

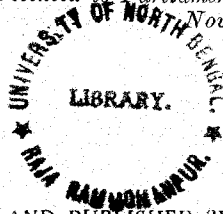


Imperial Conference, 1926.

SUMMARY OF PROCEEDINGS.

(Appendices published separately in Cmd. 2769.)

*Presented to Parliament by Command of His Majesty,
November, 1926.*



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I.—PRELIMINARY NOTE.

THE Proceedings of the Conference opened at 10, Downing Street, on the 19th October, 1926, and were continued until the 23rd November. During that period sixteen plenary meetings took place, which were normally attended by the following:—

GREAT BRITAIN.

The Right Hon. Stanley Baldwin, M.P., Prime Minister (Chairman).

The Right Hon. Sir Austen Chamberlain, K.G., M.P., Secretary of State for Foreign Affairs.

The Right Hon. the Earl of Balfour, K.G., O.M., Lord President of the Council.

The Right Hon. W. S. Churchill, C.H., M.P., Chancellor of the Exchequer.

The Right Hon. L. S. Amery, M.P., Secretary of State for Dominion Affairs and Secretary of State for the Colonies.

CANADA.

The Right Hon. W. L. Mackenzie King, C.M.G., M.P., Prime Minister.

The Hon. E. Lapointe, K.C., M.P., Minister of Justice.

COMMONWEALTH OF AUSTRALIA.

The Right Hon. S. M. Bruce, M.C., M.P., Prime Minister.

The Hon. Sir Neville Howse, V.C., K.C.B., K.C.M.G., M.P., Minister of Defence and Health.

The Hon. J. G. Latham, C.M.G., K.C., M.P., Attorney-General.

NEW ZEALAND.

The Right Hon. J. G. Coates, M.C., M.P., Prime Minister.

The Right Hon. Sir Francis Bell, G.C.M.G., K.C., M.L.C., Minister without Portfolio.

UNION OF SOUTH AFRICA.

General the Hon. J. B. M. Hertzog, M.L.A., Prime Minister.

The Hon. N. C. Havenga, M.L.A., Minister of Finance.

IRISH FREE STATE.

Mr. Kevin O'Higgins, T.D., Vice-President of the Executive Council
and Minister of Justice.

Mr. Desmond Fitzgerald, T.D., Minister for External Affairs.

Mr. James McNeill, High Commissioner in London.

NEWFOUNDLAND.

The Hon. W. S. Monroe, M.H.A., Prime Minister.

The Hon. A. B. Morine, K.C., M.L.C., Minister without Portfolio.

INDIA.

The Right Hon. the Earl of Birkenhead, Secretary of State for
India and Head of the Indian Delegation.

The Maharaja of Burdwan, G.C.I.E., K.C.S.I., I.O.M.

Mr. D. T. Chadwick, C.S.I., C.I.E., Secretary to the Government
of India, Commerce Department.

SECRETARIAT.

GREAT BRITAIN.

Sir M. P. A. Hankey, G.C.B.

Mr. E. J. Harding, C.B., C.M.G.

CANADA.

Dr. O. D. Skelton.

COMMONWEALTH OF AUSTRALIA.

Mr. P. E. Deane, C.M.G.

NEW ZEALAND.

Mr. F. D. Thomson, C.M.G.

UNION OF SOUTH AFRICA.

Mr. H. Gordon Watson, I.S.O.

IRISH FREE STATE.

Mr. D. O'Hegarty.

NEWFOUNDLAND.

Mr. W. J. Carew.

INDIA.

Mr. G. H. Spence, I.C.S.

Other Ministers attended one or more of the meetings. These were:—

GREAT BRITAIN.

The Right Hon. Sir William Joynson-Hicks, Bt., M.P., Secretary of State for Home Affairs.

The Right Hon. Sir Laming Worthington-Evans, Bt., G.B.E., M.P., Secretary of State for War.

The Right Hon. Sir Samuel Hoare, Bt., C.M.G., M.P., Secretary of State for Air.

The Right Hon. W. C. Bridgeman, M.P., First Lord of the Admiralty.

The Right Hon. Sir Philip Cunliffe-Lister, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon. Viscount Cecil of Chelwood, K.C., Chancellor of the Duchy of Lancaster.

The Earl of Clarendon, Parliamentary Under-Secretary of State for Dominion Affairs, and Chairman of the Oversea Settlement Committee.

The Hon. W. G. Ormsby-Gore, M.P., Parliamentary Under-Secretary of State for the Colonies.

Major Sir Philip Sassoon, Bt., G.B.E., C.M.G., M.P., Under-Secretary of State for Air.

IRISH FREE STATE.

Mr. W. T. Cosgrave, T.D., President of the Executive Council.

Mr. P. McGiligan, T.D., Minister for Industry and Commerce.

NEWFOUNDLAND.

The Hon. W. J. Higgins, K.C., M.H.A., Minister of Justice.

INDIA.

The Rt. Hon. the Earl Winterton, M.P., Parliamentary Under-Secretary of State for India.

Mr. J. C. C. Davidson, C.H., C.B., M.P., Parliamentary and Financial Secretary to the Admiralty, was present at the sessions of the Conference as Minister in charge of Publicity.

The following also attended meetings of the Conference for the discussion of particular subjects :—

GREAT BRITAIN.

- His Excellency the Right Hon. the Lord Lloyd, G.C.S.I., G.C.I.E., D.S.O., High Commissioner in Egypt.
- Admiral of the Fleet Earl Beatty, G.C.B., O.M., G.C.V.O., D.S.O.,
• First Sea Lord and Chief of Naval Staff.
- General Sir George F. Milne, G.C.M.G., K.C.B., D.S.O., Chief of the Imperial General Staff.
- Air Chief Marshal Sir Hugh M. Trenchard, Bt., G.C.B., D.S.O., Chief of the Air Staff.
- Sir William G. Tyrrell, G.C.M.G., K.C.V.O., C.B., Permanent Under-Secretary of State for Foreign Affairs.
- Sir Charles T. Davis, K.C.M.G., Permanent Under-Secretary of State for Dominion Affairs.
- Brigadier-General Sir Samuel H. Wilson, K.C.M.G., K.B.E., C.B.,
Permanent Under-Secretary of State for the Colonies.
- Sir Sydney Chapman, K.C.B., C.B.E., Permanent Secretary to the Board of Trade.
- Sir Percy Thompson, K.B.E., C.B., Deputy Chairman, Board of Inland Revenue.
- Sir H. Frank Heath, K.C.B., Secretary, Department of Scientific and Industrial Research.
- Sir O. E. Niemeyer, K.C.B., Controller of Finance, Treasury.
- Major-General Lord Lovat, K.T., K.C.M.G., K.C.V.O., C.B.,
D.S.O., Chairman, Forestry Commission.
- The Right Hon. Sir Halford Mackinder, Chairman of the Imperial Shipping Committee and of the Imperial Economic Committee.
- Air Vice-Marshal Sir W. G. H. Salmond, K.C.B., K.C.M.G.,
D.S.O., Member of the Air Council for Supply and Research.
- Air Vice-Marshal Sir W. S. Brancker, K.C.B., A.F.C., Director of Civil Aviation.
- Mr. T. Jones, Deputy Secretary to the Cabinet.
- Sir William Clark, K.C.S.I., C.M.G., Comptroller-General, Department of Overseas Trade.
- Mr. H. Fountain, C.B., C.M.G., Principal Assistant Secretary, Board of Trade.
- Mr. T. C. Macnaghten, C.M.G., C.B.E., Vice-Chairman, Oversea Settlement Committee.
- Mr. H. F. Batterbee, C.M.G., C.V.O., Assistant Secretary, Dominions Office.
- Mr. S. G. Tallents, C.B., C.B.E., Secretary to the Empire Marketing Board.

- Mr. R. B. Howorth, C.B., Assistant Secretary, Cabinet Office.
- Mr. H. W. Malkin, C.B., C.M.G., Second Legal Adviser, Foreign Office.
- Mr. R. L. Craigie, First Secretary, Foreign Office.
- Mr. W. E. Beckett, Assistant Legal Adviser, Foreign Office.
- Mr. R. R. Bannatyne, C.B., Assistant Secretary, Home Office.
- Mr. O. F. Dowson, O.B.E., Assistant Legal Adviser, Home Office.
- Mr. C. M. Knowles, Assistant Legal Adviser, Home Office.
- Mr. L. Cuthbertson, Principal, Treasury.
- Lieut.-Commander R. T. Gould, R.N., Hydrographic Department, Admiralty.
- Mr. F. G. L. Bertram, C.B.E., Principal, Air Ministry.
- Mr. R. L. Robinson, O.B.E., Forestry Commissioner.
- Professor Fraser Story, Publication Officer, Forestry Commission.
- Wing-Commander Sir Norman Leslie, Bt., C.B.E., Assistant Secretary, Committee of Imperial Defence.
- Mr. H. J. Hutchinson, Principal, Board of Trade (Assistant Secretary to the Conference for Economic Subjects).
- Mr. G. H. Creasy, Assistant Principal, Dominions Office.
- Mr. P. J. Grigg, Private Secretary to the Chancellor of the Exchequer.
- Major R. D. Furse, D.S.O., Private Secretary to the Secretary of State for the Colonies.
- Mr. C. Ll. Bullock, C.B.E., Private Secretary to the Secretary of State for Air.
- Mr. W. B. Brown, Private Secretary to the President of the Board of Trade.

CANADA.

- The Hon. Vincent Massey, Minister-designate at Washington.
- Major-General J. H. MacBrien, C.B., C.M.G., D.S.O., Chief of the General Staff.
- Commodore W. Hose, C.B.E., R.C.N., Director of the Naval Service.
- Dr. J. H. Grisdale, Deputy Minister of Agriculture.
- Dr. A. G. Doughty, C.M.G., Deputy Minister of Archives.
- Mr. F. C. Blair, Assistant Deputy Minister, Department of Immigration and Colonisation.
- Mr. S. A. Cudmore, Technical Adviser.
- Mr. Jean Désy, Counsellor, Department of External Affairs.
- Lieut.-Col. J. Reid Hyde, C.B.E., Secretary to the Delegation.

COMMONWEALTH OF AUSTRALIA.

Mr. H. W. Gepp, Chairman, Development and Migration Commission.

Captain J. B. Stevenson, C.M.G., R.A.N., Naval Representative in London.

Brigadier-General T. H. Dodds, C.M.G., C.V.O., D.S.O., Senior Military Representative in London.

Mr. F. L. McDougall, C.M.G., Economic Adviser.

Flight-Lt. J. Renison Bell, Air Liaison Officer in London.

Mr. R. G. Casey, D.S.O., M.C., Political Liaison Officer in London.

Major O. C. Fuhrman, Private Secretary to the High Commissioner in London.

NEW ZEALAND.

Rear-Admiral A. G. Hotham, C.B., C.M.G., R.N., Naval Adviser.

Captain L. M. Isitt, New Zealand Air Force.

Mr. C. A. Berendsen, Imperial Affairs Officer.

UNION OF SOUTH AFRICA.

Sir William Hoy, K.C.B., General Manager of Railways.

Brigadier-General W. E. C. Tanner, C.B., C.M.G., D.S.O., Adjutant-General.

Colonel Sir Pierre van Ryneveld, K.B.E., D.S.O., M.C., Director of Air Services.

Dr. A. J. Bruwer, Chairman, Board of Trade and Industries.

Mr. J. Collie, O.B.E., Department of Finance.

Mr. J. H. Heddon, Deputy Commissioner of Customs and Excise.

Mr. D. Steyn, Private Secretary to the Prime Minister.

IRISH FREE STATE.

Mr. J. Costello, K.C., Attorney-General.

General P. McMahon, Chief of Staff.

Major-General M. Brennan, Adjutant-General.

Colonel S. O'Higgins, Chief Staff Officer.

Mr. J. P. Walshe, Secretary, Department of External Affairs.

Mr. J. Dulanty, C.B., C.B.E., Commissioner for Trade in Great Britain.

Mr. E. J. Smyth, Principal Officer, Department of Industry and Commerce.

Mr. T. J. Kiernan, Secretary to the Delegation.

INDIA.

- Major-General W. M. St. G. Kirke, C.B., C.M.G., D.S.O., Deputy Chief of the General Staff.
- Mr. H. A. F. Lindsay, C.I.E., C.B.E., I.C.S., Trade Commissioner in London.

The Maharaj Kumar of Burdwan, Private Secretary to the Maharaja of Burdwan.

In addition to the meetings of the full Conference, there were 146 meetings of Committees and Sub-Committees, and technical discussions on Defence Questions at the Admiralty, War Office, and Air Ministry. There was also a meeting of the Committee of Imperial Defence which was attended by all the Prime Ministers and Heads of Delegations, at which certain matters were remitted to a technical Sub-Committee; the latter held one meeting.

II.—OPENING STATEMENTS.

In opening the Proceedings on the 19th October, the Prime Minister of Great Britain, as Chairman, extended a welcome to the Representatives of the Dominions and India, and referred to the loss which the Empire had sustained in the death since the last Conference of the Right Honourable W. F. Massey and of the Marquess Curzon of Kedleston.

Mr. Baldwin then reviewed the results which had been achieved by past Conferences and referred to the progress which had been made in the spheres of inter-Imperial relations, foreign policy, defence, and Empire trade and oversea settlement. He also suggested certain directions in which further progress was possible.

Speeches were made in reply by the Prime Ministers of Canada, the Commonwealth of Australia, New Zealand, the Union of South Africa, and Newfoundland, by the President of the Executive Council of the Irish Free State, and by the Maharaja of Burdwan for India. The Secretary of State for Dominion Affairs also made a short statement on the establishment in 1925 of the Dominions Office as a separate Office from the Colonial Office. In the course of this statement he mentioned that, Southern Rhodesia being now a self-governing Colony, he proposed to ask the High Commissioner in London to assist him in matters arising at the Conference, particularly on the economic side, where the interests of Southern Rhodesia were concerned.

These opening speeches were published in full immediately afterwards.*

* See Appendix I in Cmd. 2769.

III.—MESSAGE TO THEIR MAJESTIES THE KING AND QUEEN.

In accordance with the practice followed on previous occasions, the first official act of the Conference was to send a message of greeting to Their Majesties the King and Queen.

The words of this message were :—

“The Prime Ministers and other Representatives of the Governments of the British Empire assembled in Conference, at their first meeting and as their first official act, desire to express their respectful greetings and fidelity to the King, and their earnest hope that Your Majesty and Her Majesty the Queen may long be spared to strengthen the ties of affection and devotion which unite the peoples of the British Commonwealth under the Crown.”

His Majesty's gracious reply was read aloud by the Prime Minister of Great Britain at the meeting on the 20th October, and was in the following terms :—

“I have received with feelings of appreciation and gratitude the message which, as your first official act, you have been good enough to address to me. The Queen joins with me in thanking you for your good wishes. I shall follow with interest and sympathy your discussions of those important questions which will come before you and the settlement of which, I trust, will promote the unity and greatness of the Commonwealth of the British Nations.—GEORGE, R.I.”

IV.—LOSS OF H.M.S. “VALERIAN.”

At the meeting held on the 26th October, the Conference passed the following Resolution of sympathy in the loss of H.M.S. “Valerian,” which was sunk off Bermuda in a hurricane on the 22nd October with the loss of 85 lives :—

“The Conference desires on behalf of all parts of the Empire, to place on record their deep sorrow at the loss of H.M.S. “Valerian” with so many valuable lives of officers and men, whilst returning from a cruise undertaken to enable His Excellency the Governor of the Bahamas to survey and relieve the damage done to the Islands by the previous hurricane.

“As representatives of the Governments of the Empire we are profoundly conscious of the services rendered by the Royal Navy not only in war, but also in peace, and of the risks and dangers constantly endured by officers and men in carrying out their duties, and we desire to express our deep sympathy with the relatives and friends of those who have lost their lives whilst so engaged.”

V.—PUBLICITY.

The Conference decided that as regards the question of publicity the procedure and arrangements should be similar to those adopted in 1923.*

At the unanimous wish of the Conference, Mr. J. C. C. Davidson, C.H., C.B., M.P., Parliamentary and Financial Secretary to the Admiralty, who had been in charge of the general arrangements as to publicity in 1923, was asked again to undertake the work in consultation with the members of the Conference and their staffs, and to be present at the meetings of the Conference.

Mr. Davidson was assisted in this work by Mr. D. Caird, C.B.E., Director of Information, Dominions Office, and by Sir Arthur Willert, K.B.E., Head of the News Department, Foreign Office. It was thus possible for touch to be kept with the current work of the various Committees and Sub-Committees of the Conference, so that adequate publicity could be given to their work as it progressed.

The arrangements made were again found to be most satisfactory, and at the conclusion of the meetings the Conference thanked Mr. Davidson and those who had assisted him for the valuable help they had given.

VI.—INTER-IMPERIAL RELATIONS.

All the questions on the Agenda affecting Inter-Imperial Relations were referred by the Conference to a Committee of Prime Ministers and Heads of Delegations, of which Lord Balfour was asked to be Chairman. The members of the Committee included the Prime Ministers of Canada, the Commonwealth of Australia, New Zealand, the Union of South Africa, and Newfoundland, the Vice-President of the Executive Council of the Irish Free State, the Secretary of State for India, as head of the Indian Delegation, the Secretary of State for Foreign Affairs, and the Secretary of State for Dominion Affairs. Other Ministers and members of the Conference attended particular meetings.

The Report of this Committee is printed *in extenso* below. It was unanimously adopted by the Conference on the 19th November and was published on the following day. In approving it, the Conference placed on record the great debt of gratitude which it owed to Lord Balfour for the services which he had rendered by presiding over the work of this Committee, and its hope that the Report would prove of permanent value and help to all parts of the British Empire.

Lord Escher's letter to Balfour.

My dear Arthur,

Services of all your great and manifold Report which has your

* Vide Section VI of Cmd. 1987.

imprimatur throughout is one of the greatest. A crowning achievement. You are really very splendid. Yours always respectfully, Escher.

"A Common interest in loyalty, in freedom, in ideals - that is the bond of Empire. If that is not enough nothing else is."
 Report of Inter-Imperial Relations Committee.

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I.—INTRODUCTION.

WE were appointed at the meeting of the Imperial Conference on the 25th October, 1926, to investigate all the questions on the Agenda affecting Inter-Imperial Relations. Our discussions on these questions have been long and intricate. We found, on examination, that they involved consideration of fundamental principles affecting the relations of the various parts of the British Empire *inter se*, as well as the relations of each part to foreign countries. For such examination the time at our disposal has been all too short. Yet we hope that we may have laid a foundation on which subsequent Conferences may build.

on this Report see Dugdale's Balfourism II.
pp. 374-384.

II.—STATUS OF GREAT BRITAIN AND THE DOMINIONS.

The Committee are of opinion that nothing would be gained by attempting to lay down a Constitution for the British Empire. Its widely scattered parts have very different characteristics, very different histories, and are at very different stages of evolution; while, considered as a whole, it defies classification and bears no real resemblance to any other political organisation which now exists or has ever yet been tried.

There is, however, one most important element in it which, from a strictly constitutional point of view, has now, as regards all vital matters, reached its full development—we refer to the group of self-governing communities composed of Great Britain and the Dominions. Their position and mutual relation may be readily defined. They are autonomous Communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.

A foreigner endeavouring to understand the true character of the British Empire by the aid of this formula alone would be tempted to think that it was devised rather to make mutual interference impossible than to make mutual co-operation easy.

Such a criticism, however, completely ignores the historic situation. The rapid evolution of the Oversea Dominions during the last fifty years has involved many complicated adjustments of old political machinery to changing conditions. The tendency towards equality of status was both right and inevitable. Geographical and other conditions made this impossible of attainment by the way of federation. The only alternative was by the way of autonomy; and along this road it has been steadily sought. Every self-governing member of the Empire is now the master of its destiny. In fact, if not always in form, it is subject to no compulsion whatever.

But no account, however accurate, of the negative relations in which Great Britain and the Dominions stand to each other can do more than express a portion of the truth. The British Empire is not founded upon negations. It depends essentially, if not formally, on positive ideals. Free institutions are its life-blood. Free co-operation is its instrument. Peace, security, and progress are among its objects. Aspects of all these great themes have been discussed at the present Conference; excellent results have been thereby obtained. And, though every Dominion is now, and must always remain, the sole judge of the nature and extent of its co-operation, no common cause will, in our opinion, be thereby imperilled.

Equality of status, so far as Britain and the Dominions are concerned, is thus the root principle governing our Inter-Imperial Relations. But the principles of equality and similarity, appropriate to status, do not universally extend to function. Here we require something more than immutable dogmas. For example, to deal

with questions of diplomacy and questions of defence, we require also flexible machinery—machinery which can, from time to time, be adapted to the changing circumstances of the world. This subject also has occupied our attention. The rest of this Report will show how we have endeavoured not only to state political theory, but to apply it to our common needs.

III.—SPECIAL POSITION OF INDIA.

It will be noted that in the previous paragraphs we have made no mention of India. Our reason for limiting their scope to Great Britain and the Dominions is that the position of India in the Empire is already defined by the Government of India Act, 1919. We would, nevertheless, recall that by Resolution IX of the Imperial War Conference, 1917, due recognition was given to the important position held by India in the British Commonwealth. Where, in this Report, we have had occasion to consider the position of India, we have made particular reference to it.

IV.—RELATIONS BETWEEN THE VARIOUS PARTS OF THE BRITISH EMPIRE.

Existing administrative, legislative, and judicial forms are admittedly not wholly in accord with the position as described in Section II of this Report. This is inevitable, since most of these forms date back to a time well antecedent to the present stage of constitutional development. Our first task then was to examine these forms with special reference to any cases where the want of adaptation of practice to principle caused, or might be thought to cause, inconvenience in the conduct of Inter-Imperial Relations.

(a.) *The Title of His Majesty the King.*

The title of His Majesty the King is of special importance and concern to all parts of His Majesty's Dominions. Twice within the last fifty years has the Royal Title been altered to suit changed conditions and constitutional developments.

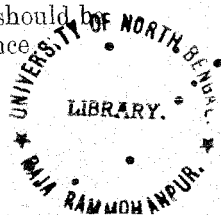
The present title, which is that proclaimed under the Royal Titles Act of 1901, is as follows :—

“George V, by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India.”

Some time before the Conference met, it had been recognised that this form of title hardly accorded with the altered state of affairs arising from the establishment of the Irish Free State as a Dominion. It had further been ascertained that it would be in accordance with His Majesty's wishes that any recommendation for change should be submitted to him as the result of discussion at the Conference.

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We are unanimously of opinion that a slight change is desirable, and we recommend that, subject to His Majesty's approval, the necessary legislative action should be taken to secure that His Majesty's title should henceforward read:—

“George V, by the Grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India.”

(b.) *Position of Governors-General.*

We proceeded to consider whether it was desirable formally to place on record a definition of the position held by the Governor-General* as His Majesty's representative in the Dominions. That position, though now generally well recognised, undoubtedly represents a development from an earlier stage when the Governor-General was appointed solely on the advice of His Majesty's Ministers in London and acted also as their representative.

In our opinion it is an essential consequence of the equality of status existing among the members of the British Commonwealth of Nations that the Governor-General of a Dominion is the representative of the Crown, holding in all essential respects the same position in relation to the administration of public affairs in the Dominion as is held by His Majesty the King in Great Britain, and that he is not the representative or agent of His Majesty's Government in Great Britain or of any Department of that Government.

It seemed to us to follow that the practice whereby the Governor-General of a Dominion is the formal official channel of communication between His Majesty's Government in Great Britain and His Governments in the Dominions might be regarded as no longer wholly in accordance with the constitutional position of the Governor-General. It was thought that the recognised official channel of communication should be, in future, between Government and Government direct. The representatives of Great Britain readily recognised that the existing procedure might be open to criticism and accepted the proposed change in principle in relation to any of the Dominions which desired it. Details were left for settlement as soon as possible after the Conference had completed its work, but it was recognised by the Committee, as an essential feature of any change or development in the channels of communication, that a Governor-General should be supplied with copies of all documents of importance and in general should be kept as fully informed as is His Majesty the King in Great Britain of Cabinet business and public affairs.

(c.) *Operation of Dominion Legislation.*

Our attention was also called to various points in connection with the operation of Dominion legislation, which, it was suggested, required clarification.

* The Governor of Newfoundland is in the same position as the Governor-General of a Dominion.

The particular points involved were :—

- (a.) The present practice under which Acts of the Dominion Parliaments are sent each year to London, and it is intimated, through the Secretary of State for Dominion Affairs, that "His Majesty will not be advised to exercise his powers of disallowance" with regard to them.
- (b.) The reservation of Dominion legislation, in certain circumstances, for the signification of His Majesty's pleasure which is signified on advice tendered by His Majesty's Government in Great Britain.
- (c.) The difference between the legislative competence of the Parliament at Westminster and of the Dominion Parliaments in that Acts passed by the latter operate, as a general rule, only within the territorial area of the Dominion concerned.
- (d.) The operation of legislation passed by the Parliament at Westminster in relation to the Dominions. In this connection special attention was called to such Statutes as the Colonial Laws Validity Act. It was suggested that in future uniformity of legislation as between Great Britain and the Dominions could best be secured by the enactment of reciprocal Statutes based upon consultation and agreement.

We gave these matters the best consideration possible in the limited time at our disposal, but came to the conclusion that the issues involved were so complex that there would be grave danger in attempting any immediate pronouncement other than a statement of certain principles which, in our opinion, underlie the whole question of the operation of Dominion legislation. We felt that, for the rest, it would be necessary to obtain expert guidance as a preliminary to further consideration by His Majesty's Governments in Great Britain and the Dominions.

On the questions raised with regard to disallowance and reservation of Dominion legislation, it was explained by the Irish Free State representatives that they desired to elucidate the constitutional practice in relation to Canada, since it is provided by Article 2 of the Articles of Agreement for a Treaty of 1921 that "the position of the Irish Free State in relation to the Imperial Parliament and Government and otherwise shall be that of the Dominion of Canada."

On this point we propose that it should be placed on record that, apart from provisions embodied in constitutions or in specific statutes expressly providing for reservation, it is recognised that it is the right of the Government of each Dominion to advise the Crown in all matters relating to its own affairs. Consequently, it would not be in accordance with constitutional practice for advice to be tendered to His Majesty by His Majesty's Government in Great Britain in any matter appertaining to the affairs of a Dominion against the views of the Government of that Dominion.

The appropriate procedure with regard to projected legislation in one of the self-governing parts of the Empire which may affect

the interests of other self-governing parts is previous consultation between His Majesty's Ministers in the several parts concerned.

On the question raised with regard to the legislative competence of members of the British Commonwealth of Nations other than Great Britain, and in particular to the desirability of those members being enabled to legislate with extra-territorial effect, we think that it should similarly be placed on record that the constitutional practice is that legislation by the Parliament at Westminster applying to a Dominion would only be passed with the consent of the Dominion concerned.

As already indicated, however, we are of opinion that there are points arising out of these considerations, and in the application of these general principles, which will require detailed examination, and we accordingly recommend that steps should be taken by Great Britain and the Dominions to set up a Committee with terms of reference on the following lines:—

“To enquire into, report upon, and make recommendations concerning—

- (i.) Existing statutory provisions requiring reservation of Dominion legislation for the assent of His Majesty or authorising the disallowance of such legislation.
- (ii.)—(a.) The present position as to the competence of Dominion Parliaments to give their legislation extra-territorial operation.
- (b.) The practicability and most convenient method of giving effect to the principle that each Dominion Parliament should have power to give extra-territorial operation to its legislation in all cases where such operation is ancillary to provision for the peace, order, and good government of the Dominion.
- (iii.) The principles embodied in or underlying the Colonial Laws Validity Act, 1865, and the extent to which any provisions of that Act ought to be repealed, amended, or modified in the light of the existing relations between the various members of the British Commonwealth of Nations as described in this Report.”

(d.) *Merchant Shipping Legislation.*

Somewhat similar considerations to those set out above governed our attitude towards a similar, though a special, question raised in relation to Merchant Shipping Legislation. On this subject it was pointed out that, while uniformity of administrative practice was desirable, and indeed essential, as regards the Merchant Shipping Legislation of the various parts of the Empire, it was difficult to reconcile the application, in their present form, of certain provisions of the principal Statute relating to Merchant Shipping,

viz., the Merchant Shipping Act of 1894, more particularly Clauses 735 and 736, with the constitutional status of the several members of the British Commonwealth of Nations.

In this case also we felt that, although, in the evolution of the British Empire, certain inequalities had been allowed to remain as regards various questions of maritime affairs, it was essential in dealing with these inequalities to consider the practical aspects of the matter. The difficulties in the way of introducing any immediate alterations in the Merchant Shipping Code (which dealt, amongst other matters, with the registration of British ships all over the world) were fully appreciated and it was felt to be necessary, in any review of the position, to take into account such matters of general concern as the qualifications for registry as a British ship, the status of British ships in war, the work done by His Majesty's Consuls in the interest of British shipping and seamen, and the question of Naval Courts at foreign ports to deal with crimes and offences on British ships abroad.

We came finally to the conclusion that, following a precedent which had been found useful on previous occasions, the general question of Merchant Shipping Legislation had best be remitted to a special Sub-Conference, which could meet most appropriately at the same time as the Expert Committee, to which reference is made above. We thought that this special Sub-Conference should be invited to advise on the following general lines:—

“To consider and report on the principles which should govern, in the general interest, the practice and legislation relating to merchant shipping in the various parts of the Empire, having regard to the change in constitutional status and general relations which has occurred since existing laws were enacted.”

We took note that the representatives of India particularly desired that India, in view of the importance of her shipping interests, should be given an opportunity of being represented at the proposed Sub-Conference. We felt that the full representation of India on an equal footing with Great Britain and the Dominions would not only be welcomed, but could very properly be given, due regard being had to the special constitutional position of India as explained in Section III of this Report.

(e.) *Appeals to the Judicial Committee of the Privy Council.*

Another matter which we discussed, in which a general constitutional principle was raised, concerned the conditions governing appeals from judgments in the Dominions to the Judicial Committee of the Privy Council. From these discussions it became clear that it was no part of the policy of His Majesty's Government in Great Britain that questions affecting judicial appeals should be determined otherwise than in accordance with the wishes of the part of the Empire primarily affected. It was, however, generally recognised that, where changes in the existing system were proposed which, while primarily affecting one part, raised issues in which other parts

were also concerned, such changes ought only to be carried out after consultation and discussion.

So far as the work of the Committee was concerned, this general understanding expressed all that was required. The question of some immediate change in the present conditions governing appeals from the Irish Free State was not pressed in relation to the present Conference, though it was made clear that the right was reserved to bring up the matter again at the next Imperial Conference for discussion in relation to the facts of this particular case.

V.—RELATIONS WITH FOREIGN COUNTRIES.

From questions specially concerning the relations of the various parts of the British Empire with one another, we naturally turned to those affecting their relations with foreign countries. In the latter sphere, a beginning had been made towards making clear those relations by the Resolution of the Imperial Conference of 1923 on the subject of the negotiation, signature, and ratification of treaties.*

* This Resolution was as follows:—

"The Conference recommends for the acceptance of the Governments of the Empire represented that the following procedure should be observed in the negotiation, signature, and ratification of international agreements.

The word 'treaty' is used in the sense of an agreement which, in accordance with the normal practice of diplomacy, would take the form of a treaty between Heads of States, signed by plenipotentiaries provided with Full Powers issued by the Heads of the States, and authorising the holders to conclude a treaty."

I.

" 1. Negotiation.

"(a) It is desirable that no treaty should be negotiated by any of the governments of the Empire without due consideration of its possible effect on other parts of the Empire, or, if circumstances so demand, on the Empire as a whole.

"(b) Before negotiations are opened with the intention of concluding a treaty, steps should be taken to ensure that any of the other governments of the Empire likely to be interested are informed, so that, if any such government considers that its interests would be affected, it may have an opportunity of expressing its views, or, when its interests are intimately involved, of participating in the negotiations.

"(c) In all cases where more than one of the governments of the Empire participates in the negotiations, there should be the fullest possible exchange of views between those governments before and during the negotiations. In the case of treaties negotiated at International Conferences, where there is a British Empire Delegation, on which, in accordance with the now established practice, the Dominions and India are separately represented, such representation should also be utilised to attain this object.

