

Tenth Day.
2 May 1907.
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PREFERENTIAL
TRADE.
(Sir W. Lyne.)

Empire's outposts, are compelled to warn you of the dangers we see attacking the whole of the Empire. You cannot know, except on paper and in cold type—and that is not the best way of knowing—what is to a large extent the feeling regarding what is occurring.

Britain herself is specially interested in this question, for the Colonies, with their vast expanse of territory and immense resources, must develop, must expand, and the only question with us is whether our trade is to increase with Great Britain, or with Britain's competitors, which it is doing now. If with the former, the Empire must prosper; if with the latter, our competitors will gain the benefits Britain is entitled to reap. Australia's raw products are in such great demand all over the world that financially it may seem of little immediate moment to Australia whether they are disposed of in the markets of Great Britain or in those of the foreigner; and that is a matter that is coming very uppermost in the minds of our people too. But when I see trade slipping away from Britain, which trade in years gone by has employed, and in many years should employ, greater numbers of her working people I am struck by the injustice being done. I do not want you to be misled by those who tell you that if Britain refuses the preference suggested, we shall of necessity make treaties elsewhere. No, Australia is loyal, but that action may compel us to sell our wares to the foreigner instead of to Britain, and we are doing it to a very large extent in some parts now. We can only warn you of what we see, and when you have the full knowledge of things before you, we must, as has been said to-day, and said more than once, leave the matter entirely in the hands of the British people.

When I see our Australian harbours, formerly filled with British ships, now largely filled with foreign, am I not bound as a member of the Empire to tell you of the impression it has made upon my mind? Twenty years ago as one looked over the vast expanse of Sydney harbour you saw the British flag flying at nearly every masthead. Shortly before I left last month a great proportion of the shipping in the harbour was foreign; I found on further inquiry that nearly half the shipping in Sydney harbour when we left was foreign and a great proportion of it was from France. Huge German steamers were at the wharves and in the bay. These carry products of German manufacture to us and some of them are liberally subsidised by their Government to enable their merchants to land their goods on our shores at prices below British; and so they do. Great American liners, Japanese boats liberally subsidised by that far-seeing government, French steamers and "sailers," the latter waiting for our wheat crop; but subsidised by the Government. I saw these cutting into trade that was in years gone by wholly British. When we realise that naval supremacy must largely depend upon mercantile supremacy, surely this increase of the foreigner at the expense of Britain must make us pause and consider if all is well. As a matter of fact some of those great steamers are ready to be converted into armed cruisers—that I know—and to attack British shipping, if the opportunity should ever arise. I can recollect the early sixties when Britain's imports at Sydney Harbour reached 4,000,000*l.* while German imports only amounted to 20,000*l.*, and when 200,000*l.* worth of goods only reached Sydney from the whole of Europe outside Britain. Then out of the total tonnage in Australian waters, 93 per cent. was British and of the crews, 90 per cent. were Britishers.

One word as to a remark made by Mr. Lloyd George regarding the question of 40,000 men increase, I think it was, being taken to the Navy from the mercantile marine. That was referred to in the Shipping Conference and in the paper laid on the table by the shippers; in reply I laid another paper on the table, which I think quite met that statement; there it is to speak for itself.