

adjust our duties in such a way as to give your British manufacturers and producers a more substantial benefit. It may be quite possible—in fact, we are advised that it is so—by adjustment of our rate, by, for instance, changing from the system of a general *ad valorem* rate to a rated duty on selected articles, so to arrange matters as to give really to those British industries which are in need of assistance, particularly at this juncture, much more substantial aid than we do at present. To-day I cannot go into the details of the matter because we want to obtain the suggestions and advice of your people as to what the articles are which are deserving on their merits, but we propose—and that is our suggestion from South Africa—we propose to go into this matter with yourselves and with your Advisers and to ascertain what the articles are which in your opinion would be most benefited by additional assistance from South Africa with our limited market there, and then to take steps to carry out the adjustments that I have referred to.

#### South Africa Appreciates Great Britain's Proposals.

You have stated that the British Government is prepared to do certain things. Well, Mr. Chairman, I think that we cannot do otherwise than express our appreciation of this announcement. There is no doubt that the action you propose taking in respect of some of these things must materially assist our producers in South Africa. The proposals with regard to dried fruits and to preserved fruits and other matters of that sort unquestionably must be of very great assistance to us. You mentioned—I was not sure whether you mentioned under dried fruit—peaches. You said something about peaches being excluded—

*The Chairman* : No ; I had to take it like that because some of the articles are now subject to duty, when dried, and some are free. What I propose to do is to take a complete list of dried fruits that are of interest to the Dominions, put them all on a 10s. 6d. basis, and let all the Dominions' stuff in free.

*Mr. Burton* : I am very glad to hear that. Of course, dried peaches are of vital importance to South Africa.

*The Chairman* : The peach is not subject to duty at present. I propose to make it subject to a 10s. 6d. duty and bring yours in free.

*Mr. Burton* : Amongst the details I assume raisins will include a branch of raisins being made in South Africa, which will become a general industry, growing continually in extent owing to the over-production of wine in that country. We find our people are producing more wine than we can dispose of, and it would be better to divert their energies to some extent from the growing of grapes to such things as sultanas. I assume sultanas would come in under the raisins ?

*The Chairman* : They are subject to 10s. 6d. to-day, and you get 1s. 9d. as a preference, and we propose to give you 100 per cent.

*Mr. Burton* : Then the same observations apply to what you have said about sugar and with regard to tobacco. There we appreciate what you have proposed, and I would like to ask you to allow us, with the Advisers we have with us here, to consider the alternative you have proposed.

*The Chairman* : Certainly.

*Mr. Burton* : At present I have a clear idea myself as to which alternative I prefer, but possibly the apparent advantage may not turn out to be a real one in the end, and I would like to discuss that before I intimate to you which of the two we would rather have.

#### Position of South African Wine Export Trade.

Now, as to wine, the position is really this. I quite understand what you say about the duty. The real trouble about South African wine in this connection is the matter of alcoholic content. You get wines sent from Spain, for instance, to England, and the shortness of the voyage enables them to send it so slightly fortified that it keeps quite easily for transmission to England, and by that means comes in under your smaller duty. To send wine from South Africa to England involves a long sea voyage, and involves necessarily additional fortification in order to keep the wine. That means that when our wines arrive here their alcoholic content is found to be greater, and they have to pay the higher duty. That is a thing perhaps you will allow us to discuss with your people to see whether it is possible to make any arrangement in that respect. It is not a question with us of the duty, but the way the duty operates owing to the alcoholic content of the wine.

#### Preferential Tariffs on Foodstuffs a Matter for Great Britain to decide.

I do not know whether we are going to discuss some of these larger matters which were raised this morning in Mr. Bruce's speech.\* In fact, I think he did foreshadow the possibility of your taking some specific action in respect of other matters, foodstuffs like grain, meat, and things of that sort. Well, our feeling about those matters is this : As Mr. Graham has said, we cannot help feeling that these are matters really which mainly, in the action that you have to take, are your business. It concerns you and your people very vitally. We can understand that, but, of course, if you find yourselves able to do anything at all in that direction we can only say that we should very much appreciate it. I would just mention one thing which is not really an article, as I understand, of human consumption in England, and that is the maize which we send you. That is one of our principal exports amongst the products of the soil, and it is becoming very large. We anticipate having this season, so I am told, an exportable surplus of about between five million and six million bags, which means something like 500,000 tons, of a value of £2,500,000. The Argentine export to you is considerably larger, about three times that now, but we have been catching up to them very rapidly, and there really is what you may call an unlimited field for the production of maize in South

\* See opening speeches, page 28.