

Mr. ASQUITH : As regards wine and spirits, I pointed out yesterday, I believe, that under no preferential system anywhere is that given.

Tenth Day.
2 May 1907.

Dr. JAMESON : We have the list here where Australia and Canada give it.

PREFERENTIAL
TRADE.

Mr. ASQUITH : I know you have given it as between Colonies—a very small affair—but Canada does not give us any preference on spirits either upon the General or Intermediate Tariff, nor, if we take the Intermediate Tariff as the standard, upon wine either, and none of the Colonies either give or propose to give us any on either wine or spirits.

Dr. SMARTT : The whole amount of those figures is 28,000*l.* sent to Great Britain. With a much smaller population than there is at present, with preferential treatment on wine, the amount of money paid to the Cape for wine alone was formerly at least four or five times the whole amount now.

Mr. ASQUITH : It is quite possible, but that is not due to mere changes in tariffs but to improved cultivation and improvement in taste. I sincerely hope the Cape wine will become a large and flourishing industry.

Dr. JAMESON : It is very significant that it went down from about 130,000*l.* to nothing, from the date the scale was changed.

Mr. ASQUITH : The whole question of alcohol and wine is one which is very difficult, and it affects our relations with France, Spain, Portugal and Germany. It is one which you cannot deal with in an isolated way. What I am pointing out to the Conference—and I took the Cape as a very good illustration—is that you cannot possibly give a preference which shall be anything like an even-handed preference as between the different Colonies of the Empire unless you include in it raw materials as well as food. No human ingenuity could do it. That is a fact, and a very important fact.

Now, I will come to what is, after all, the crux of the whole matter. If I can only create a preferential tariff in favour of the Colonies by taxing food and raw materials, that is to say, by imposing a duty upon foreign food and upon foreign raw materials which I do not impose upon Colonial food and Colonial raw materials, not only, as I said a few moments ago, am I practically abandoning the very citadel of our fiscal position, but in the opinion of His Majesty's Government, and in the opinion of the majority of the people of this country, I am curtailing the sources of supply and raising the price of the necessities of life and the necessities of industry.

Sir WILLIAM LYNE : That is what I dispute.

Mr. ASQUITH : I know you dispute it, and Sir Joseph Ward said yesterday in his admirable speech that if he thought it would have that effect he would not be in favour of preference. I was very glad to hear him say so, and I am quite sure he would not. He does not think it would have that effect, and Sir William Lyne does not think it, and probably the majority of you here do not think it. But we think it would, and the people of this country think it would, and they believe that they have the best grounds for so thinking—grounds founded upon experience. Let me state our position—I am not arguing it—it may be right or it may be wrong. This is the position which is held by Great Britain and by the majority of the British people. When you impose an import duty upon a commodity which is a necessary of life or of industry, one or the other, and when the commodity is of such a kind that you cannot substantially make up the supply that you want from domestic sources—given those two conditions