

the hon. gentleman from St. John (Mr. Pugsley) has alleged, but yet we must not forget that we have two steamship lines heavily subsidized from Canada, one from the Atlantic ports and one from the Pacific ports, and that we are annually contributing about \$300,000 towards the expense of these two services. It is quite probable that a third service is desirable and necessary directly between Vancouver via Hawaii, and the ports of Australia, and I would even be prepared to urge upon the government that if Australia shows herself willing to contribute liberally towards such a third service that service might be created inasmuch as I think there would be traffic enough for these three services between the two countries.

But, for the present, the matter I want to specially discuss is the question of tariff concessions on the part of the two countries with a view of increasing their mutual trade. There are many strong reasons it seems to me that should appeal to this House and to the thinking people of this country why such an arrangement should be consummated. These reasons are both sentimental and economic and as such we know they have force with British peoples. In the first place Australians and Canadians are people of kindred races. There is a common language, there is a common historic back-ground, there is a common method of doing business and it should not be at all difficult for these two countries to deal with one another. The difficulties which exist in the way of our dealing with the Latin people of South America for example, do not exist between Canada and Australia. In the second place be it remembered that both these countries face on the Pacific ocean and that there is a smooth and tranquil highway of trade which can be traversed every succeeding year in a lesser period than before by reason of faster vessels, and which really brings the two countries in point of expense of transportation very close the one to the other. Then it is to be borne in mind that Canada lies in the northern hemisphere whereas Australia lies in the southern hemisphere and that there is an alternation of seasons—when it is winter here it is summer with them, when our agricultural products are in such abundance that we are glad to export them theirs are most scarce, and vice versa; and that it would be quite possible to imagine a condition under which we could profitably in certain seasons of the year each send to the other what the other lacked. Let me point out also that to a very considerable extent Canada and Australia produce complementary products. We have no sub-tropical sections of Canada but a very considerable portion of Australia, almost all of Queensland, is sub-tropical and the relationship between Cana-

da and Queensland is practically the same in so far as products are concerned as exists between Canada and the West Indies. In the exchange of the products of the northern zone for the products of the sub-tropical zone there ought certainly to be ample opportunity for trade. Further let me point out that there are no complications by way of outside trade arrangements that should hinder each of these two countries from dealing just as they saw fit with each other. That was the most embarrassing feature of the America-Canadian reciprocity proposal; that if we were to give the United States certain advantages in our market we would necessarily have to give these same advantages to 12 other foreign nations who had no claim upon us and who would give us absolutely nothing in return. But in this case we can make just such arrangements as we wish with the other parts of the British Empire and not feel that we have to concede one single item to any outsider, it being purely a domestic and family affair. I do not need to point out to the House that if our trade relations with Australia and other parts of the empire can be increased and enlarged it will mean the strengthening of the empire, it will mean the keeping of our money and resources within the empire in mutual building up each with the other one common consolidated whole. Notwithstanding the reasons that exist for greater trade between Canada and Australia, I have pointed out how small our mutual trade is: The United States are sending to Australia eight times as much as we are, Germany is sending five times as much, Belgium and Switzerland, little countries in Europe, are sending to Australia more than Canada does. I think that is due to the fact largely that we have not as yet been able to mutually give to this question that consideration which it naturally deserves.

There are precedents that can be cited, why a preferential treaty should be made. Take for example some of the preferential treaties we are now working under with other parts of the empire. We have a treaty with New Zealand. In 1903, New Zealand granted Canada a preference in return for that which Canada granted her. That preferential Act, which imposed extra duties on goods from foreign countries, was extended in 1907. Under it, the general tariff on dutiable goods from foreign countries is 30.55 per cent, but goods entering New Zealand from the United Kingdom or British possessions come in on an average tariff of twenty and three-fourths per cent, so that you will see that fully one-third of the duty to strangers is rebated towards members of the same imperial household. Now, that has had a very marked effect upon our trade with New Zealand. In 1902—the year before New

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