"(d) Steps should be taken to ensure that those governments of the Empire whose representatives are not participating in the negotiations should, during their progress, be kept informed in regard to any points arising in which they may be interested.

" 2. Signature.

"(a) Bilateral treaties imposing obligations on one part of the Empire only should be signed by a representative of the government of that part. The Full Power issued to such representative should indicate the part of the Empire in respect of which the obligations are to be

*Toynbee - The Conduct of British Empire
Foreign Relations since the Peace Settlement
10x6 1/2 Univ. Press, 1928 | P. G. Library 340/211/3.*

* In 1895, in a celebrated despatch, Lord
Kibin, the British Minister for the Colonies,
expressed the opinion that granting Colonial
But it seemed desirable to examine the working of that Resolution
during the past three years and also to consider whether the principles
laid down with regard to Treaties could not be applied with advantage
in a wider sphere.

(a.) Procedure in Relation to Treaties. *

We appointed a special Sub-Committee under the Chairmanship
of the Minister of Justice of Canada (The Honourable E. Lapointe,
K.C.) to consider the question of treaty procedure.

The Sub-Committee, on whose report the following paragraphs
are based, found that the Resolution of the Conference of 1923
embodied on most points useful rules for the guidance of the Govern-
ments. As they became more thoroughly understood and estab-
lished, they would prove effective in practice.

undertaken, and the preamble and text of the treaty should be so
worded as to make its scope clear.

"(b.) Where a bilateral treaty imposes obligations on more than
one part of the Empire, the treaty should be signed by one or more
plenipotentiaries on behalf of all the governments concerned.

"(c.) As regards treaties negotiated at International Conferences, the
existing practice of signature by plenipotentiaries on behalf of all the
governments of the Empire represented at the Conference should be
continued, and the Full Powers should be in the form employed at Paris
and Washington.

"3. Ratification.

"The existing practice in connection with the ratification of treaties
should be maintained.

II.

"Apart from treaties made between Heads of States, it is not
unusual for agreements to be made between governments. Such
agreements, which are usually of a technical or administrative character,
are made in the names of the signatory governments, and signed by
representatives of those governments, who do not act under Full Powers
issued by the Heads of the States: they are not ratified by the Heads
of the States, though in some cases some form of acceptance or
confirmation by the governments concerned is employed. As regards
agreements of this nature the existing practice should be continued, but
before entering on negotiations the governments of the Empire should
consider whether the interests of any other part of the Empire may be
affected, and, if so, steps should be taken to ensure that the government
of such part is informed of the proposed negotiations, in order that it
may have an opportunity of expressing its views."

The Resolution was submitted to the full Conference and unanimously
approved. It was thought, however, that it would be of assistance to add
a short explanatory statement in connection with part I (3), setting out the
existing procedure in relation to the ratification of treaties. This procedure
is as follows:—

- (a) The ratification of treaties imposing obligations on one part of the
Empire is effected at the instance of the government of that
part:
- (b) The ratification of treaties imposing obligations on more than one
part of the Empire is effected after consultation between the
governments of those parts of the Empire concerned. It is for
each government to decide whether Parliamentary approval or
legislation is required before desire for, or concurrence in,
ratification is intimated by that government.

governing power to negotiate treaties without the
assistance of the Empire was not compatible
with the maintenance of imperial unity.

future will decide whether he was
right. Siegfried - Canada, p. 225.

22

Some phases of treaty procedure were examined however in greater detail in the light of experience in order to consider to what extent the Resolution of 1923 might with advantage be supplemented.

Negotiation.

It was agreed in 1923 that any of the Governments of the Empire contemplating the negotiation of a treaty should give due consideration to its possible effect upon other Governments and should take steps to inform Governments likely to be interested of its intention.

This rule should be understood as applying to any negotiations which any Government intends to conduct, so as to leave it to the other Governments to say whether they are likely to be interested.

When a Government has received information of the intention of any other Government to conduct negotiations, it is incumbent upon it to indicate its attitude with reasonable promptitude. So long as the initiating Government receives no adverse comments and so long as its policy involves no active obligations on the part of the other Governments, it may proceed on the assumption that its policy is generally acceptable. It must, however, before taking any steps which might involve the other Governments in any active obligations, obtain their definite assent.

Where by the nature of the treaty it is desirable that it should be ratified on behalf of all the Governments of the Empire, the initiating Government may assume that a Government which has had full opportunity of indicating its attitude and has made no adverse comments will concur in the ratification of the treaty. In the case of a Government that prefers not to concur in the ratification of a treaty unless it has been signed by a plenipotentiary authorised to act on its behalf, it will advise the appointment of a plenipotentiary so to act.

Form of Treaty.

Some treaties begin with a list of the contracting countries and not with a list of Heads of States. In the case of treaties negotiated under the auspices of the League of Nations, adherence to the wording of the Annex to the Covenant for the purpose of describing the contracting party has led to the use in the preamble of the term "British Empire" with an enumeration of the Dominions and India if parties to the Convention but without any mention of Great Britain and Northern Ireland and the Colonies and Protectorates. These are only included by virtue of their being covered by the term "British Empire." This practice, while suggesting that the Dominions and India are not on a footing of equality with Great Britain as participants in the treaties in question, tends to obscurity and misunderstanding and is generally unsatisfactory.

As a means of overcoming this difficulty it is recommended that all treaties (other than agreements between Governments) whether negotiated under the auspices of the League or not should be made in the name of Heads of States, and, if the treaty is signed on behalf

of any or all of the Governments of the Empire, the treaty should be made in the name of the King as the symbol of the special relationship between the different parts of the Empire. The British units on behalf of which the treaty is signed should be grouped together in the following order: Great Britain and Northern Ireland and all parts of the British Empire which are not separate members of the League, Canada, Australia, New Zealand, South Africa, Irish Free State, India. A specimen form of treaty as recommended is attached as an appendix to the Committee's Report.*

In the case of a treaty applying to only one part of the Empire it should be stated to be made by the King on behalf of that part.

The making of the treaty in the name of the King as the symbol of the special relationship between the different parts of the Empire will render superfluous the inclusion of any provision that its terms must not be regarded as regulating *inter se* the rights and obligations of the various territories on behalf of which it has been signed in the name of the King. In this connection it must be borne in mind that the question was discussed at the Arms Traffic Conference in 1925, and that the Legal Committee of that Conference laid it down that the principle to which the foregoing sentence gives expression underlies all international conventions.

In the case of some international agreements the Governments of different parts of the Empire may be willing to apply between themselves some of the provisions as an administrative measure. In this case they should state the extent to which and the terms on which such provisions are to apply. Where international agreements are to be applied between different parts of the Empire, the form of a treaty between Heads of States should be avoided.

Full Powers.

The plenipotentiaries for the various British units should have Full Powers, issued in each case by the King on the advice of the Government concerned, indicating and corresponding to the part of the Empire for which they are to sign. It will frequently be found convenient, particularly where there are some parts of the Empire on which it is not contemplated that active obligations will be imposed, but where the position of the British subjects belonging to these parts will be affected, for such Government to advise the issue of Full Powers on their behalf to the plenipotentiary appointed to act on behalf of the Government or Governments mainly concerned. In other cases provision might be made for accession by other parts of the Empire at a later date.

Signature.

In the cases where the names of countries are appended to the signatures in a treaty, the different parts of the Empire should be designated in the same manner as is proposed in regard to the list of plenipotentiaries in the preamble to the treaty. The signatures of the plenipotentiaries of the various parts of the Empire should be grouped together in the same order as is proposed above.

* See p. 29.

The signature of a treaty on behalf of a part of the Empire should cover territories for which a mandate has been given to that part of the Empire, unless the contrary is stated at the time of the signature.

Coming into Force of Multilateral Treaties.

In general, treaties contain a ratification clause and a provision that the treaty will come into force on the deposit of a certain number of ratifications. The question has sometimes arisen in connection with treaties negotiated under the auspices of the League whether, for the purpose of making up the number of ratifications necessary to bring the treaty into force, ratifications on behalf of different parts of the Empire which are separate Members of the League should be counted as separate ratifications. In order to avoid any difficulty in future, it is recommended that, when it is thought necessary that a treaty should contain a clause of this character, it should take the form of a provision that the treaty should come into force when it has been ratified on behalf of so many separate Members of the League.

We think that some convenient opportunity should be taken of explaining to the other Members of the League the changes which it is desired to make in the form of treaties and the reasons for which they are desired. We would also recommend that the various Governments of the Empire should make it an instruction to their representatives at International Conferences to be held in future that they should use their best endeavours to secure that effect is given to the recommendations contained in the foregoing paragraphs.

(b.) *Representation at International Conferences.*

We also studied, in the light of the Resolution of the Imperial Conference of 1923 to which reference has already been made, the question of the representation of the different parts of the Empire at International Conferences. The conclusions which we reached may be summarized as follows:—

1. No difficulty arises as regards representation at conferences convened by, or under the auspices of, the League of Nations. In the case of such conferences all members of the League are invited, and if they attend are represented separately by separate delegations. Co-operation is ensured by the application of paragraph I.1. (c) of the Treaty Resolution of 1923.

2. As regards international conferences summoned by foreign Governments, no rule of universal application can be laid down, since the nature of the representation must, in part, depend on the form of invitation issued by the convening Government.

(a.) In conferences of a technical character, it is usual and always desirable that the different parts of the Empire should (if they wish to participate) be represented

separately by separate delegations, and where necessary efforts should be made to secure invitations which will render such representation possible.

- (b.) Conferences of a political character called by a foreign Government must be considered on the special circumstances of each individual case.

It is for each part of the Empire to decide whether its particular interests are so involved, especially having regard to the active obligations likely to be imposed by any resulting treaty, that it desires to be represented at the conference, or whether it is content to leave the negotiation in the hands of the part or parts of the Empire more directly concerned and to accept the result.

If a Government desires to participate in the conclusion of a treaty, the method by which representation will be secured is a matter to be arranged with the other Governments of the Empire in the light of the invitation which has been received.

Where more than one part of the Empire desires to be represented, three methods of representation are possible :—

- (i.) By means of a common plenipotentiary or plenipotentiaries, the issue of Full Powers to whom should be on the advice of all parts of the Empire participating.
- (ii.) By a single British Empire delegation composed of separate representatives of such parts of the Empire as are participating in the conference. This was the form of representation employed at the Washington Disarmament Conference of 1921.
- (iii.) By separate delegations representing each part of the Empire participating in the conference. If, as a result of consultation, this third method is desired, an effort must be made to ensure that the form of invitation from the convening Government will make this method of representation possible.

Certain non-technical treaties should, from their nature, be concluded in a form which will render them binding upon all parts of the Empire, and for this purpose should be ratified with the concurrence of all the Governments. It is for each Government to decide to what extent its concurrence in the ratification will be facilitated by its participation in the conclusion of the treaty, as, for instance, by the appointment of a common plenipotentiary. Any question as to whether the nature of the treaty is such that its ratification should be concurred in by all parts of the Empire is a matter for discussion and agreement between the Governments.

(c.) *General Conduct of Foreign Policy.*

We went on to examine the possibility of applying the principles underlying the Treaty Resolution of the 1923 Conference to matters arising in the conduct of foreign affairs generally. It was frankly recognised that in this sphere, as in the sphere of defence, the major

share of responsibility rests now, and must for some time continue to rest, with His Majesty's Government in Great Britain. Nevertheless, practically all the Dominions are engaged to some extent, and some to a considerable extent, in the conduct of foreign relations, particularly those with foreign countries on their borders. A particular instance of this is the growing work in connection with the relations between Canada and the United States of America which has led to the necessity for the appointment of a Minister Plenipotentiary to represent the Canadian Government in Washington. We felt that the governing consideration underlying all discussions of this problem must be that neither Great Britain nor the Dominions could be committed to the acceptance of active obligations except with the definite assent of their own Governments. In the light of this governing consideration, the Committee agreed that the general principle expressed in relation to Treaty negotiations in Section V (a) of this Report, which is indeed already to a large extent in force, might usefully be adopted as a guide by the Governments concerned in future in all negotiations affecting foreign relations falling within their respective spheres.

(d.) *Issue of Exequaturs to Foreign Consuls in the Dominions.*

A question was raised with regard to the practice regarding the issue of exequaturs to Consuls in the Dominions. The general practice hitherto, in the case of all appointments of Consuls de Carrière in any part of the British Empire, has been that the foreign Government concerned notifies His Majesty's Government in Great Britain, through the diplomatic channel, of the proposed appointment, and that, provided that it is clear that the person concerned is, in fact, a Consul de Carrière, steps have been taken, without further formality, for the issue of His Majesty's exequatur. In the case of Consuls other than those de Carrière, it has been customary for some time past to consult the Dominion Government concerned before the issue of the exequatur.

The Secretary of State for Foreign Affairs informed us that His Majesty's Government in Great Britain accepted the suggestion that in future any application by a foreign Government for the issue of an exequatur to any person who was to act as Consul in a Dominion should be referred to the Dominion Government concerned for consideration and that, if the Dominion Government agreed to the issue of the exequatur, it would be sent to them for counter-signature by a Dominion Minister. Instructions to this effect had indeed already been given.

(e.) *Channel of Communication between Dominion Governments and Foreign Governments.*

We took note of a development of special interest which had occurred since the Imperial Conference last met, viz., the appointment of a Minister Plenipotentiary to represent the interests of the

Irish Free State in Washington, which was now about to be followed by the appointment of a diplomatic representative of Canada. We felt that most fruitful results could be anticipated from the co-operation of His Majesty's representatives in the United States of America, already initiated, and now further to be developed. In cases other than those where Dominion Ministers were accredited to the Heads of Foreign States, it was agreed to be very desirable that the existing diplomatic channels should continue to be used, as between the Dominion Governments and foreign Governments, in matters of general and political concern.

VI.—SYSTEM OF COMMUNICATION AND CONSULTATION.

Sessions of the Imperial Conference at which the Prime Ministers of Great Britain and of the Dominions are all able to be present cannot, from the nature of things, take place very frequently. The system of communication and consultation between Conferences becomes therefore of special importance. We reviewed the position now reached in this respect with special reference to the desirability of arranging that closer personal touch should be established between Great Britain and the Dominions, and the Dominions *inter se*. Such contact alone can convey an impression of the atmosphere in which official correspondence is conducted. Development, in this respect, seems particularly necessary in relation to matters of major importance in foreign affairs where expedition is often essential, and urgent decision necessary. A special aspect of the question of consultation which we considered was that concerning the representation of Great Britain in the Dominions. By reason of his constitutional position, as explained in section IV (b) of this Report, the Governor-General is no longer the representative of His Majesty's Government in Great Britain. There is no one therefore in the Dominion capitals in a position to represent with authority the views of His Majesty's Government in Great Britain.

We summed up our conclusions in the following Resolution which is submitted for the consideration of the Conference :—

“The Governments represented at the Imperial Conference are impressed with the desirability of developing a system of personal contact, both in London and in the Dominion capitals, to supplement the present system of inter-communication and the reciprocal supply of information on affairs requiring joint consideration. The manner in which any new system is to be worked out is a matter for consideration and settlement between His Majesty's Governments in Great Britain and the Dominions, with due regard to the circumstances of each particular part of the Empire, it being understood that any new arrangements should be supplementary to, and not in replacement of, the system of direct communication from Government to Government and the special arrangements which have been in force since 1918 for communications between Prime Ministers.”

VII.—PARTICULAR ASPECTS OF FOREIGN RELATIONS DISCUSSED BY COMMITTEE.

It was found convenient that certain aspects of foreign relations on matters outstanding at the time of the Conference should be referred to us, since they could be considered in greater detail, and more informally, than at meetings of the full Conference.

(a.) *Compulsory Arbitration in International Disputes.*

One question which we studied was that of arbitration in international disputes, with special reference to the question of acceptance of Article 36 of the Statute of the Permanent Court of International Justice, providing for the compulsory submission of certain classes of cases to the Court. On this matter we decided to submit no Resolution to the Conference, but, whilst the members of the Committee were unanimous in favouring the widest possible extension of the method of arbitration for the settlement of international disputes, the feeling was that it was at present premature to accept the obligations under the Article in question. A general understanding was reached that none of the Governments represented at the Imperial Conference would take any action in the direction of the acceptance of the compulsory jurisdiction of the Permanent Court, without bringing up the matter for further discussion.

(b.) *Adherence of the United States of America to the Protocol establishing the Permanent Court of International Justice.*

Connected with the question last mentioned, was that of adherence of the United States of America to the Protocol establishing the Permanent Court of International Justice.

The special conditions upon which the United States desired to become a party to the Protocol had been discussed at a special Conference held in Geneva in September, 1926, to which all the Governments represented at the Imperial Conference had sent representatives. We ascertained that each of these Governments was in accord with the conclusions reached by the special Conference and with the action which that Conference recommended.

(c.) *The Policy of Locarno.*

The Imperial Conference was fortunate in meeting at a time just after the ratifications of the Locarno Treaty of Mutual Guarantee had been exchanged on the entry of Germany into the League of Nations. It was therefore possible to envisage the results which the Locarno Policy had achieved already, and to forecast to some extent the further results which it was hoped to secure. These were explained and discussed. It then became clear that, from the standpoint of all the Dominions and of India, there was complete approval of the manner in which the negotiations had been conducted and brought to so successful a conclusion.

Our final and unanimous conclusion was to recommend to the Conference the adoption of the following Resolution :—

“ The Conference has heard with satisfaction the statement of the Secretary of State for Foreign Affairs with regard to the efforts made to ensure peace in Europe, culminating in the agreements of Locarno ; and congratulates His Majesty’s Government in Great Britain on its share in this successful contribution towards the promotion of the peace of the world.”

Signed on behalf of the Committee,
BALFOUR, *Chairman.*

November 18, 1926.

APPENDIX.

(See Section V (a).)

SPECIMEN FORM OF TREATY.

The President of the United States of America, His Majesty the King of the Belgians, His Majesty the King [*here insert His Majesty’s full title*], His Majesty the King of Bulgaria, &c., &c.

Desiring.....

Have resolved to conclude a treaty for that purpose and to that end have appointed as their Plenipotentiaries :

The President

His Majesty the King [*title as above*]:

for Great Britain and Northern Ireland and all parts of the British Empire which are not separate Members of the League (of Nations),

AB.

for the Dominion of Canada,

CD.

for the Commonwealth of Australia,

EF.

for the Dominion of New Zealand,

GH.

for the Union of South Africa,

IJ.

for the Irish Free State,

KL.

for India,

MN

who, having communicated their full powers, found in good and due form, have agreed as follows :

In faith whereof the above-named Plenipotentiaries have signed the present Treaty.

AB.....
CD.....
EF.....
GH.....
IJ.....
KL.....
MN.....

(or if the territory for which each Plenipotentiary signs is to be specified:

(for Great Britain, &c.).....*AB*.
 (for Canada).....*CD*.
 (for Australia).....*EF*.
 (for New Zealand).....*GH*.
 (for South Africa).*IJ*.
 (for the Irish Free State).....*KL*.
 (for India).....*MN*.)

VII.—FOREIGN RELATIONS.

On the 20th October, the Secretary of State for Foreign Affairs made to the Conference a comprehensive statement on foreign affairs, and on the invitation of the Conference His Majesty's High Commissioner in Egypt attended and made a more detailed statement on the position and prospects in that country.

These statements were followed on the 25th October by a general discussion on foreign affairs, in which the Prime Ministers of Canada, the Commonwealth of Australia, New Zealand, the Union of South Africa, and Newfoundland, Mr. O'Higgins for the Irish Free State, Lord Winterton on behalf of the Indian Delegation, and Mr. Lapointe for Canada, took part. General appreciation was expressed of Sir Austen Chamberlain's review.

Opportunity was also taken to explain those aspects of foreign relations with which the Dominion Governments had been specially concerned during the last three years, in particular the various matters on which negotiations had been carried on between His Majesty's Government in Canada and the Government of the United States of America.

As in 1923, emphasis was laid on the vital importance to the British Empire of the maintenance of the route to the East and South Pacific via the Suez Canal, and attention was directed to the bearing of these interests on the conduct of foreign relations.

Satisfaction was expressed at the improvement in the relations of the European Powers since the Conference of 1923, and it was felt that His Majesty's Government in Great Britain were to be congratulated on their contribution towards the promotion of the peace of the world.

The discussion made it clear that the Governments of the British Empire remain firmly attached to a policy of peace and to support of the League of Nations as the great instrument of peace.

It was decided not to publish any part of the Foreign Secretary's statement or of the resulting discussion.

Subsequent sections of this Report give an account of particular questions affecting foreign affairs which were studied during the Conference by the representatives of the Governments particularly concerned. Certain other questions, which raised more general issues, were remitted to the Committee on Inter-Imperial Relations under the Chairmanship of Lord Balfour, viz. :—

- (a.) Compulsory arbitration in international disputes.
- (b.) Adherence of the United States of America to the Protocol establishing the Permanent Court of International Justice.
- (c.) The policy of Locarno.

The parts of the Report of Lord Balfour's Committee dealing with these three questions will be found above. As already indicated, that Report and the Resolution submitted by the Committee with regard to the policy of Locarno were unanimously approved by the Conference.

VIII.—COLONIES, PROTECTORATES, AND MANDATED TERRITORIES.

On the 21st October, the Secretary of State for the Colonies made a statement to the Conference in which he reviewed the developments in the Colonies, Protectorates, and Mandated Territories since 1923.

Mr. Amery opened by a description of the variety and size of the Colonial Empire ranging from small self-governing communities like the island of Malta to the vast possessions in Tropical Africa. He then emphasised its interest and economic importance to other parts of the Empire, pointing out that its total trade, which had expanded enormously in recent years, was now over £500,000,000 per annum. He laid stress on the importance for the future to the rest of the Empire of the adequate development of these great areas, over 2,000,000 square miles in extent, lying mainly in the tropics, and on the fact that production in the tropics was complementary to the industrial production of the temperate zones. Development had hitherto been retarded owing to lack of transport facilities and also to under-population. He made a comparison with the United States of America, pointing out that the British Empire included greater territory and more diversified resources.

After describing the openings for candidates from the Dominions in the services of the various Colonies, Mr. Amery reviewed briefly events in the different portions of the Colonial Empire during the last three years. He mentioned that the outstanding event for the West Indies had been the holding of a most successful conference in

London which had evolved a scheme for the establishment of a standing body to deal with their common affairs; while there had been a conference on Trade and Shipping with the Government of Canada at Ottawa in 1925 which had further strengthened and developed the relations established in 1920.

He referred to the great potential value of the Imperial College of Tropical Agriculture in Trinidad to the future of agriculture in the tropical Empire. In other spheres of research the needs of the whaling industry were being carefully examined through the work being carried out by R.R.S. "Discovery" in the Antarctic.

Passing to Tropical Africa, Mr. Amery described the extremely successful tour of the Prince of Wales in 1925, and referred to the spontaneous enthusiasm with which His Royal Highness was greeted wherever he went. He proceeded to lay stress on the importance of policy in regard to public health and native education. He referred to the visits of Mr. Ormsby-Gore to East Africa two years ago with a Parliamentary Commission, and to West Africa this year.

He pointed out the great expansion in trade in both East and West Africa, and alluded to the £10,000,000 which His Majesty's Government in Great Britain had decided to guarantee for increasing transport facilities in East Africa. He also mentioned the recent establishment of a Governors' Conference in East Africa and the successful completion in the past summer of the negotiations as to control of the Rhodesian railway system. He then referred to the great prosperity of Ceylon and Malaya, alluding to the importance of the rubber restriction scheme. Hong Kong, on the other hand, had been through a difficult period owing to the serious situation in China and the Canton boycott of shipping. After describing the great improvement in the political situation in Palestine and its steady development, Mr. Amery ended his review with a reference to the successful conclusion of the negotiations regarding the Mosul Frontier and to the undeveloped resources of the Kingdom of Iraq.

This review was followed by statements from the Prime Ministers of the Commonwealth of Australia, New Zealand, and the Union of South Africa, regarding the position in New Guinea, Western Samoa, and South-West Africa, and by a statement from the Prime Minister of Canada regarding the Canada and West Indies Trade Agreement, 1925.

Mr. Bruce emphasised the great importance of New Guinea to Australia. He dwelt especially on the public health policy now being pursued there, on the need for a system of training for its administrative officers, and on its possibilities of economic development. Mr. Coates described, in particular, the economic progress made and also the development of self-government amongst the natives of Western Samoa. General Hertzog gave a short account of the progressive stages in the constitutional and administrative development of South-West Africa during the last few years; he also mentioned the recent negotiations between the Union and Portuguese Governments as to the Angola-South-West Africa Boundary.

All these statements were subsequently published.*

Discussion also took place as to various matters of common interest affecting Mandated Territories. These are dealt with in Section IX of this Report.

IX.—QUESTIONS CONNECTED WITH THE WORK OF THE PERMANENT MANDATES COMMISSION OF THE LEAGUE OF NATIONS.

Questions of common interest in relation to Mandated Territories were referred to a special Committee which included representatives of Great Britain, the Commonwealth of Australia, New Zealand, and the Union of South Africa. This Committee had under consideration two questions raised by the Permanent Mandates Commission in their report to the Council of the League upon which the Council had invited all the Mandatory Governments to express an opinion, namely, whether petitioners from Mandated Territories should be heard in person by the Commission, and whether the *questionnaire* proposed by the Commission should be adopted by the Council of the League as a basis for the annual reports on "B" and "C" Mandated Territories.

The Governments represented on the Committee found themselves in complete agreement on these matters, and, at the instance of the Committee, the Conference approved the terms of a Note which the Secretary of State for Foreign Affairs, on behalf of His Majesty's Government in Great Britain, proposed to send to the Secretary-General of the League of Nations.

The Report of the Committee and the Note sent by the Secretary of State for Foreign Affairs to the Secretary-General of the League have been published.†

X.—CONDOMINIUM IN THE NEW HEBRIDES.

The further developments in the New Hebrides since the Imperial Conference of 1923 were examined by representatives of His Majesty's Government in Great Britain in consultation with the Prime Ministers of the Commonwealth of Australia and New Zealand, and agreement reached on the policy to be followed.

XI.—BRITISH POLICY IN THE ANTARCTIC.

The question of Antarctic exploration was discussed between representatives of the Governments interested. There are certain areas in these regions to which a British title already exists by virtue of discovery. These areas include :—

- (i.) The outlying part of Coats Land, viz., the portion not comprised within the Falkland Islands Dependencies.
- (ii.) Enderby Land.

* See Appendix III in Cmd. 2769.

† See Appendix VI in Cmd. 2769.

- (iii.) Kemp Land.
- (iv.) Queen Mary Land.
- (v.) The area which lies to the west of Adélie Land and which on its discovery by the Australian Antarctic Expedition in 1912 was denominated Wilkes Land.
- (vi.) King George V Land.
- (vii.) Oates Land.

The representatives of the Governments concerned studied the information available concerning these areas with special reference to their possible utilisation for further developing exploration and scientific research in the Antarctic regions.

XII.—DEFENCE.

The Conference gave much consideration to the question of defence, and to the methods by which the defence arrangements of each part of the Empire could be most effectively co-ordinated.

The Prime Minister of Great Britain initiated the discussions on the 26th October by a review of the work and organisation of the Committee of Imperial Defence, in the course of which he emphasised the purely advisory and consultative character of this body. He also outlined the chief developments which had taken place since the last Conference, notably the creation of the Chiefs of Staff Sub-Committee and the decision to establish an Imperial Defence College.

After a reference to the progress already made and to the further steps to be taken in the development of the Naval Base at Singapore, Mr. Baldwin mentioned that the pursuance of this policy had been greatly facilitated by the contributions of the Federated Malay States, Hong Kong, and the Straits Settlements.

Mr. Baldwin was followed by the Senior Officer of the Chiefs of Staff Sub-Committee (Admiral of the Fleet Earl Beatty) in a survey of the general strategic situation, and by the Secretary of State for India in a summary of the special problems of Indian defence.

The discussions were renewed on the 15th November, when statements were made by the Prime Ministers of Canada, the Commonwealth of Australia, New Zealand, and Newfoundland, by Mr. Havenga for the Union of South Africa, by Mr. O'Higgins for the Irish Free State, and by the Maharaja of Burdwan for India.*

Meetings also took place at the Admiralty, the War Office, and the Air Ministry, at which the situation from the standpoint of His Majesty's Government in Great Britain was presented in greater detail, and other phases of common interest were considered at a meeting held at the Offices of the Committee of Imperial Defence.

Much interest attached to the opportunities afforded for observation of the various arms of the Service in operation, notably the Naval review off Portland, the Army mechanical display at Camberley, and the Air demonstrations at Croydon and Cardington.

* Extracts from the speeches made on 26th October and 15th November will be found in Appendix IV in Cmd. 2769.

Apart from their interest from the point of view of defence, these displays revealed technical developments in mechanical traction and in aviation which may prove of importance in their application for civilian purposes.

The information thus obtained and the opinions exchanged will, it is believed, prove of much practical value in aiding the several Governments of the Empire in the determination of their policies of defence, and are commended to their most careful consideration.

The Conclusions reached by the Imperial Conference on the subject of Defence may be summarised as follows :—

1. The Resolutions on Defence adopted at the last session of the Conference (see page 36) are re-affirmed.

2. The Imperial Conference regrets that it has not been possible to make greater progress with the international reduction and limitation of armaments referred to in these Resolutions. It is the common desire of the Governments represented at this Conference to do their utmost in pursuit of this object so far as this is consistent with the safety and integrity of all parts of the Empire and its communications.

3. The Conference recognises that, even after a large measure of reduction and limitation of armaments has been achieved, a considerable effort will be involved in order to maintain the minimum standard of naval strength contemplated in the Washington Treaty on Limitation of Armament, namely, equality with the naval strength of any foreign power. It has noted the statements set forth by the Admiralty as to the formidable expenditure required within coming years for the replacement of warships, as they become obsolete, by up-to-date ships.

4. Impressed with the vital importance of ensuring the security of the world-wide trade routes upon which the safety and welfare of all parts of the Empire depend, the representatives of Australia, New Zealand, and India note with special interest the steps already taken by His Majesty's Government in Great Britain to develop the Naval Base at Singapore, with the object of facilitating the free movement of the Fleets. In view of the heavy expenditure involved, they welcome the spirit of co-operation shown in the contributions made with the object of expediting this work.

5. The Conference observes that steady progress has been made in the direction of organising military formations in general on similar lines; in the adoption of similar patterns of weapons; and in the interchange of Officers between different parts of the Empire; it invites the Governments concerned to consider the possibility of extending these forms of co-operation and of promoting further consultation between the respective General Staffs on defence questions adjudged of common interest.

6.—(a.) The Conference takes note with satisfaction of the substantial progress that has been made since 1923 in building up the Air Forces and resources of the several parts of the Empire.

(b.) Recognising that the fullest mobility is essential to the effective and economical employment of air power, the Conference

recommends, for the consideration of the several Governments, the adoption of the following principle :—

The necessity for creating and maintaining an adequate chain of air bases and refuelling stations.

(c.) Impressed with the desirability of still closer co-ordination in this as in all other spheres of common interest, and in particular with the advantages which should follow from a more general dissemination of the experience acquired in the use of this new arm under the widely varying conditions which obtain in different parts of the Empire, the Conference recommends for consideration by the Governments interested the adoption in principle of a system of mutual interchange of individual Officers for liaison and other duties, and of complete air units, so far as local requirements and resources permit.

7. The Conference recognises that the defence of India already throws upon the Government of India responsibilities of a specially onerous character, and takes note of their decision to create a Royal Indian Navy.

8. The Conference notes with satisfaction that considerable progress in the direction of closer co-operation in Defence matters has been effected by the reciprocal attachment of naval, military, and air Officers to the Staff Colleges and other technical establishments maintained in various parts of the Empire, and invites the attention of the Governments represented to the facilities afforded by the new Imperial Defence College in London for the education of Officers in the broadest aspects of strategy.

9. The Conference takes note of the developments in the organisation of the Committee of Imperial Defence since the session of 1923. It invites the attention of the Governments represented at the Conference to the following Resolutions adopted, with a view to consultation in questions of common defence, at a meeting of the Committee of Imperial Defence held on the 30th May, 1911, in connection with the Imperial Conference of that year :—

“(1.) That one or more representatives appointed by the respective Governments of the Dominions should be invited to attend meetings of the Committee of Imperial Defence when questions of naval and military* defence affecting the Oversea Dominions are under consideration.

