

—total, 13,700,000*l.* Having put these two general sets of figures before you, let us now note the respective positions which Britain and foreign countries hold in the Australian market. The changes that have taken place during the last 40 years disclose this: the average annual import into Australia in the decennial periods, beginning in 1860 and ending in 1905, that last period being five years only, was, for the first period, from the United Kingdom, 12,400,000*l.*; foreign countries, 4,00,000*l.*; the next period (1870–79), from the United Kingdom, 14,400,000*l.*; foreign countries, 4,000,000*l.*; the next period (1880–89), from the United Kingdom, 21,700,000*l.*; foreign countries, 6,900,000*l.*; the next decennial period (1890–99), from the United Kingdom, 18,400,000*l.*; foreign countries, 7,500,000*l.*; and the last quinquennial period (1900–05), from the United Kingdom, 20,800,000*l.*; foreign countries, 13,700,000*l.* Putting it in another way, if the trade of the United Kingdom be represented by 100, then the foreign imports into Australia for those periods are represented by 32, 28, 32, 41, and 66 respectively, showing a very remarkable growth in the latter period.

Eighth Day.
30 April 1907.

PREFERENTIAL
TRADE.
(Mr. Deakin.)

Mr. LLOYD GEORGE: You have not the exports to foreign countries!

Mr. DEAKIN: Not in this. They, too, show an increase.

Mr. ASQUITH: Foreign countries have been buying your goods and paying for them by selling their goods to you.

Mr. DEAKIN: Buying more wool. Formerly you took nearly all our wool, but now foreign nations take a share. Those figures show that a change is taking place in the character of Australian imports, and what that change is. The most important developments in the foreign trade of our country have been those manifested during the last 20 years of that period. If we use quinquennial instead of decennial periods the returns of the Statistician's Office in Sydney which have been generally relied upon in local discussions show that in 1881–85 the imports from the United Kingdom represented a value of 24,400,000*l.* as compared with 6,800,000*l.* from foreign countries, the latter being 28 per cent. of the former; in 1901–05 the respective values were 20,400,000*l.* and 13,800,000*l.*, the imports of Australia from foreign countries being, therefore, 67·5 per cent. of the imports from the United Kingdom. Put that another way. While British exports to Australia fell away during the 20 years to the extent of 4,000,000*l.*, foreign exports were increased by 7,000,000*l.* Here let me guard against a misapprehension. The development of Australian industries, to which in some quarters this great shifting of our purchases has been attributed, cannot be pleaded as a sufficient cause for the decline of the British-Australian trade, because, as the figures just cited show, however local production may have grown, and whatever other influence it may have had upon our growth there has been a substantial increase in the combined British and foreign imports into Australia during the past 20 years. It is not necessary for the purpose of this argument to trace in detail the classes of British goods that are being replaced by foreign-made goods, but, speaking generally, and taking the year 1885 as the point of comparison, the trade returns show substantial losses of British trade are caused by foreign gains in haberdashery and apparel, cement, earthen and china ware, cabinet and upholstery ware, glass manufactures, hardware and cutlery, wrought and unwrought leather, paper, silk manufactures, some classes of woollens, and many other articles of minor importance. The character of the losses of British