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It was not until 1881 that the increase of foreign shipping began to become noticeable. Last year only 18.9 per cent. of the outward trade of New South Wales went to the United Kingdom, as compared with 22.5 per cent. to foreign countries, and of the inward and outward tonnage of New South Wales shipping, the United Kingdom only furnished 16.8 per cent. of the whole as compared with 22 per cent. furnished by foreign countries. That, my Lord, in itself, is an answer to all the very clever, and if I may be permitted to say so, round-about arguments, that are made to try and prove something else. Those facts—and I think my Prime Minister will say I deal in facts as a rule—were submitted to me after very considerable work by the Department over which I preside, that is the Customs Department of the whole of Australia, and therefore, I think you will admit they must be correct or fairly correct. When you see as one can state positively, that this is taking place in Australia, then I think surely it must have some effect upon those who deal with this question in the United Kingdom.

In New South Wales, the foreign tonnage has increased since 1880 from 172,855 to 1,221,389 tons, and approximately last year, 7,400,000 tons of shipping entered and left Australian waters, of which less than 2,000,000 tons went to or came direct from the United Kingdom.

During the last 12 years, for which figures are available, the tonnage of the United Kingdom in Australian waters has increased by only 41 per cent, while that of Germany has increased by 155 per cent., United States by 89 per cent., and foreign, as a whole, by over 100 per cent.

Mr. LLOYD GEORGE: What are the actual figures without the percentage?

Sir WILLIAM LYNE: I have not them with me, but I believe I have them all.

Mr. LLOYD GEORGE: Percentages are a little misleading unless we get the actual figures.

Sir WILLIAM LYNE: I will try and get the figures for you.

Mr. DEAKIN: The totals also are apt to be misleading without the percentages.

Mr. LLOYD GEORGE: Yes, I should like them both.

Sir WILLIAM LYNE: Still the shipping returns after all are only like a finger pointing to dangers ahead, and Great Britain still possesses 35 per cent. of the external tonnage in Australian waters, or just equal to that of the foreigner. I want to say in regard to this, that a great question is, is there anything that will weaken the position of Australia or any of the over-sea British Dominions, and make a hostile nation attack quicker, than lessening the bonds of commerce with the Empire, and the balance of that commerce being taken by the foreigner? It seems to me that there is nothing that will do greater harm in the future than this.

It is in the trade returns that we see far more disastrous results have occurred 20 years ago, of 34,000,000*l*. worth of imports, 25,000,000*l*. worth was from Great Britain, or 73 per cent. Last year, of 38,000,000*l*. imported, only 23,000,000*l*. worth came from Great Britain, or actually 2,000,000*l*. less in the total than 20 years earlier, and showing an all round loss of 13 per

Tenth Day. 2 May 1907.

PREFERENTIAL TRADE. (Sir W. Lvne.)