(2.) The proposal that a Defence Committee should be established in each Dominion is accepted in principle. The Constitution of these Defence Committees is a matter for each Dominion to decide.”

Note.—The Resolutions of the Imperial Conference of 1923 on Defence were as follows :—

1. The Conference affirms that it is necessary to provide for the adequate defence of the territories and trade of the several countries comprising the British Empire.

* The words “and air” would be required to bring the Resolution up to date.

2. In this connection the Conference expressly recognises that it is for the Parliaments of the several parts of the Empire, upon the recommendations of their respective Governments, to decide the nature and extent of any action which should be taken by them.
3. Subject to this provision, the Conference suggests the following as guiding principles :—

(a) The primary responsibility of each portion of the Empire represented at the Conference for its own local defence.

(b) Adequate provision for safeguarding the maritime communications of the several parts of the Empire and the routes and waterways along and through which their armed forces and trade pass.

(c) The provision of Naval bases and facilities for repair and fuel so as to ensure the mobility of the fleets.

(d) The desirability of the maintenance of a minimum standard of Naval Strength, namely, equality with the Naval Strength of any foreign power, in accordance with the provisions of the Washington Treaty on Limitation of Armament as approved by Great Britain, all the self-governing Dominions, and India.

(e) The desirability of the development of the Air Forces in the several countries of the Empire upon such lines as will make it possible, by means of the adoption, as far as practicable, of a common system of organisation and training and the use of uniform manuals, patterns of arms, equipment and stores (with the exception of the type of aircraft), for each part of the Empire as it may determine to co-operate with other parts with the least possible delay and the greatest efficiency.

4. In the application of these principles to the several parts of the Empire concerned the Conference takes note of—

(a) The deep interest of the Commonwealth of Australia, the Dominion of New Zealand, and India, in the provision of a Naval Base at Singapore, as essential for ensuring the mobility necessary to provide for the security of the territories and trade of the Empire in Eastern Waters.

(b) The necessity for the maintenance of safe passage along the great route to the East through the Mediterranean and the Red Sea.

(c) The necessity for the maintenance by Great Britain of a Home Defence Air Force of sufficient strength to give adequate protection against air attack by the strongest air force within striking distance of her shores.

5. The Conference, while deeply concerned for the paramount importance of providing for the safety and integrity of all parts of the Empire, earnestly desires, so far as is consistent with this consideration, the further limitation of armaments, and trusts that no opportunity may be lost to promote this object.

XIII.—NATIONALITY QUESTIONS.

Certain questions connected with the Law of Nationality were referred to a Committee under the Chairmanship of the Secretary of State for Home Affairs, and the Conference, on the recommendation of this Committee, passed the following Resolutions :—

1. *Revised Draft Nationality Bill to give effect to the recommendations of the Imperial Conference, 1923.*

“The Imperial Conference recommends that the provisions contained in the draft of the Nationality Bill (as revised) for giving effect to the recommendations of the Imperial Conference, 1923, be approved, subject, however, to the inclusion of such further amendments as are recommended at the present Conference and to such consequential modifications as may be required.”

2. *Facilities for the acquisition of British Nationality by children of the third generation born abroad of British parents during the war, and for further time for the registration of the births of children of the second generation born abroad.*

“The Imperial Conference recommends the amendment of the British Nationality and Status of Aliens Act, 1914—

(1.) So as to provide facilities—by means of the registration of birth—for the acquisition of British nationality by children of the third generation born abroad of British parents during the period between the date of the commencement of the War (the 4th August, 1914) and the 4th August, 1922 (the date when the British Nationality and Status of Aliens Act, 1922, came into operation).

(2.) So as to make provision for further time for the registration, pursuant to section 1 (1) (b) (v) of the Act of 1914, of the births of children of the second generation born abroad of British parents.”

3. *Amendment of Section 12 (1) of the Principal Act.*

“The Imperial Conference recommends that section 12 (1) of the British Nationality and Status of Aliens Act, 1914, be amended so as to remove certain doubts which have arisen in its interpretation.”

4. *Registration at British Consulates.*

“The Imperial Conference recommends the amendment of the British Nationality and Status of Aliens Act, 1914, so as to provide that a British subject by naturalisation shall be under an obligation to register annually at a British Consulate while resident in a foreign country.”

5. *Revocation of Certificates of Naturalisation.*

“The Imperial Conference recommends that the British Nationality and Status of Aliens Act, 1914, be amended so as to provide power for revocation of certificates of naturalisation granted or deemed to be granted in the following cases:—

(1.) A widow of deceased British subject by naturalisation.

(2.) A person who has acquired British nationality by residence with a parent in the United Kingdom pursuant to section 10 (5) of the Naturalisation Act, 1870, or by inclusion of his name, during his minority, in a certificate of naturalisation granted to his father or mother pursuant to section 5 (1) of the Act of 1914.

(3.) A person who has, for a period of not less than two years, failed to comply with the new proposed statutory obligation to register at a British Consulate.”

Nationality of Married Women.

The Committee also considered the question of the nationality of married women. On this matter some divergence of view was disclosed and the Committee were unable to arrive at a unanimous conclusion. Since, however, they attached great importance to the maintenance of uniformity throughout the various parts of the Empire in the law relating to British Nationality, they decided to recommend to the Conference that further consideration of the question should be postponed pending the Report of the Committee of Experts referred to in the Report of the Inter-Imperial Relations Committee—*vide* Section VI of this Report—which, it is proposed, should deal with various matters connected with the operation of Dominion legislation, and in view of the possibility of an attempt being made to regulate the problem of dual nationality and no nationality by international agreement. The Conference adopted this recommendation.

The Report of the Nationality Committee has been published.*

XIV.—IMPERIAL COMMUNICATIONS (OTHER THAN AIR COMMUNICATIONS).

Certain questions relating to Imperial Communications (other than Air Communications) were referred to a Committee under the Chairmanship of the Secretary of State for Dominion Affairs.

The Committee considered the possibility of improving ocean communications between various parts of the Empire, and, at the instance of the Committee, the Conference adopted the following Resolution:—

“The Conference are impressed with the necessity of improving the speed of Ocean communications between various parts of the Empire, and especially between Great Britain, India, and Australia and between Great Britain and New Zealand. They are unable on the information now available to make any recommendation on the specific proposal that was placed before them for an improved service between Great Britain, India, and Australia. They nevertheless believe that an acceleration on this route as well as in the communications between all parts of the Empire, and especially between Great Britain and the more distant Dominions, can be brought about, and they suggest that the Governments concerned should further investigate the possibilities in this respect.”

The Committee also considered the experiments in Long-Distance Wireless Telephony which are being carried out from the Rugby Wireless Station. The Conference took note of the position.

The Committee received a deputation from the Empire Press Union on the subject of facilities for the dissemination of British news throughout the Empire.

A record of the proceedings at this meeting will be published later.†

* See Appendix VII in Cmd. 2769.

† See Appendix VIII in Cmd. 2769.

XV.—PACIFIC CABLE.

Outstanding questions connected with the management of the Pacific Cable undertaking were discussed between representatives of the partner Governments interested in the undertaking (Great Britain, Canada, Australia, and New Zealand). General agreement was reached in principle on all points, and it was settled that the necessary legislation would be introduced as soon as possible to provide—

- (a.) For the future composition of the Pacific Cable Board, the method of appointment of the Chairman of the Board, and the remuneration of the Chairman and members of the Board.
- (b.) For the settlement of the amount to be set aside annually by the Board to the reserve fund.
- (c.) For the disposal of annual surpluses which may accrue in the future.

It was also agreed that a clearer definition should be made of the relations between the Board and the partner Governments.

Full details are being published.*

XVI.—IMPERIAL AIR COMMUNICATIONS.

An interesting discussion on Imperial Air Communications took place at the Tenth Meeting of the Conference on the 28th October, when statements were made regarding the progress achieved in civil aviation in the various parts of the British Empire. The Conference was deeply impressed with the great possibilities offered by the development of Imperial air communications and their importance from the political as well as the economic point of view.

The Secretary of State for Air in an opening statement outlined the policy which was being pursued by His Majesty's Government in Great Britain for the development of civil aviation. The ultimate objective of this policy was to bring the most distant parts of the Empire within a fortnight's journey of London, and in the first instance he suggested that it would be advisable to concentrate on two main routes, namely, from England to Australia and South Africa respectively. The first links in these routes were being forged by the Cairo-Karachi and Khartoum-Kisumu services which were to come into operation in 1927. Sir Samuel Hoare suggested that these links might be extended by service flights to be undertaken by the Royal Air Force and the Australian and South African Air Forces in co-operation, whilst generally, having regard to financial limitations, the best prospect of progress appeared to lie in each of the countries of the Empire undertaking responsibility for developing the sections lying within its own territory, and so gradually building up (on what might be called a mosaic plan) a complete system of Imperial air routes. He also drew attention to the great potentialities of the airship as providing a safe, comfortable, and rapid means of non-stop transport over long distances, aeroplanes being ultimately more suitable for comparatively short-distance flights. Sir Samuel Hoare stated that His Majesty's Government in Great Britain would probably be ready to undertake

* See Appendix IX in Cmd. 2769.

airship demonstration flights to the Dominions and India in about two years' time, and enquired whether the latter would be prepared to co-operate by providing mooring masts and the organisation for procuring the essential meteorological information.*

The representatives of the oversea parts of the Empire expressed their readiness to give immediate and sympathetic consideration to these suggestions; and the matter was referred to a Special Sub-Committee under the Chairmanship of Sir Samuel Hoare for examination in detail.

This Sub-Committee, after reviewing the present state of air communications in the various parts of the Empire and considering what concrete steps can be taken to further the development of Imperial air services in the immediate future, reported their conviction that the development of Imperial air communications, both by airship and by aeroplane, is of sufficient importance to merit the early and continuous attention of the Governments of the several parts of the Empire, and accordingly recommended that the Imperial Conference should place on record the following Resolutions:—

“The Imperial Conference, being impressed with the great benefits, both political and commercial, to be derived from the speeding up of Imperial communications by air—

(1.) Takes note with satisfaction—

(a.) Of the prospective opening of a regular air service between Cairo and Karachi and an experimental service between Khartoum and Kisumu;

(b.) Of the decisions of His Majesty's Governments in Great Britain and in the Union of South Africa to carry out a series of experimental flights to connect so far as possible with this latter service; and

(c.) Of the decision of His Majesty's Government in the Commonwealth of Australia to arrange for flights by the Royal Australian Air Force from Australia towards Singapore to link up with similar flights of the Royal Air Force from Singapore towards Australia.

(2.) Recommends that the development of other air services should receive the early consideration of the Governments concerned; and that in this connection particular attention should be paid to the maintenance of existing and the construction of new aerodromes so far as local resources permit with a view to the ultimate creation of a complete system of Empire air routes.

(3.) In view of—

(a.) The great potentialities of the airship; and

(b.) The present lack of constructional and other facilities which must prove a serious obstacle to the early development of regular airship services—

* A Memorandum prepared for the Imperial Conference by the Secretary of State for Air, entitled “The Approach towards a System of Imperial Air Communications,” is being published separately.

recommends that the Governments of the Dominions concerned and of India should examine the possibility of erecting nucleus mooring mast bases to be available for demonstration flights in 1928/29 by the two airships now under construction, and of instituting such preliminary meteorological investigations as may be necessary to facilitate these demonstration flights; and that His Majesty's Government in Great Britain should consider the erection of a second shed at the Royal Airship Works at Cardington.

(4.) Recommends that an Imperial Air Conference should be held in 1928 or 1929—the precise date to be determined later—at some suitable Imperial centre, to report progress and to consider what further action can be taken for the development of Imperial air communications; and takes note with appreciation of the invitation of the Dominion of Canada that this Conference should take place in Canada."

These Resolutions were unanimously adopted by the Imperial Conference at its Fifteenth Meeting on the 19th November.

The statements made at the opening discussion and the Report of the Sub-Committee have been published.*

XVII.—OVERSEA SETTLEMENT.

The subject of Oversea Settlement was examined by a Special Sub-Committee presided over by the Chairman of the Oversea Settlement Committee in London (Lord Clarendon). Their Report was considered and adopted by the Conference on the 19th November, when the Prime Ministers of the Dominions most closely concerned—Canada, the Commonwealth of Australia, and New Zealand—expressed their appreciation of the advance which had been made in practical co-operation since the Conference of 1923, and emphasised the earnest desire of those Dominions to further the peopling of their countries with settlers from Great Britain up to the limit of their capacity. As was pointed out at the previous Conference, however, the rate at which the redistribution of population within the Empire can take place must be governed by the rate at which the Dominions can satisfactorily absorb new settlers; and it was generally recognised that a sound policy must be based upon scientific and carefully considered schemes designed to secure the settlement of suitable persons under conditions conducing both to their own well-being and to the prosperous development of the Dominion in which they are established.

The Prime Minister of the Union of South Africa pointed out that while South Africa was anxious to increase its European population, and had in the last few years taken further measures to encourage the settlement of white people on the land, the position

* See Appendix V in Cmd. 2769.

there was a special one owing to the large native population, and it was necessary that settlers coming to that country should have a fair amount of initial capital.

General Arrangements.

The Sub-Committee in their Report dealt in the first place with matters relating to the selection and recruiting of migrants, assisted passages, and arrangements for the reception and welfare of settlers in the Dominions; it was noted that the Canadian authorities had decided to establish in Great Britain a medical service to systematise and conduct free of charge the medical examination of prospective settlers, and that the Australian authorities also were carefully reviewing the whole position in regard to medical examination. A system under which permanent matrons will be appointed on board ship for parties of single and unaccompanied women proceeding to Australia, at the joint expense of His Majesty's Governments in Great Britain and the Commonwealth of Australia, will be brought into operation at an early date. Permanent conductresses are already employed on board vessels carrying unaccompanied women to Canada and New Zealand.

The ideal form of migration was considered to be the settlement of families overseas. The 3,000 families scheme has been a conspicuous success in Canada, and it is proposed to take steps to promote the settlement of families on undeveloped Crown lands in that Dominion, and upon unoccupied farm lands in private ownership. In Australia it is anticipated that the recent appointment of a Development and Migration Commission will result in a considerable acceleration of settlement and development under the Agreement of 1925 between His Majesty's Governments in Great Britain and the Commonwealth, in which it is proposed to make certain modifications. A new agreement is contemplated with a view to encouraging the provision of rural housing in Australia. With a view to providing inducements to settlers to remain on the land overseas the Sub-Committee recommended that facilities should be provided for assisting suitable settlers from Great Britain to acquire farms of their own. A definite scheme to supplement the existing arrangements in New Zealand was outlined.

Training.

The Sub-Committee were agreed as to the importance of continuing and, if possible, extending the experimental centres established in Great Britain to give training for land work as a means of preparation for farm life. The Dominion representatives were unable to see their way at present to recommend financial contributions towards the cost of training schemes in Great Britain, but the representatives of Canada and Australia both expressed their willingness to consider the question of providing instructors, implements, and equipment. The general opinion of the Dominion representatives was that their needs would be met by a short, intensive course of training adjusted to meet the requirements of

the individual, the object being to eliminate unsuitable types and to provide those undergoing the course with certain essential qualifications.

The Australian representatives agreed to recommend contributions towards the cost of a scheme for training women in Great Britain with a view to domestic employment in Australia.

Social Insurance.

The Sub-Committee agreed as to the advantages of co-ordination throughout the Empire in social insurance schemes, such as health insurance, and widows' and orphans' and old age pensions, and they suggested that future legislation on this subject should be drafted in such a manner as to facilitate reciprocity. As a first step towards this end, it was suggested that an endeavour should be made, if necessary with the aid of financial adjustments between the Governments concerned, to ameliorate the position of migrants in regard to old age pensions.

Interchange of Teachers.

It was also suggested that reciprocal arrangements as to pensions should be made in order to facilitate the interchange of teachers between Great Britain and the Dominions.

On the recommendation of the Sub-Committee the following Resolution was adopted by the Conference:—

“The Conference approves the Report of the Oversea Settlement Sub-Committee. The Conference is of opinion that the problem of oversea settlement, which is that of a redistribution of the white population of the Empire in the best interests of the whole British Commonwealth, is one of paramount importance, especially as between Great Britain on the one hand and Canada, Australia, and New Zealand on the other. The Conference notes with satisfaction that the desired redistribution of population is being accelerated by the policy which has been consistently pursued since its acceptance by the Resolution of the Conference of Prime Ministers in 1921.*

*This Resolution was as follows:—

“The Conference having satisfied itself that the proposals embodied in the Report of the Conference on State-Aided Empire Settlement are sound in principle, and that the several Dominions are prepared, subject to Parliamentary sanction and to the necessary financial arrangements being made, to co-operate effectively with the United Kingdom in the development of schemes based on these proposals, but adapted to the particular circumstances and conditions of each Dominion, approves the aforesaid Report.

The South African representatives wish to make it clear that the limited field for white labour in South Africa will preclude co-operation by the Union Government on the lines contemplated by the other Dominions.

2. The Conference expresses the hope that the Government of the United Kingdom will, at the earliest possible moment, secure the

"It endorses the view expressed at that Conference that the policy should be a permanent one. It recognises that it would be impracticable, owing to financial, economic, and political considerations, to promote mass movements of population, but it is satisfied that, by continuous adherence to the present policy, it should be possible steadily to increase the flow of population to those parts of the British Commonwealth where it is most needed for development and general security, and where it will find the greatest opportunities."

The Report of the Sub-Committee has been published.*

XVIII.—WORKMEN'S COMPENSATION.

A Special Sub-Committee was appointed, under the Chairmanship of the Secretary of State for Home Affairs, to consider the present position in regard to the Resolutions of the Imperial Economic Conference of 1923 on the subject of Workmen's Compensation,† and also

necessary powers to enable it to carry out its part in any schemes of co-operation which may subsequently be agreed on, preferably in the form of an Act which will make it clear that the policy of co-operation now adopted is intended to be permanent.

3. The Conference recommends to the Governments of the several Dominions that they should consider how far their existing legislation on the subject of land settlement, soldier settlement, and immigration may require any modification or expansion in order to secure effective co-operation, and should work out, for discussion with the Government of the United Kingdom, such proposals as may appear to them most practicable and best suited to their interests and circumstances."

* See Appendix X in Cmd. 2769.

† These Resolutions were as follows :—

RESOLUTION I.

Non-resident Workmen.

"That this Imperial Economic Conference, taking note of the existing restrictions in the Workmen's Compensation laws of certain parts of the British Empire on the payment of benefits to workmen and their dependants on the ground of non-residence in the State in which the accident happened, and having regard to the tendency of such restrictions to discourage movement within the Empire, is of opinion that no British subject who is permanently incapacitated, and no dependant of a British subject who has been killed, by accident due to his employment in any part of the Empire should be excluded from any benefit to which he would otherwise be entitled under the Workmen's Compensation law of that part of the Empire on the ground of his removal to or residence in another part of the Empire."

RESOLUTION II.

Seamen.

"That this Imperial Economic Conference, having had its attention drawn to cases where British sailors injured by accident while serving on ships registered in some part of the Empire have had no claim to compensation owing to the law of that part of the Empire being restricted, in its application to seamen, to accidents occurring within territorial

the question of reciprocal arrangements between the different parts of the British Empire for the administration of money awarded as compensation.

Non-resident Workmen.

The Sub-Committee came to the conclusion that with certain minor exceptions the laws of the various parts of the Empire now conform generally to the principle of Resolution I of the 1923 Conference, namely, that no British subject who is permanently incapacitated, and no dependant of a British subject who has been killed, by accident due to his employment in any part of the Empire should be excluded from any benefit to which he would otherwise be entitled under the workmen's compensation law in force there, on the ground of removal to, or residence in, another part of the Empire.

The Conference took note of the position.

Seamen.

Resolution II of the 1923 Conference related to compensation in respect of accidents to British sailors occurring outside the territorial waters of the part of the Empire in which their ship is registered. The Sub-Committee found that such compensation was provided for in the laws of most of the Dominions and India as well as of Great Britain, but called attention to certain exceptions.

Aliens.

The position in regard to the treatment of aliens was reconsidered in the light of the International Draft Convention and Recommendation adopted by the International Labour Conference at Geneva in

waters or other limited area, is of opinion that the Government of any such part of the Empire should ensure that the benefits of its compensation law will extend to all accidents to seamen serving on ships registered within such part of the Empire wherever the ship may be when the accident takes place. And furthermore the Conference invites the Government of any British Colony or Protectorate where there is a register of shipping, but where legislation giving compensation rights to seamen does not at present exist, to consider the adoption of such legislation."

RESOLUTION III.

Aliens.

"That this Imperial Economic Conference, taking note of the disabilities imposed under the Workmen's Compensation laws of certain foreign countries on British subjects residing in those countries and their dependants, invites each Government of the Empire, regard being had to its own particular conditions, to consider the possibility of adopting in workmen's compensation legislation the principle of reciprocity, that is, that the benefits of such legislation should be accorded to subjects of foreign countries upon the condition that, and to the extent to which, such foreign countries accord reciprocal treatment to British subjects."

The Conference notes in adopting the foregoing Resolutions that, in certain of the Dominions, Workmen's Compensation falls wholly or partially within Provincial or State jurisdiction and is in those cases and to that extent outside the control of the Dominion Government.

1925.* The conclusion was reached that the adoption by all parts of the Empire of a common policy based on this Draft Convention would conduce to the removal of disabilities still imposed under the workmen's compensation laws of certain foreign countries on British subjects residing in those countries and on their dependants.

The Conference accordingly adopted the following Resolution on this subject :—

“ The Conference, taking note of Resolution III of the Imperial Economic Conference, 1923, on the subject of workmen's compensation and the Draft Convention on Equality of Treatment for National and Foreign Workers as regards Workmen's Compensation for Accidents which was adopted by the International Labour Conference at Geneva in 1925, recommends that the Governments of the several parts of the Empire should consider the desirability of giving effect, in so far as they have not already done so, to the principle of the Draft Convention in their workmen's compensation legislation.”

Administration of Compensation Monies.

As regards the administration of compensation monies, it appeared that the Courts of Great Britain and Northern Ireland, and generally speaking of the other parts of the Empire, have at present no authority to transfer or receive for administration compensation money awarded in any part of the Empire other than their own. The Conference adopted the following Resolution :—

“ The Conference, taking note of the difficulties arising under the law relating to workmen's compensation in the administration of money awarded in one part of the Empire to beneficiaries resident or becoming resident in another part of the Empire, is of opinion that arrangements should be made between the different parts of the Empire whereby any sum awarded to such beneficiaries may, at the request of the authority by which the award is made, be transferred to and administered by the competent authority in that part of the Empire in which such beneficiaries reside. It accordingly invites the several Governments of the Empire to take such steps by way of legislation or otherwise as each may consider necessary and appropriate for the purpose of promoting such arrangements.”

The Report of the Sub-Committee has been published.†

XIX.—RESEARCH.

The subject of Research was considered by a Special Sub-Committee under the Chairmanship of Lord Balfour. The Report of this Sub-Committee, which was prefaced by a special introduction by Lord Balfour, was adopted by the Imperial Conference on the 19th November and has been published.‡

* Cmd. 2536, pp. 17-20.

† See Appendix XI in Cmd. 2769.

‡ See Appendix XII in Cmd. 2769.

The Sub-Committee were deeply impressed with the value of consultation and co-operation between all parts of the Empire in regard to research matters, and they gave careful consideration to the methods by which such co-operation can best be extended.

General Organisation.

As regards the general organisation of research, dealt with in Part I. of the Sub-Committee's Report, it was suggested that at special expert conferences which may be called from time to time, such as those already arranged for Forestry and Agriculture, the question should be considered whether there is need for establishing further scientific bureaux on the lines of the Imperial Bureaux of Entomology and Mycology; and also organisations based not on a particular science, as are the existing Bureaux, but on a particular practical art. Organisations of the latter kind would communicate scientific and technical information to those concerned anywhere throughout the Empire with the particular art concerned—agriculture, forestry, medicine, horticulture, mining or manufacturing industry. It was further pointed out that organisations of either kind might be situated in whatever part of the Empire was found to be most appropriate. Attention was also called to the desirability that official organisations in the Empire engaged in similar branches of scientific research should freely and directly inter-communicate on all topics of common interest, and it was suggested that each part of the Empire should, as and when possible, nominate a representative to take part in the quarterly Standing Conference of the Departments concerned with research in Great Britain.

The following Resolution, proposed by the Sub-Committee, was adopted by the Conference:—

“ The Conference, impressed by the need of—

- (a.) An active prosecution of research in all fields of applied science;
- (b.) The fullest practicable co-operation between the organisations respectively responsible for agricultural, fisheries, forestry, medical, and industrial research;
- (c.) The quick and orderly exchange of the results of research between the various Governments and research establishments of the Empire;
- (d.) The fullest possible discussion of problems of common interest;

commends Part I. of the Report of the Research Special Sub-Committee and the suggestions therein contained to the favourable consideration of the respective Governments.”

‡ *Man Power.*

The Sub-Committee next considered the question of man power. They drew attention to the serious shortage of recruits for most

branches of scientific services supported by Governments within the Empire, and urged that the basic remedy lies in the adoption of a settled policy in regard to the application of research to development in the various parts of the Empire. In this way continuity of work would be ensured and confidence established, educational institutions would feel free to encourage students to take up appropriate lines of training, and parents would be more ready to incur the necessary expense. Far from financial stringency rendering such a policy unwise, the poorer a country the greater its need to employ its scientific resources to the fullest extent. At the same time, the conditions offered by Government services must be such as to attract the best men and offer them good avenues for promotion either in the service or elsewhere, and status and recognition must be considered no less than material conditions. Nevertheless, while Government scientific services must rely for recruits on their own intrinsic attractions, scholarships or probationerships offer a useful means of meeting the current shortage, and will possibly always be necessary in the case of a few services where highly specialised training is required and few openings available. The importance of publicity was emphasised, and the issue was suggested of a comprehensive official publication containing full information as to the appointments available in all Government services and the qualifications required.

On this branch of the subject the Sub-Committee recommended and the Conference adopted the following Resolution:—

“The Conference recognises that the progress of scientific research and its effective application to the development of the Empire depend ultimately on an adequate supply of well-trained scientific men; and that the utmost care is needed in devising suitable conditions for the selection, training, and employment of scientific staffs appointed or aided by Government. Accordingly the Conference commends Part II of the Report of the Research Special Sub-Committee and the suggestions therein contained to the favourable consideration of the respective Governments.”

Imperial Agricultural Research Conference.

The proposal for an Imperial Agricultural Research Conference in London in 1927 was, at the instance of the Sub-Committee, endorsed by the Imperial Conference in the following terms:—

“The Conference notes with approval the proposal to hold a conference in London in 1927 representative of the organisations of the Empire concerned in agricultural research and its administration, for the purpose of discussing such questions as the extension of co-operation between the organisations; the promotion of joint programmes of research; the utilisation of the results obtained; and the training, supply, and interchange of scientific workers.

The Conference urges the respective Governments to give the fullest possible support to the proposed Imperial Agricultural Research Conference.”

In accordance with the recommendations of the Sub-Committee, Resolutions were also adopted relating to certain particular bodies:—

Imperial Bureau of Entomology and Mycology.

- (a.) "The Conference records its appreciation of the valuable work of the Imperial Bureau of Entomology and Mycology, and notes with pleasure that the Empire Marketing Board has made a grant to the Imperial Bureau of Entomology for the establishment of a laboratory for the breeding of beneficial parasites."

Empire Cotton Growing Corporation.

- (b.) "The Conference notes with pleasure the success attending the activities of the Empire Cotton Growing Corporation and commends to the favourable notice of the respective Governments the steps which the Corporation is taking to co-operate with the administrative and agricultural Departments concerned in the promotion of cotton-growing within the Empire."

Empire Marketing Board.

- (c.) "The Conference notes with satisfaction the attention given by the Empire Marketing Board, in addition to its other activities, to the encouragement of scientific research into the problems of Empire agriculture; and approves the general principle adopted by the Board, wherever possible, of making financial grants for research conditional on proportionate contributions from other sources.

"The Conference, in particular, expresses its cordial approval of the project envisaged by the Board, of fostering a chain of research stations situated in appropriate centres in tropical and sub-tropical parts of the Empire, and commends this project to the sympathetic consideration of Governments, institutions, and private benefactors throughout the Empire."

Imperial Institute.

- (d.) "The Conference approves the steps taken to carry out the recommendations* of the Imperial Economic Conference of 1923 for the reorganisation of the Imperial Institute, and expresses its satisfaction at the progress which has been made since the reorganisation."

XX.—FORESTRY.

Another Sub-Committee of the Conference was set up, presided over by the Chairman of the Forestry Commission in London (Lord Lovat), to report upon Empire Forestry questions. The Sub-Committee

* See Resolutions on pp. 13-14 of Cmd. 1990 and pp. 517-519 of Cmd. 2009.

pointed out that the available world supplies of the principal timbers of commerce, and especially of softwoods, which constitute 80 per cent. of the wood used for industrial purposes, are rapidly approaching exhaustion. For this reason, as well as on internal social and economic grounds, it is of the utmost importance that the various countries of the Empire should take effective measures for maintaining, and where possible extending, their forest areas under a system of management based on sustained production of timber. The importance that afforestation schemes may have in relation to Empire settlement should also not be overlooked.

The holding of Empire Forestry Conferences has become an established practice, and the Sub-Committee recommended that approval should be given to the preliminary arrangements for the third such Conference to be held in Australia and New Zealand in 1928. At this meeting are to be considered, in addition to matters concerning forest policy, timber supply and consumption, and forestry technique, the question of further research in the Empire in regard to forest products, and also that of establishing an Imperial Forestry Bureau to act as a clearing house for information of all kinds.

The Sub-Committee expressed appreciation of the valuable work already done by the Empire Forestry Association, and by the Imperial Forestry Institute which was established at Oxford in 1924 to undertake the higher training of forest officers.

On the recommendation of the Sub-Committee the Conference adopted the following Resolution :—

“The Conference, appreciating the importance of forestry to the Empire as a whole and to its constituent parts,

- (a.) Takes favourable note of recent developments of effective organisation within the Empire as exemplified by the Standing Committee on Empire Forestry, the Imperial Forestry Institute, and the Empire Forestry Association, and draws special attention to the need for co-operation in all lines of forest research ;
- (b.) Welcomes the invitation of the Governments of Australia and New Zealand to hold the third Empire Forestry Conference in those Dominions in 1928, and recommends to the Governments of the various parts of the Empire active preparation for and participation in that Conference ; and, further, notes with appreciation the invitation by the Government of the Union of South Africa for the Empire Forestry Conference of 1933 to be held in that Dominion ;
- (c.) Refers the important question of constituting an Empire Forestry Bureau to the Empire Forestry Conference of 1928.”

The Report of the Sub-Committee has been published.*

* See Appendix XIII in Cmd. 2769.

XXI.—OTHER ECONOMIC QUESTIONS.

GENERAL DISCUSSION.

The Agenda on the economic side was briefly reviewed by the Conference as a whole on the 21st and 22nd October, when an interesting and stimulating discussion took place, the greater part of which was published immediately afterwards.* From this discussion it became at once apparent that there was a strong desire on the part of all the Governments represented to concert methods for encouraging the further development of Empire trade. It was realised that this development, with which the economic progress of the various parts of the Empire is closely bound up, must depend mainly upon the individual or combined activities of those concerned in the different countries, whether as manufacturers, merchants, or consumers. Great emphasis was laid by one speaker after another on this aspect of the matter. It was felt, however, that, even in the restricted sphere of Government activity, much more could be done.

Stress was laid in this connection upon the value of scientific and economic research and its application, and of the collection and dissemination of information useful to producers, traders, and consumers, in increasing efficiency in production and distribution, and appreciation was expressed of the advantages to be derived from inter-Imperial co-operation in these directions. It was generally agreed that the Imperial Economic Committee, on which all the Governments of the Empire were represented, established as a result of the Economic Conference of 1923, had done admirable work in the reports so far compiled, and that the Board established by His Majesty's Government in Great Britain to administer the Empire Marketing Grant voted by the Parliament at Westminster provided a most valuable means of assisting in bringing into practical operation the improvements which as the result of this Committee's investigations, or from further enquiries, were shown to be desirable.

