

ingly helpful in promoting the development of intensive agriculture in the irrigation areas. In these areas there is room for very considerable extension of settlement, especially as the main capital expenditure on irrigation works has been completed. At the present time the Empire supply of fresh, canned and dried fruit and wine is markedly less than Empire requirements.

I shall not attempt any further elaboration of the requests Australia desires to put forward, but in the discussions that are to follow we shall bring forward proposals in regard to sugar, base metals and certain other products. With most of the commodities for which we are making requests, the position can be met by means of a tariff preference of moderate dimensions, but the world economic position in regard to certain commodities is such that we are by no means convinced that a tariff preference alone will meet the case.

We shall ask our British colleagues to meet us and frankly to discuss the position in these industries in order that we may reach a common understanding.

It may be that we shall be confronted with such abnormal producing and trading conditions due to the depression that we shall be forced to the conclusion that preferential duties alone will not prove effective. This may lead us to the conclusion that the only way in which the Empire markets can be secured for certain important commodities such as, for example, meat and butter is by the adoption of a scheme of restrictions upon imports from outside the Empire.

I approach the whole question with an open mind, but provided we are agreed as to the merits of Empire preference, we must, unless we are to fail, give preference full opportunity to operate. The Commonwealth Government realizes that intensive nationalism in many countries has, under the spur of economic fear led to the creation of systems of prohibitions and restrictions. These systems have developed to such an extent as to have become part of the cause of the depression. Australia has certainly no desire to add to these difficulties but we do not believe that it can be sound policy to allow Empire industries to be extinguished because of the action of foreign nations.

I now turn to another subject included in our agenda.

Great as are the benefits that can be obtained from preferences we should realize that these benefits will be improved if the Empire can evolve methods of industrial co-operation. The several Governments have received from the Imperial Economic Committee an interesting report which will serve as a basis for our subsequent discussions. This report puts forward the sound contention that within the Empire there is room both for a steady development of manufacturing activity in the Dominions and yet for the maintenance of Great Britain's industrial position in a group of equal nations. It also makes clear that if Great Britain is to retain this position she must become to an increasing extent the industrial specialist.

The Imperial Economic Committee has envisaged the holding of conferences between those engaged in a given industry in, say, Great Britain and Australia with the idea of arriving at decisions as to the forms of activity most suited for prosecution in each country, and for arrangements for mutual assistance in the fields of marketing, technical developments and research.

The Commonwealth Government welcomes the opportunity for close consideration of this subject, since it believes that at least in certain industries co-operation will prove advantageous to both the Australian and the British manufacturer and not least to the Australian consumer of manufactured goods. I am indeed of opinion that considerable as are the concessions Australia is prepared to make further to help the British manufacturer, there is still more than can be done, provided he can reach mutually helpful agreements with his Australian colleagues in regard to complementary production.

At this Conference we had better limit the discussion of the principles of complementary production within the Empire to manufacturing industries, but I believe the principles may later be found to be applicable to agriculture.

The objective of this Conference is to bring about closer economic co-operation between the nations composing the British Empire. If, following upon the results of this Conference, that objective is to be attained and progressively strengthened, it is essential that sound methods of economic consultation should be evolved.

The question of inter-Imperial economic consultative machinery is included in the Conference agenda, and at this stage I will merely state that Australia, while coming forward with no special plan, is prepared to co-operate in a constructive spirit in the discussions which must take place.