

wool clip must necessarily be marketed outside the Empire. We cannot see that the position of the wool grower can be improved until world prosperity is restored and wool values improve materially.

Wheat is Australia's second major industry. Through the progress of research and its intelligent application by the growers, and through the rapid development of efficient harvesting machinery, a highly efficient industry has been established.

Wheat growers in the Empire have suffered perhaps more than any other group of primary producers by the calamitous fall in prices. The desperate plight of the United Kingdom growers has been recognized, and steps have been taken by the British Government to maintain and stimulate production through a quota and a guaranteed price for home grown wheat.

As far as preferences are concerned, the position of wheat is also difficult. We in Australia have so far not succeeded in formulating a definite proposal, but we shall look forward with interest to discussions upon this most important Empire product with the British and Canadian delegations.

There is, however, one phase of the wheat problem which I would wish to reserve for discussion at a later session of the Conference, because it is of grave concern to the wheat producers of Australia, and, I believe, also of Canada. The marketing methods adopted by Russia completely disorganized the market in 1930. There is no form of overseas competition which has aroused such strong feeling amongst Australian wheat growers as the dumping of Russian wheat into Great Britain.

It is impossible to say what will be the extent of Russian competition and its effects in the future. We, therefore, desire to discuss fully with the British Government the nature of the action which can be taken to counteract the Russian marketing methods to which I have referred, if and when they are again adopted.

The position of meat is causing the Australian Government and a large proportion of our farmers and pastoralists the gravest concern. It would be difficult to obtain the endorsement of Australian public opinion to any reciprocal arrangement which did not include provision for some real benefit for meat producers.

The inclusion of meat in the concessions which Great Britain finds herself able to make would not only mean that the beef cattle industry would be benefited, but that real assistance would also be given to the great wool producing industry of Australia. Moreover, the wheat farmer who is associating sheep grazing more and more with his arable production, would also feel that the policy of Imperial economic co-operation had direct significance to himself.

Foreign competition has recently been intensified by the gradual closing of foreign markets, with the result that prices have receded to ruinous levels. The effects are as damaging to the interests of the United Kingdom producers as to the producers in the overseas Empire. Moreover, the lack of confidence in values is discouraging to the industry in Australia and is having a paralyzing effect on producers. On meat, and here I am including pig products, Australia requests, and indeed must firmly press, for effective assistance from Great Britain.

The Commonwealth Government recognizes that, for economic reasons, Great Britain can do little to assist in wool, and perhaps in wheat, but the exclusion of meat would create a position which would be somewhat similar to Australia excluding from the benefits of preference the whole of Great Britain's great staple industries and restricting preferential assistance to a series of relatively minor forms of manufacturing.

The dairying industry is assuming increasing importance as one of Australia's great exporting industries. The special value of this industry to Australia lies in the fact that it offers scope for intensive agriculture in the settled regions of assured rainfall, and that it is important to the future of irrigation development.

The principal item of export is butter, the output of which in Australia is capable of great expansion. The large supplies of butter coming upon the London market have depressed prices to a level which is no longer profitable to Dominion producers.

The Import Duties Act might have been expected to improve the position of Dominion producers, but an additional disturbing factor has arisen, namely, the restriction of the German and other Continental markets by the imposition of prohibitive duties. It is inevitable that a large proportion of the surplus will find its way to the London market and further depress prices. Australia therefore attaches great significance to assistance such as shall secure markets in the United Kingdom for her dairy products.

The development of the fruit and viticultural industries has been a feature of Government policy in promoting intensive agriculture and closer settlement in Australia. The preference which we seek on these products will be exceed-