The Prime Minister of Canada intimated that he and his colleagues were contemplating further steps with a view to improving the export trade of Canada to Great Britain. The Prime Minister of Newfoundland announced that it was the intention of the Newfoundland Government, following the example of the larger Dominions, favourably to consider the propriety and feasibility of introducing Empire preference in the forthcoming revision of the Customs tariff. As a practical example of co-operation, the Prime Ministers of the Commonwealth of Australia and New Zealand drew attention to the possibility of largely increasing—with the aid of the Customs preferences—the sales of British motor cars within the Empire if suitable efforts were made, and they (as well as other representatives at the Conference) expressed their readiness to meet the leading motor-car manufacturers of Great Britain in order to emphasise to them the opportunities and requirements of the Empire market in this important and expanding trade. Meetings were arranged accordingly.

* See Appendix II in Cmd. 2769.

(a.) *Exhibition within the Empire of Empire Films.*

A further matter to which attention was given during this preliminary discussion was the encouragement of the production and exhibition of Empire films. There was agreement as to the great importance of dealing with this matter, having regard to the influence exerted by the cinema, considered from the general cultural and social point of view as well as with reference to the development of trade, and to its potential value as a means of giving the people of the various parts of the Empire a more vivid realisation of one another's lives and surroundings. The question was referred for consideration in detail with other economic questions to a General Economic Sub-Committee.*

The Sub-Committee pointed out† that in all parts of the Empire only a small proportion of the films exhibited are of Empire production; few Empire films are produced, and the arrangements for the distribution of these are far from adequate. State action could contribute to the solution of the problem, but could not be effective unless by private enterprise a substantial output of films of real and competitive exhibition value was attained, and satisfactory distributing arrangements were developed throughout the Empire. Various suggested methods were considered by means of which the several Governments might assist in securing a larger production within the Empire of films of high entertainment value and films of sound educational merit, and their exhibition throughout the Empire and the rest of the world on an increasing scale. It was recognised that circumstances vary in different parts of the Empire, but the opinion was expressed that any action which it might be found possible to take in Great Britain, the largest producer and largest market for films in the Empire, would undoubtedly be of the greatest assistance to the other parts of the Empire in dealing with the problem.

On the recommendation of the Sub-Committee the Conference adopted the following Resolution:—

“The Imperial Conference, recognising that it is of the greatest importance that a larger and increasing proportion of the films exhibited throughout the Empire should be of Empire production, commends the matter and the remedial measures proposed to the consideration of the Governments of the various parts of the Empire with a view to such early and effective action to deal with the serious situation now existing as they may severally find possible.”

(b.) *Industrial Standardisation.*

Attention was also drawn, during the general discussion by the Conference of the economic side of the Agenda, to the advantages that might accrue to Empire trade from an extension in regard to industrial products of standardisation, using that term not only in its strict sense but also in the wider sense of what is commonly known

* NOTE.—All the reports of the General Economic Sub-Committee referred to in the following paragraphs have been published, and are reprinted as Appendix XIV in Cmd. 2769.

† Thirteenth Report of the General Economic Sub-Committee.

as "simplification", that is, the elimination of unnecessary varieties of patterns and types of articles. It was pointed out that there was an extensive field over which, provided the standards were drawn up by agreement between manufacturers and users, in such a form as to meet the requirements of the buyer, standardisation was in the interests of all parties concerned.

As the result of detailed examination of the matter it appeared that great saving, to the advantage both of manufacturers and consumers, had already been effected in various Empire countries from the standardising of a number of products, and that the time was ripe for a further advance. Attention was also called to the benefits that might accrue from establishing common standards for all parts of the Empire, where this is found feasible after a study of local needs. While it would be inexpedient that there should be anything in the nature of the determination by Governmental authority of industrial standards (except for a limited purpose where Government departments are users of the goods), the Governments concerned might with advantage take further steps to stimulate the movement in the various parts of the Empire, and to co-operate both in the exchange of information and in encouraging the establishment of common standards. In accordance with the recommendation in the Sub-Committee's Report,* the following Resolution was adopted by the Conference:—

"The Imperial Conference, recognising the advantages of standardisation in its widest sense both to producers and to consumers, and appreciating that when it is practicable to adopt standards common to the Empire these advantages are augmented and great benefit results to trade within the Empire and Empire trade generally, recommends to the favourable consideration of the several Governments of the Empire that they should take steps to promote the further development of standardisation, should arrange for the exchange of information with the other parts of the Empire, and, when common standards are possible and mutually advantageous, should co-operate with the other parts of the Empire in regard thereto."

(c.) *Imperial Shipping Committee and Imperial Economic Committee.*

After further consideration had been given to the work performed by the Imperial Shipping Committee and the Imperial Economic Committee, a Resolution of thanks was adopted by the Conference in the following terms:—

"The Imperial Conference desires to convey to the Chairman and members of the Imperial Shipping Committee and the Imperial Economic Committee an expression of its appreciation of the valuable work which has been done by those Committees."

It was recommended that the Imperial Shipping Committee should be continued on its present basis,† as indicated in the following Resolution of the Conference:—

"The Imperial Conference is of opinion that the work of the Imperial Shipping Committee is of importance to the Empire and

* Fourth Report of the General Economic Sub-Committee.

† Tenth Report of the General Economic Sub-Committee.

that it is desirable to maintain the Committee on its present basis, deriving authority from, and being responsible to, the Governments represented in the Imperial Conference."

At the same time the views of the Conference as to the future of the Imperial Economic Committee were expressed as follows:—

"The Imperial Conference is of opinion that the Imperial Economic Committee should continue on its present *ad hoc* basis with the following general reference:—

- (1) to complete the series of investigations into the marketing of Empire foodstuffs in Great Britain, and while this work is proceeding
- (2) to put forward for the consideration of the various Governments concerned (a) a list of raw materials for possible further marketing enquiries, and (b) suggestions for the preparation and circulation of brief preliminary surveys, as suggested by the General Economic Sub-Committee of the Conference,* of any branch of Empire trade and marketing, such preliminary surveys, if the Governments concerned so desire, to be followed up by further enquiries."

(d.) *Maritime Conventions.*

Unification of Rules relating to Bills of Lading.

The Imperial Economic Conference of 1923 recommended the adoption of the Rules relating to Bills of Lading which had been drawn up by an International Conference at Brussels in October, 1922. These Rules were embodied in the Bills of Lading Convention of October, 1923. It was reported† by the General Economic Sub-Committee that effect had been given to this Convention in many parts of the Empire, and that the passing of the necessary legislation was under consideration in most of the other parts. It was agreed that international uniformity, which appeared to be in a fair way to achievement, would greatly facilitate overseas trade by removing an element of doubt from the minds of shippers and shipowners concerning their liability under a contract of carriage, and that the adoption of the Convention in all parts of the Empire, in addition to being of advantage to Empire trade, would assist in securing such international uniformity. At the instance of the Sub-Committee the Conference passed the following Resolution:—

"The Imperial Conference, having considered the steps taken to bring into force the Rules relating to Bills of Lading which were embodied in the International Bills of Lading Convention signed at Brussels in October, 1923, and were recommended by the Imperial Economic Conference of 1923 for adoption by the Governments and Parliaments of the Empire, notes with satisfaction that there is good prospect of the general adoption of

* Fourteenth Report of the General Economic Sub-Committee.

† Sixth Report of the General Economic Sub-Committee.

these Rules throughout the Empire, and also welcomes the progress which has been made towards the achievement of international uniformity upon the basis of these Rules."

Conventions relating to Limitation of Shipowners' Liability and to Maritime Mortgages and Liens.

The object of the Limitation of Shipowners' Liability Convention, adopted at Brussels in 1922 and 1923, is to secure international uniformity in this important branch of maritime law so that all parties interested in a ship, her cargo and passengers, may have reasonable assurance as to the extent of their rights and liabilities no matter where the ship may be. It was considered* that the Convention represented a fair compromise between the law in operation in the various parts of the Empire and the law of the principal continental countries (with which the law of the United States of America largely corresponds), and was likely to secure a wide measure of international acceptance.

The laws in different countries with regard to maritime mortgages and liens vary widely, and this lack of uniformity often has serious consequences for those who lend money on the security of ships or who have claims against ships on account of services rendered or damage done. An International Convention aiming at the unification of the law on this subject was adopted at Brussels in April, 1926, and the General Sub-Committee were of opinion that the uniformity which would result from its wide adoption would be of great advantage to all concerned.

In the light of the Sub-Committee's Report the following Resolution was adopted by the Conference concerning these two Conventions:—

"The Imperial Conference notes with satisfaction the progress which has been made towards the unification of maritime law in regard to the limitation of shipowners' liability and to maritime mortgages and liens by the preparation at Brussels of draft International Conventions on these subjects, and, having regard particularly to the advantages to be derived from uniformity, commends these Conventions to the consideration of the Governments of the various parts of the Empire."

Convention relating to Immunity of State-owned Vessels.

The Imperial Economic Conference of 1923 approved a proposal for the conclusion of an International Convention which, subject to such limitations or safeguards as were necessary from the point of view of defence, should secure to claimants against State-owned or State-operated vessels the hearing of their claims before Courts of Law as a matter of right.† It was stated in a further Report‡ of the General Economic Sub-Committee that an amended draft Convention

* Seventh Report of the General Economic Sub-Committee.

† Eighth Report of the General Economic Sub-Committee.

‡ See Resolution on p. 16 of Cmd. 1990 which quotes the draft convention on immunity of State-owned ships drawn up in 1923.

had been drawn up at Brussels in April, 1926, which would in general give effect on suitable lines to this policy, although certain points were outstanding on which the draft did not appear to be satisfactory from the standpoint of defence. In accordance with the suggestion of the Sub-Committee the Conference adopted the following Resolution:—

“The Imperial Conference notes with satisfaction the steps taken to give effect to the policy approved at the Imperial Economic Conference in 1923 with regard to the immunity of State-owned ships, and, subject to a satisfactory settlement of the points still outstanding, commends the draft International Convention drawn up at the Conference at Brussels in April, 1926, to the consideration of the Governments of the various parts of the Empire.”

(e.) *Oil Pollution of Navigable Waters.*

The inconvenience and loss due to the pollution by oil of coastal waters and fishing grounds are well known. Steps have been taken in several parts of the Empire and in a number of foreign countries to prohibit the discharge of oil in territorial waters or in harbour waters. It is generally recognised, however, that the nuisance cannot be effectively abated unless the discharge of oil or oily mixtures within certain limits outside territorial waters can be prevented, and with this object in view an International Conference held at Washington in June, 1926, recommended* that areas should be prescribed on the coasts of maritime countries and on recognised fishing grounds within which oil or oily mixtures should not be discharged, and that each Government should require vessels flying its flag to respect all such areas.

The Conference, on the recommendation of the General Economic Sub-Committee,† adopted the following Resolution:—

“The Imperial Conference welcomes the efforts that are being made to reach international agreement upon measures for abolishing the evils resulting from the discharge of oil in navigable waters, and recommends the principles of the draft Convention for this purpose recently prepared at Washington to the consideration of the Governments of the Empire.”

(f.) *Statistical Questions.*

On the subject of *Wool Statistics*,‡ the Conference adopted the following Resolution:—

“The Imperial Conference, impressed by the need for more complete, more uniform, and more prompt statistics regarding the production, stocks, and consumption of wool throughout the world, recommends that such steps as are found to be most suitable should be taken to secure the co-operation of foreign

* Cmd. 2702.

† Fifth Report of the General Economic Sub-Committee.

‡ First Report of the General Economic Sub-Committee.

countries in this matter, and, further, that the Governments of the Empire represented at this Conference should consider the adoption of such measures as are necessary and feasible to secure the provision and publication of such statistics, provided that foreign countries materially concerned, either as producers or consumers, are prepared to take similar action."

Proposals which had been made from several quarters for the collection and publication of *Statistics of Foodstuffs in Cold Storage* were considered and the conclusion was reached by the General Economic Sub-Committee* that international returns relating to such commodities would be most valuable. The following Resolution on the subject was adopted:—

"The Imperial Conference, impressed by the need for international statistics of the quantities of foodstuffs held in cold storage, recommends that suitable steps should be taken to obtain the co-operation of foreign countries in securing the compilation and prompt publication of such international statistics."

Attention was drawn† to the Resolution of the Imperial Economic Conference of 1923,‡ which had as its object to render the *Statistics of Trade, Production, &c., of the different parts of the Empire*, published by His Majesty's Government in Great Britain, as valuable as possible with reference to the development of inter-Imperial trade. It had now been suggested that an effective method of approaching this end would be gradually to modify and expand future issues of the existing Abstract for the British Oversea Dominions and Protectorates prepared by His Majesty's Government in Great Britain, for which purpose the Board of Trade in London would keep in touch with the several Government authorities concerned. It was considered that after one or two further issues of the Abstract, it might be found desirable to hold a meeting of statisticians from the various parts of the Empire to review the progress made and consider the lines of further advance. The Conference endorsed the views of the General Economic Sub-Committee on the subject.

(g.) *Taxation Questions.*

The Conference adopted Reports§ of the General Economic Sub-Committee on certain matters relating to taxation. A review of the

* Second Report of the General Economic Sub-Committee.

† Third Report of the General Economic Sub-Committee.

‡ This Resolution was as follows:—

"This Imperial Economic Conference, recognising the importance of rendering the trade statistics published by the Government of the United Kingdom as valuable as possible with reference to the development of inter-Imperial trade, recommends that the United Kingdom Board of Trade, after reviewing the statistics in question from this point of view, should draw up a detailed scheme and submit it to the Governments of the several parts of the Empire for their consideration."

§ Ninth, Eleventh, and Twelfth Reports of the General Economic Sub-Committee.

steps which had been taken in the various parts of the Empire to give effect to the Resolution of the Imperial Economic Conference of 1923* on the subject of the *immunity of State enterprises from taxation* showed that there was a measure of agreement within the Empire sufficient to warrant the opening of negotiations with the Governments of foreign countries with a view to the conclusion of reciprocal agreements for the mutual taxation of Government trading enterprises.

With regard to *taxation of non-resident traders*, it was pointed out that, when a manufacturer or producer resident in one part of the Empire sells his goods through an agent or branch in another part, he is subject to taxation in both countries, though his burden is eased by the arrangements which have already been made between many parts of the Empire for relief in respect of double taxation. There was general though not complete agreement that the charge to income tax in the country of sale might with advantage be restricted to the "merchandising" profit which arises from activities exercised in that country, excluding the "manufacturing" or "producing" profit. The representative of India, however, was unable to accept this principle and the representatives of Canada and of the Commonwealth of Australia were not in a position to speak on behalf of, or to bind, Provincial or State Governments.

The question was also considered from the point of view of inter-Imperial trade of the *valuation for customs duty purposes*—in those parts of the Empire in which duty is based on the domestic value of the goods in the country of export—of goods in respect of which a drawback of duty has been given in the country of export. It was understood that certain points will be examined, especially with regard to special or dumping duties, by the responsible authorities in the light of the discussion which took place in the General Economic Sub-Committee.

XXII.—ADDRESS TO HIS MAJESTY THE KING, EMPEROR OF INDIA.

The following Address to His Majesty was moved by the Prime Minister of Great Britain at the concluding Meeting of the Conference, and was unanimously adopted.† Mr. Baldwin, as Chairman of the Conference, was asked to submit the Address to His Majesty :—

“ To His Majesty the King, Emperor of India,

“ We, the Prime Ministers and Representatives of the Governments of the British Empire who have taken counsel together during the last few weeks, desire before we separate to express once again our fidelity and devotion to Your Majesty and Her Majesty the Queen.

* This Resolution is set out in full on p. 15 of Cmd. 1990.

† For the reply from His Majesty, see Appendix XVI in Cmd. 2769.

“ We have found in all our deliberations a spirit of mutual goodwill and an earnest desire for co-operation in promoting the prosperity of the several parts of the Empire.” The foundation of our work has been the sure knowledge that to each of us, as to all Your Majesty’s subjects, the Crown is the abiding symbol and emblem of the unity of the British Commonwealth of Nations.

“ We pray that, under Divine Providence, Your Majesty may long be spared, with Her Majesty the Queen, to watch over the destinies of all the Nations and Peoples of your Empire.”

XXIII.—CONCLUDING RESOLUTIONS.

As the preceding sections of this Report have shown, a large number of questions on the Agenda, particularly those of a more technical character, were referred to Committees and Sub-Committees for examination and report to the Imperial Conference. This arrangement was, in part, due to the fact that it had been settled, in the course of the correspondence between the Governments which preceded the Conference, that there should be no separate Imperial Economic Conference as in 1923. It was also partly caused by the length of the Agenda and the short time at the disposal of the Conference.

The plan adopted, under which many matters were first discussed by Committees, the Reports and recommendations subsequently coming before the Conference for endorsement, turned out to be most successful. On the one hand, it extended the time available for the examination of a series of complicated subjects, since Committees could sit simultaneously. On the other hand, it enabled the conclusions reached and the Resolutions adopted to be recommended to the various Governments of the Empire with the full authority of the Imperial Conference.

At the concluding meeting, the Conference adopted the following Resolution :—

“ The Imperial Conference desires to express its appreciation of the work accomplished by the Chairmen and Members of the various Committees and Sub-Committees which have been engaged in the discussion of particular subjects.

“ The Conference feels that the detailed study of these subjects in Committee has been of great value, and should also prove most useful in promoting future collaboration between the expert advisers of the various Governments who have worked together so successfully in the preparation of Reports and recommendations for the Conference.”

The Conference also passed the following Resolution at its last meeting :—

“ At the conclusion of the session of the Imperial Conference, the Prime Minister of Great Britain and his colleagues desire to

place on record the great pleasure which it has been to them to welcome in London the Prime Ministers of the Dominions and other Representatives from overseas. On their part, the Prime Ministers and Representatives of the Dominions and India wish to express their thanks to the Prime Minister and other members of the Government in Great Britain for the constant attention which they have given to the organisation and work of the Conference in spite of the pressure of other important duties.

“The members of the Conference are convinced that not only the actual work done during the past few weeks, but also the opportunity which the Conference has afforded for intimate consultation and the strengthening of friendship, will be of the greatest importance in promoting in all parts of the Empire unity of thought and co-operation in action.”

The concluding speeches have been published.*

2, *Whitehall Gardens*, S.W. 1,
November 23, 1926.

* See Appendix XV in Cmd. 2769.



**Report of the Conference on the
Operation of Dominion Legislation and
Merchant Shipping Legislation, 1929.**

CALCUTTA : GOVERNMENT OF INDIA
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**CONFERENCE ON THE OPERATION OF
DOMINION LEGISLATION AND
MERCHANT SHIPPING LEGISLATION.**

REPORT.

PART I.—INTRODUCTION.

Preliminary.

1. The proceedings of the Conference opened in London on the 8th October, 1929, and were continued until 4th December. During that period 17 plenary meetings were held which were normally attended by the following:—

United Kingdom.

The Right Hon. LORD PASSFIELD, Secretary of State for Dominion Affairs.

Sir WILLIAM JOWITT, K.C., M.P., Attorney-General.

Sir MAURICE GWYER, K.C.B., H.M. Procurator-General and Treasury Solicitor.

Sir E. J. HARDING, K.C.M.G., C.B., Assistant Under-Secretary of State, Dominions Office.

Mr. H. G. BUSHE, C.M.G., Assistant Legal Adviser, Dominions Office.

Sir C. HIPWOOD, K.B.E., C.B., Acting Second Secretary, Board of Trade.

Sir THOMAS BARNES, C.B.E., Solicitor, Board of Trade.

Canada.

Hon. ERNEST LAPOINTE, K.C., M.P., Minister of Justice.

Dr. O. D. SKELTON, Under-Secretary of State for External Affairs.

Mr. E. HAWKEN, Assistant Deputy Minister of Marine.

Mr. C. P. PLAXTON, K.C., Senior Advisory Counsel, Department of Justice.

Mr. J. E. READ, K.C., Legal Adviser, Department of External Affairs.

Mr. CHARLES J. BURCHELL, K.C., Member of the Bar of Nova Scotia.

Australia.

Sir WILLIAM HARRISON MOORE, K.B.E., C.M.G.

Major R. G. CASEY, D.S.O., M.C.

New Zealand.

Sir C. J. PARR, K.C.M.G., High Commissioner for New Zealand.
Mr. S. G. RAYMOND, K.C.

Union of South Africa.

The Hon. F. W. BEYERS, K.C., formerly Minister of Mines and Industries.

Dr. H. D. J. BODENSTEIN, Secretary, Department of External Affairs.

Mr. F. P. VAN DEN HEEVER, Legal Adviser, Department of External Affairs.

Irish Free State.

Mr. P. MCGILLIGAN, T.D., Minister for External Affairs.

Mr. J. A. COSTELLO, K.C., Attorney-General.

Mr. D. O'HEGARTY, Secretary to the Executive Council.

Mr. J. P. WALSH, Secretary, Department of External Affairs.

Mr. J. J. HEARNE, Legal Adviser, Department of External Affairs.

India.

Sir MUHAMMAD HABIBULLAH, K.C.S.I., K.C.I.E., Member of the Governor-General's Executive Council.

Sir BASANTA KUMAR MULLICK, Member of the Council of India.

Sir E. M. D. CHAMIER, K.C.I.E., India Office.

Mr. W. T. M. WRIGHT, C.I.E., I.C.S.

SECRETARIAT.

United Kingdom.

Mr. G. S. KING, M.C.

Mr. J. E. STEPHENSON.

Mr. J. H. WOODS.

Mr. A. E. LEE.

Canada.

Mr. JEAN DESY, K.C.

Australia.

Mr. W. T. HARRIS.

New Zealand.

Mr. C. B. BURDEKIN, M.B.E.

Union of South Africa.

Mr. W. C. NAUDE.

Irish Free State.

Mr. S. MURPHY.

Mr. F. H. BOLAND.

India.

Mr. R. S. BROWN.

2. The following also attended meetings of the Conference, for the discussion of particular subjects :—

United Kingdom.

The Rt. Hon. WILLIAM GRAHAM, M.P., President of the Board of Trade.

Mr. ARTHUR PONSONBY, M.P., Parliamentary Under-Secretary of State, Dominions Office.

The Rt. Hon. Sir JOHN ANDERSON, G.C.B., Permanent Under-Secretary of State, Home Office.

Sir CLAUD SCHUSTER, G.C.B., C.V.O., K.C., Permanent Secretary, Lord Chancellor's Department.

Sir J. RISLEY, K.C.M.G., C.B., Legal Adviser, Dominions Office.

Mr. H. W. MALKIN, C.B., C.M.G., Legal Adviser, Foreign Office.

Mr. O. F. DOWSON, O.B.E., Assistant Legal Adviser, Home Office.

Mr. F. PHILLIPS, C.B., Principal Assistant Secretary, Treasury.

Mr. F. C. BOVENSCHEN, C.B., Assistant Secretary, War Office.

Mr. H. EASTWOOD, Assistant Secretary, Admiralty.

Mr. W. L. SCOTT, D.S.C., Principal, Air Ministry.

Canada.

Mr. THOMAS MULVEY, K.C., Under-Secretary of State.

Irish Free State.

Mr. M. DEEGAN.

Mr. E. G. SMYTH.

India.

Mr. G. S. BAJPAI, C.I.E., C.B.E., I.C.S.

3. Apart from meetings of the full Conference, the questions arising under the heads of Disallowance and Reservation and the extra-territorial operation of Dominion Legislation were also considered by a Committee under the supervision of Sir WILLIAM HARRISON MOORE. Committees under the Chairmanship respectively of Sir MAURICE GWYER and Mr. CHARLES J. BURCHELL dealt with the Colonial Laws Validity Act and Merchant Shipping Legislation.

Message from Their Majesties the King and Queen.

4. At the first meeting it was agreed that as the first official act of the Conference a message of greeting should be sent to Their Majesties the King and Queen.

The message was in the following terms :—

“ The representatives of the several parts of the British Commonwealth assembled in Conference on the Operation of Dominion Legislation and Merchant Shipping Legislation desire at their first meeting to send respectful greetings to the King. They rejoice at Your Majesty's recovery from your long and serious illness, and hope that Your Majesty with Her Majesty the Queen may be given health and strength for many years to watch over the destinies and to promote the welfare of your peoples in all parts of your Empire.”

5. At the second meeting of the Conference held on the 9th October, Lord Passfield read to the Conference a gracious reply received from His Majesty as follows :—

“ It is with much satisfaction that I have received the message which the representatives of the British Commonwealth assembled in Conference on the Operation of Dominion Legislation and Merchant Shipping Legislation as their first official act have addressed to me and I greatly appreciate their kindly references to my restoration to health. I shall follow with interest their discussions and trust that they may lead to an ever closer association of all parts of my dominions. The Queen joins with me in thanking them for their good wishes.

GEORGE R. I.”

PART II.—ORIGIN AND PURPOSE OF CONFERENCE.

General.

6. The present Conference owes its origin to a recommendation contained in the Report of the Imperial Conference of 1926. The Inter-Imperial Relations Committee of that Conference made a recommendation, which was approved by the full Conference, that a Committee should be set up to examine and report upon certain questions connected with the operation of Dominion legislation, and that a Sub-Conference should be set up simultaneously to deal with merchant shipping legislation. This recommendation was approved by the Governments concerned, and the present Conference was established to carry out those tasks.

7. The Report of the Imperial Conference of 1926, in addition to setting forth the problems which required further examination, contained first and foremost a statement of the principles regulating the relations of the members of the British Commonwealth of Nations at the present day. It is desirable to recall these principles as they establish the basis and starting-point of the work of the present Conference.

8. The Report of the Imperial Conference declared in relation to the United Kingdom and the Dominions that

“ They are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.”

The Report recognised, however, that existing administrative, legislative and judicial forms were admittedly not wholly in accord with the position as described, a condition of things following inevitably from the fact that most of these forms dated back to a time well antecedent to the present stage of constitutional development.

9. With regard to the position of the Governor-General, it was placed on record in the Report that it was an essential consequence of the equality of status existing among the members of the British Commonwealth of Nations that the Governor-General is the representative of the Crown, holding in all essential respects the same position in relation to the administration of public affairs in the Dominion as is held by His Majesty the King in the United Kingdom, and that he is not the representative or agent of His Majesty's Government in the United Kingdom or of any Department of that Government.

10. With regard to certain points connected with Dominion legislation—disallowance, reservation, the extra-territorial operation of Dominion Laws, and the Colonial Laws Validity Act—the

Imperial Conference of 1926, while recognising that there would be grave danger in attempting in the limited time at their disposal any immediate pronouncement in detail on issues of such complexity, set forth certain principles which were considered to underlie the whole subject. As regards disallowance and reservation it was recognised that, apart from provisions embodied in Constitutions or in specific statutes expressly providing for reservation, it is the right of the Government of each Dominion to advise the Crown in all matters relating to its own affairs; and that consequently it would not be in accordance with constitutional practice for advice to be tendered to His Majesty by His Majesty's Government in the United Kingdom in any matter appertaining to the affairs of a Dominion against the view of the Government of that Dominion. It was also suggested that the appropriate procedure with regard to project legislation in one of the self-governing parts of the Empire which may affect the interests of other self-governing parts is previous consultation between His Majesty's Ministers in the several parts concerned; and it was stated that, with regard to the legislative competence of members of the British Commonwealth of Nations other than the United Kingdom, and in particular to the desirability of those members being enabled to legislate with extra-territorial effect, the constitutional practice is that legislation by the Parliament of the United Kingdom applying to a Dominion would only be passed with the consent of the Dominion concerned.

11. It was, however, considered that there were points arising out of these considerations, and in the application of these general principles, which required detailed examination. In the first place, there remains a considerable body of law passed by the Parliament of the United Kingdom which still applies in relation to the Dominions and at present cannot be repealed or modified by Dominion Parliaments; secondly, under the existing system His Majesty's Government in the United Kingdom retains certain powers with reference to Dominion legislation; and, thirdly, while the Parliament of the United Kingdom can legislate with extra-territorial effect, there is doubt as to the powers in this respect of Dominion Parliaments. The Imperial Conference accordingly recommended that steps should be taken by the United Kingdom and the Dominions to set up a Committee with terms of reference on the following lines:—

“ To enquire into, report upon, and make recommendations concerning—

“ (i) Existing statutory provisions requiring reservation of Dominion legislation for the assent of His Majesty or authorising the disallowance of such legislation.

“(ii) (a) The present position as to the competence of Dominion Parliaments to give their legislation extra-territorial operation.

“(b) The practicability and most convenient method of giving effect to the principle that each Dominion Parliament should have power to give extra-territorial operation to its legislation in all cases where such operation is ancillary to provision for the peace, order, and good government of the Dominion.

“(iii) The principles embodied in or underlying the Colonial Laws Validity Act, 1865, and the extent to which any provisions of that Act ought to be repealed, amended, or modified in the light of existing relations between the various members of the British Commonwealth of Nations as described in this Report” (*i.e.*, the Report of the Imperial Conference).

Merchant Shipping.

12. The Imperial Conference of 1926 also considered the general question of Merchant Shipping legislation. On this subject the Conference pointed out that, while uniformity of administrative practice was desirable and, indeed, essential as regards the Merchant Shipping legislation of the various parts of the Empire, it was difficult to reconcile the application, in their present form, of certain provisions of the principal statute relating to Merchant Shipping, *viz.*, the Merchant Shipping Act, 1894, with the present constitutional status of the several members of the British Commonwealth of Nations. The Conference came finally to the conclusion that the general question of Merchant Shipping legislation should be remitted to a special Sub-Conference which it was thought might most appropriately meet at the same time as the Committee already mentioned.

13. On further examination of the problems involved, it appeared more convenient that the Committee and the special Sub-Conference should be organised as a single Conference. After consultation between the respective Governments this view received general acceptance, and the terms of reference to the present Conference accordingly include, in addition to those set out above, a reference—

“To consider and report on the principles which should govern, in the general interest, the practice and legislation relating to Merchant Shipping in the various parts of the Empire, having regard to the change in constitutional status and general relations which has occurred since existing laws were enacted.”

Position of India.

14. The Imperial Conference of 1926 recommended that arrangements should be made for the representation of India at the Sub-Conference on Merchant Shipping questions; but did not suggest that India should be represented on the proposed Committee. As a result, however, of preliminary examination of the matters falling within the scope of the terms of reference to the proposed Committee, it appeared that, while the position of India was a special one, some of the matters likely to come up for detailed discussion at the present Conference might be of interest to that country. It was consequently agreed that arrangements should be made for the representation of India at the present Conference for the discussion of the subject of Merchant Shipping and of such other particular subjects arising at the Conference as might be of direct interest to India.

The questions before the Conference.

15. In approaching the inquiry into the subjects referred to them, the present Conference have not considered it within the terms of their appointment to re-examine the principles upon which the relations of the members of the Commonwealth are now established. These principles of freedom, equality, and co-operation have slowly emerged from the experience of the self-governing communities now constituting that most remarkable and successful experiment in co-operation between free democracies which has ever been developed, the British Commonwealth of Nations; they have been tested under the most trying conditions and have stood that test; they have been given authoritative expression by the Governments represented at the Imperial Conference of 1926; and have been accepted throughout the British Commonwealth. The present Conference have therefore considered their task to be merely that of endeavouring to apply the principles, laid down as directing their labours, to the special cases where law or practice is still inconsistent with those principles, and to report their recommendations as a preliminary to further consideration by His Majesty's Governments in the United Kingdom and in the Dominions.

16. The three heads of the terms of reference to the Conference, apart from the question of Merchant Shipping which is dealt with separately, may be classified briefly as dealing with:—

- (i) Disallowance and Reservation;
- (ii) The extra-territorial operation of Dominion legislation;
- (iii) The Colonial Laws Validity Act, 1865.

17. It seems convenient to give some indication of the origin and nature of the questions which arise in each case, and then to state the recommendations of the Conference under each head.

PART III.—DISALLOWANCE AND RESERVATION.

(1) Disallowance.

Present Position.

18. The power of disallowance means the right of the Crown, which has hitherto been exercised (when occasion for its exercise has arisen) on the advice of Ministers in the United Kingdom, to annul an Act passed by a Dominion or Colonial Legislature.

19. The prerogative or statutory powers of His Majesty the King to disallow laws made by the Parliament of a Dominion, where such powers still subsist, have not been exercised for many years, and it is desirable that the position with regard to disallowance should now be made clear.

