

Ninth Day.
1 May 1907.

PREFERENTIAL
TRADE.

(Mr. F. R. Moor.)

volume of production is the cheapest method for such production. Having those large markets, our competitors must to that extent have a far greater advantage as against our limited population represented by these islands and the other countries that happen to be within our control or purview here.

I wish to point out also that this is going on in a more insidious and perhaps more mischievous way against us all than is at present realised. Your competitors are to day dealing with raw materials at the fountain heads, and, as has been already pointed out, they are diverting from you here those raw materials for their own ends to work them up, and in working them up to pay their own people the wages for the manufactured articles which will eventually come directly into competition with you here and also in the Colonies. It has been pointed out that a large amount of wool has been diverted from Australia directly to your strongest competitors. This is going on in South Africa. Mr. Asquith pointedly asked my colleague, Dr. Jameson, how this was affecting the position of preference. By subsidies as regards steamers, by rebates on State railways in those countries, force is being employed against you to direct that raw material from your manufactures here. That is having a very serious effect as regards your getting that commodity in sufficient quantities to keep you going as against that competition. I do hope that in talking over preference we are not going to limit it only to tariff reform, but we are going to embrace all the different links that connect us in our industrial progress throughout the whole process of such methods. The cheapening of your shipping freights, as has been pointed out by Sir Joseph Ward, is a very great advantage. The rapidity by which the intercommunication is to be brought about it not to be calculated, but on the top of all that, if we are to have these railway rates so adjusted as to further give the advantage to those who are competing against you, you have to be very much alive to see how far such insidious methods are leading you and your industries to a very serious position. We realise it in South Africa, because we have had there, and we unfortunately have now, a tremendous trouble as regards these railway rates, and they have just as important a bearing on the whole problem as the shipping rates and other elements that lead to the progress of our industries.

I have had brought to my notice by the shipping people in South Africa this condition of things, and I have been asked to call attention to it at this Conference. It is very difficult to ascertain what amount of advantage is being given to some of your competitors in this direction. I am unable to give you in any way the slightest indication as to that, but surely with your means of getting information you should be alive to this condition of things. We, in South Africa, I am also informed, are likely to have one of the most powerful lines of steamers operating in these markets. This is a recent development, and it is going to have under present circumstances, I believe, a very profound effect as regards the trade conditions of that country.

When we talk of preference I wish all the different elements to be taken into consideration. It covers the whole ground, and wherever we can assist each other by that means we are going to promote to that extent our mutual interests. Perhaps it is rather impudent of me to say that I am neither a Free Trader nor a Protectionist. I think these past shibboleths have been perhaps mischievous in crystallising us to one or other set of ideas. I believe in a discriminating scientific tariff which is so adjusted as to meet our interests to the utmost without committing ourselves either to one or the other policy. We in South Africa have as many articles on our free list as we have on our protected one. That tariff, although it is not a perfect tariff—and we can never hope to have a perfect tariff, because a tariff, like a growing tree, is ever throwing out fresh branches, and ever having fresh requirements to adjust itself to a growing industry—I say we must always be adjusting and re-adjusting our tariff to meet the changing conditions of