

England was placed, stated that in the last resort the battle would be won not by the armies in the field but by silver bullets. And everything that has taken place since goes to show that the judgment of Mr. Lloyd George at that time was well founded.

Germany's Greatest Asset is to Ruin the Trade of Great Britain

"The powerful armies which have been fighting with one another for the last six months with varying success and with no marked result on one side or the other, may continue to do so with little progress. Already it is apparent that this war is to be a war of attrition, that the power will win—shall win—whose resources will enable it to withstand the struggle the longest. Germany understands that to-day. Germany, having failed to crush France, having failed to crush Russia, understands that if she wins at all it can only be in one way, and that is by ruining the trade of Great Britain. If she can ruin the trade of Great Britain she can hope for success, but, unless she is able to dislocate the trade of Great Britain, her hope of success is gone. Therefore Germany has adopted new tactics, and one of her tactics is to destroy the trade of Great Britain. She has surrounded the British Isles with a cordon of submarines with instructions to pounce upon every ship that comes in or goes out. To-day we learn that three ships have been sunk in that way. On top of all this, all the trade that may escape the submarines and reach its destination in Canada will fall under the taxing machine of the Canadian Government. Is this what we had reason to expect? Is this the policy which my hon. friends ought to have adopted under such circumstances as those with which we are now confronted? (Applause and cheers.)

The Preferential Tariff

"When the policy of decreasing the duties on British goods was adopted in 1897, it was adopted as a bond of union as well as an economic measure, and everybody will agree that it has been reasonably successful. It has increased our trade with Great Britain in such a way as we never expected it would; it has more than trebled our imports; it has more than quadrupled our exports; and under it Canada has been prosperous as she never was before at any time in her history. (Prolonged cheers.)

Preference Never Popular with Tories

"I am well aware that this policy never was popular with a certain large section of the Conservative party. They never dared attack it openly; they waited for their opportunity, and England's danger they made their opportunity. If we were