

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

power. They are too dependent upon British trade, seeing that over 40 per cent. of their whole exports are sold within the British dominions, but that is not in Great Britain. In trade England alone takes from America and Germany goods to the value of 150,000,000*l.*, while they only take 54,000,000*l.* of English goods. The United States total exports to Britain and British Colonies amounts to 143,000,000*l.* annually, or nearly 50 per cent. of their total exports, and they will not jeopardise this market I feel sure. Rather, if properly handled, they and other nations will take off some of the burdens they now place on our export trade with them.

One of the most common arguments against preferential trade is that its adoption would lead to reprisals, and would tend to endanger the peaceful relationship of the British Empire with the other nations.

In view of the fiscal policies of the various nations it is remarkable that such an argument should be heard. As each individual justly claims the right to arrange his domestic affairs so that they may contribute the maximum amount of happiness and advantage to his family, so surely each nation has the right and undisputed privilege of preserving the welfare of its people and protecting the fruits of their industry.

I do not wish to go over the figures that Mr. Deakin gave. I have most of them, and I will only mention that the British possessions purchase the enormous sum of 800,000,000*l.* worth of goods annually. Great Britain alone purchases annually 565,000,000*l.* worth, of which only 49,878,000*l.* are at present subject to any duty. Herein—in this huge purchasing power if all combine, lies the strength of the British Empire. Foreign nations, which now refuse to buy our goods on equal terms with those of other nations, will treat, and gladly treat, with the British Empire for the sake of gaining or retaining portions of this immense trade. The power over foreign nations, given by the possession of this great market to be opened or closed at will, cannot be too widely realised, and the Empire's future depends on all combining and using this power to meet attacks by foreign nations on any part of the Empire.

This leads us to another view, and perhaps the most important one, of the advantages to be gained by preferential trade. The Empire creates nearly three times the amount of productive employment in Germany and the United States that these countries create in England.

Mr. LLOYD GEORGE : How is that, Sir William ?

Sir WILLIAM LYNE : That is so, and I have obtained that information from certain of the Australian offices here.

Mr. LLOYD GEORGE : That the trade of the British Empire creates nearly three times the amount of productive employment in Germany and the United States as it does in England ?

Sir WILLIAM LYNE : It acts in diverting; and what it has diverted and what it will divert into Germany and the United States is to make three times the amount of profitable employment that it does in Great Britain. It has diverted an immense quantity of trade—for instance, a great deal from Australia to Germany—and it is diverting a great deal to the United States that ought to be here and is not, and you do not get the employment.

Dr. JAMESON : If you got it all, you would have three times as much work to do.

Mr. LLOYD GEORGE : That is what I want to know. I do not want to challenge it, but I want to know what the proposition is.