

British workman, and to give him the work and wages that now go to the foreigner. I think there is no question about that.

Preferential trade between the German States made that country the great and mighty country it is. Prior to that they were scattered units, but with the advent of the policy of giving their own people better terms than the foreigner and of protection against the outside world the broken units became a great and mighty Empire. Of course, the cases are not exactly parallel; for the German States were all equally old settled countries with no wide difference between the social circumstances of the workers, while in Australia infant industries have to be built up, and the high social condition of the workers must be maintained at all costs. So to put the Australian manufactured goods on an equality as regards price with those of Britain, it is necessary to have some slight duty even on the latter's goods, though this duty will be only trifling compared with that on foreign. Whilst dealing with this question let me add it would be, I think, incomprehensible for anyone to argue that in a great country like we have, and great Colonies such as Great Britain has, with a production of raw material to the extent we have (sufficient to supply Great Britain with all she wants, and a great deal more) we should not protect against outside foreign manufacture mainly. We want to deal, if we can, with Great Britain, but we also want to increase our numbers and wealth by employment on manufactures, and to make ourselves what we should be, a greater country than we are; and a populous country can only be made by the establishment of manufactures.

The German Zollverein in some respects resembles the present proposals for preferential trade within the British Empire. It was founded because the producers of the separate States saw they were being ruined by the policy of isolation followed by each. A Customs union throughout the Empire was brought about, and the foundation laid of their future greatness. Our Empire may look for equal success if we give greater privileges to each other than to foreign nations. What I emphatically complain of in the able speech I listened to this morning is—it was placing our own flesh and blood, our own kith and kin, in the same category as the foreigner.

It may reasonably be asked what we expect in return. We are making or seeking no stipulated bargain. The whole of this question is founded on aspirations and ideals very much higher than that. It is the unity of the Empire that we are looking to, and we believe that preferential trade will bring this about at no cost to Great Britain. I will just refer briefly to a few of the chief items from your last trade returns with which your Colonies could readily supply you. This is the importation that you have taken from foreign countries:—Grain and flour, 70,000,000*l.* worth; wool, 25,000,000*l.*; meat, 41,000,000*l.*; sugar, 39,000,000*l.*; butter, 21,000,000*l.*; wine, 4,000,000*l.*; cheese, 6,000,000*l.*; leather, 8,000,000*l.*; and eggs, 7,000,000*l.* Now there is a margin there of importation which comes mainly from the foreigner; that we seek emphatically to be given an opportunity over the foreigner to supply, and at no greater price, the margin of trade with which you enrich the foreigner but apparently do not wish to help your Colonies with, is sufficient to leave a great margin for your Colonies to supply to the consumer of Great Britain; whilst from various parts of the British Empire could be obtained immensely increased quantities of the tea, coffee, fruits, cotton, tobacco, and other like products which you now obtain from the foreigner. The slight preference which in the past has been suggested from you in return would not, I venture to assert, make your people one penny the poorer, but it would give an additional revenue at the expense of the foreigner. The Chancellor this morning—or I rather think it was Sir James Mackay—when asked the question at whose expense was it, who paid the difference, who paid the extra cost, said, in the increased trade to Russia

Tenth Day.
2 May 1907.

PREFERENTIAL
TRADE.
(Sir W. Lyne.)