

matter of wheat England would never give us any advantage, for the simple reason that by doing so she must increase the cost of the food of her people."

The perception of the difficulties in the way of preferential treatment on the part of Great Britain led to a difference of opinion among the delegates respecting that part of the resolution which related to this proposition. Mr. Suttor protested against the implied request that England should put a duty upon foreign goods.

Mr. Lee-Smith argued that on no account whatever "must we do anything in this room which will in the slightest possible manner hamper Great Britain in her trade relations with the world at large. Great Britain is a free-trade country; it must necessarily continue to be a free-trade country if it is going to preserve that pre-eminent position which it already holds, and which I hope it will always hold, in the commercial affairs of the world." It was, however, urged on the other hand, and especially by the Canadian representatives and by Mr. Playford, that a general customs arrangement between Great Britain and her Colonies was desirable.

Mr. Playford said: "We are expressing an opinion to the Mother Country that she should treat her own Colonies a little better than she treats foreign nations, and that she ought to give them some slight advantage, the Colonies at the same time being willing to reciprocate and give her an advantage over foreign countries. It will be a benefit that will be appreciated on both sides; it will be an advantage to all of us; and I contend it would be a very considerable advantage to the Mother Country in the long run, as well as to the Colonies."

It was put, by way of general suggestion, that each part of the Empire should give British products from other parts an advantage to the extent of five or ten per cent *ad valorem*; that is to say, to take the most obvious plan, the tariffs in the various Colonies would remain the same as at present against foreign countries, but a certain percentage of the charge would be remitted in the case of British imports. Thus there would be a maximum and a minimum tariff.

I did not consider myself authorised to make any observations on the merits of this proposal, but I drew attention to the relative proportions of the Colonial and foreign trade of the United Kingdom, and to the fact that three-fourths of the whole trade is outside the Empire.

It is an obvious consideration that the proposals would involve a fundamental change in the financial policy of Great Britain. A remission of duties in certain cases is of course easily effected in Colonies which possess a heavy customs tariff, as, for instance, when 25 per cent is the ordinary charge; and it is proposed to reduce this in certain cases to 20 per cent. But in Great Britain the institution of a differential tariff would involve the special creation of a customs tariff against all foreign Powers in respect of the articles, whatever they might be, which would have to be favoured on importation from the Colonies. The proposal, in short, means in the Colonies the remission of existing taxation, but in Great Britain the creation of new taxation; not a mere variation in the existing machinery, but the introduction of a new system.

But though this change of policy in Great Britain may be neither necessary nor practicable under present conditions, it may be said that the general feeling of the Conference was that the question will assume a different