

Mr. ASQUITH : It imports a good deal.

Mr. LLOYD GEORGE : Germany imports more than France.

Mr. DEAKIN : Yes; but both France and Germany, in contrast with Great Britain, are agricultural producers themselves.

Mr. LLOYD GEORGE : There is increased importation of wheat every year in Germany.

Mr. DEAKIN : I should think there would be owing to the development of their manufactures.

Mr. ASQUITH : And the increase of their population.

Mr. DEAKIN : Yes, their population has increased very materially with the increase of employment.

Mr. ASQUITH : I only interrupted to clear it up as we go along.

Mr. DEAKIN : Quite so. Fiscal questions interest us a great deal, and I was rather afraid how far I should travel if I did not limit myself to one line of argument. I am speaking now from notes.

Mr. ASQUITH : This concrete part, if I may venture to say so, is most important.

Mr. DEAKIN : Without going further into details or multiplying proofs, it may, therefore, be broadly asserted that Australia obtains fair play from no foreign country. Until a different attitude is adopted by such rivals our chief hope of expansion lies in the further development of the trade we already enjoy with the Mother Country. Although we receive neither more nor less consideration here than they do, it would be well worth our while to enter into an equitable arrangement with you to do so, if only because of the business possibilities of that trade. Your market is a very valuable market and an open market, while their markets, however valuable, in great degree, except for raw materials and only for some of those, remain closed markets. The next question is whether we are helpless, whether we have no means left to us of protecting ourselves and helping each other against the offensive action of foreign rivals. From the latest published returns it would appear that Britain and British possessions purchase annually goods to the enormous value of 800 millions sterling. Out of this sum the share of the Mother Country alone amounts to 565 millions, of which, it may be said in passing, only 50 millions are at present the subject of any duty.

A careful analysis of the imports into Great Britain has been made for me, and from this it would appear that, excluding wool from the 565 millions just referred to, 213,000,000*l.* represents the value of produce which Australia could supply wholly or in part. At the present time, the import of Great Britain from Australia of these goods is not more than 10,000,000*l.*, while produce to the value of 42 millions is obtained from other British possessions. This shows that the share of foreign countries in British trade is 160,000,000*l.*—that is to say, more than 16 times that obtained by Australia, and between three and four times that of the whole of the British possessions taken together. As I have said elsewhere, in modern markets it is the seller who

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PREFERENTIAL
TRADE.