20. Whatever the historical origin of the power of disallowance may have been, it has now found a statutory expression in most of the Dominion Constitutions and accordingly the power of disallowance in reference to Dominion legislation exists and is regulated solely by the statutory provisions of those Constitutions.*

21. Section 58 of the New Zealand Constitution Act, 1852, and Section 56 of the British North America Act, 1867, empower the King in Council to disallow any Act of the Parliament of either Dominion within a period of two years from the receipt of the Act from the Governor-General. In Section 59 of the Constitution of the Commonwealth of Australia (1900) and Section 65 of the South Africa Act, 1909, the period prescribed is one year after the assent of the Governor-General has been given. The Irish Free State Constitution contains no provision for disallowance.

22. A distinction must, of course, be drawn between the existence of these provisions and their exercise. In the early stages of responsible government cases of disallowance occurred not infrequently merely for the reason that the legislation disallowed did not commend itself on its merits to the Government of the United Kingdom. This practice did not however long survive, for it was realised that under the conditions of self-government the power of disallowance should only be exercised where grave Imperial interests were concerned, and that such intervention was improper with regard to legislation of purely domestic concern. In fact the power of disallowance has not been exercised in relation to Canadian legislation since 1873 or to New Zealand legislation since 1867; it has never been exercised in relation to legislation passed by the Parliaments of the Commonwealth of Australia or the Union of South Africa.

*NOTE.—This does not apply to Newfoundland where the Constitution is based on Letters Patent and not on Statute.

Recommendations.

23. The Conference agree that the present constitutional position is that the power of disallowance can no longer be exercised in relation to Dominion legislation. Accordingly, those Dominions who possess the power to amend their Constitutions in this respect can, by following the prescribed procedure, abolish the legal power of disallowance if they so desire. In the case of those Dominions who do not possess this power, it would be in accordance with constitutional practice that, if so requested by the Dominion concerned, the Government of the United Kingdom should ask Parliament to pass the necessary legislation.

Special Position in relation to the Colonial Stock Act, 1900.

24. The special position in relation to the Colonial Stock Act, 1900, may conveniently be dealt with in this place. This Act empowers His Majesty's Treasury in the United Kingdom to make regulations governing the admission of Dominion stocks to the list of trustee securities in the United Kingdom. One of the conditions prescribed by the Treasury which at present govern the admission of such stocks is a requirement that the Dominion Government shall place on record a formal expression of its opinions that any Dominion legislation which appears to the Government of the United Kingdom to alter any of the provisions affecting the stock to the injury of the stockholder or to involve a departure from the original contract in regard to the stock would properly be disallowed. We desire to place on record our opinion that, notwithstanding what has been said in the preceding paragraph, where a Dominion Government has complied with this condition and there is any stock (of either existing or future issues of that Government) which is a trustee security in consequence of such compliance, the right of disallowance in respect of such legislation must remain and can properly be exercised. In this respect alone is there any exception to the position as declared in the preceding paragraph.

25. The general question of the terms on which loans raised by one part of the British Commonwealth should be given the privilege of admission to the Trustee List in another part falls naturally for determination by the Government of the latter, and it is for the other Governments to decide whether they will avail themselves of the privilege on the terms specified. It is right however to point out that the condition regarding disallowance makes it difficult and in one case impossible for certain Dominions to take advantage of the provisions of the Colonial Stock Act, 1900.

(2) Reservation.

Present Position.

26. Reservation means the withholding of assent by a Governor-General or Governor to a Bill duly passed by the competent

Legislature in order that His Majesty's pleasure may be taken thereon.

27. Statutory provisions dealing with reservation of Bills passed by Dominion Parliaments may be divided into (1) those which confer on the Governor-General a discretionary power of reservation and (2) those which specifically oblige the Governor-General to reserve Bills dealing with particular subjects.

28. The discretionary power of reservation is dealt with in Sections 56 and 59 of the New Zealand Constitution Act, 1852, Sections 55 and 57 of the British North America Act, 1867, Sections 58 and 60 of the Constitution of the Commonwealth of Australia (1900), Sections 64 and 66 of the South Africa Act, 1909, and Article 41 of the Constitution of the Irish Free State.

29. Provisions requiring Bills relating to particular subjects to be reserved by the Governor-General for the signification of His Majesty's pleasure exist in the Australian, New Zealand, and South African Constitutions. By Section 65 of the New Zealand Constitution Act, 1852, the General Assembly of New Zealand is given power to alter the sums allocated by the Schedule to the Act for the Governor's salary, the Judges, the establishment of the general government and native purposes respectively, but any Bill altering the salary of the Governor or the sum allocated to native purposes must be reserved. By Section 74 of the Constitution of the Commonwealth of Australia (1900), it is provided that the Commonwealth Parliament may make laws limiting the matters in which special leave to appeal from the High Court of Australia to His Majesty in Council may be asked, but proposed laws containing any such limitation shall be reserved by the Governor-General for the signification of His Majesty's pleasure. The South Africa Act, 1909, contains three sections relating to the reservation of Bills dealing with particular subjects. Section 106 contains provisions similar to those in Section 74 of the Constitution of the Commonwealth of Australia. Section 64 provides that all Bills repealing or amending that section or any of the provisions of Chapter IV of the Act under the heading "House of Assembly" and all Bills abolishing provincial councils or abridging the powers conferred on them under Section 85 shall be reserved. By paragraph 25 of the Schedule to the Act, which lays down the terms and conditions on which the Governor in Council may undertake the government of native territories if transferred to the Union under Section 151, it is provided that all Bills to amend or alter the provisions of this Schedule shall be reserved. There is no provision requiring reservation in either the Canadian or Irish Free State Constitutions.

30. Provisions relating to compulsory reservation are also to be found in the Colonial Courts of Admiralty Act, 1890, and in the Merchant Shipping Act, 1894. These provisions are dealt with in another section of this Report.

31. The power of reservation had its origin in the instructions given by the Crown to the Governor of a Colony as to the exercise by him of the power to assent to Bills passed by the colonial legislative body. It has been embodied in one form or another in the Constitutions of all the Dominions and may be regarded in their case as a statutory and not a prerogative power. Its exercise has involved the intervention of the Government of the United Kingdom at three stages,—in the instructions to the Governor concerning the classes of Bills to be reserved, in the advice tendered to the Crown regarding the giving or withholding assent to Bills actually reserved, and in the forms in use for signifying the Royal pleasure upon a reserved Bill. Reservation found a place naturally enough in the older colonial system under which the Crown exercised supervision over the whole legislation and administration of a Colony through Ministers in the United Kingdom. In the earlier stages of self-government supervision over legislation did not at once disappear, but it was exercised in a constantly narrowing field with the development of the principles and practice of responsible government. As regards the Dominions, it gradually came to be realised that the attainment of the purposes of reservation must be sought in other ways than through the use of powers by the Government of the United Kingdom. The present constitutional position is set forth in the statement of principles governing the relations of the United Kingdom and the Dominions contained in the Report of the Imperial Conference of 1926; and we have to apply these principles to the power of reservation and its exercise in the conditions now established.

Recommendations.

Discretionary Reservation.

32. Applying the principles laid down in the Imperial Conference Report of 1926, it is established first that the power of discretionary reservation if exercised at all can only be exercised in accordance with the constitutional practice in the Dominion governing the exercise of the powers of the Governor-General; secondly, that His Majesty's Government in the United Kingdom will not advise His Majesty the King to give the Governor-General any instructions to reserve Bills presented to him for assent, and thirdly, as regards the signification of the King's pleasure concerning a reserved Bill, that it would not be in accordance with constitutional practice for advice to be tendered to His Majesty by His Majesty's Government in the United Kingdom against the views of the Government of the Dominion concerned.

Compulsory Reservation—Principle governing the signification of the King's pleasure.

33. In cases where there is a special provision requiring the reservation of Bills dealing with particular subjects, the position would in general fall within the scope of the doctrine that it is the right of the Government of each Dominion to advise the Crown in all matters relating to its own affairs and that consequently it would not be in accordance with constitutional practice for advice to be tendered to His Majesty by His Majesty's Government in the United Kingdom in any matter appertaining to the affairs of a Dominion against the views of the Government of that Dominion.

34. The same principle applies to cases where alterations of a Constitution are required to be reserved.

Abolition of the Power of Reservation (Discretionary or Compulsory).

35. As regards the continued existence of the power of reservation, certain Dominions possess the power by amending their Constitutions to abolish the discretionary power and to repeal any provisions requiring reservation of Bills dealing with particular subjects, and it is, therefore, open to those Dominions to take the prescribed steps to that end if they so desire.

36. As regards Dominions that need the co-operation of the Parliament of the United Kingdom in order to amend the provisions in their Constitutions relating to reservation, we desire to place on record our opinion that it would be in accordance with constitutional practice that if so requested by the Dominion concerned the Government of the United Kingdom should ask Parliament to pass the necessary legislation.

PART IV.—THE EXTRA-TERRITORIAL OPERATION OF DOMINION LEGISLATION.

The present position as to the competence of Dominion Parliaments to give their legislation extra-territorial operation.

• 37. In the case of all Legislatures territorial limitations upon the operation of legislation are familiar in practice. They arise from the express terms of statutes or from rules of construction applied by the Courts as to the presumed intention of the Legislature, regard being had to the comity of nations and other considerations. But in the case of the legislation of Dominion

Parliaments there is also an indefinite range in which the limitations may exist not merely as rules of interpretation but as constitutional limitations. So far as these constitutional limitations exist there is a racial difference between the position of Acts of the Parliament of the United Kingdom in the United Kingdom itself and Acts of a Dominion Parliament in the Dominion.

38. The subject is full of obscurity and there is conflict in legal opinion as expressed in the Courts and in the writings of jurists both as to the existence of the limitation itself and as to its extent. There are differences in Dominion Constitutions themselves which are reflected in legal opinion in those Dominions. The doctrine of limitation is the subject of no certain test applicable to all cases, and constitutional power over the same matter may depend on whether the subject is one of a civil remedy or of criminal jurisdiction. The practical inconvenience of the doctrine is by no means to be measured by the number of cases in which legislation has been held to be invalid or inoperative. It introduces a general uncertainty which can be illustrated by questions raised concerning fisheries, taxation, shipping, air navigation, marriage, criminal law, deportation, and the enforcement of laws against smuggling and unlawful immigration. The state of the law has compelled legislatures to resort to indirect methods of reaching conduct which, in virtue of the doctrine, might lie beyond their direct power but which they deem it essential to control as part of their self-government.

39. It would not seem to be possible in the present state of the authorities to come to definite conclusions regarding the competence of Dominion Parliaments to give their legislation extra-territorial operation; and, in any case, uncertainty as to the existence and extent of the doctrine renders it desirable that legislation should be passed by the Parliament of the United Kingdom making it clear that this constitutional limitation does not exist.

Recommendations.

40. We are agreed that the most suitable method of placing the matter beyond possibility of doubt would be by means of a declaratory enactment in the terms set out below passed, with the consent of all the Dominions, by the Parliament of the United Kingdom.

41. With regard to the extent of the power so to be declared, we are of opinion that the recognition of the powers of a Dominion to legislate with extra-territorial effect should not be limited either by reference to any particular class of persons (e.g., the citizens of the Dominion) or by any reference to laws "ancillary to provision for the peace, order and good government of the Dominion" (which is the phrase appearing in the terms of reference to the Conference).

42. We regard the first limitation as undesirable in principle. With respect to the second, we think that the introduction of a reference to legislation ancillary to peace, order and good government is unnecessary, would add to the existing confusion on the matter, and might diminish the scope of the powers the existence of which it is desired to recognise.

43. After careful consideration of possible alternatives, we recommend that the clause should be in the following form:—

“It is hereby declared and enacted that the Parliament of a Dominion has full power to make laws having extra-territorial operation.”

44. In connection with the exercise of extra-territorial legislative powers, we consider that provision should be made for the customary extra-territorial immunities with regard to internal discipline enjoyed by the armed forces of one Government when present in the territory of another Government with the consent of the latter. Such an arrangement would be of mutual advantage and common convenience to all parts of the Commonwealth, and we recommend that provision should be made by each member of the Commonwealth to give effect to such customary extra-territorial immunities within its territory as regards other members of the Commonwealth.

PART V.—COLONIAL LAWS VALIDITY ACT.

Present Position.

45. The circumstances in which the Colonial Laws Validity Act, 1865, came to be enacted* are so well known that only a brief reference to them is necessary in this Report.

46. From an early stage in the history of Colonial development the theory had been held that there was a common law rule that legislation by a Colonial Legislature was void if repugnant to the law of England. This rule was apparently based on the assumption that there were certain fundamental principles of English law which no Colonial law could violate, but the scope of these principles was by no means clearly defined.

47. A series of decisions, however, given by the Supreme Court of South Australia in the middle of the nineteenth century applied

* The Act is reprinted as an Annex to this Report (see page 43).

the rule so as to invalidate several of the Acts of the Legislature of that Colony. It was soon realised that, if this interpretation of the law were sound, responsible Government, then recently established by the release of the Australian Colonies from external political control, would to a great extent be rendered illusory by reason of legal limitations on the legislative power which were then for the first time seen to be far more extensive than had been supposed. The serious situation which thus developed in South Australia led to an examination of the whole question by the Law Officers of the Crown in England, whose opinion, while not affirming the extensive application of the doctrine of repugnancy upheld by the South Australian Court, found the test of repugnancy to be of so vague and general a kind as to leave great uncertainty in its application. They accordingly advised legislation to define the scope of the doctrine in new and precise terms. The Colonial Laws Validity Act, 1865, was enacted as the result of their advice.

48. The Act expressly conferred upon Colonial Legislatures the power of making laws even though repugnant to the English common law, but declared that a Colonial law repugnant to the provisions of an Act of the Parliament of the United Kingdom extending to the Colony either by express words or by necessary intendment should be void to the extent of such repugnancy. The Act also removed doubts which had arisen regarding the validity of laws assented to by the Governor of a Colony in a manner inconsistent with the terms of his Instructions.

49. The Act, at the time when it was passed, without doubt extended the then existing powers of Colonial legislatures. This has always been recognised, but it is no less true that definite restrictions of a far-reaching character upon the effective exercise of those powers were maintained and given statutory effect. In important fields of legislation actually covered by statutes extending to the Dominions the restrictions upon legislative power have caused and continue to cause practical inconvenience by preventing the enactment of legislation adapted to their special needs. The restrictions in the past served a useful purpose in securing uniformity of law and co-operation on various matters of importance: but it follows from the Report of the Imperial Conference of 1926 that this method of securing uniformity, based as it was upon the supremacy of the Parliament of the United Kingdom, is no longer constitutionally appropriate in the case of the Dominions, and the next step is to bring the legal position into accord with the constitutional. Moreover, the interpretation of the Act has given rise to difficulties in practice, especially in Australia, because it is not always possible to be certain whether a particular Act does or does not extend by necessary intendment to a Dominion, and, if it does, whether all or any of the provisions of a particular Dominion law are or are not repugnant to it.

General Recommendations.

50. We have therefore proceeded on the basis that effect can only be given to the principles laid down in the Report of 1926 by repealing the Colonial Laws Validity Act, 1865, in its application to laws made by the Parliament of a Dominion, and the discussions at the Conference were mainly concerned with the manner in which this should be done. Our recommendation is that legislation be enacted declaring in terms that the Act should no longer apply to the laws passed by any Dominion.

51. We think it necessary, however, that there should also be a substantive enactment declaring the powers of the Parliament of a Dominion, lest a simple repeal of the Colonial Laws Validity Act might be held to have restored the old common law doctrine.

52. It may be stated in this connection that, having regard to the nature of the relations between the several members of the British Commonwealth and the constitutional position of the Governor-General of a Dominion, it has not been considered necessary to make any express provision for the possibility, contemplated in Section 4 of the Colonial Laws Validity Act, of colonial laws assented to by the Governor being held void because of any instructions with reference to such laws or the subjects thereof contained in the Letters Patent or Instrument authorising the Governor to assent to laws for the peace, order, or good government of the Colony.

53. We recommend that effect be given to the proposals in the foregoing paragraphs, by means of clauses in the following form :—

(1) *The Colonial Laws Validity Act, 1865, shall cease to apply to any law made by the Parliament of a Dominion.*

(2) *No law and no provision of any law hereafter made by the Parliament of a Dominion shall be void or inoperative on the ground that it is repugnant to the law of England or to the provisions of any existing or future Act of Parliament or to any order, rule or regulation made thereunder, and the powers of the Parliament of a Dominion shall include the power to repeal or amend any such Act, order, rule or regulation in so far as the same is part of the law of the Dominion.*

54. With regard lastly to the problem which arises from the existence of a legal power in the Parliament of the United Kingdom to legislate for the Dominions, we consider that the appropriate method of reconciling the existence of this power with the established constitutional position is to place on record a statement embodying the conventional usage. We therefore recommend that

a statement in the following terms should be placed on record in the proceedings of the next Imperial Conference—

“It would be in accord with the established constitutional position of all members of the Commonwealth in relation to one another that no law hereafter made by the Parliament of the United Kingdom shall extend to any Dominion otherwise than at the request and with the consent of that Dominion.”

We further recommend that this constitutional convention itself should appear as a formal recital or preamble in the proposed Act of the Parliament of the United Kingdom.

55. Practical considerations affecting both the drafting of Bills and the interpretation of Statutes make it desirable that this principle should also be expressed in the enacting part of the Act, and we accordingly recommend that the proposed Act should contain a declaration and enactment in the following terms:—

“Be it therefore declared and enacted that no Act of Parliament hereafter made shall extend or be deemed to extend to a Dominion unless it is expressly declared therein that that Dominion has requested and consented to the enactment thereof.”

56. The association of constitutional conventions with law has long been familiar in the history of the British Commonwealth; it has been characteristic of political development both in the domestic government of these communities and in their relations with each other; it has permeated both executive and legislative power. It has provided a means of harmonising relations where a purely legal solution of practical problems was impossible, would have impaired free development, or would have failed to catch the spirit which gives life to institutions. Such conventions take their place among the constitutional principles and doctrines which are in practice regarded as binding and sacred whatever the powers of Parliaments may in theory be.

57. If the above recommendations are adopted, the acquisition by the Parliaments of the Dominions of full legislative powers will follow as a necessary consequence. We then proceeded to consider whether in these circumstances special provision ought to be made with regard to certain subjects. These seemed to us to fall into two categories, namely, those in which uniform or reciprocal action may be necessary or desirable for the purpose of facilitating free co-operation among the members of the British Commonwealth in matters of common concern, and those in which peculiar and in some cases temporary conditions in some of the Dominions call for special treatment.

58. By the removal of all such restrictions upon the legislative powers of the Parliaments of the Dominions and the consequent effective recognition of the equality of these Parliaments with the Parliament of the United Kingdom, the law will be brought into harmony with the root principle of equality governing the free association of the members of the British Commonwealth of Nations.

59. As, however, these freely associated members are united by a common allegiance to the Crown, it is clear that the laws relating to the succession to the Throne and the Royal Style and Titles are matters of equal concern to all.

60. We think that appropriate recognition would be given to this position by means of a convention similar to that which has in recent years controlled the theoretically unfettered powers of the Parliament of the United Kingdom to legislate upon these matters. Such a constitutional convention would be in accord with and would not derogate from and is not intended in any way to derogate from the principles stated by the Imperial Conference of 1926 as underlying the position and mutual relations of the members of the British Commonwealth of Nations. We therefore recommend that this convention should be formally put on record in the following terms :—

“In as much as the Crown is the symbol of the free association of the members of the British Commonwealth of Nations, and as they are united by a common allegiance to the Crown, it would be in accord with the established constitutional position of all the members of the Commonwealth in relation to one another that any alteration in the law touching the Succession to the Throne or the Royal Style and Titles shall hereafter require the assent as well of the Parliaments of all the Dominions as of the Parliament of the United Kingdom.”

61. We recommend that the statement of principles set out in the three preceding paragraphs be placed on record in the proceedings of the next Imperial Conference, and that the constitutional convention itself in the form which we have suggested should appear as a formal recital or preamble in the proposed Act to be passed by the Parliament of the United Kingdom.

62. The second subject which we considered concerns the effect of the acquisition of full legislative powers by the Parliaments of the Dominions possessing federal Constitutions.

63. Canada alone among the Dominions has at present no power to amend its Constitution Act without legislation by the Parliament of the United Kingdom. The fact that no specific provision was made for effecting desired amendments wholly by Canadian agencies is easily understood, apart from the special conditions

existing in Canada at that time, when it is recalled that the British North America Act, 1867, was the first Dominion federation measure and was passed over sixty years ago, at an early stage of development. It was pointed out that the question of alternative methods of amendment was a matter for future consideration by the appropriate Canadian authorities and that it was desirable therefore to make it clear that the proposed Act of the Parliament of the United Kingdom would effect no change in this respect. It was also pointed out that for a similar reason an express declaration was desirable that nothing in the Act should authorise the Parliament of Canada to make laws on any matter at present within the authority of the Provinces, not being a matter within the authority of the Dominion.

64. The Commonwealth of Australia was established under, and its Constitution is contained in an Act of Parliament of the United Kingdom, the Commonwealth of Australia Constitution Act, 1900. The authority of the Constitution, with its distribution of powers between Commonwealth and States, originated in the first instance from the supremacy of Imperial legislation; and it was pointed out that the continued authority of the Constitution is essential to the maintenance of the federal system. The Constitution of the Commonwealth, though paramount law for the Parliament of the Commonwealth, is subject to alteration by the joint action of Parliament and the Electorate. To that extent the Commonwealth need not have recourse to any authority external to itself for alterations of its instrument of government. But "the Constitution," though the main part, is not the whole of the Commonwealth of Australia Constitution Act; and the eight sections of that which precede the section containing "the Constitution" can be altered only by an Act of the Parliament of the United Kingdom. It will be for the proper authorities in Australia in due course to consider whether they desire this position to remain and, if not, how they propose to provide for the matter.

65. The Constitution of New Zealand is to a very considerable extent alterable by the Parliament of New Zealand; but the powers of alteration conferred by the Constitution are subject to certain qualifications; and it is apparently a matter of doubt whether these qualifications have been removed by Section 5 of the Colonial Laws Validity Act. It appears to us that any recommendations in relation to the Constitution of the Dominion of Canada and the Commonwealth of Australia should also be applied to New Zealand; and it will then be for the appropriate authorities in New Zealand to consider whether, and, if so, in what form, the full power of alteration should be given.

66. We are accordingly of opinion that the inclusion is required in the proposed Act of the Parliament of the United Kingdom of express provisions dealing with the matters discussed in the three

preceding paragraphs, and we have prepared the following clauses :—

(1) *Nothing in this Act shall be deemed to confer any power to repeal or alter the Constitution Acts of the Dominion of Canada, the Commonwealth of Australia, and the Dominion of New Zealand, otherwise than in accordance with the law and constitutional usage and practice heretofore existing.*

(2) *Nothing in this Act shall be deemed to authorise the Parliaments of the Dominion of Canada and the Commonwealth of Australia to make laws on any matter at present within the authority of the Provinces of Canada or the States of Australia, as the case may be, not being a matter within the authority of the Parliaments or Governments of the Dominion of Canada and of the Commonwealth of Australia respectively.*

67. Similar considerations do not arise in connection with the Constitutions of the Union of South Africa and the Irish Free State. The Constitutions of both countries are framed on the unitary principle. Both include complete legal powers of constitutional amendment. In the case of the Union of South Africa the exercise of these powers is conditioned only by the provisions of section 152 of the South Africa Act, 1909. In the case of the Irish Free State they are exercised in accordance with the obligations undertaken by the Articles of Agreement for a Treaty signed at London on the 6th day of December, 1921.

68. The Report of 1926 dealt only with the constitutional position of the Governments and Parliaments of the Dominions. In recommending the setting up of the present Conference it did not make any specific mention of the special problems presented by federal Constitutions, and accordingly the present Conference has not been called on to consider any matters relating to the legislative powers of the Provincial Legislatures in Canada or the State Legislatures in Australia. The federal character of the Constitutions of Canada and Australia, however, gives rise to questions which we have not found it possible to leave out of account, inasmuch as they concern self-government in those Dominions.

69. The Constitution of Australia presents a special problem in respect to extra-territorial legislative power. The most urgently required field of extra-territorial power is criminal law, which, in general, is within the State power in Australia. In Australia the Parliaments of the States are not subject to any specific territorial restrictions; they differ from the Commonwealth Parliament only in this, that their laws have not the extended operation specifically

given to the laws of the Commonwealth Parliament by Section 5 of the Commonwealth of Australia Constitution Act, and that the Commonwealth Parliament has power over certain specific matters which look beyond the territory of the Commonwealth. The question whether the power of enacting extra-territorial laws over matters within its sphere, to be enjoyed by the Commonwealth Parliament in common with the Parliaments of other Dominions, should be granted also to State Parliaments is a matter primarily for consideration by the proper authorities in Australia.

70. The Australian Constitution also presents special problems in relation to disallowance and reservation. In Australia there is direct contact between the States and His Majesty's Government in the United Kingdom in respect of disallowance and reservation of State legislation. This position will not be affected by the report of the present Conference.

71. The question of the effect of repugnance of Provincial or State legislation to Acts of the Parliament of the United Kingdom presents the same problems in Canada and in Australia. The recommendations which we have made with regard to the Colonial Laws Validity Act do not deal with the problems of Provincial or State legislation. In the absence of special provision, Provincial and State legislation will continue to be subject to the Colonial Laws Validity Act and to the legislative supremacy of the Parliament of the United Kingdom, and it will be a matter for the proper authorities in Canada and in Australia to consider whether and to what extent it is desired that the principles to be embodied in the new Act of the Parliament of the United Kingdom should be applied to Provincial and State legislation in the future.

72. We pass now to the subject of nationality, which is clearly a matter of equal interest to all parts of the Commonwealth.

73. Nationality is a term with varying connotations. In one sense it is used to indicate a common consciousness based upon race, language, traditions, or other analogous ties and interests and is not necessarily limited to the geographic bounds of any particular State. Nationality in this sense has long existed in the older parent communities of the Commonwealth. In another and more technical sense it implies a definite connection with a definite State and Government. The use of the term in the latter sense has in the case of the British Commonwealth been attended by some ambiguity, due in part to its use for the purpose of denoting also the concept of allegiance to the Sovereign. With the constitutional development of the communities now forming the British Commonwealth of Nations the terms "national," "nationhood," and "nationality," in connection with each member, have come into common use.

74. The status of the Dominions in international relations, the fact that the King, on the advice of his several Governments, assumes obligations and acquires rights by treaty on behalf of individual members of the Commonwealth, and the position of the members of the Commonwealth in the League of Nations, and in relation to the Permanent Court of International Justice, do not merely involve the recognition of these communities as distinct juristic entities, but also compel recognition of a particular status of membership of those communities for legal and political purposes. These exigencies have already become apparent; and two of the Dominions have passed Acts defining their "nationals" both for national and for international purposes.

75. The members of the Commonwealth are united by a common allegiance to the Crown. This allegiance is the basis of the common status possessed by all subjects of His Majesty.

76. A common status directly recognised throughout the British Commonwealth in recent years has been given a statutory basis through the operation of the British Nationality and Status of Aliens Act, 1914.

77. Under the new position, if any change is made in the requirements established by the existing legislation, reciprocal action will be necessary to attain this same recognition the importance of which is manifest in view of the desirability of facilitating freedom of intercourse and the mutual granting of privileges among the different parts of the Commonwealth.

78. It is of course plain that no member of the Commonwealth either could or would contemplate seeking to confer on any person a status to be operative throughout the Commonwealth save in pursuance of legislation based upon common agreement, and it is fully recognised that this common status is in no way inconsistent with the recognition within and without the Commonwealth of the distinct nationality possessed by the nationals of the individual states of the British Commonwealth.

79. But the practical working out and application of the above principles will not be an easy task nor is it one which we can attempt to enter upon in this report. We recommend, however, that steps should be taken as soon as possible by consultation among the various Governments to arrive at a settlement of the problems involved on the basis of these principles.

80. There are a number of subjects in which uniformity has hitherto been secured through the medium of Acts of the Parliament of the United Kingdom of general application. Where uniformity is desirable on the ground of common concern or practical convenience we think that this end should in the future be sought by means of concurrent or reciprocal action based upon agreement. We recommend that uniformity of the law of prize

and co-ordination of prize jurisdiction should agreeably with the above principle be maintained. With regard to such subjects as fugitive offenders, foreign enlistment and extradition in certain of its aspects, we recommend that before any alteration is made in the existing law there should be prior consultation and, so far as possible, agreement.

81. Our attention has been drawn to the definition of the word "Colony" in Section 18 of the Interpretation Act, 1889, and we suggest that the opportunity should be taken of the proposed Act to be passed by the Parliament of the United Kingdom to amend this definition. We have accordingly prepared the following clause:—

In this Act and in every Act passed after the commencement of this Act the expression "Dominion" means the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, and the Irish Free State or any of them, and the expression "Colony" shall, notwithstanding anything in the Interpretation Act, 1889, not include a Dominion or any Province or State forming part of a Dominion.

82. In making the recommendations contained in this part of our Report, we have proceeded on the assumption that the necessary legislation and the constitutional conventions to which we have referred will in due course receive the approval of the Parliaments of the Dominions concerned.

PART VI.—MERCHANT SHIPPING LEGISLATION AND COLONIAL COURTS OF ADMIRALTY ACT, 1890.

(1) Merchant Shipping Legislation.

Present Position.

83. The general position is that the Dominions are empowered by their Constitutions to enact laws relating to merchant shipping subject to varying limitations. For instance, in the constitutions of Canada and Australia* "Navigation and Shipping" is expressly mentioned as one of the matters in respect of which their Parliaments may legislate, but under legislation extending to the Dominions, or to the territories which now constitute the

* NOTE.—In the case of Australia, this is qualified by the fact that "navigation and shipping" is itself comprised within the matter of trade and commerce with other countries and among the States, so that intra-state shipping belongs not to the Commonwealth Parliament but to the State. The consequences arising from this division of power within Australia itself lie outside the consideration of this Conference.

Dominions, which was enacted by the Parliament of the United Kingdom before 1911, and which is still the controlling legislation in respect of merchant shipping, the legislatures of the Dominions are treated as subordinate legislatures. The reason for this is not difficult to understand when it is explained that the Merchant Shipping Act, 1854, which was made for the situation existing at that date, is substantially the legislation which continues to be applicable to the Dominions. The Merchant Shipping Act, 1894, which with its amendments is now the governing Act, was merely a re-enactment of the 1854 Act, with the insertion of amendments made during the intervening years. In the year 1854 none of the Dominions as such was in existence, and it is obvious that legislation cast in a form appropriate to the constitutional status of the British possessions over half a century ago must be inconsistent with the facts and constitutional relationships obtaining in the British Commonwealth of Nations as that system exists to-day.

84. Since the year 1911 the practice has been established that enactments of the Parliament of the United Kingdom in relation to merchant shipping and navigation have not been made applicable to the Dominions. In general, all shipping legislation passed by the Parliament of the United Kingdom since that date has been so framed as not to extend to the Dominions.

85. In view of the continued growth of the Dominions, it was inevitable that there should be doubts and difficulties as to the extent of the powers of the Dominions with respect to merchant shipping legislation, and this occasioned differences of opinion from time to time. The decisions of the courts, however, indicate in some of the Dominions that, because of the operation in those Dominions of the Colonial Laws Validity Act, 1865, the legal position is that statutes in respect of merchant shipping passed by the Parliament of the United Kingdom, both before and after the date of the respective constitutions, over-ride any repugnant legislation passed by a Dominion Parliament. In the Commonwealth of Australia the Act of the Parliament of the United Kingdom in relation to shipping has been construed by the High Court of Australia as intending to deal with the subject of merchant shipping as a single integer, subject only to specific exceptions, so that repugnancy in legislation of the Parliament of the Commonwealth of Australia to that central and commanding intention is repugnancy to the Act of the Parliament of the United Kingdom.

86. An examination of the legislation passed by the Parliament of the United Kingdom before the year 1911 in respect of merchant shipping shows that it applies to a large extent to all the Dominions and to all British ships. The principal Acts now in force are the Merchant Shipping Acts, 1894 to 1906.

87. Under these Acts, combined with the operation in the Dominions of the Colonial Laws Validity Act, 1865, the present

legal position of such Dominions as Canada and Australia, as interpreted by their courts, may be summarised generally as hereinafter mentioned. We refer particularly to Canada and Australia because the courts of these Dominions have been called upon more frequently than those of other Dominions to pronounce upon the constitutional questions involved.

