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Thirteenth Day. 8 May 1907.

COASTWISE
TRADE.
(Mr.
Lloyd George.)

liner to deal with Australia at all upon the terms upon which it is dealing. It could not do it if it were not that it gets a little trade like that on the coast—an occasional passenger, or it may be a ton or two of cargo. Naturally passengers in Australia prefer going in a big liner of that sort to going in a small vessel engaged between one port and another. As the result of the Bill as it stands, which it is proposed to introduce into the Commonwealth Parliament, the British liner will be driven out of that trade, and will have to reconsider the whole of its position. When we are discussing the question of increased facilities and subsidies in order to improve transport, I would say that a far more effective thing than subsidies would be to treat these ships fairly in this matter. The proposed conditions are quite prohibitive.

Mr. DEAKIN: They might be, if we adopt such conditions. It is, of course, possible to push those conditions to a prohibitive point, but the Government Bill has not yet been drafted. The only Bill you have seen is a Bill prepared by a Commission, two of whose members were associated with my colleague, Sir William Lyne, at your Conference. The Government has yet to consider its own proposals in that regard. I am at a disadvantage in the unexpected absence of my colleague who would have taken up the whole of this question.

Mr. LLOYD GEORGE: I wish he had been here.

Mr. DEAKIN: He has the whole subject at his fingers' ends, not only because it is his department and not mine, but because he has been a member of the Imperial ('ommission here last month at which this question has been exhaustively discussed, while I have to go back to our local Commission and what it proposed some time ago. Our Government has proposed nothing.

Mr. LLOYD GEORGE: Sir William Lyne's attitude was rather militant against our ships.

Mr. DEAKIN: No doubt Sir William Lyne would make the best case he could.

Dr. JAMESON: I do not like it used as an argument against the whole question of preference, but I do hope Australia, in the person of Mr. Deakin, will consider what Mr. Lloyd George has said, because it is very interesting for the first time to have a preference asked for by the Imperial Government from a Colony on those lines.

Mr. DEAKIN: It is very hard to resist that.

Mr. LLOYD GEORGE: As I put it, before you proceed with preference, I think you had better start with equality—and we have not had that yet.

Mr. DEAKIN: We first start with equality and hope for something better—preference.

Mr. LLOYD GEORGE: We will found preference on equality.

Mr. DEAKIN: When I have the opportunity of putting the case to the Commonwealth Parliament in favour of a distinct discrimination on hehalf of British shipping, I shall be able to mention how you, with tears in your voice, pleaded for preference.