One of the first Bills to be passed this Session was a small but important one concerning the Wool Industry. A Wool Testing Authority is being established to issue internationally recognised certificates concerning scoured and carbonised wool.

These certificates will relate in particular to the water content of scoured and carbonised wool sold abroad. They will be of increasing importance since our trade in these fields, especially to Asian countries, is increasing quite noticeably. In general 16% or 17% water content is allowed in clean wool but there is no method of knowing the water content without special tests. For example, if freshly scoured and dried wool is baled and shipped quickly the water content could be very low and consequently agents buying for overseas purchasers may well supply more wool than necessary. Scoured and carbonised wool will naturally regain up to 16% or 17% of water from the atmosphere and this is about the internationally recognised level. The new certificates will show the exact percentages at the time of testing and therefore buyers will know their exact position. The certificates of the new internationally recognised Wool Testing Authority will greatly help the sale of scoured and carbonised wool in the world’s markets.

In this week Mr. McEwen introduced the Japanese Trade Agreement. I have already explained this agreement but there has been such concerted propaganda about it that I want to repeat one or two salient points. Last year Japan bought £140 million of goods from us, we bought £18 million from them, quite clearly this position could not last forever. Japan would have been forced to restrict her buying from us and that would only make our own trade difficulties worse. The Japanese have no right to send goods here; their goods will only come to Australia on the initiative of Australian importers. If there is any evidence of serious injury coming to Australian manufacturers through the Trade Agreement than the Government can invoke emergency powers with which the Parliament equipped itself through legislation passed last year. It is known that certain Australian industries are sensitive to outside competition and these will be carefully watched. Mr. McEwen has said he will discuss any problem of the sensitive industries with their industry leaders. The Japanese have been warned that if they try to flood this country with goods produced by these
industries, then our own emergency powers will be used.

These powers were conferred on the Federal Parliament by an amendment to the Customs and Tariff Industries Preservation Act last year. The Government can impose prohibitive duties or quantitative restriction on goods coming into Australia which would seriously injure Australian industry.

The Trade Agreement does not increase the value of imports coming to this country by even £1. Import licences have not been increased as a result of the Agreement.

The Trade Agreement does not give the Japanese any special rights or privileges. Before, we discriminated against them in many ways. For instance, if import licences were issued they would be valid for all countries but Japan, and Japanese goods coming to Australia had to pay higher duties than the goods from any other country. These special restrictions against Japanese trade have been abolished. They are now on competitive an equal/footing with other foreign countries. Great Britain's preferential position, of course, remains untouched.

The Textile Trade is one that has so far complained vigorously about the Agreement. In large I don't think their fears are justified.

Let me give the example of blankets — a product that comes from an important industry in Warrnambool. In the last five years importation from all sources has been 3% of the total Australian market. For the last 3 years there has been no discrimination in import licensing policy against Japan concerning blankets and imports from that country have been negligible. Last year their total value was £342.

The Trade Agreement will help industry because by ensuring overseas markets for our primary products it will enable our primary industries to earn the vast quantities of overseas income necessary to pay for the raw materials and capital equipment which absorbs well over 70% of all our overseas income and without which Industry would be unable to compete in competitive terms.

30/8/1957.