(a) The Parliament of the Dominion, under the authority contained in Section 735 of the Merchant Shipping Act, 1894 (which is a re-enactment of Section 547 of the 1854 Act), may repeal any provisions of the 1894 Act or its amendments (other than those of the third part thereof which relates to emigrant ships) relating to ships registered therein. The Dominion Parliament is then in a position to substitute its own laws.

(b) The Act providing for the repeal must be confirmed by His Majesty in Council, and does not take effect until the approval has been proclaimed in the Dominion.

(c) As registration under Part I of the 1894 Act may be held to be a condition which must be in existence before Section 735 can operate, it has apparently been assumed that there is no power under Section 735 to repeal certain of the provisions of Part I which provide the machinery for registration. Neither Canada nor Australia has included in its shipping legislation any provisions for registration, except that the Canadian Act provides for recording a mortgage on a ship about to be built, or being built.

(d) Under Section 265 of the 1894 Act, if there is any conflict of laws on the subject of the second part of the Act (which relates to masters and seamen), the case is apparently to be governed by the provisions of the 1894 Act, and not by the laws of the Dominion.

(e) The authority of the Parliament of a Dominion to enact legislation having extra-territorial operation in respect of shipping, except where specifically authorised under legislation of the Parliament of the United Kingdom, has been questioned. An example of such authorisation is found in Section 264 of the 1894 Act, which relates to masters and seamen, and authorises the operation of extra-territorial legislation by a Dominion, but only when such legislation applies or adapts provisions which are similar to those of the 1894 Acts. Another example of such authorisation is found in the Commonwealth of Australia Constitution Act, 1900, which provides that: "The laws of the Commonwealth shall be in force on all British ships, the Queen's ships of war excepted, whose first port of clearance and whose port of destination are in the Commonwealth." This provision has been held not to confer any new subject matter of power but merely to define the extent of operation of laws enacted within a subject matter granted. In effect, it establishes that on the ships comprised within its terms Australian

law operates outside the three-mile limit as well as within that limit, but it is far from being a provision extending to all Australian shipping. The High Court of Australia has held that it applies only to cases where the beginning and the end of the voyage are both in the Commonwealth. While, therefore, the extra-territorial operation of Commonwealth laws is not ousted merely because the ship's itinerary includes some foreign port, provided that there is a single round voyage beginning and ending in the Commonwealth, it does not include cases where the ship is making separate foreign voyages out and home, and her home port is in Australia.

(f) The Parliament of the Dominion has not authority to enact legislation repugnant to the legislation of the Parliament of the United Kingdom in relation to ships coming into the harbours or territorial waters of the Dominion, if such ships are registered in other parts of the British Commonwealth of Nations, or are foreign ships.

(g) The Parliament of the Dominion has not authority to enact legislation repugnant to the provisions of the third part of the 1894 Act in relation to emigrant ships registered in the Dominion.

(h) The Parliament of the Dominion, under Section 736 of the 1894 Act (which is a re-enactment of Section 4 of the Merchant Shipping (Colonial) Act, 1869), may enact legislation to regulate the coasting trade of such Dominion. This legislation, however, must contain a suspending clause providing that the Act shall not come into operation until His Majesty's pleasure thereon has been publicly signified in the Dominion; the legislation must treat all British ships (including ships of any other British possession) in exactly the same manner as ships of such Dominion; and, where by treaty made before 1869 "Her Majesty has agreed to grant to any ships of any foreign State any rights or privileges in respect of the coasting trade of any British possession, those rights and privileges shall be enjoyed by those ships for so long as Her Majesty has already agreed or may hereafter agree to grant the same, anything in the Act or Ordinance to the contrary notwithstanding".

88. Further, the legal situation appears to be confused because of the fact that, as already explained, legislation of the Parliament of the United Kingdom in relation to shipping continued to be made applicable to the Dominions from 1854 until 1911, but after that date such legislation was expressed not to extend to the Dominions; the restrictions, however, imposed by the Merchant Shipping Acts, 1894 to 1906, were not removed; and in view of the provisions of the Colonial Laws Validity Act, 1865, legislation passed by a Dominion Parliament on the subject of merchant shipping might be held to be void and inoperative on the ground of repugnancy.

89. What, therefore, the Parliament of such a Dominion as Canada or Australia is required to do since the year 1911 is, by means of its own legislation, to endeavour to work into the existing shipping legislation of the Parliament of the United Kingdom, applicable to such a Dominion, certain modifications and additions embodied in international conventions to which the Dominion may be a party, or which may otherwise be desired. This it must do, avoiding repugnancy to any legislation of the Parliament of the United Kingdom, and avoiding also the field of legislation into which the Parliament of a Dominion cannot enter by reason of restrictive provisions in the Merchant Shipping Act, 1894, and in such Acts as the Colonial Courts of Admiralty Act, 1890. This in some cases may be impossible. For instance, the Brussels International Maritime Conference of 1926 agreed upon certain rules of law relating to maritime mortgages and liens, and other rules relating to the limitations of the liability of owners of sea-going vessels. If a Dominion Parliament desired to confer upon its courts jurisdiction and authority to enforce these rules of law, it might find it impossible to enact legislation fully implementing the conference agreement in respect of foreign ships or ships registered outside the Dominion, as these fields of jurisdiction appear to be partially, if not wholly, reserved for the Parliament of the United Kingdom. In respect of mortgages and liens there may even be difficulty for the same reason in regard to ships registered in the Dominion itself.

90. In the Report of the Imperial Conference of 1926, it was pointed out that existing legislative forms are admittedly not wholly in accord with the constitutional status of the United Kingdom and the Dominions as described in the Report. It was also pointed out that this was inevitable, since most of these forms date back to a time well antecedent to the present stage of constitutional development. This is obviously the case in connection with merchant shipping legislation, and the need for immediate remedy is quite apparent.

The New Position.

91. Our general conclusions on the Operation of Dominion Legislation, including the recommendations regarding extra-territorial effect of Dominion laws, the Colonial Laws Validity Act, 1865, reservation and disallowance, are applicable to the constitutional position of legislation affecting merchant shipping.

92. When these conclusions are given effect to, and the restrictions imposed on Dominion Parliaments by Sections 735 and 736 of the Merchant Shipping Act, 1894, are removed by the Parliament of the United Kingdom, which we recommend should be done, there will no longer be any doubt as to the full and complete

power of any Dominion Parliament to enact legislation in respect of merchant shipping, nor will Dominion laws be liable to be held inoperative on the ground of repugnancy to laws passed by the Parliament of the United Kingdom.

93. The new position will be that each Dominion will, amongst its other powers, have full and complete legislative authority over all ships while within its territorial waters or engaged in its coasting trade; and also over its own registered ships both intra-territorially and extra-territorially. Such extra-territorial legislation will, of course, operate subject to local laws while the ship is within another jurisdiction.

94. The ground is thus cleared for co-operation amongst the members of the British Commonwealth of Nations on an equal basis in those matters in which practical considerations call for concerted action. This concerted action may take the form of agreements, for a term of years, as to the uniformity of laws throughout the British Commonwealth of Nations; as to the reciprocal aid in the enforcement of laws in jurisdictions within the British Commonwealth outside the territory of the enacting Parliament; and as to any limitations to be observed in the exercise of legislative powers.

Recommendations.

95. As shipping is a world-wide interest, in which uniformity is from the nature of the case desirable, there is a strong presumption in favour of concerted action between the members of the British Commonwealth in shipping matters, but this concerted action must from its nature result from voluntary agreements by the members of the Commonwealth; it should be confined to matters in which concerted action is necessary or desirable in the common interest; it should be sufficiently elastic to permit of alterations being made from time to time as experience is gained; and it must not prevent local matters being dealt with in accordance with local conditions. The kind of agreement which we have in mind in making our recommendations is one extending over a fixed period of years and providing for revision from time to time.

96. It would be difficult, and is not necessary, at the present stage to frame a complete list of the shipping questions on which uniformity is desirable, but certain matters stand out clearly and we submit the following recommendations with regard to them.

97. *Common Status.*—(a) There should be agreed uniform minimum qualifications for ownership to govern the admission of ships to registry in all parts of the British Commonwealth of Nations. The provisions of Section 1 of the Merchant Shipping Act, 1894, would appear to form a suitable basis for that purpose.

(b) Ships complying with these agreed qualifications for ownership and registered in any part of the British Commonwealth of Nations will possess a common status for all purposes and will be entitled to the same recognition as is now accorded to British ships.

98. *Standards of Safety.*—(a) It is desirable in the interests of all parts of the Commonwealth that uniform standards should be observed in all matters relating to the safety of the ship and those on board, so that the substantial uniformity which at present prevails in these matters on all ships of the British Commonwealth of Nations should be maintained and their reputation preserved.

(b) With regard to the means for securing this uniformity, it is to be observed that the tendency is for matters relating to the safety of the ship and those on board to be regulated by international agreements such as the International Convention for the Safety of Life at Sea, 1929, which deals with the construction of passenger ships, life-saving appliances on passenger ships, radiotelegraphy, and certain matters relating to the safety of navigation including proposed amendments to the International Regulations for Preventing Collisions at Sea. Where there is such international regulation the observance of uniform standards is secured by the general adoption of the appropriate conventions.

(c) In those matters in which standards of safety have not yet been settled by international agreements, there is at present, in fact, substantial uniformity throughout the Commonwealth. Under the new position each part of the Commonwealth will be free to adopt its own standards for its own ships and for all ships within its jurisdiction, but for practical reasons it is desirable that each part should inform the others of any modifications of substance which it may make or propose to make in those standards, together with the reasons for the modification, in order that uniformity of standards may, so far as possible, be maintained.

99. *Extra-territorial Operation of Legislation.*—(a) Each part of the British Commonwealth, in the exercise of the power to legislate with extra-territorial effect with regard to ships, should accept the principle that legislation with extra-territorial effect passed in one part of the Commonwealth should not be made to apply to ships registered in another part without the consent of that latter part.

(b) This recommendation is not intended to limit the power of any part of the British Commonwealth over its coasting trade.

100. *Uniform Treatment.*—(a) At present all British ocean-going ships are treated alike in all ports of the British Commonwealth and, as stated in the Resolutions of the Imperial Economic Conference of 1923, it is the established practice to make no discrimination between ocean-going ships of all countries using ports in the Commonwealth. In view of the importance that is attached to uniformity of treatment, it is recommended that the

different parts of the Commonwealth should continue not to differentiate between their own ocean-going ships and similar ships belonging to other parts of the Commonwealth. Such uniformity of treatment is regarded as an asset of very considerable importance, especially for the purpose of negotiations with foreign Governments who may seek to discriminate in favour of their own ships and against British Commonwealth ships.

(b) Under the new position, each part of the Commonwealth will have full power to deal with its own coasting trade. We recommend that the Governments of the several parts of the Commonwealth might agree, for a limited number of years, to continue the present position, under which ships of any part of the Commonwealth are free to engage in the coasting trade of any other part.

(c) These recommendations are not intended to affect the right of any part of the Commonwealth to impose conditions of a general character on all ships engaged in its coasting trade, or to impose customs tariff duties on ships built in other parts of the Commonwealth or outside it, or to give such financial assistance as it thinks fit to its own ships.

(d) These recommendations are also not intended to include any reference to questions affecting fisheries or the fishing industry, which were not considered to be within the scope of the Conference.

(e) It is recommended that no part of the British Commonwealth should give more favourable treatment to foreign ships than to ships of other parts of the Commonwealth.

(f) The precise manner of giving effect to these recommendations, if they are approved, will, we assume, be determined by the Governments of the British Commonwealth. So far as we are concerned, we suggest that an agreement might be made between the several parts of the Commonwealth for a limited term of years, containing a provision that the principles would not be departed from after the expiration of the agreed term without previous notification to the other members of the Commonwealth and consideration of their views.

101. *Internal Discipline and Agreements with the Crew.*—Each part of the British Commonwealth in the exercise of its right to legislate for all ships within its territorial jurisdiction should, for practical reasons, accept the principle that, in matters relating to the internal discipline of the ship and in matters governed by the agreement with the crew, the law of the country of registration should follow the ship, but this principle should be subject to the following exceptions:—

(a) If a ship registered in one part of the British Commonwealth is engaged wholly or mainly in the coasting trade of another part,

the law of that latter part should govern matters relating to the internal discipline of the ship and matters relating to the agreement with the crew.

(b) In the case of a ship registered in one part of the Commonwealth, if an agreement with the crew is opened in another part of the Commonwealth, the law of that latter part as regards the agreement with the crew should apply.

102. *Certificates of Competency and Service*.—Subject to any special arrangement as to the coasting trade, certificates granted by one part of the Commonwealth should be recognised as valid throughout the Commonwealth for all ships registered in that part. It is recommended that there should be such uniform qualifications throughout the Commonwealth for certificates of competency as will facilitate a mutual recognition of such certificates for all purposes.

103. *Courts of Inquiry*.—(a) Investigations with regard to casualties to ships registered in any part of the Commonwealth will be held by that part of the Commonwealth in which the ship is registered, no matter where the casualty takes place, if that part so desires. Each part of the Commonwealth will, if it so desires, hold investigations into casualties to any ships no matter where registered if the casualty occurs on or near the coasts of that part or while the ship is engaged in the coasting trade of that part. With regard, however, to casualties to ships registered in one part of the Commonwealth which take place elsewhere than on or near the coasts of another part of the Commonwealth or while the ship is engaged otherwise than in the coasting trade of that other part, it is recommended that an agreement be made based upon the general principle (from which agreed exceptions may be necessary) that no enquiry should be held by any part other than the part in which the ship is registered except with the consent or at the request of that part. It is also recommended that an agreement be made that the principles governing the constitution and procedure of Courts of Formal Investigation should be uniform throughout the Commonwealth and should provide such safeguards as are at present furnished by Part VI of the Merchant Shipping Act, 1894. It is also recommended that a right of appeal from a Court of Formal Investigation should exist and that such appeal should lie to the appropriate Court in that part of the Commonwealth in which the Investigation takes place.

(b) Every Court of Formal Investigation constituted under the authority of one part of the Commonwealth should have power to cancel or suspend a certificate granted by any other part of the Commonwealth. Such cancellation or suspension will have effect only within the jurisdiction of that part of the Commonwealth under whose authority the Court was constituted, but will, if

adopted by the granting authority, have the effect of a cancellation or suspension by that authority.

(c) With regard to Courts which deal with questions of misconduct and incompetency other than would be ordinarily dealt with by Courts of Formal Investigation, it is recommended that the procedure of these Courts and the principles upon which such Courts should be constituted and on which certificates should be dealt with should be those recommended above with regard to Courts of Formal Investigation.

104. *Naval Courts*.—Naval Courts are *ad hoc* Courts summoned under the authority of the Merchant Shipping Act, 1894, by a Naval or Consular Officer in a foreign port to deal with casualties and other matters relating to a ship, her owners, master or crew. The position of these courts does not, having regard to their constitution, seem to be one in which any question of reciprocal agreement arises. Under the new position each part of the Commonwealth will be able to take steps if it so desires either to continue the facilities at present offered by these Courts or to discontinue them with regard to its own registered ships and substitute other facilities.

105. *Distressed Seamen*.—It is recommended that reciprocal arrangements be made between all parts of the Commonwealth to provide for and facilitate in proper cases the return to each part of the Commonwealth of distressed seamen of that part and also, so far as is practicable, to enable the authorities of each part to recover the reasonable cost of repatriation from the owner of the vessel in which the seamen served.

106. *Mutual Enforcement of Law*.—(a) We have examined very carefully the question as to how far, if at all, it would be practically possible to make provision for the enforcement in one part of the Commonwealth of the law of another part with regard to offences occurring on ships registered in that other part of the Commonwealth. At first sight it would appear that some such provision could be made to work satisfactorily but upon consideration it seems clear that the practical and other difficulties in the way of such mutual enforcement of laws are so great as to make it impossible to recommend any general arrangement of this kind. The position which obtains at present is only possible because the system of law which is applied is a unitary system and when that system comes to an end a solution of the difficulties which arise will have to be sought in other directions.

(b) Thus with regard to ordinary crimes committed on ships it is thought that the remedy will be to provide some workable scheme based upon reciprocal agreement and legislation enacted by each part of the Commonwealth, whereby the system which operates at present under the Fugitive Offenders Act 1881 may be continued.

(c) Again, with regard to offences against merchant shipping legislation it is suggested that the difficulties will to a great extent disappear if uniformity is agreed upon by all parts of the Commonwealth in matters relating to safety of the ships and persons on board. If there is such uniformity, the result will, in most cases, be that if an offence is committed with regard to a ship when she leaves one part of the Commonwealth it will be found on her arrival in another part of the Commonwealth that she has therein contravened the local law, with the result that proceedings in respect of that offence may be taken there.

(d) With regard to offences against discipline committed on the high seas, it will probably be found that the law of that part in which the vessel is registered makes provision for disciplinary action by the master of the ship. If, however, the offence is such as to necessitate legal proceedings those proceedings will be available when the offender returns to that part of the Commonwealth in which the ship is registered.

107. *Forfeiture.*—(a) Proceedings for forfeiture for contravening the common qualifications for ownership will be taken in the Courts in that part of the Commonwealth in which the ship is registered. Proceedings of this kind, however, may be taken with regard to ships registered in one part of the Commonwealth in the Courts of another part if the authorities of the part where the ship is registered so request. The forfeiture will be for the benefit of the Exchequer of the part in which the ship is registered.

(b) With regard to an unregistered ship wrongly assuming the character of a registered ship, proceedings may be taken in any part of the Commonwealth into which the ship is taken.

108. *Carriage of Goods by Sea.*—This is a subject on which in our opinion uniformity of legislation is highly desirable throughout the British Commonwealth and in this connection attention is drawn to the Resolution passed by the Imperial Conference of 1926 in the following terms:—

“The Imperial Conference having considered the steps taken to bring into force the Rules relating to Bills of Lading which were embodied in the International Bills of Lading Convention signed at Brussels in October, 1923, and were recommended by the Imperial Economic Conference of 1923 for adoption by the Governments and Parliaments of the Empire, notes with satisfaction that there is good prospect of the general adoption of these Rules throughout the Empire and also welcome the progress which had been made towards the achievement of international uniformity upon the basis of these Rules”.

109. *General Statement.*—(a) We have, after describing the present position with regard to merchant shipping legislation and outlining the general nature of the new position which will take its place, indicated a number of matters connected with merchant shipping in which, in our view, uniformity of laws throughout the British Commonwealth is of great importance in the interests of all, but those who may be entrusted with the duty of preparing the terms of agreements and the form of legislation to implement those agreements may find it desirable to include other matters besides those which have been specifically mentioned.

(b) For instance, we recommend that there should be uniformity with regard to the qualifications for ownership, but we consider that uniformity is also desirable in such matters as transfer, mortgage, measurement of ships and tonnage which are ancillary to the question of qualifications for ownership. It is quite probable that uniformity in such matters will be found to be practicable. The co-ordination of the various registers is also a matter which might well be considered with a view to an arrangement being made.

(2) Colonial Courts of Admiralty Act, 1890.

110. At the present time, Admiralty Courts in all the Dominions, except in the Irish Free State, are constituted under the provisions of the Colonial Courts of Admiralty Act, 1890, passed by the Parliament of the United Kingdom. In the Irish Free State, Admiralty laws are administered under the provisions of the Courts of Admiralty (Ireland) Act, 1867, and accordingly different considerations apply there.

111. Prior to the enactment of the Colonial Courts of Admiralty Act, 1890, Admiralty law was administered in the Dominions or in the territories now forming the Dominions, other than Ireland, in Vice-Admiralty Courts which were established in the early days under the authority of the Admiralty, and in later years under the authority of enactments passed by the Parliament of the United Kingdom. The Colonial Courts of Admiralty Act, 1890, which repealed all previous enactments in relation to Vice-Admiralty Courts, provided that every court of law in a British possession, which is for the time being declared in pursuance of that Act to be a Court of Admiralty, or which, if no such declaration is in force in the possession, has therein original unlimited civil jurisdiction, shall be a Court of Admiralty and that the jurisdiction of such Colonial Court of Admiralty should, subject to the provisions of the Act, be the same as the Admiralty jurisdiction of the High Court in England, whether existing by virtue of any statute, or otherwise. The Act also provided that any Colonial law "shall not confer any jurisdiction which is not by this Act conferred upon a Colonial Court of Admiralty." Apparently the intention was that the provisions of the Act should cover the whole field of

Admiralty jurisdiction to the exclusion of any legislation by a Dominion. Rules for regulating the procedure and practice in the Courts were authorised to be made by a Colonial Court of Admiralty, but such rules should not come into operation until approved by His Majesty in Council. Any Colonial law made in pursuance of the Act, which affects the jurisdiction of, or practice or procedure in the Courts, in respect of the jurisdiction conferred by the Act, must, unless previously approved by His Majesty through a Secretary of State, either be reserved for the signification of His Majesty's pleasure thereon or contain a suspending clause providing that such law shall not come into operation until His Majesty's pleasure thereon has been publicly signified in the Dominion in which it is passed.

112. Under a recent decision of the Judicial Committee of the Privy Council, it was held that the jurisdiction of an Admiralty Court established under the Act does not march with the Admiralty jurisdiction of the High Court in England but was fixed by the Admiralty jurisdiction of the High Court as it existed when the Act was passed in 1890.

113. Since the year 1890, important additions have been made to the Admiralty jurisdiction of the High Court in England and this jurisdiction has not been added to the Courts of Admiralty in the Dominions. The jurisdiction is, therefore, not uniform at the present time throughout the United Kingdom and the Dominions. Doubts have been expressed as to whether a Dominion, in which the Act is in force, has legislative authority to increase the jurisdiction of Admiralty Courts in such Dominion or whether this must be done by an Act of the Parliament of the United Kingdom.

114. The existing situation of control in the United Kingdom of Admiralty Courts in the Dominions is not in accord with the present constitutional status of the Dominions, and should be remedied.

115. Our recommendation is that each Dominion in which the Colonial Courts of Admiralty Act, 1890, is in force should have power to repeal that Act.

116. Our general conclusions on the operation of the Colonial Laws Validity Act, 1865, and reservation and disallowance are applicable to the Colonial Courts of Admiralty Act, 1890. As soon as the legislation necessary to give effect to these recommendations is passed, each Dominion will be free to repeal if and when desired the Colonial Courts of Admiralty Act, 1890, in so far as that Act relates to that Dominion, and may then establish Admiralty Courts under its own laws.

117. We think it highly desirable to emphasise that so far as is possible there should be uniform jurisdiction and procedure in all

Admiralty Courts in the British Commonwealth of Nations subject, of course, to such variations as may be required in matters of purely local or domestic interest.

118. His Majesty's Government in the United Kingdom have recently signed the International Conventions with regard to mortgages and liens and limitation of liability which were prepared at Brussels, and in this connection we would point out that the following Resolution was passed by the Imperial Conference of 1926 :—

“ The Imperial Conference notes with satisfaction that progress which has been made towards the unification of maritime law in regard to the limitation of shipowners' liability and to maritime mortgages and liens by the preparation at Brussels of draft International Conventions on these subjects, and, having regard particularly to the advantages to be derived from uniformity, commends these Conventions to the consideration of the Governments of the various parts of the Empire.”

119. To enable these Conventions to be ratified considerable changes will be necessary in the existing law in the United Kingdom with regard to Admiralty matters. We think it desirable that all Dominions should consider the changes proposed by the Conventions, and, if the Dominions or any of them adopt them, the opportunity might be taken, having regard to the fact that the new legislation will be necessary, of endeavouring to come to some agreement that uniformity should exist upon all matters of Admiralty jurisdiction and procedure, and for this purpose it would seem that the law of the United Kingdom might form a useful basis for such an agreement.

(3) Recommendations as to legislation to be enacted by the Parliament of the United Kingdom with respect to Sections 735 and 736 of the Merchant Shipping Act, 1894, and the Colonial Courts of Admiralty Act, 1890.

120. The clauses which we have recommended to be enacted by the Parliament of the United Kingdom with relation to the extra-territorial operation of Dominion legislation and the Colonial Laws Validity Act, 1865, are intended to be applicable to Merchant Shipping legislation and the Colonial Courts of Admiralty Act, 1890, as well as to other legislation of the Parliament of the United Kingdom.

121. The Merchant Shipping Act, 1894, by Section 735, now confers upon the Parliament of a Dominion a limited power of repeal. The power of repeal with regard to Merchant Shipping Acts under the new position will, however, be covered by the wider power of repeal contained in the general clause which we have recommended.

122. Moreover, Sections 735 and 736 of the Merchant Shipping Act, 1894, and Sections 4 and 7 of the Colonial Courts of Admiralty Act, 1890, contain provisions for reservation which should no longer be applicable to legislation passed by a Dominion Parliament.

123. In order to make the above position clear and to remove any doubts which may exist, we recommend that a clause in the following terms should be inserted after the above-mentioned general clauses in the Act to be passed by the Parliament of the United Kingdom :—

Without prejudice to the generality of the foregoing provisions of this Act—

(1) *Sections seven hundred and thirty-five and seven hundred and thirty-six of the Merchant Shipping Act, 1894, shall be construed as though reference therein to the Legislature of a British possession did not include reference to the Parliament of a Dominion.*

(2) *Section four of the Colonial Courts of Admiralty Act, 1890 (which requires certain laws to be reserved for the signification of His Majesty's pleasure or to contain a suspending clause), and so much of Section seven of that Act as requires the approval of His Majesty in Council to any rules of Court for regulating the practice and procedure of a Colonial Court of Admiralty, shall cease to have effect in any Dominion as from the commencement of this Act.*

(4) India.

124. Subject to certain special provisions of the Merchant Shipping Acts, the legislative powers of the Indian Legislature are governed by the Government of India Act, and general statements regarding the position of the Dominions in matters of merchant shipping and Admiralty Court legislation may therefore not be entirely applicable in the case of India. At the same time, as the position of India in these matters has always been to all intents and purposes identical with that of the Dominions, it is not anticipated that there would be any serious difficulty in applying the principles of our recommendations to India, and we suggest that the question of the proper method of so doing should be considered by His Majesty's Government in the United Kingdom and the Government of India.

PART VII.—SUGGESTED TRIBUNAL FOR THE DETERMINATION OF DISPUTES.

125. We felt that our work would not be complete unless we gave some consideration to the question of the establishment of a tribunal as a means of determining differences and disputes between members of the British Commonwealth. We were impressed with the advantages which might accrue from the establishment of such a tribunal. It was clearly impossible in the time at our disposal to do more than collate various suggestions with regard first to the constitution of such a tribunal, and, secondly, to the jurisdiction which it might exercise. With regard to the former, the prevailing view was that any such tribunal should take the form of an *ad hoc* body selected from standing panels nominated by the several members of the British Commonwealth. With regard to the latter, there was general agreement that the jurisdiction should be limited to justiciable issues arising between governments. We recommend that the whole subject should be further examined by all the governments.

PART VIII.—CONCLUSION.

126. It will, we trust, be apparent from the recommendations of our report that we have endeavoured to carry out the principles laid down by the Imperial Conference of 1926. The recommendations submitted have been framed with the object of carrying into full effect the equality of status established as the root-principle governing the relations of the members of the Commonwealth, and indicating methods for maintaining and strengthening the practical system of free co-operation which is its instrument.

127. We have sought to the best of our ability to perform our task and we commend our proposals to His Majesty's Governments.

128. We desire to express our very warm appreciation, and that in no mere formal sense, of the assistance which we have received throughout from the Secretaries to the Conference. The nature of our work has involved an unusual tax upon their energy, skill,

and resourcefulness and we have all had occasion to recognise the value of their co-operation.

- | | |
|--|----------------------------------|
| For the delegation of the United Kingdom of Great Britain and Northern Ireland. | PASSFIELD.
WILLIAM A. JOWITT. |
| For the delegation of the Dominion of Canada. | E. LAPOINTE. |
| For the delegation of the Commonwealth of Australia. | W. HARRISON MOORE. |
| For the delegation of the Dominion of New Zealand. | C. J. PARR. |
| For the delegation of the Union of South Africa. | F. W. BEYERS. |
| For the delegation of the Irish Free State. | P. MCGILLIGAN. |
| For the delegation of the Government of India for such parts of the Report as relate to India. | B. K. MULLICK. |

ANNEX.

Colonial Laws Validity Act, 1865.

(28 & 29 Vic. c. 63.)

An Act to remove Doubts as to the Validity of Colonial Laws.

[29th June, 1865.]

Whereas Doubts have been entertained respecting the Validity of divers Laws enacted or purporting to have been enacted by the Legislatures of certain of Her Majesty's Colonies, and respecting the Powers of such Legislatures, and it is expedient that such Doubts should be removed :

Be it hereby enacted by the Queen's most Excellent Majesty, by and with the Advice and Consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the Authority of the same, as follows :—

(1) The Term " Colony " shall in this Act include all of Her Majesty's Possessions abroad in which there shall exist a legislature, as hereinafter defined except the Channel Islands, the *Isle of Man*, and such Territories as may for the Time being be vested in Her Majesty under or by virtue of any Act of Parliament for the Government of *India* ;

Definitions.
" Colony : "

The Terms " Legislature " and " Colonial Legislature " shall severally signify the Authority, other than the Imperial Parliament or Her Majesty in Council, competent to make Laws for any Colony :

" Legisla-
ture." " Col-
onial Legis-
lature : "

The Term " Representative Legislature " shall signify any Colonial Legislature which shall comprise a Legislative Body of which One Half are elected by inhabitants of the Colony :

" Represent-
ative Legi-
lature : "

The Term " Colonial Law " shall include Laws made for any Colony either by such Legislature as aforesaid or by Her Majesty in Council :

" Colonial
Law : "

An Act of Parliament, or any Provision thereof, shall, in construing this Act, be said to extend to any Colony when it is made applicable to such Colony by the express Words or necessary Intendment of any Act of Parliament :

Act of
Parliament
etc., to
extend to
Colony
when made
applicable to
such Colony

The Term " Governor " shall mean the Officer lawfully administering the Government of any Colony :

" Gover-
nor : "

The Term " Letters Patent " shall mean Letters Patent under the Great Seal of the United Kingdom of *Great Britain* and *Ireland*.

" Letters
Patent. "

Colonial
Law when
void for
Repugnancy.

(2) Any Colonial Law which is or shall be in any respect repugnant to the Provisions of any Act of Parliament extending to the Colony to which such Law may relate, or repugnant to any Order or Regulation made under Authority of such Act of Parliament, or having in the Colony the Force and Effect of such Act, shall be read subject to such Act, Order, or Regulation, and shall, to the Extent of such Repugnancy, but not otherwise, be and remain absolutely void and inoperative.

Colonial
Law when
not void for
Repugnancy.

(3) No Colonial Law shall be or be deemed to have been void or inoperative on the Ground of Repugnancy to the Law of England, unless the same shall be repugnant to the Provisions of some such Act of Parliament, Order or Regulation as aforesaid.

Colonial
Law not void
or inconsis-
tency with
Instructions.

(4) No Colonial Law, passed with the Concurrence of or assented to by the Governor of any Colony, or to be hereafter so passed or assented to, shall be or be deemed to have been void or inoperative by reason only of any Instructions with reference to such Law or the Subject thereof which may have been given to such Governor by or on behalf of Her Majesty, by any Instrument other than the Letters Patent or Instrument authorizing such Governor to concur in passing or to assent to Laws for the Peace, Order, and good Government of such Colony, even though such Instructions may be referred to in such Letters Patent or last-mentioned Instrument.

Colonial
Legislature
may
establish,
etc. Courts
of Law.
Representa-
tive Legisla-
ture may
alter Consti-
tution.

(5) Every Colonial Legislature shall have, and be deemed at all Times to have had, full Power within its Jurisdiction to establish Courts of Judicature, and to abolish and reconstitute the same, and to alter the Constitution thereof, and to make Provision for the Administration of Justice therein; and every Representative Legislature shall, in respect to the Colony under its Jurisdiction, have, and be deemed at all Times to have had, full Power to make Laws respecting the Constitution, Powers, and Procedure of such Legislature; provided that such Laws shall have been passed in such Manner and Form as may from Time to Time be required by any Act of Parliament, Letters Patent, Order in Council, or Colonial Law for the Time being in force in the said Colony.

Certified
Copies of
Laws to be
Evidence
that they are
properly
passed.
Proclama-
tion to be
Evidence of
Assent and
Disallow-
ance.

