

Let us bear clearly and constantly in mind that our adverse balance of trade with the United States has been for fifty years on a basis of two to one, and for the last sixteen or twenty years it has averaged between \$200,000,000 and \$300,000,000 a year. If the United States is not sufficiently appreciative of our trade to give us an advantage in their market, I think it is time for us to say: Very good, we will divert some of the business we now do with you to where it will be appreciated.

Mr. ADSHEAD: Did I understand the hon. member to say that because of the adverse balance of trade as between Canada and Australia the rates of exchange were high? If so, would not the same argument apply to the exchange as between Canada and the United States?

Mr. STEVENS: You have a situation between Canada and the United States where the adverse balance of trade against us is about \$300,000,000 or \$400,000,000 a year, and there is margin enough there to whittle off \$12,000,000 or \$14,000,000 for Australia without affecting the exchange situation a particle.

Take sugar. Our purchases are very much diversified; we buy sugar from a dozen different countries. In 1929 we bought \$32,000,000 worth of sugar, of which \$750,000 worth came from Australia. There again what we ought to do is to sit down with Australia and ask them if they cannot extend their production of sugar and sell more to us, and if so, under what conditions. I think we should divert to Australia some of the trade that now goes to the United States protectorates and other countries.

Mr. DUNNING: Divert it from where?

Mr. STEVENS: From some of the United States protectorates.

Mr. DUNNING: Has the hon. member the trade figures on sugar?

Mr. STEVENS: Yes, but I said a moment ago that our purchases of sugar were diversified and I did not itemize them. We get probably three or four million dollars' worth of sugar from seven or eight different sources of supply.

Mr. DUNNING: Largely the British West Indies.

Mr. STEVENS: A great deal from the British West Indies, from Cuba, Porto Rico, Fiji and a number of other countries.

Mr. DUNNING: Mainly British countries.

Mr. STEVENS: I am not suggesting otherwise. What I am saying is that we should

divert some of our business from the American protectorates to Australia, increasing our British purchases.

Take wine. We bought last year from France, \$2,262,000 worth of fermented wines. That does not include the sparkling wines. From Australia we bought only \$27,000 worth. There again is a trade that we could substantially divert to Australia. I am not here to advocate an increased consumption of wine; let me get rid of that idea before it is suggested. But I do say that since we are buying wine from France and admitting it on very advantageous terms, let us increase the preference to Australia. By the way, I think that treaty with France should also be revised, and revised upwards as far as France is concerned.

Take tallow. We import a considerable quantity from the United States, \$1,500,000 worth in 1929. We did not import a single pound from Australia, and Australia is one of the big producers of tallow. If we are going to import tallow, let us divert our American purchases to Australia.

Take hides. Here we are touching something that affects the farmers, and I am going to make a suggestion which I think would improve the market for the hides produced in this country, as well as give something to Australia. We purchased last year, \$9,300,000 worth of hides from the United States, and from Australia, \$330,000 worth. I suggest this: first, an increase in the general tariff. That will help the Canadian producer of hides. Second, give a preference to Australia, and divert your purchases, if you are going to purchase hides at all from outside, to Australia, thus reducing the adverse balance of trade.

One more thing. In connection with our exports to Australia, among the important ones are the following:

Motor cars	\$1,000,000
Printing paper	684,000
Canned fish	490,000
Agricultural machinery	362,000
Rubber goods	355,000
Undressed lumber	144,000
Wrapping paper	83,000

To deal with one of those items alone, the United States sold to Australia last year over \$12,265,000 worth of undressed lumber; we sold them \$144,000 worth, and we are bonusing a ship line from our Pacific coast to Australia. That bonus was put on last year. Is it not good business and sound common sense to follow up our bonus to a ship line to Australia by securing in the Australian market some advantage for our lumber? If we are going to find that advantage in the Australian market, we must give Australia