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Exhibit 5A
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the manner in which the principle may be employed, and the method of its application. Emphasis is laid upon the fact that "the basis of the proposal is the adequate protection to industries now existent, or yet to be established", and this is further emphasized by the statement:

"It follows, therefore, that this proposed preference should not be considered as a step towards Empire free trade. In our opinion Empire free trade is neither desirable nor possible, for it would defeat the very purpose we are striving to achieve."

Of the "offer" I shall speak in a moment.

Then follows:

"But whatever modifications may be found necessary, these will not adversely affect - nay, they cannot but make more beneficial and lasting - the broad principle of Empire protection. . . ."

"Consistent with the fullest inquiry into the application of the principle of an Empire preference, our deliberations must be governed by the time factor. If this change in our eco-

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