

argue that the treaty is in favour of South Australia, whilst, on the other hand, there are those in South Australia who argue that the treaty is in favour of New Zealand. I say that those who are desirous of creating a reciprocal treaty, as we are, must be prepared to give and take; and that, upon the broad principle of having a free market for our staple products on both sides, we should not be too fastidious in endeavouring to forecast whether the balance of gain will be for or against either country. The question should be, is it desirable to promote our trade with a great colony like South Australia? To that the answer of a large majority of the people in this colony will be that it is to our advantage. Then, if it is to our advantage, are we prepared to make any temporary sacrifice that may be necessary in order to create a friendly interchange of trade with the neighbouring colony? To that the answer would undeniably be, we certainly should. I have had a careful estimate prepared of the probable loss of revenue to this colony during the first year's operations of the treaty, and I think I am within the mark when I state that it will not exceed £6,000, an amount I have provided for in the estimate for the year, and have left a considerable margin to spare in case my judgment should be at fault.

Before leaving this subject I think it is right to draw attention to the advantages which may be reasonably anticipated from establishing a trade with South Australia. It will be interesting to honourable members to know that during 1893 South Australia imported from Victoria 23,040 bushels of barley, valued at £5,332, and also 44,991 bushels of oats, valued at £4,949. South Australia imported from New Zealand last year 12,977 bushels of oats, valued at £1,209. In 1886 New Zealand exported to South Australia 33,641 bushels of barley, valued at £6,914, and 200,604 bushels of oats, valued at £20,663. The following year the South Australian Government raised the duty on barley from 9d. to 1s. 6d. per bushel, and on oats from 3d. per bushel to 2s. per cental, and thereby practically shut out New Zealand from the South Australian market. There is also every possibility of a large timber trade being developed, for South Australia imports annually £174,000 worth of timber, a very large proportion of which could be supplied by New Zealand.

I can only say that I trust that honourable members will view impartially the proposed trade arrangements with South Australia. That such arrangements are certain to become the forerunner of other treaties, which in the ordinary course must add materially to the wealth of this country, I am firmly persuaded.

AGREEMENT, made this 2nd day of February, 1895, between the Honourable Joseph George Ward, Treasurer, acting for the Government of New Zealand, of the one part, and the Honourable Charles Cameron Kingston, Attorney-General, acting for the Government of South Australia, of the other part, whereby it is agreed as follows: that is to say,—(1.) During the term of this agreement, South Australia shall admit duty-free the goods referred to in the First Schedule, the produce of New Zealand. (2.) During the term of this agreement New Zealand shall admit duty-free the goods referred to in the Second Schedule, the product of South Australia. (3.) During the term of this agreement, neither New Zealand or South Australia shall reduce the existing duties leviable on the goods referred to in the said Schedules, the produce of any other colony or country. (4.) This agreement to commence on the 1st day of May next ensuing, and to continue for seven years from such date, subject to determination by one year's notice on either side. (5.) Schedule 1—Goods to be admitted duty-free by South Australia: Barley, oats, horses. Schedule 2—Goods to be admitted duty-free by New Zealand: Wine, olive-oil, salt. (6.) For the purpose of giving effect to this agreement until fully authorised by Act, each colony will refund any duty collected on goods herein agreed to be admitted duty-free. (7.) Either party to have the right to cancel this agreement by notice to the other any time on or before noon of Wednesday, 6th February instant.

—J. G. WARD, C. C. KINGSTON.

It is hereby further agreed, subject to confirmation as per original agreement, that the following commodities shall be included in the arrangement for free interchange between New Zealand and South Australia—namely, New Zealand to admit free of duty South-Australian-grown fresh and dried fruits; South Australia to admit free of duty New-Zealand-grown hops. South Australian grapes to be guaranteed free of disease, and in event of disease to be prohibited until free of disease. For New Zealand, J. G. WARD; for South Australia, J. H. GORDON, Chief Secretary.

RECIPROCITY WITH CANADA.

I feel sure that it will be gratifying to all in this country to know that a tariff treaty has been arranged (subject to the approval of the Legislatures of