

Eighth Day.
30 April 1907.

PREFERENTIAL
TRADE.
(Mr. Deakin.)

preference to them, the first obligation upon every British Parliament is to consider its own citizens, its own industries, and its own advantage first. So far as you might think it right to exclude us and everyone else from your own markets in order to maintain, or retain, or extend any kind of production or interest of your own, it would be impossible for us to raise one word of complaint. That is entirely a matter for the discretion of the people and the Parliament of Great Britain. May I be forgiven for even mentioning this truism, because it occasionally is inferred that the attitude we adopt is of another character—that we are looking for some sort of eleemosynary aid which is to be given in consideration of our youth and inexperience. We may be youthful, but in this matter we are fairly experienced. In our own tariffs we distinctly study our own interests, and hold that the same duty rests as seriously upon the Government and representatives of the people of this country as it does upon us. We approach this question of preference with that preliminary admission, it ought not to be necessary to mention it, that of course our proposal is made, admitting that, first of all, you should consider your own industries, your own production, and your own people, and impose whatever duties you think fit in regard to them. Only after that should you undertake to go further and enter upon the question of preference, when you see it to be to your advantage so to do. I use the word “advantage” in that last connection, as going, perhaps, beyond pounds, shillings, and pence, either in the matter of revenue received or preference conceded. If the result of granting a preference is, for instance, to largely build up the Dominions beyond the Seas, it should be remembered that they were, are, and are likely to remain the best customers of this country. Consequently you have a direct trade interest in multiplying their population and increasing their consuming power by means of preferences.

The question of preference comes in only after you have considered your own interests, your own social system, your own financial system, your own industrial system, and whatever else you think fit to take into account. On this matter we have no dogmas; our own method is to study each industry and its needs, or each kind of production, by itself in a business light, and to see how far it is likely to pay the country to foster it or to ignore it. Just in the degree that we deem it to be a good business proposition, we undertake without fear the experiment of fiscally assisting it. If it appears to us an unattractive business proposition, we let it alone. We are bound by no shibboleths; we simply, to the best of our ability, deal with our duties as a merchant deals with his own business in his own interest. Preference for Preference we hope and believe would be profitable to both. We have the strongest reasons, we think, for believing it; at all events, we are satisfied that it could be made profitable to us.

There is one illustration of the method we ourselves attempt to apply, which appears to us to be practical. It is in a Blue Book published in 1904, headed “East India Tariffs; Views of the Government of India on the question of Preferential Tariffs.” To that is annexed a general report as to which I have nothing to say, as it relates to India. I find Enclosure No. 1 is a minute of Sir Edward Law, K.C.M.G., C.S.I., Financial Member of the Council of the Viceroy and Governor-General of India, dated 31st August, 1903. What is valuable is the manner in which the relation of India to each country is treated. It is handled precisely as we endeavour to handle each proposal for a new customs duty—either its increase or its decrease—but here it is treated in relation to the possibilities of retaliation. Each country that trades with India is taken separately; the *quantum* of the trade is given; the subject matter of that trade defined; its value to the customer country is considered; and the trade from India to that country is also passed in review. That memorandum exhibits exactly the method in which in the Commonwealth we endeavour to approach any such proposals. Sir Edward