

Mr. H. E. KEARLEY, M.P., Parliamentary Secretary to the Board of Trade.

Ninth Day.
1 May 1907.

Sir E. W. HAMILTON, G.C.B., K.C.V.O., Permanent Financial Secretary to the Treasury.

Mr. H. LLEWELLYN SMITH, C.B., Permanent Secretary to the Board of Trade.

Mr. A. WILSON FOX, C.B., Comptroller-General of the Commercial, Statistical, and Labour Departments of the Board of Trade.

Mr. G. J. STANLEY, C.M.G., of the Board of Trade.

CHAIRMAN : Mr. Deakin, will you resume ?

PREFERENTIAL
TRADE.

Mr. DEAKIN : Lord Elgin and gentlemen, I should like to say in the first place that the *précis* which appears in the newspapers this morning was very kindly submitted to me yesterday afternoon, and I am responsible for it. It appears, however, that some attention has been called to the figures quoted, probably an error due to a misprint. I have also to say that not reading the whole of the manuscript, there is one sentence in it which I should certainly have altered, because I did not use the phrase, and would have carefully avoided using it. It is that in which I refer to a power of this Empire to bring foreign countries to their knees. I certainly laid great stress on the power of this country, but avoided, as far as my memory serves me—and I certainly intended to avoid—any expression of that kind, which, although it might be a summary of my argument, is conveyed in a form that I prefer not to adopt. But, as I have said, the responsibility is mine; the *précis* was presented to me and that I did not read every sentence of it was my own fault.

Yesterday I was endeavouring to bring to a conclusion my criticism of preferential proposals or possible preferential proposals having regard to the circumstances of Australia. I necessarily dealt in figures, but with the proportions of totals, rather than with the totals themselves. In the Commonwealth, though the increase of population has been much smaller than we could have desired, the extension of settlement and advances in production have proceeded by leaps and bounds. In recent years, owing largely to improved methods of cultivation and machinery better adapted to our agricultural conditions we have had immense increases in our exports. These, of course, have affected every branch of our business—imports as well as exports. You have to look at the figures relating to Australia always with the recollection that you are considering a community that, taking any period of years together, is marching onward with very rapid strides, always buying much more and selling much more as it grows. If you look, therefore, at our gross totals, you will say that these appear satisfactory and, subject to the qualifications which follow after any analysis of totals of that general kind, are satisfactory. If you look, therefore, at the totals of our trade either with the Mother Country or with foreign countries, you will notice large increases, though I have passed these by—and perhaps it was an omission—without calling attention to them. All our figures up to now must be dealt with recollecting that they relate to an ascending scale. It would occupy far more time than I would be justified in occupying, even after attention had been called to them, in order to dissect those figures so as to determine their particular applicability to special issues. It seems sufficient, and I hope it will prove to have been sufficient, to adopt the percentage method instead. Hardly referring to total trade, I have referred always to its ratio, its progress, its distribution. Again, in considering the question of the possible