

Tenth Day.
2 May 1907.

PREFERENTIAL
TRADE.

(Mr. Asquith.)

twilight and darkness—fiscal twilight—and the time may come when we shall have a rude awakening. We may think, on the other hand, that Free Trade within the Empire will be recognised as an ideal which all the various communities of the Empire ought to aid in constructing. But I am pointing out so long as the British people have taken Free Trade as the basis of their fiscal system, that is to say, so long as they impose duties for revenue and for revenue only, by seeking to introduce this element of a penal duty directed against foreign produce, the Imperial motive being to benefit your own Colonies and Dependencies, you are introducing something into the system which is absolutely alien to it, which cannot be reconciled with it, and which will sooner or later, and even at once, develop an antagonism which in the course of time must lead either to the exclusion of the new element or to the complete abrogation of the old system. There is no compromise possible between the two. I say that on general grounds. I say while it is easy for you, although practically difficult, as I have shown by the illustrations I have given, in principle to grant preference to us consistently with your protective systems, it is impossible for us to do it without giving the go-by to the very first principles upon which our fiscal system, be it right or wrong, has been established. But let me add to that. What is it that we are to prefer? I have here a table which shows the exports to the United Kingdom—and these would be the subjects of possible Preference—from our various self-governing Colonies that are represented round this table. This is for the year 1905, which I think are the latest full figures available. They are classified here under four headings: "Food, drink, and tobacco" is the first column; "Raw materials and articles mainly unmanufactured" is the second column; "Articles wholly or mainly manufactured" is the third column; and the fourth column is "Bullion and specie." I do not think we need trouble about bullion and specie. Nobody proposes to give a preference to that.

Mr. DEAKIN : We all give a preference to it.

Mr. ASQUITH : There is a natural preference we all accord to it; but I do not think it enters into this problem.

Under the first column, taking the self-governing Colonies, Australia, New Zealand, Canada, Newfoundland, Cape of Good Hope, and Natal, in food, drink, and tobacco, our imports, or rather your exports to us, were 27,742,000*l*. We have not figures for the Transvaal yet. I daresay what appears to come from the Cape would include Transvaal produce and perhaps some that comes through Natal too. I only say that by way of explanation, "Food, drink, and tobacco" is 27½ millions, roughly speaking. "Raw materials and articles mainly unmanufactured" 32,495,000*l*.—32½ millions, roughly speaking; "Articles wholly or mainly manufactured," 5,569,000*l*. The Cape and Natal figures are only for 1904. These are the latest figures we have, and they will do roughly for the purpose. I do not pledge myself to precise accuracy. The members of the Conference will see that of the total importations to United Kingdom from the self-governing Colonies, while only 5½ millions are articles wholly or mainly manufactured, 27½ millions come under the category of food, drink, and tobacco, and 32½ millions under the category of raw material. It is therefore obvious that any preference which we can give which is not to be a nugatory preference, but is to be of real value to the Colonies, must be a preference which applies to one or other or both of the first two columns. A preference given to this comparatively insignificant quantity of manufactured goods, 5½ millions, would be of little or no value to the Colonies themselves. If we are to give you a preference of any value we must give it either on food or raw materials, or on both, the considerably larger item according to these figures being raw materials.