(6) The Certificate of the Clerk or other proper Officer of a Legislative Body in any Colony to the Effect that the Document to which it is attached is a true Copy of any Colonial Law assented to by the Governor of such Colony, or of any Bill reserved for the Signification of Her Majesty's Pleasure by the said Governor, shall be *prima facie* Evidence that the Document so certified is a true Copy of such Law or Bill, and, as the Case may be, that such Law has been duly and properly passed and assented to, or that such Bill has been duly

and properly passed and presented to the Governor; and any Proclamation purporting to be published by Authority of the Governor in any Newspaper in the Colony to which such Law or Bill shall relate, and signifying Her Majesty's Disallowance of any such Colonial Law, or Her Majesty's Assent to any such reserved Bill as aforesaid, shall be *primâ facie* Evidence of such Disallowance or Assent.

And whereas Doubts are entertained respecting the Validity of certain Acts enacted or reputed to be enacted by the Legislature of *South Australia*: Be it further enacted as follows:

(7) All Laws or reputed Laws enacted or purporting to have been enacted by the said Legislature, or by Persons or Bodies of Persons for the Time being acting as such Legislature, which have received the Assent of Her Majesty in Council, or which have received the Assent of the Governor of the said Colony in the Name and on behalf of Her Majesty, shall be and be deemed to have been valid and effectual from the Date of such Assent for all Purposes whatever; provided that nothing herein contained shall be deemed to give Effect to any Law or reputed Law which has been disallowed by Her Majesty, or has expired, or has been lawfully repealed, or to prevent the lawful Disallowance or Repeal of any Law.

Certain Act
enacted by
Legislature
of South
Australia
to be valid.



Imperial Conference, 1930

SUMMARY OF PROCEEDINGS

(Appendices published separately in Cmd. 3718)

*Presented to Parliament by
Command of His Majesty,
November, 1930*

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* Published separately in Cmd. 3718.

I.—PRELIMINARY NOTE.

The Proceedings of the Conference opened in London on the 1st October, 1930, and were continued until the 14th November. Plenary meetings were normally attended by the following:—

United Kingdom.

- The Right Hon. J. RAMSAY MACDONALD, M.P., Prime Minister (in the Chair).
- The Right Hon. PHILIP SNOWDEN, M.P., Chancellor of the Exchequer.
- The Right Hon. ARTHUR HENDERSON, M.P., Secretary of State for Foreign Affairs.
- The Right Hon. J. H. THOMAS, M.P., Secretary of State for Dominion Affairs.
- The Right Hon. LORD PASSFIELD, Secretary of State for the Colonies. (Representing the Colonies, Protectorates and Mandated Territories.)
- The Right Hon. LORD SANKEY, G.B.E., Lord Chancellor.
- The Right Hon. WILLIAM GRAHAM, M.P., President of the Board of Trade.

Canada.

- The Right Hon. R. B. BENNETT, K.C., M.P., Prime Minister, Secretary of State for External Affairs, and Minister of Finance.
- The Hon. HUGH GUTHRIE, K.C., M.P., Minister of Justice.
- The Hon. H. H. STEVENS, M.P., Minister of Trade and Commerce.
- The Hon. MAURICE DUPRÉ, K.C., M.P., Solicitor-General.

Commonwealth of Australia.

- The Right Hon. J. H. SCULLIN, M.P., Prime Minister.
- The Hon. F. BRENNAN, M.P., Attorney General.
- The Hon. PARKER J. MOLONEY, M.P., Minister for Markets and Transport.

New Zealand.

- The Right Hon. G. W. FORBES, M.P., Prime Minister.
- The Hon. Sir THOMAS SIDEY, M.P., Attorney-General.

Union of South Africa.

- General the Hon. J. B. M. HERTZOG, M.P., Prime Minister and Minister for External Affairs.
- The Hon. N. C. HAVENGA, M.P., Minister of Finance.
- The Hon. A. P. J. FOURIE, M.P., Minister of Mines and Industries.

Irish Free State.

Mr. P. MCGILLIGAN, T.D., Minister for External Affairs.
 Mr. D. FITZGERALD, T.D., Minister for Defence.
 Mr. P. HOGAN, T.D., Minister for Agriculture.
 Mr. J. A. COSTELLO, K.C., Attorney-General.

Newfoundland.

The Right Hon. Sir RICHARD SQUIRES, K.C.M.G., K.C., M.P.,
 Prime Minister.

India.

The Right Hon. W. WEDGWOOD BENN, D.S.O., D.F.C., M.P.,
 Secretary of State for India.
 Lieut.-General H. H. the MAHARAJA OF BIKANER, G.C.S.I., G.C.I.E.,
 G.C.V.O., G.B.E., K.C.B., A.D.C.
 Sir MUHAMMAD SHAFI, K.C.S.I., C.I.E.

SECRETARIAT OF THE CONFERENCE.

Colonel Sir MAURICE HANKEY, G.C.B., G.C.M.G., Secretary to the
 Conference.
 Sir HARRY BATTERBEE, K.C.V.O., C.M.G., Deputy Secretary to the
 Conference.
 Mr. R. B. HOWORTH, C.B., Administrative Secretary to the Conference.
 Mr. JOHN E. READ, K.C. (Canada).
 Mr. E. ABBOTT (Commonwealth of Australia).
 Mr. F. D. THOMSON, C.M.G. (New Zealand).
 Dr. H. D. J. BODENSTEIN (Union of South Africa).
 Mr. J. P. WALSHE (Irish Free State).
 Mr. W. J. CAREW (Newfoundland).
 Mr. G. R. F. TOTTENHAM, C.I.E., I.C.S. (India).

The following were also present at one or more meetings of the
 Conference :—

United Kingdom.

The Right Hon. LORD PARMOOR, K.C.V.O., K.C., Lord President of
 the Council.
 The Right Hon. J. R. CLYNES, M.P., Secretary of State for Home
 Affairs.
 The Right Hon. THOMAS SHAW, C.B.E., M.P., Secretary of State for
 War.
 The Right Hon. VERNON HARTSHORN, O.B.E., M.P., Lord Privy Seal.
 The Right Hon. A. V. ALEXANDER, M.P., First Lord of the Admiralty.
 The Right Hon. W. ADAMSON, M.P., Secretary of State for Scotland.

Mr. F. W. PETHICK LAWRENCE, M.P., Financial Secretary to the Treasury.

Sir WILLIAM JOWITT, K.C., M.P., Attorney-General.

Mr. W. LUNN, M.P., Parliamentary Under-Secretary of State for Dominion Affairs.

Major C. R. ATTLEE, M.P., Chancellor of the Duchy of Lancaster.

• EARL DE LA WARR, Parliamentary Secretary, Ministry of Agriculture.

Mr. G. M. GILLET, M.P., Secretary, Overseas Trade Department.

Canada.

The Right Hon. Sir ROBERT L. BORDEN, G.C.M.G., K.C.

Union of South Africa.

Mr. C. T. TE WATER, High Commissioner for the Union of South Africa in London.

Mr. H. T. ANDREWS, Political Secretary.

Irish Free State.

Professor T. A. SMIDDY, High Commissioner for the Irish Free State in London.

Mr. J. DULANTY, C.B., C.B.E., Commissioner for Trade in Great Britain for the Irish Free State.

Newfoundland.

The Right Hon. LORD MORRIS, K.C.M.G., K.C.

India.

Sir GEOFFREY CORBETT, K.B.E., C.I.E., I.C.S.

Sir PADAMJI PESTONJI GINWALA.

Major-General Sir FABIAN WARE, K.C.V.O., K.B.E., C.B., C.M.G.,
Vice-Chairman, Imperial War Graves Commission.

The Right Hon. Sir HALFORD MACKINDER, Chairman, Imperial Economic Committee.

Sir DAVID CHADWICK, C.S.I., C.I.E., Secretary, Imperial Economic Committee.

The Hon. P. D. L. FYNN, C.M.G., Treasurer, Southern Rhodesia.

Sir FRANCIS NEWTON, K.C.M.G., High Commissioner for Southern Rhodesia in London.

ADVISERS.

United Kingdom.*(a) For Political and General Questions.*

- Sir CLAUD SCHUSTER, G.C.B., C.V.O., K.C., Permanent Secretary, Lord Chancellor's Department.
- Sir MAURICE GWYER, K.C.B., His Majesty's Procurator-General and Treasury Solicitor.
- Sir E. J. HARDING, K.C.M.G., C.B., Permanent Under-Secretary of State for Dominion Affairs.
- Sir VICTOR WELLESLEY, K.C.M.G., C.B., Deputy Under-Secretary of State for Foreign Affairs.
- Mr. G. A. MOUNSEY, C.M.G., O.B.E., Assistant Under-Secretary of State, Foreign Office.
- Sir H. W. MALKIN, K.C.M.G., C.B., Legal Adviser, Foreign Office.
- Mr. O. F. DOWSON, O.B.E., Assistant Legal Adviser, Home Office.
- Mr. H. G. BUSHE, C.M.G., Assistant Legal Adviser, Dominions Office.

(b) For Economic Questions.

- Sir SYDNEY J. CHAPMAN, K.C.B., C.B.E., Chief Economic Adviser to His Majesty's Government in the United Kingdom.
- Sir HORACE P. HAMILTON, K.C.B., Permanent Secretary, Board of Trade.
- Sir F. L. C. FLOUD, K.C.B., Chairman, Board of Customs and Excise.
- Sir ERNEST GOWERS, K.C.B., K.B.E., Chairman, Board of Inland Revenue.
- Sir CHARLES J. HOWELL THOMAS, K.C.B., C.M.G., Permanent Secretary, Ministry of Agriculture and Fisheries.
- Mr. G. C. UPCOTT, C.B., Deputy Controller, Treasury.
- Sir CHARLES HIRWOOD, K.B.E., C.B., Second Secretary, Board of Trade.
- Sir PERCY THOMPSON, K.B.E., C.B., Deputy Chairman, Board of Inland Revenue.
- Mr. F. E. SMITH, C.B., C.B.E., Secretary, Department of Scientific and Industrial Research.
- Sir H. FOUNTAIN, K.C.M.G., C.B., Principal Assistant Secretary, Board of Trade.
- Sir EDWARD CROWE, K.C.M.G., Comptroller-General, Department of Overseas Trade.
- Mr. P. W. L. ASHLEY, C.B., Principal Assistant Secretary, Board of Trade.
- Mr. E. J. FOLEY, C.B., Principal Assistant Secretary, Board of Trade.
- Sir THOMAS BARNES, C.B.E., Solicitor, Board of Trade.
- Mr. G. G. WHISKARD, C.B., Vice-Chairman, Oversea Settlement Committee.
- Mr. H. L. FRENCH, C.B., O.B.E., Principal Assistant Secretary, Economic Division, Ministry of Agriculture and Fisheries.

- Mr. E. R. EDDISON, C.B., C.M.G., Deputy Comptroller-General, Department of Overseas Trade.
 Mr. S. G. TALLENTS, C.B., C.M.G., C.B.E., Secretary, Empire Marketing Board.
 Mr. R. A. WISEMAN, Assistant Secretary, Dominions Office.
 Mr. A. W. FLUX, C.B., Assistant Secretary, Statistical Department, Board of Trade.
 Mr. H. F. CARLILL, Assistant Secretary, Board of Trade.
 Mr. H. D. HENDERSON, Joint Secretary, Economic Advisory Council

Canada.

- Mr. W. D. HERRIDGE, D.S.O., M.C., K.C., Personal Assistant to the Prime Minister.
 Mr. JOHN E. READ, K.C., Legal Adviser, Department of External Affairs.
 Mr. C. P. PLAXTON, K.C., Senior Advisory Counsel, Department of Justice.
 Dr. H. M. TORY, D.Sc., LL.D., F.R.S.C., President, National Research Council of Canada.
 Mr. R. H. COATS, B.A., F.S.S., F.R.S.C., Dominion Statistician, Department of Trade and Commerce.
 Mr. WILLIAM GILCHRIST, Chief of the Foreign Tariffs Division, Department of Trade and Commerce.
 Dr. D. A. MACGIBBON, Ph.D., Vice-Chairman, Board of Grain Commissioners.
 Dr. C. CAMSELL, B.Sc., LL.D., F.R.S.C., Deputy Minister of Mines.
 Major-General A. G. L. McNAUGHTON, C.M.G., D.S.O., Chief of the General Staff, Department of National Defence.
 Group-Captain J. L. GORDON, D.F.C., Director, Civil Government Air Operations, Department of National Defence.
 Lieut.-Colonel W. A. STEEL, M.C., Department of National Defence.
 Mr. A. J. MCPHAIL, President, Central Selling Agency, Canadian Wheat Pools.
 Mr. JOHN I. MCFARLAND.
 Dr. W. W. SWANSON, M.A., Ph.D., Head of Department of Economics, University of Saskatchewan.

Commonwealth of Australia.

- Sir ROBERT GARRAN, K.C.M.G., Solicitor-General.
 Mr. E. ABBOTT, Deputy Controller-General of Trade and Customs.
 Dr. A. C. D. RIVETT, Chief Executive Officer, Commonwealth Council for Scientific and Industrial Research.
 Major-General J. H. BRUCHE, C.B., C.M.G., Military Adviser, High Commissioner's Office in London.
 Captain H. P. CAYLEY, R.A.N., Naval Adviser, High Commissioner's Office in London.
 Squadron Leader R. MARSDEN, D.S.O., Australian Air Liaison Officer.

- Mr. F. L. MCDUGALL, C.M.G.
 Mr. L. R. MACGREGOR, Australian Trade Commissioner in Canada.
 Mr. R. G. CASEY, D.S.O., M.C., Liaison Officer in London.
 Mr. H. FARRANDS, Assistant Secretary, High Commissioner's Office
 in London.

New Zealand.

- Mr. F. D. THOMSON, C.M.G., Head of Prime Minister's Department.
 Mr. C. A. BERENDSEN, Secretary for External Affairs.
 Dr. G. CRAIG, C.M.G., Comptroller of Customs.
 Dr. E. MARSDEN, Secretary, Department of Scientific and Industrial
 Research.

Union of South Africa.

- Major-General A. J. BRINK, D.T.D., D.S.O., Secretary for Defence
 and Chief of the General Staff.
 Dr. H. D. J. BODENSTEIN, Secretary for External Affairs.
 Dr. A. J. BRUWER, Chairman, Board of Trade and Industries.
 Mr. A. F. CORBETT, Commissioner for Inland Revenue.
 Mr. J. D. HEDDON, Commissioner of Customs and Excise.
 Mr. F. P. VAN DEN HEEVER, Legal Adviser, Department of the
 Prime Minister and Department of External Affairs.
 Mr. J. COLLIE, O.B.E., Commissioner of Pensions.
 Dr. P. J. DU TOIT, Director of Veterinary Education and Research.
 Mr. J. H. DIMOND, Trade Commissioner for the Union of South
 Africa in London.
 Colonel H. S. DU TOIT, D.T.D., Department of Agriculture.
 Mr. W. A. J. DAY, Advisory Engineer.

Irish Free State.

- Mr. J. J. McELLIGOTT, Secretary of the Department of Finance.
 Mr. D. O'HEGARTY, Secretary to the Executive Council.
 The Hon. GORDON CAMPBELL, Secretary of the Department of
 Industry and Commerce.
 Mr. F. J. MEYRICK, Secretary of the Department of Agriculture.
 General C. McMAHON, Secretary of the Department of Defence.
 Mr. J. P. WALSH, Secretary of the Department of External Affairs.
 Major-General M. BRENNAN, Inspector-General of the Forces.
 Mr. S. MURPHY, Assistant Secretary of the Department of External
 Affairs.
 Mr. J. J. HEARNE, Legal Adviser to the Department of External
 Affairs.

Newfoundland.

- Mr. D. JAMES DAVIES, C.B.E., Acting Trade Commissioner for
 Newfoundland in London.
 Mr. W. C. JOB, Representative of Newfoundland on the Imperial
 Economic Committee.

India.

Rear-Admiral H. T. WALWYN, C.B., D.S.O., R.N.
 Mr. H. A. F. LINDSAY, C.I.E., C.B.E., Indian Trade Commissioner
 in London.

PERSONAL STAFFS.**United Kingdom.**

Mr. C. P. DUFF, C.B., C.V.O., Principal Private Secretary to the
 Prime Minister.
 Mr. MALCOLM MACDONALD, M.P. (Personally attached to the
 Secretary of State for Dominion Affairs.)
 Mr. GEORGE ISAACS, M.P. (Personally attached to the Secretary
 of State for Dominion Affairs.)
 Mr. P. J. GRIGG, Principal Private Secretary to the Chancellor of
 the Exchequer.
 Mr. W. H. M. SELBY, C.B., C.V.O., Private Secretary to the Secretary
 of State for Foreign Affairs.
 Mr. C. R. PRICE, Principal, Dominions Office. (Personally attached
 to Sir Maurice Hankey.)
 Mr. W. B. BROWN, Private Secretary to the President of the Board
 of Trade.
 Mr. G. S. BAILEY, Private Secretary to Chief Economic Adviser
 to H.M. Government in the United Kingdom.

Canada.

Mr. C. S. GUTHRIE, Assistant Private Secretary to the Minister of
 Justice.
 Mr. W. H. GRANT, Assistant Private Secretary to the Minister of
 Trade and Commerce.
 Mr. L. FRANCŒUR, Assistant Private Secretary to the Solicitor-
 General.
 Lieutenant H. L. CAMERON, Secretary to Major-General McNaughton

Commonwealth of Australia.

Mr. W. H. BALE, Private Secretary to the Prime Minister.
 Mr. M. M. THRELFALL, Intelligence Officer.
 Mr. C. B. CARTER, Private Secretary to the Minister for Markets.

New Zealand.

Mr. C. A. JEFFERY, Private Secretary to the Prime Minister.

Union of South Africa.

Mr. T. F. HURLY, Private Secretary to the Prime Minister.
 Mr. G. P. JOOSTE, Private Secretary to the Minister of Finance.
 Mr. M. L. DE WAAL DAVIES, Private Secretary to the Minister of
 Mines.
 Captain P. DE WAAL, A.D.C. to General Brink.

India.

(a) *To H. H. the Maharajah of Bikaner.*

Maharaj KUMAR BIJAY SINGH.
 Thakur TANDWA.
 Mr. G. S. BAJPAI, C.I.E., C.B.E., I.C.S., Secretary.

(b) *To Sir Muhammad Shafi.*

Begum SHAH NAWAZ, Secretary.

OTHER SECRETARIES AND OFFICIALS.

United Kingdom.

Administrative Assistant Secretaries.

Mr. A. E. OVERTON, M.C., Administrative Assistant Secretary for
 Economic Questions.
 Lieut.-Colonel G. N. MACREADY, D.S.O., O.B.E., M.C., Assistant
 Secretary, Committee of Imperial Defence.
 Mr. J. E. STEPHENSON, Principal, Dominions Office.
 Mr. N. E. ARCHER, Principal, Dominions Office.
 Mr. W. D. WILKINSON, D.S.O., M.C., Principal, Cabinet Office.
 Mr. F. A. GRIFFITHS, M.C., Board of Trade.
 Mr. R. J. W. STACY, Board of Trade.
 Mr. H. W. ACRES, M.B.E., Board of Trade.

Union of South Africa.

Mr. W. C. DU PLESSIS, Department of the Prime Minister and of
 External Affairs.

Irish Free State.

Mr. J. V. FAHY, Secretary to the Delegation.
 Mr. J. A. BELTON, Department of External Affairs.
 Commandant D. BRYAN, Department of Defence.

PRESS OFFICERS.

Mr. D. CAIRD, C.B.E.

Mr. C. BECKETT PLATT, Dominions Office and Oversea Settlement Department.

Mr. G. F. STEWARD, C.B.E., Foreign Office.

Mr. A. RYAN, Empire Marketing Board.

The opening and closing Plenary Meetings of the Conference were held in the Reception Room of the Foreign Office. In order to economise the time of delegates, however, the general direction of the work of the Conference was conducted at meetings of the Heads of Delegations held at No. 10 Downing Street, and in the room of the Prime Minister of the United Kingdom at the House of Commons. These meetings were normally attended by the Prime Ministers of the United Kingdom, Canada, the Commonwealth of Australia, New Zealand, the Union of South Africa, and Newfoundland, the Minister for External Affairs of the Irish Free State, and the Secretary of State for India as Head of the Indian Delegation, accompanied by other Delegates and Advisers according to the nature of the subjects under discussion.

On the motion of the Prime Minister of Canada, seconded by the Prime Minister of the Commonwealth of Australia, the Prime Minister of the United Kingdom was asked to take the Chair at the meetings of the Conference and of the Heads of Delegations. In his absence the Chair was usually taken by one of the Dominion Prime Ministers.

Committees and Sub-Committees were appointed both by the full Conference and by the Heads of Delegations.

In former Imperial Conferences it has been the usual practice to devote some time to general statements and discussion on such matters as foreign affairs, defence and questions relating to Colonies, Protectorates and Mandated Territories; on the present occasion, having regard to the large number of specific subjects relating to Inter-Imperial Relations and Economic Questions arising on the Agenda and the time required for their discussion, it was thought desirable to replace this procedure by the circulation of general memoranda, from which particular questions were selected as subjects for consultation.

The total number of meetings was: Plenary Conference, 3; Heads of Delegations, 28; Committees and Sub-committees, 163.

II.—OPENING STATEMENTS.

Opening statements were made by the Prime Ministers of the United Kingdom, Canada, the Commonwealth of Australia, New Zealand, and the Union of South Africa, the Minister for External Affairs of the Irish Free State, the Prime Minister of Newfoundland, and by His Highness the Maharaja of Bikaner on behalf of the Indian Delegation. Tributes were paid to the memory of the late Earl of Balfour, Mr. O'Higgins, Sir Joseph Ward, Sir Neville Howse, and the Earl of Birkenhead.

These speeches were published in full immediately afterwards.*

In the course of the opening meeting, the Conference was informed of the arrangements made for representation of the interests of Southern Rhodesia, namely, that the Secretary of State for Dominion Affairs should be advised on matters affecting Southern Rhodesia by the Hon. P. D. L. Fynn, Treasurer of Southern Rhodesia, and Sir Francis Newton, High Commissioner for Southern Rhodesia in London. It was agreed that special arrangements should be made for the representation of Southern Rhodesia on Committees which might be set up to deal with questions affecting the interests of Southern Rhodesia, more particularly those concerned with the economic side of the Agenda of the Conference.

* Appendix I in Cmd. 3718.

III.—MESSAGE TO THEIR MAJESTIES THE KING AND QUEEN.

As the first official act of the Conference a message of greeting to Their Majesties the King and Queen was moved by the Prime Minister of the United Kingdom, seconded by the Prime Minister of the Union of South Africa, and passed unanimously by the Conference.

The message was in the following terms :—

“ The Prime Ministers and other Representatives of the Governments of the British Commonwealth assembled in Conference, at their first meeting and as their first official act, desire to present their respectful duty to the King. They join in thankfulness for Your Majesty’s restoration to health and earnestly hope that Your Majesty and Her Majesty the Queen may be spared for many years to inspire the feelings of love and affection which unite all the peoples of the British Commonwealth of Nations under the Crown.”

The following gracious reply, signed by His Majesty, was received during the meeting and was read to the Conference by the Chairman :—

“ Please convey to the Prime Ministers and other representatives of the Governments of the British Commonwealth the sincere thanks of the Queen and myself for the message of loyalty and affection which they have addressed to us as the first official act of the Imperial Conference, and I am especially touched by its kind allusions to my restoration to health.

Realising the all important questions which will be considered, I shall follow with close attention the progress of your deliberations.

(Signed) GEORGE R.I.”

IV.—LOSS OF AIRSHIP R 101.

A meeting of Heads of Delegations, held on the 6th October, passed the following Resolution of sympathy in the loss of Airship R.101, which was destroyed near Beauvais, in France, in the initial stage of a journey to India on the 5th October, 1930, with the loss of 48 lives including that of Lord Thomson, the Secretary of State for Air in the United Kingdom :—

“ We, the Members of the Imperial Conference, desire to place on record our great sorrow at the disaster to Airship R 101 and the loss of so many brave and valuable lives. On behalf of all parts of the British Commonwealth we pay homage to the gallant men who have given their lives as pioneers in the cause of human progress, and we wish to express our heartfelt grief for their bereaved families.

“ To our Chairman, personally, we offer our deep sympathy at the loss of a distinguished colleague and well-loved friend.”

V.—PUBLICITY.

It was agreed that the procedure and arrangements for publicity should follow those adopted at previous Conferences.*

The Right Hon. J. H. Thomas, M.P., Secretary of State for Dominion Affairs, was asked to undertake responsibility for the general supervision of the publicity arrangements. He was assisted in this work by Mr. Malcolm MacDonald, M.P., and by Mr. D. Caird, formerly Director of Information, Dominions Office, who had acted in a similar capacity at previous Conferences. In order to enable contact to be maintained with the current work of the various Committees and Sub-Committees of the Conference, further assistance was given by Mr. C. Beckett Platt, Publicity Officer, Dominions Office, Mr. G. F. Steward, News Department, Foreign Office, and Mr. A. Ryan, Publicity Officer, Empire Marketing Board.

*Vide Section V of Cmd. 2768.

See Keith's article - The Imperial Conference of 1930. (Journal 17 of Comparative Legislation, Imperial Court. Lane (Comp. Legislation, Notes on. February, 1931.) and November, 1931.)

VI. INTER-IMPERIAL RELATIONS.

It was found convenient, after preliminary discussion by the Heads of Delegations on the various points involved, to refer many of the questions on the Agenda affecting Inter-Imperial Relations to a Committee under the chairmanship of The Right Honourable Lord Sankey, G.B.E., Lord Chancellor. This Committee did most valuable work in exploring the various issues and the following section is based largely on its work. Lord Sankey's Committee was, in turn, aided by special Sub-Committees that were set up to deal with particular aspects of the questions involved and by a drafting Sub-Committee under the chairmanship of Sir Robert Garran, K.C.M.G., Solicitor-General, Commonwealth of Australia.

(a) Report of the Conference of 1929 on the Operation of Dominion Legislation.

The Imperial Conference examined the various questions arising with regard to the Report of the Conference on the Operation of Dominion Legislation and in particular took into consideration the difficulties which were explained by the Prime Minister of Canada regarding the representations which had been received by him from the Canadian Provinces in relation to that Report.

A special question arose in respect to the application to Canada of the sections of the Statute proposed to be passed by the Parliament at Westminster, (which it was thought might conveniently be called the Statute of Westminster), relating to the Colonial Laws Validity Act and other matters. On the one hand it appeared that approval had been given to the Report of the Conference on the Operation of Dominion Legislation by resolution of the House of Commons of Canada, and accordingly, that the Canadian representatives felt themselves bound not to take any action which might properly be construed as a departure from the spirit of that resolution. On the other hand, it appeared that representations had been received from certain of the Provinces of Canada subsequent to the passing of the resolution, protesting against action on the Report until an opportunity had been given to the Provinces to determine whether their rights would be adversely affected by such action.

Accordingly, it appeared necessary to provide for two things. In the first place it was necessary to provide an opportunity for His Majesty's Government in Canada to take such action as might be appropriate to enable the Provinces to present their views. In the second place it was necessary to provide for the extension of the sections of the proposed Statute to Canada or for the exclusion of Canada from their operation after the Provinces had been consulted. To this end it seemed desirable to place on record the view that the sections of the Statute relating to the Colonial Laws Validity Act should be so drafted as not to extend to Canada unless the Statute was enacted in response to such

requests as are appropriate to an amendment of the British North America Act. It also seemed desirable to place on record the view that the sections should not subsequently be extended to Canada except by an Act of the Parliament of the United Kingdom enacted in response to such requests as are appropriate to an amendment of the British North America Act.

The Conference on the Operation of Dominion Legislation in 1929, recommended a draft clause for inclusion in the Statute proposed to be passed by the Parliament at Westminster to the following effect :—

“ No Act of Parliament of the United Kingdom passed after the commencement of this Act shall extend, or be deemed to extend, to a Dominion unless it is expressly declared in that Act that that Dominion has requested, and consented to, the enactment thereof.”

At the present Conference the delegates of His Majesty's Government in the United Kingdom were apprehensive lest a clause in this form should have the effect of preventing an Act of the United Kingdom Parliament passed hereafter from having the operation which the legislation of one State normally has in relation to the territory of another. To obviate this, the following amendment was proposed :—

“ No Act of Parliament of the United Kingdom passed after the commencement of this Act shall extend, or be deemed to extend, to a Dominion *as part of the law in force in that Dominion*, unless it is expressly declared in that Act that that Dominion has requested, and consented to, the enactment thereof.”

The Delegates from some of the Dominions were apprehensive lest the acceptance of the above amendment might imply the recognition of a right of the Parliament of the United Kingdom to legislate in relation to a Dominion (otherwise than at the request and with the consent of the Dominion) in a manner which, if the legislation had been enacted in relation to a foreign state, would be inconsistent with the principles of international comity. It was agreed that the clause as amended did not imply, and was not to be construed as implying, the recognition of any such right, and, on the proposal of the United Kingdom Delegates, that a statement to this effect should be placed on record.

The Conference passed the following Resolutions :—

(i) The Conference approves the Report of the Conference on the Operation of Dominion Legislation* (which is to be regarded as forming part of the Report of the present Conference), subject to the conclusions embodied in this Section.

* Cmd. 3479.

(ii) The Conference recommends :—

(a) that the Statute proposed to be passed by the Parliament at Westminster should contain the provisions set out in the Schedule annexed.

(b) that the 1st December, 1931, should be the date as from which the proposed Statute should become operative.

(c) that with a view to the realisation of this arrangement, Resolutions passed by both Houses of the Dominion Parliaments should be forwarded to the United Kingdom, if possible by 1st July, 1931, and, in any case, not later than the 1st August, 1931, with a view to the enactment by the Parliament of the United Kingdom of legislation on the lines set out in the schedule annexed.

(d) that the Statute should contain such further provisions as to its application to any particular Dominion as are requested by that Dominion.

See the speech of the Solicitor-General Sir Thomas Finlay on the Statute of Westminster Bill, 1931, (Parliamentary Debates, p. 1243)

SCHEDULE
CLAUSES IN PROPOSED LEGISLATION.

1. In accordance with the recommendation in paragraph 43 of the Report of the Conference on the Operation of Dominion Legislation, a clause as follows :—

It is hereby declared and enacted that the Parliament of a Dominion has full power to make laws having extra-territorial operation.

2. In accordance with the recommendation in paragraph 53 a clause as follows :—

(1) *The Colonial Laws Validity Act, 1865, shall not apply to any law made after the commencement of this Act by the Parliament of a Dominion.*

(2) *No law and no provision of any law made after the commencement of this Act by the Parliament of a Dominion shall be void or inoperative on the ground that it is repugnant to the law of England, or to the provisions of any existing or future Act of Parliament of the United Kingdom, or to any order, rule or regulation made under any such Act, and the powers of the Parliament of a Dominion shall include the power to repeal or amend any such Act, order, rule or regulation, in so far as the same is part of the law of the Dominion.*

3. In accordance with the recommendation in paragraph 55 a clause as follows :—

No Act of Parliament of the United Kingdom passed after the commencement of this Act shall extend or be deemed to extend to a Dominion as part of the law in force in that Dominion unless it is expressly declared in that Act that that Dominion has requested, and consented to, the enactment thereof.

4. In accordance with the recommendations in paragraph 66 clauses as follows :—

Nothing in this Act shall be deemed to confer any power to repeal or alter the Constitution or the Constitution Act of the Commonwealth of Australia or the Constitution Act of the Dominion of New Zealand otherwise than in accordance with the law existing before the commencement of this Act.

Nothing in this Act shall be deemed to authorise the Parliament of the Commonwealth of Australia to make laws on any matter within the authority of the States of Australia, not being a matter within the authority of the Parliament or Government of the Commonwealth of Australia.

Note.—In view of the doubts that have arisen concerning the interpretation of the draft section in paragraph 66 in its application to the Canadian Constitution the words "Dominion of Canada" and "Provinces" have been deleted. It is intended that a section dealing exclusively with the Canadian position will be inserted after the representations of the Provinces have received consideration.

5. In accordance with the recommendation in paragraph 81 a clause as follows :—

Notwithstanding anything in the Interpretation Act, 1889, the expression "Colony" shall not, in any Act of the Parliament of the United Kingdom passed after the commencement of this Act, include a Dominion or any Province or State forming part of a Dominion.

