

Mr. DEAKIN : They do not give offence, but they imply something which is not necessarily implied in our proposals for duties and certainly not implied in all of them.

Eleventh Day.
6 May 1907.

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PREFERENTIAL
TRADE.

Mr. LLOYD GEORGE : I will use the words you are most accustomed to here, but, as the Chancellor of the Exchequer points out, the word I use corresponds with the facts from our point of view.

Mr. DEAKIN : It may or may not apply.

Mr. LLOYD GEORGE : However, I do not want to use the word if I can possibly use another word to which common consent can be given.

Mr. DEAKIN : A duty is not necessarily a tax upon the consumer.

Mr. LLOYD GEORGE : But before I proceed to consider alternatives which have been suggested, I am sorry that I have to take a little time in referring to some figures which were used by Sir William Lyne, and some criticisms passed by, I think, Dr. Smartt, upon our present commercial position. I gather from these speeches, and I think also from Mr. Deakin's speech, that there is an opinion that our trade is on the down grade.

Mr. DEAKIN : No, only proportionately; the amount of British trade must be taken in proportion to the trade of other countries. Our idea is that if in any year or period you desire to measure the trade of a country, you look not only to the gross output of that country but to the general circumstances of commerce throughout the world and in reference to particular communities. You must measure your own commerce against the growth of commerce elsewhere, by the results in particular countries. It is only by those means that you can enable the figures of one year to be compared strictly with the figures of another year. A season of world-wide depression affects all figures, and if you look at your figures alone you might say British trade is falling off seriously, but when you look at the figures for the rest of the world you may find it is not so, and *vice versa*.

Mr. LLOYD GEORGE : Then on the whole I gather that Mr. Deakin would direct his observations rather to our foreign trade.

Mr. DEAKIN : To its proportions to your own.

Mr. LLOYD GEORGE : And in comparison with our foreign competitors.

Mr. ASQUITH : The comparative rate of growth.

Mr. LLOYD GEORGE : The comparative rate of growth. Sir William Lyne is especially distressed about our condition, and if he had been here, I should have been very happy to try and cheer him up with a few figures.

Mr. DEAKIN : Unfortunately he is in Sheffield this morning.

Mr. LLOYD GEORGE : I am so anxious to reassure him on the subject, because I could see he was altogether very unhappy about it. I would take first of all the point Mr. Deakin has made now—our position in comparison with foreign countries.