

Eleventh Day.

6 May 1907.

PREFERENTIAL
TRADE.

Mr. LLOYD GEORGE : I am not reflecting upon our own shipowners, but that is very largely due to the extraordinary skilful management of a most magnificent organisation.

Mr. DEAKIN : That adds to it.

Mr. LLOYD GEORGE : There is no doubt about that. Fortunately some time ago the late Government appointed a committee to inquire into shipping subsidies, and I think by way of giving confidence to my friend Sir William Lyne, I ought at once to say that four out of the six members of the Committee appointed for that purpose were strong Tariff Reformers. They heard a good deal of evidence; they examined a good many documents; they sat long and they sat late; and after I think weeks, if not months, of careful sifting of all the evidence, they came to a conclusion which was unhesitatingly adverse to a policy of general government subsidies for British shipping. As this is a matter of great moment, I will make no apology for referring to the conclusions arrived at by this important Committee. I will not read them out but I will put them in : —

RECOMMENDATIONS OF THE SELECT COMMITTEE ON STEAMSHIP SUBSIDIES.

“Your Committee trust, in conclusion, that they have collected a large amount of valuable information; they are not directed by the terms of the reference to make recommendations, but it may be convenient to summarize their opinions expressed in the course of this Report. They are :—

“1. That the granting of shipping subsidies at considerable pecuniary cost by foreign Governments has favoured the development of competition against British shipowners and trade upon the principal routes of ocean communication, and assisted in the transfer from British to continental ports of some branches of foreign and colonial trade; but that, notwithstanding the fostering effect of subsidies upon foreign competition, British steam shipping and trade have in the main held their own, and under fair conditions British shipowners are able to maintain the maritime commerce of the country.

“2. That subsidies are the minor factor, and commercial skill and industry the major factors, of the recent development of the shipping and trade of certain foreign countries, and notably of Germany, where, for example, the granting of through bills of lading *viâ* the State railways has had an important effect. In some other countries subsidies have led to no satisfactory results.

“3. That the subsidies given by foreign Governments to selected lines or owners tend to restrict free competition, and so to facilitate the establishment of federations and shipping rings, and therefore that no subsidy should be granted without Government control over maximum rates of freight and over this combination of subsidised with unsubsidised owners to restrict competition.

“4. That the competition of British shipowners with their commercial rivals upon fair conditions, without Government interference by way of subsidies, or by way of control of freights is more healthy, and likely to be more beneficial to the nation and Empire than a State-subsidised, and State-controlled system under which the shipowner would have to depend less upon his individual energy and skill, and more upon the favour and support of the Government.