

Zealand granted us a preference—the total trade between Canada and New Zealand was \$357,873; in 1906 it was \$1,036,129; and in 1911 it was \$1,917,978, showing that within ten years it has increased between five and six times the amount formerly exchanged between the two countries, and one of the best features of that exchange is that the imports and exports bear an almost equal relation to each other. For example we send to New Zealand goods to the extent of \$1,004,370, and we take goods from New Zealand to the extent of \$913,608, the balance of trade being almost equal, which is an evidence that the most healthy kind of interchange exists between these two parts of the empire.

We have also an arrangement with South Africa, an arrangement that has proved profitable and that we are glad to continue. Foreign goods entering South Africa are taxed on an average of 17.38 per cent, but goods that come into South Africa from the United Kingdom or British possessions, like Canada, are taxed at the rate of 14.38 per cent. You will notice that the tariff of South Africa is comparatively low. We get a three per cent advantage, not very much, but it certainly has been enough to stimulate the trade in Canadian flour and some other articles with that country.

I do not wish to allege that the government, which passed out of power so recently, has in any way been neglectful or derelict in its duty in dealing with this Australian-Canadian preferential question. One has only to look through the files of the correspondence brought down to see that for the last 11 years that question has been constantly a subject of negotiation between the two countries, and that on more than one occasion it seemed as though a mutually satisfactory arrangement had been arrived at. But, political conditions in Australia have been, since the establishment of the commonwealth there, uncertain until up to a comparatively recent date. There have been in Australia three political parties, namely, the free traders, the protectionists, and the labour party. None of these was able to control a majority in the legislature, and consequently it was only by a series of combinations that any party could rule. These combinations were made and broken with great frequency, with the result that during ten years unstable conditions were the rule in Australia. When I was in Australia two years ago I had the opportunity of discussing this matter with some of their leading statesmen, among others the Prime Minister of to-day. I found they were unwilling indeed to deal with anything that affected the tariff, because the government of Mr. Deakin was a fusionist government, and his ministry contained free traders and protectionists in nearly

equal number and consequently did not wish to raise any question that would involve a discussion of the tariff. They feared that if they did so the Cabinet might fall to pieces. They were kept in power merely by common dread of the outside enemy, namely, the Labour party, and that was practically the only cement that then held the government together.

Since I was in Australia the government existing then has passed from power and a Labour government—frankly labour—has come in and now controls both Houses. And it would seem as though the time had arrived when we Canadians might deal with a stable government. I may add here that the Labour government of Australia is avowedly protectionist—protectionist from a somewhat different point of view from that on which the question is usually discussed in this country, but nevertheless they are protectionist. They are protectionist from the point of view of the workman himself. Consequently it seems that we will have protection as a settled policy in Australia, and with a settled government in that country there should be no difficulty in our making some progress.

I may further say that I believe that our case has been repeatedly placed before the successive governments that have come one after another in Australia, with a good deal of ability and a good deal of discretion, by our Canadian representative, Mr. D. H. Ross. Mr. Ross is persona grata with both sides of the Australian House; he seems to have friends quite as many in one party as in the other, and he is particularly au fait with the matter and has frequently presented memorials to the government which have been seriously considered by them. I do not think there is much difficulty in respect of information, for I believe that the Australian government have had from Mr. Ross all that they could desire. It seems to me that now an opportune time has come for us—when there is a settled government in Australia, a government which is frankly protectionist—to open up and carry on negotiations with good hopes of getting them carried through.

You will notice by the returns brought down this year that the latest proposition is that we should give our minimum tariff for their minimum tariff. I sincerely hope that our government will not adopt that rough-and-ready method of arriving at an agreement with Australia. The question involved is one that requires more delicate handling than that. It is a question that should take into consideration the conditions as they exist in both countries and the mutual relationship that obtains between the two. Let me point out, in the first place, that both Canada and Australia, in providing a maximum and a minimum tariff that should extend the maximum to