Clarke, in the latest development I have seen of his proposal in one of your reviews,* withdrew the proposal for defence altogether.

Mr. WINSTON CHURCHILL : Do you know what reasons he gave?

Mr. DEAKIN : The note I have of what he said was “that the difficulty of dealing with naval defence on an Imperial basis is very great. The Navy alone stands in the position of being a ubiquitous guardian and a proof of Empire, but its functions are inadequately understood at home, and far from being realised in greater Britain and the idea of an Imperial Navy to which all contribute, must, for the present, be abandoned.” That was said in a speech when he was Governor of Victoria, at Melbourne.

Mr. LLOYD GEORGE : I only point out that Imperial defence was an essential part of the scheme put forward by Mr. Hofmeyr, and I thought by Sir George Clarke when he proposed a levy of this kind. Otherwise they would not have dreamt of raising a sum of 5,000,000*l.* merely for the purpose of cables and matters of that sort.

Mr. DEAKIN : I merely suggest 1 per cent. as he did.

Mr. LLOYD GEORGE : But that is a rather important element for us. If Imperial defence were part of the scheme, it would be an admirable business proposition for us, because the contribution of the Colonies in

* See “Nineteenth Century,” May, 1904, p. 707.