

omitting to give substantial reductions on the few items on which they might trade, would never enable us to arrive at a satisfactory conclusion. My contention is that it would be advisable if the government should consider this matter of sufficient importance to request the Minister of Trade and Commerce or some other party deputed by the government to meet the Australian government representatives, to sit down with them to consider an arrangement, concession for concession, and to endeavour, in that way, to arrive at some mutual sacrifices by which the volume of our trade would be increased.

Mr. EMMERSON. The hon. member said that, under certain circumstances, our manufacturers could compete in the Australian market with American manufacturers. If we could do that in Australia why is it that we could not do it in our own market? My hon. friend said that, with a very slight reduction, I think he even specified 5 per cent on boots and shoes and several other articles, we could compete against the United States in the Australian market, and yet the contention of my hon. friend, as I understand, would be that we cannot in our own market compete against the manufacturers of the United States with respect to these particular articles. Then my hon. friend argues that we should have participated in such a policy because it would tend to build up our shipping trade on the Pacific. I presume the same argument would apply with respect to enlarging our trade with the United States, that it would have the effect of building up our shipping and coasting trade on the Atlantic seacoast.

Mr. AMES. The hon. member for Westmorland (Mr. Emmerson) will admit that the first requisite, if a country is to export manufactured articles, is that it should be able to retain its home market. Unless we can be sure of our home market it is not probable that we will have very much to export. I am a strong advocate of retaining our home market and if, after our home market is supplied, we can get, in other portions of the globe, preferential terms, we shall probably be able to cheapen the very articles here as well, through the fact that a larger quantity of articles permits a less cost of production.

Mr. EMMERSON. What about the shipping?

Hon. G. E. FOSTER (Minister of Trade and Commerce). We have had a very nice, sociable discussion, undertaken and carried out in good spirit, and I believe that the speeches which have been made, particularly the one just made by my hon. friend (Mr. Ames), will be of very great value not only to members of this House, but also

Mr. AMES.

generally as exposing, in a very frank, plain and comprehensive way, the groundwork for possible trade between ourselves and the Commonwealth of Australia. Looked at in one way there is a sameness of production between Canada and Australia which does not augur very well for a mutual interchange on a preferential or reciprocity basis. Looked at in another way, taking into account the two considerations of which we sometimes lose sight, that in the first place there is a reciprocity of seasons between Canada and Australia and in the second place a reciprocity of certain productions along quite an extended plane, we see that, outside of the great bulk which is common to both countries, there is a very wide margin for successful and remunerative exchanges between Canada and Australia.

If we add to that certain preferences which might be given by each and which will enable each in the markets of the other to meet competition from outside countries that have not that preference, I do not think we are entering upon a hopeless quest when we endeavour to carry out from this time forward what my hon. friends formerly in their government attempted to carry out in their time with the purpose of bettering the trade relations between the two governments. Frankly speaking, I have no fault to find in this respect with the administration of my right hon. friend (Sir Wilfrid Laurier). I think the ten years which have passed and which have now been succeeded by another régime, were particularly unfavourable to the consummation of a trade arrangement between Canada and Australia mainly from the fact, which has been alluded to by my hon. friend, that matters political were always strenuous in Australia, and there was no very decided certainty of the tenure of office of any government which happened to be in power. Looking over and studying carefully all the negotiations which have taken place during the last ten years, we see that they have proceeded upon the plane of endeavouring to get some arrangement and to link that arrangement up on as wide a basis as possible, but at the same time willing to take the initial step upon a distinctly narrower basis in the hope that there would be an eventual widening of it. There is a point for difference of opinion as to whether it was wise to make a proposal looking to preference for preference under the conditions which exist rather than to take a little longer time and try and secure a trade arrangement upon a more mutually profitable and commercially extended basis. Taking the 294 items upon which they give the British trade preference; it looks large when it is put down in columns on paper, it would seem