

from the farmers of that province, and if you add to these purchases, semi-manufactured farm products, canned goods and such like, the purchases of farm products of that one paper mill company alone were in excess of \$1,000,000 last year. I mention that to illustrate to hon. members who have shown so little interest in our industrial development just how important these industries are.

Further, the paper industry, as is well known, pays to labour in this country in excess of 40 per cent of the returns they receive for their finished product. That is an important factor at the present time; it is always an important consideration. How far can our newsprint business with Australia be increased? That is a fair question. It is a question that should be considered when this treaty is being revised. Under the present treaty the British preference gives us free entry, an advantage of three pounds per ton, and we are supplying about one-third of Australia's requirements. It is not too much to expect that at the present rate of increase we will eventually supply one-half of Australia's requirements, thus dividing the Australian market equally with Great Britain. Let me express in figures just what that means. It means that our newsprint business with Australia is capable of development to the extent of at least \$2,000,000 a year, bringing our present exports to Australia, which last year aggregated \$4,220,250, up to approximately \$6,000,000 annually.

It is interesting to note the extent to which the mills of my province profit by the Australian treaty at the present time. I have it from the association that the value of our paper exported from British Columbia to Australia last year was \$1,150,000, which again is but 40 per cent of the exports from Canada. So much for newsprint.

I come to the question of lumber. The lumbering industry is undoubtedly one of the outstanding industries of the Pacific coast. As yet it has received no advantage whatever from any treaty that has been negotiated with Australia. There is as hon. gentlemen probably know a present import duty into Australia on what is known as Oregon pine, being what we call in Canada Douglas fir. This import duty is 8 shillings per thousand feet and applies to hemlock as well as fir, whether it comes from the United States or from Canada. It is interesting to note where the Canadian lumberman is getting off in this competition. In 1922, Australia imported 159,000,000 feet of fir. I will ask hon. members to include in that, hemlock; probably few of them will know the difference.

Some hon. MEMBERS: Oh, oh.

Mr. McRAE: What I meant by saying that few would know the difference was this: It is technical. Those in the trade will understand how difficult it is to distinguish between the two woods. I can say this: After being in the business for many years, for nearly a generation, I am not always able to distinguish the difference myself. In Australian imports it all goes in as Oregon pine.

In 1922, Canada had 36 per cent of the fir timber shipments to Australia. We find that Australia in 1923 imported 237,000,000 feet, and our share of that trade fell off to 33 per cent. Every other foot came from the United States. In 1928, Australia imported 212,000,000 feet, and our share had fallen down to 13 per cent. In 1929, the year just closed, Australia imported 266,000,000 feet, of which Canada supplied only 57,240,000 feet. This is a decrease as compared with the amount we supplied in 1923 of nearly 25 per cent.

Where does all this lumber come from? Of the 266,000,000 feet imported by Australia last year, roughly 210,000,000 feet came from the United States. That seems peculiar, but it is a fact nevertheless. It is partially due to the excessive mail subsidies which the United States is now granting to steamships in an effort to foster its export trade with all parts of the world. That we must have some concession in preference, or in lieu of preference, steamship subsidies to foster our lumber business with Australia, is apparent. The government has already made a small beginning by subsidizing a line of steamships to Australia. That is only a beginning. We have to go a very considerable step further, because if we get our share of the Australian lumber market it means that instead of shipping 57,000,000 feet, as we did last year, we should ship 157,000,000 feet. There is no reason why, with a proper treaty with Australia, we should not get practically the entire Douglas fir requirements in that market.

What support has the British Columbia lumbermen got to have to get that business? That is an important question, because the business runs into very large figures indeed. If the Canadian mills can get the share of Australia's imports of Douglas fir which we should have, it would alone mean at least a trade of at least \$3,000,000 a year with Australia. The assistance to shipping given by the United States, and which has given the United States a dominant place in the Australian market to-day, would probably represent as much as five shillings per thousand feet, based on lumber shipments. But my information, Mr. Speaker, is that with a dollar preference we would have the major portion of the Australian market. There is