

of purely national interests, the other to closer Imperial unity, and to the recognition of advantages in mutual co-operation in trade. If when our task is finished we can say that we have definitely taken this latter road, the actual distance progressed is of minor importance, because progress will continue, and in the future we shall always be approaching nearer and nearer to the goal.

It will be in your minds, as it is in ours, that as a result of the change in our fiscal policy this Conference has a degree of freedom which has been denied to earlier Conferences. Though the field open to us in the past has been limited, the principle of imperial preference has been recognized and the preferences we were able to give have been of considerable value. Those given in respect of commodities such as sugar, wine, tobacco, coffee, dried fruits, and the preferences under the McKenna duties have been a real stimulus to Empire trade. Now under the new policy which our country has adopted we have given to the Empire a wide extension of preference under the Import Duties Act, by which free entry has been provisionally granted. It is now open to us to deal over a wider field, and we trust that we may find opportunity of taking full advantage of this new freedom.

While we have thus given what is, I think, the greatest privilege that can be extended to sister nations, namely, free entry, I want once again gratefully to acknowledge, as I have done on previous occasions, the help that our country has received from the preferences voluntarily given by the Dominions, and in doing so I desire to express our warm appreciation of what has been done in that direction. Even now, however, we have by no means exhausted the field of mutual preference. Of the trade carried on by the Empire, 70 per cent is still with foreign countries, only 30 per cent among ourselves. Were conditions to remain as they are, the possibilities of expansion to-day are enormous, but looking to future generations, as population increases, the scope can hardly be measured. Development may come more quickly than we anticipate. When George III ascended the throne, the population of Great Britain was only seven millions. By the end of his reign it had doubled and a hundred years later that doubled population had trebled. In the life of a people 100 years is but a brief span.

Looking at the situation from another aspect, the trend to-day is towards larger units. International trade is so hampered by barriers of all kinds that a strong opinion is developing in favour of groups, not necessarily political in character, but offering to members economic advantages in the mutual opening of markets. No one suggests that complete free trade within the Empire is possible. Considerations of revenue and of past policy stand in the way. But equally there can be no doubt that more constant communications and more complete information about Imperial market requirements would, if properly focussed, present Governments with opportunities of securing trade with other countries of the Empire, and of making commercial arrangements with other groups of nations such as could hardly be reached if each Government acted alone.

What then should be the first aim of this Conference? It should be to clear out the channels of trade among ourselves. For that purpose we need not measure too closely or too exactly the relative value of preferences given and received. If we all approach the problem with a view to seeing how much each can contribute to the common stock without detriment to our own national interests, we shall not need to concern ourselves with the relative advantages obtained by each, since we shall know that an increase in the purchasing power of any member of the Empire must show itself in increased Imperial trade, and the prosperity of each will add to the prosperity of all.

The present universal depression makes the extension and improvement of Imperial trade a matter of urgent importance to all parts of the Empire. The extension and greater activity of Empire trade is the most hopeful means of stimulating demand in the world markets and of restoring a sound level of wholesale commodity prices.

When I speak of the Empire, I am thinking, not only of the Dominions and India, but also of the Colonies, where a keen desire exists for mutual trade with the whole Imperial connection. Colonial territories are situated mainly in tropical latitudes, and they mostly produce food and raw materials, buying manufactures in return. In recent months the Colonies have considerably extended both in range and area the preferences which have long been established as an important feature of policy, and their desire to play their part in fostering Empire trade is shown by the fact that these preferences are Empire wide.

On our side the United Kingdom have recently granted further extensive preferences to the Colonies, a decision justified on material as well as sentimental