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7. Plant Efficiency and Ability to Supply Market Requirements.

It is claimed for the Glue and Gelatine manufacturing plants of the Empire that they are highly efficient in equipment, design, and method of working, and include all the latest processes known to the trade, and further that upon this submission the respective companies will more fully operate their respective plants.

Not only are they equipped for and able to produce the total Glue and Gelatine required for every country within the British Empire, but can do so at a low cost of production.

It requires only the added volume of turnover that will result from the plan of preference herein outlined, to make the Empire entirely self-supporting, in these commodities, and, at the same time bring renewed prosperity to the industry.

8. Main Empire Exporters.

The main exporters within the Empire are the United Kingdom, Australian, New Zealand and Irish groups; Canada has no considerable export of Glue and Gelatine.

9. Production and Consumption.

The manufacturing capacity of the Empire is more than sufficient to meet the whole of the Empire requirements in Glues and Gelatines of all requisite qualities with a considerable surplus for export to foreign countries, and accordingly the elimination of foreign imports, giving increased employment within the Empire, will not result in any hardship to the consumer. Statistics regarding the trade are given in "Appendix III" on Page 13.

10. Adjustment of Views for United Case.

The various signatories to this application have previously submitted views to their respective Governments, which are not completely in accordance with the terms of this Application. For instance, the United Kingdom manufacturers have expressed a preference for free trade throughout the Empire; the Canadian manufacturers have stressed the need for greater protection, and the Australian manufacturers have expressed a wish to continue to receive the larger measure of protection against Empire goods which they are receiving at the present time.

However, the signatories since the submission of these views, have convened with a recognition of the ideal of Empire trade, with a due sense of the importance of co-ordination within the Empire to obtain this, and of the supreme importance of the Ottawa Conference in this connection. Desirous as they are of making some contribution to the problems to be faced, they have, as a result of conferences succeeded in adjusting their views and they accordingly put forward this united application, which, if adopted, will, in their opinion, be in the interests not only of their own trade, but of the British Empire as a whole including the United Kingdom, the British Dominions Colonies and Protectorates.

11. Fundamental Considerations.

Throughout the whole of their deliberations the signatories have been guided by the following fundamental considerations:

- (a) That the requirements of the Empire as a whole must have their first consideration and that sectional interests must be fitted into the general Empire plan.
- (b) That the economic supply of raw materials as well as manufacturing capacity is an essential part of the problem and that the disposition of manufacture in accordance with economic laws is of fundamental importance. An examination of tonnage and quality of raw materials has

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shown that the British Empire is self-contained and indeed has a substantial surplus of raw materials as well as of manufacturing capacity.

- (c) The interests of such parts of the Empire as, owing to climatic or other conditions, are unsuitable for manufacture, have had full consideration, and our proposals are calculated to confer substantial benefits on such portions of the Empire, by offering them a secure and improved market for their exports. This can be demonstrated by reference to this business in India and South Africa.
- (d) Owing to different standards of wages, materials, cost of plant and equipment, and expenses of marketing in different parts of the Empire, our proposal visualizes different Empire duties in different parts of the Empire.

These considerations are set out more fully in "Appendix IV" on Page 14.

12. Definition of Products.

The application is made with regard to Glue, Gelatine and Size, in dry, jelly, liquid or other form.

13. Empire Content.

The percentage of cost to qualify for Empire preference should be fixed at 75% and the basis of cost should be as defined by the Conference.

14. Details of Application.

The application is:—

- (a) That throughout the whole Empire a preference at least equal to 1½d. per lb. or 25% ad valorem, whichever yields the higher duty, shall be given to Empire Glues and Gelatines as compared with the rates of duty levied on the same products from the most favored foreign country.

N.B. We desire to point out under this head that as the Empire is self-contained as regards its Glue and Gelatine manufacture, the maximum protective duty which any component part of the Empire felt disposed to impose on foreign Glues and Gelatines would be welcomed by the signatories, and that the preference indicated is the minimum which should be imposed.

- (b) That throughout the whole Empire no duties higher than the existing duties shall be imposed by any component part of the British Empire against Glues and Gelatines of Empire origin.

N.B. It will be noted that under this clause United Kingdom signatories accept the principle of the continuation of free entry of Empire Glues and Gelatines into the United Kingdom.

- (c) That the present flat rate of 4d. per lb. imposed by Australian Tariff on British Glues and Gelatines be reduced to 2d. per lb. for Empire products.

N.B. It will be noted under this clause that the Australian signatories accept the principle of a substantial reduction of the existing duties on Glues and Gelatines of Empire origin imported into Australia.

- (d) That clauses (a) (b) and (c) above must be read together as representing the considered view of the Empire manufacturers of Glues and Gelatines regarding a complete plan of Empire preference for these products, it being recognized that the clauses are interwoven, and that alteration of any one might affect the recommendations contained in the others.