

Eighth Day.
30 April 1907.

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PREFERENTIAL
TRADE.
(Mr. Deakin.)

a low scale, while other goods have to pay high import duties. This is Preference carried to an extreme. It has the full effect intended by its authors of restricting German Colonies to German commerce. But, beyond this, both on their home and colonial railways, German goods intended for export are carried at almost nominal rates.

France adopts a somewhat similar position. The laws regulating the commerce of that country with her Colonies and Dependencies are so framed as to discriminate largely in favour of French products and French shipping. Some little time ago an endeavour was made to open a market for Australian produce in France; it was then found that butter coming from Australia was subject to more than twice the duty imposed on the produce of the United States, Denmark, Belgium, and other countries, the produce of these States being in turn subject to a considerable impost. In fact, the French market was practically and designedly shut to our produce. Nor do our disabilities end with duties on manufactured goods, for though few countries deliberately put duties on raw material of manufactures, yet America levies over 50 per cent. on Australian wool, and this practically closes the American market to the chief Australian staple. It is needless to recapitulate the various difficulties which the Australian exporter has to contend with in all other countries than Great Britain, especially while the Mother Country herself will not discriminate between us. The only articles which foreign countries seem willing to take are raw materials absolutely necessary for their own manufactures. This is a subject which, from the British point of view alone, might be pressed very far. Of course, that is not my business. We have to face the facts as we find them, dealing so far as we can with political attacks upon trade by a political defence of trade, and undertaking any reprisals which may be necessary to that end.

On all sides the export trade of Australia is blocked by ever increasing barriers erected by foreign countries. Europe ought to be an excellent market for Australian mutton and beef, as many European workpeople hardly ever have meat to eat—or do not regularly have meat to eat—yet we have practically no trade of this kind whatever with any European country except England. Nearly every European Government has erected, in the interests of its agrarian population, restrictions either by way of customs duties or of regulations ostensibly in the interests of health, which effectually prevent the development of trade. I am indebted to Mr. Coghlan, the Agent-General for New South Wales, who recently visited Germany, for the information that the wholesale price of mutton there is over 6*d.* per pound. That country imposes upon meat a duty of seven-eighths of a penny per pound, with the immediate possibility of an increase to 2½*d.*, which is the duty fixed under the new tariff. In any circumstances this latter duty is prohibitive, but in order to make it absolutely certain that no Australian mutton can be sent to Germany, the line of steamers trading between Germany and Australia, which is subsidised by the German Government, is expressly debarred by its charter from bringing into Germany from Australia fresh or frozen meat, butter, dairy produce, and cereals. Here, again, a shipping subsidy strikes, and strikes hard, against British trade. As if this were not enough to prevent importation there are restrictions, nominally in the interests of sanitation, of the most rigorous order. It is provided, for example, that in regard to frozen beef, the breast, peritoneum, lungs, heart, kidneys, and in the case of cows, the udder also with the lymphatic glands belonging thereto, must be united to the carcase in their natural arrangement. Carcases divided into halves must be packed together, and the head of the lower jaw with the masticatory muscles must be imported with the carcase in such a way that it can be seen at a glance that they belong to it. This provision would exclude, as it is intended to exclude, Australian meat from the German market, even if there were no duty. A similar system is now being proposed,