In the last two or three weeks, various aspects of world trading relations have come to the forefront in world and particularly Australian news. The most important of these concerns the decisions made at the Canadian -Commonwealth Trade Conference. The final communique issued by this Conference, at which 11 Commonwealth countries were represented, reports a very real triumph for Australia and especially for the Minister for Trade, Mr. McEwen. Very briefly, the main points in the final communique were these - it reaffirmed the common objective of freer trade, secondly, participating countries agreed to examine their anti-dumping legislation in cases where it was alleged that dumped or subsidised goods were damaging the interests of other Commonwealth countries; thirdly, it recognised the vital need of not placing obstacles in the way of the export of manufactured goods of undeveloped countries.

The Conference also agreed to set up a National Study Group to examine the special problems of the lead and zinc industry, and that steps should be taken to encourage more capital in taking part in the economic growth of the undeveloped countries.

More important than any of these, however, was the recognition of the need to tackle the problem of instability in the price of raw materials. The conference agreed that it will begin a commodity by commodity market to lessen world price fluctuations. This is vital to Australia and to all raw material producing nations. In the last 18 or 20 months, the prices of manufactured goods had increased by an average of 3 to 4%, but the prices of raw materials, which have included wool, wheat, tea, copper, lead and zinc and many others, have fallen by an average of about 25%. These price falls in the first instance had hit, not the great manufacturing countries, but rather the undeveloped primary producing countries which were struggling to develop and to raise their standards of living. We have felt the impact of price falls in Australia, but other Commonwealth countries with very few secondary industries and with much smaller overseas reserves had been hit much harder.
The history of the price movements of commodities has shown that raw material prices have always fluctuated over very wide limits, while the prices of manufactured goods have been much more stable. This has made it very difficult for the raw material producing countries to plan balanced developmental programmes. The Government has constantly recognised the need to seek ways and means to achieve greater stability in the price we and other countries in a similar position get for our exports. However, such stability cannot be brought about by anything we do inside Australia. To take the example of wool - the thing that determines the price of wool is the demand for wool in the wool consuming countries and the plain facts are that the price is now lower than we like to see it because demand in countries like America, England, France has fallen about 25% over 18 months. The position will improve as the level of economic activities in these countries picks up, as the recession through which these countries have been passing disappears, but Australia acting alone could not have prevented this fall off in demand having an effect on the price we get for our wool. This is why Commonwealth wide or International study of these problems is vital. It is a very real success for Australia that Mr. McEwen has been able to persuade Commonwealth countries to recognise this need.

The second point I wanted to mention is not quite such a happy one. The American quotas on the importation of lead and zinc into that country has been given very wide publicity. Quite clearly the U.S. action will affect Australia. However, although we cannot help being disappointed at the action that the U.S. has taken, we must not allow ourselves to become bitter about it. The U.S. since the war has shown extraordinary generosity in gifts to undeveloped countries and in technical aid and assistance. It is generosity that has been unparalleled in the history of the world. However, the U.S. has to learn that a gift is not everything, that the people whom they try to help must be given an opportunity to trade with the U.S. Only in that way will the U.S. objective be achieved. It is pleasing to know that President Eisenhower has agreed to discuss this particular problem of lead and zinc with Australia and with other interested countries to see if some better solution cannot be found to this problem.