

I think that inside the limits of the existing fiscal system in Britain the British Government have done everything possible to give an expression of their belief in the principle of Empire preference and the fostering of Empire trade. Certainly as far as I am concerned I am very gratified at what it has been found possible to do, always, of course, remembering the limits that the existing British system imposes.

Principal Australian Industries which will benefit.

The preferences that will help us most are those that were previously announced—namely, those on dried fruits and canned fruits, and also one to which you have referred, but as to which no definite statement has yet been made—namely, wine. These three, coupled of course with preferences on fruit-juices and honey, which you have announced this morning, are certainly going to assist us materially in one particular scheme which I outlined when speaking on this subject on a previous occasion. We are interested in tobacco, but not at the moment to the extent that one would wish; but possibly the greater generosity of treatment which has been given to us will enable us to become considerable producers of tobacco in Australia. We have great possibilities of doing it.

Improved Efficiency of Production and Marketing : An Assurance.

Australia certainly recognizes that these preferences which have been given to the Dominions are not going to ensure the products of the Dominions flowing with certainty into Britain unless we on our side are prepared to do all that is necessary to keep a trade in which we have been given exceptional opportunities. We shall have to take great thought as to our costs of production; we shall have to do everything in our power to bring about the greatest efficiency. With regard to fruits in particular, we shall have to go on every year trying to improve the standards of our grading, and our packing, and we must also provide for efficient marketing. I think it must be recognized that during the last few years we have made very great strides, and I think we have been able to educate our producers to a realization of the necessity of doing all these things if they are going to hold the markets in which they are gradually obtaining a footing. But I think I should give to the British Government, who are trying to meet us in this matter, an assurance that, as far as the Australian Government is concerned, we will do everything in our power to try to ensure that the fullest advantage is taken of this opportunity, and it certainly will not be through costly production or inefficient marketing that we will lose the markets in the future.

Danger of Foreign Dumping rendering Preferences ineffective.

In discussing preference there is one point I should particularly like to raise, and it is this: I am quite sure that the British Government desires to give to the Dominions effective preference to the extent that has been indicated already; but we do feel that there is a possibility of that preference not actually being effective, unless the British Government can see its way to take action, if it becomes necessary, to ensure that their own desire and the desire of their Parliament, if these alterations are made, are actually going to be given effect to. These trades have not been exclusively in the hands of the Dominions in the past, and there are great interests concerned to see that they do not get into the hands of the Dominions in the future. I certainly anticipate that these interests will take action to try to prevent the alteration that we desire being brought about, and if they have that intention, the action they will take will be that of dumping into this market to try and strangle the trades of the Dominions as they are gradually growing up. To take the case of dried fruits: in particular items, such as apricots, prunes, sultanas, peaches, and so on, California is the largest producer in the world. She conducts her business largely through large and well-organized co-operative selling associations, and she has an enormous home market in which her home production is absolutely protected. Californian producers are certainly in a position to take action against our intention and our desire if they so decide. As regards currants, we have Sir Philip's assurance that he will put on the full dried-fruit duty when we can show that our production will supply a reasonable part of the market requirements. The bulk of currants come from Greece at present, and the whole position is handled by the Greek Currant Bank, and there is no doubt they could take dumping action if they wanted to. On the other hand, they are so dependent upon the price they realize for their product that I do not think that they are in quite the same position as California, nor that there could be any long-sustained attack. I am merely raising this question to ask the British Government if they will give it their consideration, because I am quite certain from the whole of their attitude that the British Government have every desire to make the preference which they are offering at the present time to the Dominions a real and effective preference.

British Manufacturer protected against Dumping in Australia.

The Dominions, of course, do take action in the direction I am suggesting. The British manufacturer is protected against dumping in Australia in connection with importations from countries where there is an excessive depreciation of exchange. I do not think, therefore, that it is unreasonable that we should ask that something should be done so that we will not go ahead with great schemes of development and expansion with an increased production, and then find that, although this preference may stand on the statute-book, we are subjected to a dumping attack which will absolutely destroy the intention of the British Government and of the British Parliament.

Limits of Australia's Request for Preferential Treatment.

There is another point that I want to make quite clear. I, of course, as Mr. Graham did, very much welcome the attitude that was taken up by Sir Philip and the Chancellor of the Exchequer, and the invitation to state our opinions on the effectiveness of the British proposals, and to put