

Tenth Day.

2 May 1907.

PREFERENTIAL
TRADE.

(Mr. Asquith.)

and I carefully limit my proposition in that way—sooner or later, though the process may be delayed or deflected for a time, that duty appears in added cost to the consumer. You may think that is nonsense, but that is what we believe to be true. It is what the people of this country believe is true, and so long as they believe that to be true, they will give no Chancellor of the Exchequer—I do not care what political party he belongs to—any mandate or authority to impose a duty upon the things in those two columns, which are the necessities of life in the first column—wheat, meat, butter, and so forth—and which are the necessities of industry, many of them, in the second column—wool, wood, and the rest of it. They will not do it. You may think they are wrong, but that is their view. Further, they hold the view, which is also the view of His Majesty's Government, that if you were to impose such a duty, and if the duty had the effect which we believe it would have of raising the cost of these necessities of life or industry to the bulk of our population, it would not only have that effect, but by raising the cost—because you cannot have two prices in the same market—of the whole of the supply, it would put into the Exchequer a comparatively limited proportion to other quarters. There, again, you fly in the face of one of the fundamental principles and rules of our Free Trade system.

Of course, gentlemen, you will not agree with many of the things I am saying. You think, no doubt, other people are right, and that our economic system belongs to the age of the dodo or some other prehistoric period. You may think we are all wandering in Cimmerian darkness. But we are 43,000,000 people, still the richest in the world, still not afraid to speak with our commercial enemy in the gate, and convinced that no system of preference such as you have been advocating with so much ability round this board during the last few days can be adopted in Great Britain which does not involve taxation of our sources of supply, both of food and raw materials, and a consequent enhancement in the cost of the necessities of life and of industry, and a corresponding and necessary curtailment in the area and profitableness of the whole of our productive industries. That is our position, and I state it with the utmost frankness, reciprocating the frankness with which you have been good enough to address us; and I am sure you will forgive me if I have used plain language and not equivocated or beaten about the bush. That is our position, and that being so, it is impossible for His Majesty's Government, anxious as they are by every means in their power to promote the commercial development as well as the Imperial unity of this great fabric for which we are jointly responsible, to recommend to Parliament any such fundamental change in the fiscal system of this country as would be involved in the adoption of the proposals which you have laid before us. But I say, and this shall be my final word, while I could not recommend anything in the nature of Colonial preference by the manipulation of tariffs there are many ways in which I think it is not only the interest but the duty of the Imperial Parliament to promote the commercial interests of the rest of the Empire. I associate myself with a good deal of what was said by Mr. Deakin, and particularly with what was said by Sir Joseph Ward, and also I think by Mr. Moor. I have no doubt that in South Africa as in New Zealand you suffer from what may be called artificial impediments, for instance the subsidising of these foreign lines of steamers, and the imperfection or undeveloped condition of our means of communication as between the different parts of the Empire.

Mr. F. R. MOOR : And the rates on state railways.

Mr. ASQUITH : There again that is an intricate thing with which it is difficult for us to deal. Take the important point raised by Sir Joseph Ward