

Mr. DEAKIN : I do not think that policy has anything to do with it.

Thirteenth Day.
8 May 1907.

Mr. LLOYD GEORGE : Of the total tonnage entered and cleared with cargoes at United Kingdom ports in trade with our Colonies and Possessions in 1906, only one-third per cent. was Russian, and none American. So it would hardly hit America.

COASTWISE
TRADE.

Mr. DEAKIN : Do you say we have no trade in American ships ?

Mr. LLOYD GEORGE : None. Of the total tonnage entered and cleared with cargoes in the United Kingdom in trade with our Colonies and Possessions in 1906, none were American.

Mr. DEAKIN : We have American boats plying on our coast.

Mr. LLOYD GEORGE : I suppose they buy something from you. You would not like to turn them out.

Mr. DEAKIN : You said we had none.

Mr. LLOYD GEORGE : None at the United Kingdom ports.

Mr. DEAKIN : There are some with us.

Mr. LLOYD GEORGE : Limited in this way, the proposal could confer little practical benefit. If the principle be extended further, it is likely to expose our shipping to reprisals. This is what I want to impress upon the Conference more especially. We have nearly half the merchant shipping of the world, and it is to our advantage to keep open every trade to that shipping so far as possible. If we reserve certain valuable trades to our flag, other countries will probably follow suit. But they will probably do more than this, and will look about to find other means of combating or counter-acting our action either by increased subsidies to their own shipping or by some other steps. Moreover, it is to be remembered that the foreign ships which we should exclude from this particular trade will not be destroyed; they will continue to trade, and will probably compete for freight more keenly than ever in the foreign trade which is still open to them. This foreign trade largely exceeds the Colonial trade in magnitude, and it is quite possible, therefore, that we might lose at least as much as we gained by excluding these vessels from our Colonial trade. That is exactly what happens in France. They exclude us from their coasting trade, with the result that we enter more keenly into the international trade and beat French ships in French oversea trade. This argument refers chiefly to inter-Imperial trade. The reservation or opening of the coasting trade proper of each part of the Empire is (subject to treaty provisions) a matter for local concern, as I have already pointed out. The matter may be illustrated by one or two figures. I find that the total entrances and clearances of British shipping throughout the world do not fall far short of 250,000,000 tons per annum. The total tonnage of foreign ships entered and cleared in British inter-Imperial trade is less than five million tons. This represents the maximum extension of our shipping trade that might conceivably be brought about by a scheme of reserving trade to British ships. Owing to the vastness of our Mercantile Marine in every part of the world the tonnage exposed to possible reprisals or to increased