

Tenth Day.

2 May 1907.

PREFERENTIAL
TRADE.

(Sir W. Lyne.)

from India, though having a higher tariff, "the consumer." In actual practice where you do not put duty on for revenue purposes, and where you reasonably can produce it yourselves or manufacture it, it is the foreigner pays and not the consumer, and that was demonstrated to an extent that never should be questioned in the effect of the German tariff when introduced by Prince Bismarck. If any one would take the trouble to read the opening speech when he introduced his tariff, his prophecy of what would take place six or seven years afterwards, and to read his speech six or seven years afterwards giving in detail the results, they could not, if they followed argument at all, say that in those cases to which I have referred the consumer pays much. The producer who is receiving those goods helps to maintain the treasury of the Empire, but it would give an additional revenue at the expense of the foreigner and create a fund—and I want to emphasise this—out of which your country could follow Australia's example and pay pensions to your old folk who are in need of a well-earned rest in their declining years, and in doing so relieve the community of the enormous burden of poor rates which now fall so heavily upon your middle classes.

I may say that in New South Wales the effect of a Protective tariff, small as it is, averagely low as it is, has given that country a revenue through the Customs which has enabled it to pay about 600,000*l.* a year as pensions to the poor of the community. We are enabled to give them 10*s.* or if man and wife, 1*l.* a week, and if it had not been for the increased revenue we get through the Customs we would have had difficulty to carry that out.

Opponents shelter themselves behind the plea that such preference will raise the cost of food to the working classes. That such is not the case may be seen from the fact that in 1902, when a duty of 1*s.* per quarter was imposed on wheat in Great Britain, the price fell slightly (it can be proved whether that is true or not), while it rose soon after Mr. Ritchie took off the tax. Again, in 1902, when the duty on wheat was raised in Germany, the price fell 9 per cent., and in France in 1895, when the duty was raised, bread fell 7 per cent.

Now, I give you these instances where the statement that has been made and the argument that has been relied upon are absolutely shown to be fallacious. In fact, tariffs on wheat, unless excessive, have very little influence on the price. It is a commodity regulated far more by conditions of exchange, currency, transport and production. That is what I said previously; give us your market and it will cheapen our cost of production, cheapen our cost, and we can supply you cheaper than we are doing to-day. Also, it is often forgotten in Britain—where popular opinion is that only a small proportion of the wheat used is supplied by British Possessions—that Great Britain itself is a British Possession, and counting "home" supplies and Colonial it will surprise many to learn (and it did surprise me) that in 1905 55 per cent. of the wheat consumed in Britain was British production, and only 45 per cent. foreign. When these facts are borne in mind, what becomes of the argument of those who allege—mistakenly allege, I say—that a duty of 2*s.* a quarter on wheat would raise the price of bread. I conceive that contention is ridiculous. Yet this little duty of 3*d.* per bushel would encourage the Colonies to put 15 to 20 million more acres of their land under wheat, and to find employment for at least 200,000 more men—Britons I hope—and I wish again to say—I referred to it this morning—that the way in which that could help to be done to a large extent is giving opportunity to a quantity of wheat to be grown in centres; giving the Railway Commissioners, as they are now trying to do in New South Wales the opportunity of taking that wheat in full train loads and in bulk, with special trains at a cheaper rate than they can take it now, although they carry it about or nearly 400 miles for 4*d.* per bushel, and it would enable the ship to receive the