6. In accordance with the recommendations in paragraph 123 clauses as follows :—

Without prejudice to the generality of the foregoing provisions of this Act sections seven hundred and thirty-five and seven hundred and thirty-six of the Merchant Shipping Act, 1894, shall be construed as though reference therein to the Legislature of a British possession did not include reference to the Parliament of a Dominion.

Without prejudice to the generality of the foregoing provisions of this Act section four of the Colonial Courts of Admiralty Act, 1890 (which requires certain laws to be reserved for the signification of His Majesty's pleasure or to contain a suspending clause), and so much of section seven of that Act as requires the approval of His Majesty in Council to any rules of Court for regulating the practice and procedure of a Colonial Court of Admiralty, shall cease to have effect in any Dominion as from the commencement of this Act.

7. A clause to deal with the position of New Zealand as follows :—

No provision of this Act shall extend to the Dominion of New Zealand as part of the law thereof unless that provision is adopted by the Parliament of that Dominion, and any Act of the said Parliament adopting any provision of this Act may provide that the adoption shall have effect either as from the commencement of this Act or as from such later date as may be specified by the adopting Act.

CERTAIN RECITALS IN PROPOSED LEGISLATION.

1. In accordance with the recommendation of paragraph 54, a recital as follows :—

And whereas it is in accord with the established constitutional position that no law hereafter made by the Parliament of the United Kingdom shall extend to any of the Dominions as part of the law in force in that Dominion otherwise than at the request and with the consent of that Dominion.

2. In accordance with the recommendation in paragraph 60, a recital as follows :—

And whereas it is meet and proper to set out by way of preamble to this Act, that inasmuch as the Crown is the symbol of the free association of the Members of the British Commonwealth of Nations, and as they are united by a common allegiance to the Crown, it would be in accord with the established constitutional position of all the Members of the Commonwealth in relation to one another that any alteration in the law touching the Succession to the Throne or the Royal Style and Titles shall hereafter require the assent as well of the Parliaments of all the Dominions as of the Parliament of the United Kingdom.

(b) Nationality.

The conclusions of the Conference were as follows :—

(1) That the Conference affirms paragraphs 73 to 78 inclusive of the Report of the Conference on the Operation of Dominion Legislation.

(2) That, if any changes are desired in the existing requirements for the common status, provision should be made for the maintenance of the common status, and the changes should only be introduced (in accordance with present practice) after consultation and agreement among the several Members of the Commonwealth.

(3) That it is for each Member of the Commonwealth to define for itself its own nationals, but that, so far as possible, those nationals should be persons possessing the common status, though it is recognised that local conditions or other special circumstances may from time to time necessitate divergences from this general principle.

(4) That the possession of the common status in virtue of the law for the time being in force in any part of the Commonwealth should carry with it the recognition of that status by the law of every other part of the Commonwealth.

(c) Nationality of Married Women.

Careful consideration was given to the subject of the nationality of married women. All the Members of the Commonwealth represented at the Hague Conference of 1930 signed the Nationality Convention there concluded, and will, it is assumed, introduce such legislation as may be necessary to give effect to Articles 8-10 of that Convention.* The Conference was satisfied, however, that any proposals for the further modification of the principle of the existing law would fail to secure unanimous agreement. It followed that the Conference was unable to make any recommendation for the substantive amendment of the law on this subject except to the extent stated above.

(d) Commonwealth Tribunal.

The Report of the Conference on the Operation of Dominion Legislation contains the following paragraph (paragraph 125) :—

“ We felt that our work would not be complete unless we gave some consideration to the question of the establishment

* The text of these Articles is as follows :—

Article 8.

If the national law of the wife causes her to lose her nationality on marriage with a foreigner, this consequence shall be conditional on her acquiring the nationality of the husband.

Article 9.

If the national law of the wife causes her to lose her nationality upon a change in the nationality of her husband occurring during marriage, this consequence shall be conditional on her acquiring her husband's new nationality.

Article 10.

Naturalization of the husband during marriage shall not involve a change in the nationality of the wife except with her consent.

of a tribunal as a means of determining differences and disputes between members of the British Commonwealth. We were impressed with the advantages which might accrue from the establishment of such a tribunal. It was clearly impossible in the time at our disposal to do more than collate various suggestions with regard first to the constitution of such a tribunal, and secondly, to the jurisdiction which it might exercise. With regard to the former, the prevailing view was that any such tribunal should take the form of an *ad hoc* body selected from standing panels nominated by the several members of the British Commonwealth. With regard to the latter, there was general agreement that the jurisdiction should be limited to justiciable issues arising between governments. We recommend that the whole subject should be further examined by all the governments."

This matter was examined by the Conference and they found themselves able to make certain definite recommendations with regard to it.

Some machinery for the solution of disputes which may arise between the Members of the British Commonwealth is desirable. Different methods for providing this machinery were explored and it was agreed, in order to avoid too much rigidity, not to recommend the constitution of a permanent court, but to seek a solution along the line of *ad hoc* arbitration proceedings. The Conference thought that this method might be more fruitful than any other in securing the confidence of the Commonwealth.

The next question considered was whether arbitration proceedings should be voluntary or obligatory, in the sense that one party would be under an obligation to submit thereto if the other party wished it. In the absence of general consent to an obligatory system it was decided to recommend the adoption of a voluntary system.

It was agreed that it was advisable to go further, and to make recommendations as to the competence and the composition of an arbitral tribunal, in order to facilitate resort to it, by providing for the machinery whereby a tribunal could, in any given case, be brought into existence.

As to the competence of the tribunal, no doubt was entertained that this should be limited to differences between governments. The Conference was also of opinion that the differences should only be such as are justiciable.

As to the composition of the tribunal it was agreed :—

- (1) The Tribunal shall be constituted *ad hoc* in the case of each dispute to be settled.
- (2) There shall be five members, one being the Chairman ; neither the Chairman nor the members of the Tribunal shall be drawn from outside the British Commonwealth of Nations.

(3) The members, other than the Chairman, shall be selected as follows :—

(a) One by each party to the dispute from States Members of the Commonwealth other than the parties to the dispute, being persons who hold or have held high judicial office or are distinguished jurists and whose names will carry weight throughout the Commonwealth.

(b) One by each party to the dispute from any part of the Commonwealth, with complete freedom of choice.

(4) The members so chosen by each party shall select another person as Chairman of the Tribunal as to whom they shall have complete freedom of choice.

(5) If the parties to the dispute so desire, the Tribunal shall be assisted by the admission as assessors of persons with special knowledge and experience in regard to the case to be brought before the Tribunal.

It was thought that the expenses of the tribunal itself in any given case should be borne equally by the parties, but that each party should bear the expense of presenting its own case.

It was felt that details as to which agreement might be necessary might be left for arrangement by the governments concerned.

(e) Merchant Shipping.

The Report of the Conference of 1929 dealt at considerable length (paragraphs 83 to 109) with Merchant Shipping legislation and the following paragraphs of that Report should be referred to here :—

“ 93. The new position* will be that each Dominion will, amongst its other powers, have full and complete legislative authority over all ships while within its territorial waters or engaged in its coasting trade : and also over its own registered ships both intra-territorially and extra-territorially. Such extra-territorial legislation will, of course, operate subject to local laws while the ship is within another jurisdiction.

“ 94. The ground is thus cleared for co-operation amongst the members of the British Commonwealth of Nations on an equal basis in those matters in which practical considerations call for concerted action. This concerted action may take the form of agreements, for a term of years, as to the uniformity of laws throughout the British Commonwealth of Nations ; as to the reciprocal aid in the enforcement of laws in jurisdictions within the British Commonwealth outside the territory of the enacting Parliament ; and as to any limitations to be observed in the exercise of legislative powers.

* *i.e.* the position which will arise after legislation has been enacted on the lines indicated in Section (a) above.

“ Recommendations.

“ 95. As shipping is a world-wide interest, in which uniformity is from the nature of the case desirable, there is a strong presumption in favour of concerted action between the members of the British Commonwealth in shipping matters, but this concerted action must from its nature result from voluntary agreements by the members of the Commonwealth ; it should be confined to matters in which concerted action is necessary or desirable in the common interest ; it should be sufficiently elastic to permit of alterations being made from time to time as experience is gained ; and it must not prevent local matters being dealt with in accordance with local conditions. The kind of agreement which we have in mind, in making our recommendations is one extending over a fixed period of years and providing for revision from time to time.

“ 96. It would be difficult, and is not necessary, at the present stage to frame a complete list of the shipping questions on which uniformity is desirable, but certain matters stand out clearly and we submit the following recommendations with regard to them.”

Then followed a statement of the outstanding points on which uniformity was desirable.

A draft of an agreement covering these points was this year prepared in the United Kingdom and circulated to the Dominions. The Conference examined this draft agreement very closely and came to the conclusion that, with certain alterations, it meets fully and satisfactorily the objects which Part VI of the 1929 Report had in view. The draft agreement as altered is shown in the Annex to Section VI (pages 32 to 37).

The draft contains, in the form of an agreement which is flexible but as precise as the subject matter will allow, a statement of the matters in which, after examination in two successive years by representatives of the Governments concerned, it is considered that concerted action on a voluntary basis between the parts of the Commonwealth is essential in the common interest, together with the broad principles which should be followed in dealing with those matters. The Conference recommended that the agreement be made.

The agreement presupposes that the legislation contemplated by the 1929 Report has been passed, and that it should come into operation at the same time as that legislation.

It was pointed out that Clause 9 of the draft agreement did not make satisfactory provision for ships whose owners had their principal place of business in one part of the Commonwealth, and traded the ships regularly to and from that part, but, in order to avoid the conditions imposed by the laws of that part, registered the vessels in another part of the Commonwealth to which they did not trade. The Conference agreed that the point was one

which required careful consideration. The agreement as originally drafted will enable all safety regulations to be applied to such ships and to some extent the provisions as to ships' articles also. A further clause has been inserted meeting the situation as regards discipline, but it was thought that it would be unwise to attempt to make further alterations in the draft agreement.

Canada reserves the right when signing the agreement to declare the extent, if any, to which the provisions of the agreement, other than those of Part I, shall not apply to ships navigating the Great Lakes of North America.

(f) **Defence Questions.**

(i) **Discipline of the Armed Forces.**

In the very short time at the disposal of the Conference, it was impossible to do more than examine some aspects of the practical problems which will be involved in the carrying out of the recommendations contained in paragraph 44 of the Report of the Conference on the Operation of Dominion Legislation.

It is assumed that all Governments will desire to take such action as may be necessary to secure (1) that the military discipline of any of the armed forces of the Commonwealth when present, by consent, within territory of another, rests upon a statutory basis, and (2) that there shall be no period of time during which the legal basis of military discipline could on any ground be impeached.

The method by which the above two objects can best be attained must necessarily be a matter for the Governments themselves.

As the action to be taken to give effect to the recommendations contained in paragraph 44 of the Report of the Conference on the Operation of Dominion Legislation is likely to take some time, it was agreed that all the Governments concerned will take such steps as may be necessary to provide against possible difficulties during that period.

(ii) **Prize Law and Procedure.**

In the time at the disposal of the Conference it was impossible to examine any questions relating to Prize Law and Procedure, a subject which was mentioned in paragraph 80 of the 1929 Report. This matter, though one of paramount importance in certain contingencies, may happily be regarded as not being of any urgency at the present time. Accordingly, the Conference recommended that it should be the subject of further consideration by the Governments at their leisure, and that in the meantime, pending such consideration, it should be agreed that the *status quo* will be preserved.

(g) **Appointment of Governors-General.**

The Report of the Inter-Imperial Relations Committee of the Imperial Conference of 1926 declared that the Governor-General of a Dominion is now the "representative of the Crown, holding in

all essential respects the same position in relation to the administration of public affairs in the Dominion as is held by His Majesty the King in Great Britain, and that he is not the representative or agent of His Majesty's Government in Great Britain or of any Department of that Government."

The Report did not, however, contain any recommendation as to the procedure to be adopted henceforward in the appointment of a Governor-General, and the Conference felt it necessary to give some consideration to this question.

Having considered the question of the procedure to be observed in the appointment of a Governor-General of a Dominion in the light of the alteration in his position resulting from the Resolutions of the Imperial Conference of 1926, the Conference came to the conclusion that the following statements in regard thereto would seem to flow naturally from the new position of the Governor-General as representative of His Majesty only.

1. The parties interested in the appointment of a Governor-General of a Dominion are His Majesty the King, whose representative he is, and the Dominion concerned.

2. The constitutional practice that His Majesty acts on the advice of responsible Ministers applies also in this instance.

3. The Ministers who tender and are responsible for such advice are His Majesty's Ministers in the Dominion concerned.

4. The Ministers concerned tender their formal advice after informal consultation with His Majesty.

5. The channel of communication between His Majesty and the Government of any Dominion is a matter solely concerning His Majesty and such Government. His Majesty's Government in the United Kingdom have expressed their willingness to continue to act in relation to any of His Majesty's Governments in any manner in which that Government may desire.

6. The manner in which the instrument containing the Governor-General's appointment should reflect the principles set forth above is a matter in regard to which His Majesty is advised by His Ministers in the Dominion concerned.

The System of Communication and Consultation in Relation to Foreign Affairs.

Previous Imperial Conferences have made a number of recommendations with regard to the communication of information and the system of consultation in relation to treaty negotiations

and the conduct of foreign affairs generally. The main points can be summarised as follows :—

(1) Any of His Majesty's Governments conducting negotiations should inform the other Governments of His Majesty in case they should be interested and give them the opportunity of expressing their views, if they think that their interests may be affected.

(2) Any of His Majesty's Governments on receiving such information should, if it desires to express any views, do so with reasonable promptitude.

(3) None of His Majesty's Governments can take any steps which might involve the other Governments of His Majesty in any active obligations without their definite assent.

The Conference desired to emphasise the importance of ensuring the effective operation of these arrangements. As regards the first two points, they made the following observations :—

(i) The first point, namely, that of informing other Governments of negotiations, is of special importance in relation to treaty negotiations in order that any Government which feels that it is likely to be interested in negotiations conducted by another Government may have the earliest possible opportunity of expressing its views. The application of this is not, however, confined to treaty negotiations. It cannot be doubted that the fullest possible interchange of information between His Majesty's Governments in relation to all aspects of foreign affairs is of the greatest value to all the Governments concerned.

In considering this aspect of the matter, the Conference have taken note of the development since the Imperial Conference of 1926 of the system of appointment of diplomatic representatives of His Majesty representing in foreign countries the interests of different Members of the British Commonwealth. They feel that such appointments furnish a most valuable opportunity for the interchange of information, not only between the representatives themselves but also between the respective Governments.

Attention is also drawn to the resolution quoted in Section VI of the Report of the Inter-Imperial Relations Committee of the Imperial Conference of 1926, with regard to the development of a system to supplement the present system of inter-communication through the official channel with reference not only to foreign affairs but to all matters of common concern. The Conference have heard with interest the account which was given of the liaison system adopted by His Majesty's Government in the Commonwealth of Australia, and recognised its value. Their attention has also been called to the action taken by His Majesty's Government in the United Kingdom in the appointment of representatives in Canada and the Union of South Africa. They are impressed with the desirability of continuing to develop the system of personal contact between His Majesty's Governments, though, of course, they

recognise that the precise arrangements to be adopted for securing this development are matters for the consideration of the individual Governments with a view to securing a system which shall be appropriate to the particular circumstances of each Government.

(ii) As regards the second point, namely, that any of His Majesty's Governments desiring to express any views should express them with reasonable promptitude, it is clear that a negotiating Government cannot fail to be embarrassed in the conduct of negotiations if the observations of other Governments who consider that their interests may be affected are not received at the earliest possible stage in the negotiations. In the absence of comment the negotiating Government should, as indicated in the Report of the 1926 Conference, be entitled to assume that no objection will be raised to its proposed policy.

(i) The Channel of Communication between Dominion Governments and Foreign Governments.

At the Imperial Conference of 1926 it was agreed that, in cases other than those where Dominion Ministers were accredited to the Heads of foreign States, it was very desirable that the existing diplomatic channels should continue to be used, as between the Dominion Governments and foreign Governments, in matters of general and political concern.

While the Conference did not wish to suggest any variation in this practice, they felt that it was of great importance to secure that the machinery of diplomatic communication should be of a sufficiently elastic and flexible character. They appreciated that cases might arise in which, for reasons of urgency, one of His Majesty's Governments in the Dominions might consider it desirable to communicate direct with one of His Majesty's Ambassadors or Ministers appointed on the advice of His Majesty's Government in the United Kingdom on a matter falling within the category mentioned. In such cases they recommended that the procedure just described should be followed. It would be understood that the communication sent to the Ambassador or Minister would indicate to him that, if practicable, he should, before taking any action, await a telegram from His Majesty's Government in the United Kingdom, with whom the Dominion Government concerned would simultaneously communicate.

As regards subjects not falling within the category of matters of general and political concern, the Conference felt that it would be to the general advantage if communications passed direct between His Majesty's Governments in the Dominions and the Ambassador or Minister concerned. It was thought that it would be of practical convenience to define, as far as possible, the matters falling within this arrangement; the definition would include such matters as, for example, the negotiation of commercial arrangements affecting exclusively a Dominion Government and a foreign Power,

complimentary messages, invitations to non-political conferences and requests for information of a technical or scientific character. If it appeared hereafter that the definition were not sufficiently exhaustive it could of course be added to at any time.

In making the above recommendations, it was understood that, in matters of the nature described in the preceding paragraph, cases might also arise in which His Majesty's Governments in the Dominions might find it convenient to adopt appropriate channels of communication other than that of diplomatic representatives.

The Conference were informed that His Majesty's Government in the United Kingdom were willing to issue the necessary instructions to the Ambassadors and Ministers concerned to proceed in accordance with the above recommendations.

(j) **Status of High Commissioners.**

The question of precedence of High Commissioners for the Dominions in London was raised at the Imperial Conference of 1923 by the then Prime Minister of Canada (Mr. Mackenzie King). As a result of the discussion at that Conference and subsequent correspondence with the Prime Ministers of the Dominions, a proposal was submitted to, and approved by the King, that the Dominion High Commissioners should be given precedence, on ceremonial occasions, after any members of the United Kingdom or Dominion Cabinets who might be present on any given occasion, but not in any case given a position superior to that accorded by the United Kingdom Table of Precedence to Secretaries of State.

At the present Conference the question was raised whether it might be possible in any way to improve the status accorded, as a result of the 1923 discussions, to Dominion High Commissioners in London in order to emphasise the importance of their position as the representatives in London of other Governments of His Majesty. The desirability of such action, if it were possible, was generally recognised, more particularly in view of the constitutional position as defined by the Imperial Conference of 1926.

On the other hand, there was obvious difficulty in according to the representatives in London of any of His Majesty's Governments a status which would place them in a position higher than that accorded, not only to His Majesty's principal Ministers in the United Kingdom, but also to the members of the respective Dominion Governments when they were visiting the United Kingdom.

As the result of the discussion, His Majesty's Government in the United Kingdom intimated that they were prepared to recommend to the King that the Dominion High Commissioners should on all ceremonial occasions (other than those when Ministers of the Crown from the respective Dominions were present) rank immediately after Secretaries of State, that is, before all Cabinet Ministers in the United Kingdom, except Secretaries of State and those Ministers

who already have higher precedence than Secretaries of State. It had been ascertained that, if such a recommendation were made to the King, His Majesty would be graciously pleased to approve it. As regards the position of the representative of a Dominion in relation to a Minister of the Crown visiting the United Kingdom from that Dominion, the existing position would remain unaltered, that is, normally a Minister of the Crown from a Dominion visiting the United Kingdom would be given precedence immediately before the High Commissioner concerned.

The representatives of the United Kingdom at the Conference expressed the hope that His Majesty's Governments in the Dominions would consider the question of recommending equivalent precedence for any High Commissioner appointed by His Majesty's Government in the United Kingdom in a Dominion.

ANNEX.

DRAFT AGREEMENT AS TO BRITISH COMMONWEALTH
MERCHANT SHIPPING.

His Majesty's Governments in the United Kingdom of Great Britain and Northern Ireland, Canada, the Commonwealth of Australia, New Zealand, the Union of South Africa, the Irish Free State and Newfoundland, and the Government of India, having considered the report of the Conference on the Operation of Dominion Legislation and Merchant Shipping Legislation, 1929, undertake to propose any necessary legislation and take such other steps as may be required for the purpose of giving full effect to the provisions of the present Agreement with regard to Merchant Shipping.

Part I.—Common Status.

Part II.—Standards of Safety.

Part III.—Extra-territorial Operation of Laws.

Part IV.—Equal Treatment.

Part V.—Ships' Articles, Internal Discipline, and Engagement and Discharge of Seamen.

Part VI.—Certificates of Officers.

Part VII.—Shipping Inquiries.

Part VIII.—Relief and Repatriation of Seamen ; Wages and Effects of deceased Seamen.

Part IX.—Offences on Board Ship.

Part X.—General.

Interpretation.

Article 1.—In this agreement, unless the context otherwise requires, the following expression has the meaning hereby assigned to it, that is to say :—

“ Part of the Commonwealth ” means any Part of the British Commonwealth of Nations the Government of which is a party to this Agreement.

PART I.

Common Status.

Common Qualifications.

Article 2.—(1) No ship shall be registered in any port within the British Commonwealth so as to acquire the status and recognition mentioned in paragraph (2) of this Article unless it is owned wholly by persons of the following description, namely :—

(a) Persons recognised by law throughout the British Commonwealth of Nations as having the status of natural born British subjects ;

(b) Persons naturalised by or in pursuance of the law of some Part of the British Commonwealth ;

(c) Persons made denizens by letters of denization ; and

(d) Bodies corporate established under and subject to the law of some Part of the British Commonwealth and having their principal place of business within the British Commonwealth.

(2) Every ship so owned and duly registered within the British Commonwealth shall possess a common status for all purposes and shall be entitled to the recognition usually accorded to British ships.

Registry.

Article 3.—The laws, regulations, forms and procedure relating to the matters following, that is to say :—

Obligation to Register ;
 Certificate of Registry ;
 Transfer and Transmissions ;
 Mortgages ;
 Certificates of Mortgage and Sale ;
 Name of Ship ;
 Registry of Alterations, Registry Anew, and Transfer of Registry ;
 Incapacitated Persons ;
 Trusts and Equitable Rights ;
 Liability of Beneficial Owner ;
 Managing Owner ;
 Declarations, Inspection of Register and Fees ;
 Returns, Evidence, and Forms ;
 Forgery and False Declarations ;
 Measurement of Ship and Tonnage ;

shall be substantially the same throughout the British Commonwealth and so far as possible be based on Part I of the Merchant Shipping Act, 1894.

Article 4.—In order that there may be a complete list of ships registered in all Parts of the British Commonwealth, for statistical purposes, particulars (such as the name of the ship, the registered number, the port to which she belongs, the name of the registered owner, and the tonnage) relating to all ships registered at their ports, will be forwarded by the administration of each Part of the Commonwealth at convenient intervals to the Registrar General of Shipping and Seamen in London. Copies of the complete list shall be forwarded annually to the administration of each Part of the Commonwealth.

National Colours.

Article 5.—It being recognised that the proper national colours for all ships registered in any Part of the Commonwealth shall be such as may be determined by the Government of that Part, each Part of the Commonwealth undertakes to prohibit under penalty (a) the use by ships registered in that Part of any national colours other than those determined for those ships ; (b) the hoisting on board any ship registered in that Part of colours proper to a ship of war or resembling any of those colours, without proper warrant.

PART II.

Standards of Safety.

Article 6.—While each Part of the Commonwealth will from time to time determine the standards with which its ships shall be required to comply in all matters relating to safety, every endeavour will be made to preserve uniformity and to maintain the standards at present in force.

Article 7.—Each Government which proposes to make an alteration of substance in these standards will give as long notice as practicable to the other Governments of the proposed alteration and of the reasons for it.

Article 8.—Subject to the provisions of Part IV, nothing in this Agreement affects the right of each Part to apply to any ship trading to its ports its regulations regarding the safety of ships, their crews and passengers, except in so far as the ship complies with regulations accepted by the Part as equivalent to its own regulations.

PART III.

Extra-Territorial Operation of Laws.

Article 9.—Save as otherwise specially provided in this Agreement, the laws relating to merchant shipping in force in one Part of the Commonwealth shall not be made to apply with extra-territorial effect to ships registered in another Part unless the consent of that other Part of the Commonwealth has been previously obtained :—

Provided that nothing contained in this Article shall be deemed to restrict the power of each Part of the Commonwealth to regulate the coasting trade, sea fisheries and fishing industry of that Part.

PART IV.

Equal Treatment.

Article 10.—Each Part of the British Commonwealth agrees to grant access to its ports to all ships registered in the British Commonwealth on equal terms and undertakes that no laws or regulations relating to seagoing ships at any time in force in that Part shall apply more favourably to ships registered in that Part, or to the ships of any foreign country, than they apply to any ship registered in any other Part of the Commonwealth.

Article 11.—While each Part of the British Commonwealth may regulate its own coasting trade, it is agreed that any laws or regulations from time to time in force for that purpose shall treat all ships registered in the British Commonwealth in exactly the same manner as ships registered in that Part, and not less favourably in any respect than ships of any foreign country.

Article 12.—Nothing in the present Agreement shall be deemed—

(i) to derogate from the right of every Part of the Commonwealth to impose customs tariff duties on ships built outside that Part ; or

(ii) to restrict the right of the Government of each Part of the Commonwealth to give financial assistance to ships registered in that Part or its right to regulate the sea fisheries of that Part.

PART V.

Ship's Articles.*Internal Discipline and Engagement and Discharge of Seamen.*

Article 13.—The form and contents of ship's articles if first opened in a Part of the Commonwealth, shall be those prescribed by the law of that Part, and if first opened elsewhere than within the British Commonwealth, shall be those prescribed by the law of the Part in which the ship is registered.

Article 14.—The powers and duties with respect to discipline on board a ship registered within the British Commonwealth shall, in so far as they are not derived from the ship's articles, be those made and provided by the laws and regulations in force in the Part of the Commonwealth in which the ship is registered.

Provided that if and so long as a ship, registered in one Part of the Commonwealth, is engaged wholly or mainly in the coasting trade of another Part, the powers and duties with respect to such discipline may be those made and provided by the laws and regulations in force in that other Part.

Provided also that in the case of a ship which is trading from a Part of the Commonwealth in which the principal place of business of her owners is situated, and not trading to the Part of the Commonwealth in which she is registered, the powers and duties with respect to such discipline may be those made and provided by the laws and regulations in force in the former Part.

Article 15.—Provision shall be made by law in each Part of the Commonwealth that whenever a seaman or apprentice deserts in that Part from a ship registered in another Part, any Court exercising summary jurisdiction in the Part in which the seaman or apprentice has deserted, and any Justice or Officer of such Court shall, on the application of the master of the ship, aid in apprehending the deserter, and, for that purpose may, on information given on oath, issue a warrant for his apprehension, and on proof of the desertion, order him to be conveyed on board his ship or delivered to the master or mate of his ship, or to the owner of the ship or his agent, to be so conveyed.

PART VI.

Certificates of Officers.

Article 16.—The standards of qualification to be required of applicants for certificates of competency and of service shall so far as possible be equal and alike throughout the British Commonwealth, and shall not be lower than those at present established.

Article 17.—Subject to any special provisions that may be made by any Part of the Commonwealth as to the qualifications to be required of officers on ships engaged in its coasting trade, a valid certificate of competency or service granted by one Part of the Commonwealth will be recognised throughout the British Commonwealth as indicating that the holder is duly qualified accordingly when serving on board any ship registered in that Part.

PART VII.

Shipping Enquiries.

Article 18.—The Government of each Part of the Commonwealth agrees to assist the Governments of the other Parts by providing for officers to hold preliminary enquiries (including the taking of depositions) into casualties to ships registered in such other Parts.

Article 19.—No Government of any Part of the Commonwealth will cause a formal investigation to be held into a casualty occurring to a ship registered in another Part save at the request or with the consent of the Government of that Part in which the ship is registered.

• Provided that this restriction shall not apply when a casualty occurs on or near the coasts of a Part of the Commonwealth or whilst the ship is wholly engaged in the coasting trade of a Part of the Commonwealth.

Article 20.—In all Parts of the Commonwealth the laws and regulations relating to the matters following, namely:—

Constitution of Courts having jurisdiction to hold formal investigations ;
 Holding of such Courts with the assistance of Assessors ;
 Classification of Assessors according to their qualifications ;
 Selection of Assessors according to the nature of the questions to be raised ;
 Notice of investigation and the service thereof ;
 Opportunity to be given to any person whose conduct may be impugned of making a defence ;
 Procedure on the hearing ;
 Rehearings and Appeals ;

shall be, so far as possible, alike, and shall be based upon the provisions relating to formal investigations contained in Part VI of the Merchant Shipping Act, 1894, and the Shipping Casualties and Appeals and Rehearings Rules, 1923, made pursuant thereto.

Provided that

(1) the Administration of that Part of the Commonwealth in which a formal investigation is held shall alone be competent to order a rehearing thereof ;

(2) an appeal from a decision of a Court of formal investigation shall lie to a Court in the Part of the Commonwealth in which the formal investigation was held and that Court shall be similar in its constitution and jurisdiction to a Divisional Court of Admiralty in England ;

(3) a Court of formal investigation shall be empowered to cancel or suspend a certificate of competency or service granted by the Administration of another Part of the Commonwealth so only as to effect its validity within the jurisdiction of the Part in which the investigation is held, but the Administration by which the certificate was granted may adopt such cancellation or suspension.

Article 21.—Provisions shall be in force in each Part of the Commonwealth similar, so far as possible, to those contained in Part VI of the Merchant Shipping Act, 1894, relating to the special enquiry that may be held when there is reason to believe that any master, mate, or certificated engineer is from incompetency or misconduct unfit to discharge his duties.

• Provided that the power of a Court holding such enquiry to cancel or suspend a certificate of competency or service granted by a Part of the Commonwealth other than that in which the enquiry is held shall be similar to the power of a Court of formal investigation under the last preceding Article.

PART VIII.

**Relief and Repatriation of Seamen.
Wages and Effects of deceased Seamen.**

Article 22.—A scheme shall be drawn up to which each Part of the Commonwealth shall give legislative effect, under which provision shall be made:—

(a) for the relief and repatriation of seamen belonging to any Part of the Commonwealth who may be found in distress or left behind in any other Part or in places abroad, and for defraying the expenses ;

(b) for payment of the expenses of medical attendance, maintenance, burial and repatriation in case of injury or illness of seamen ;

(c) for dealing with the effects and wages of seamen who are left behind or die in a port outside the Part of the Commonwealth to which they belong ;

(d) for the recovery from the owner of the ship in proper cases of any expenses incurred by the administration of any Part of the Commonwealth in the matters referred to in paragraphs (a) and (b).

PART IX.

Offences on Board Ship.

Article 23.—Reciprocal arrangements shall be made for conferring jurisdiction on the lines of Section 686 of the Merchant Shipping Act, 1894, with respect to offences committed on board ships registered in any Part of the Commonwealth.

PART X.

General.

Article 24.—The present Agreement shall come into operation on the day of _____, and shall continue in full force for a period of five years and thereafter until the Government of any Part of the Commonwealth gives notice of intention to withdraw therefrom or from any Article thereof. A notice of withdrawal, if sent to the Governments of every other Part of the Commonwealth, shall take effect as regards the Part giving the notice to the extent therein specified at the expiration of twelve months from the date of its despatch, but shall not otherwise affect the continuance in full force of the present Agreement.

Article 25.—The present Agreement may be varied at any time during the continuance thereof by common accord. Proposals for variation shall be sent by the Government of the Part proposing the variation, to the Government of the United Kingdom, to be circulated to the Governments of the other Parts of the Commonwealth, who will consider the proposals and endeavour to agree upon the acceptance of the variation with or without amendment. If a common accord is reached with respect to any proposed variation the present Agreement shall be varied accordingly.

Article 26.—A conference to consider any matter the subject of the present Agreement or any other matter relating to Merchant Shipping which the Government of any Part of the Commonwealth considers to be of common interest, may be called at any time at the instance of the Governments of any three Parts of the Commonwealth.

Article 27.—This Agreement shall apply to all territories administered under the authority of the Government of any Part of the Commonwealth and to ships registered there, or in any foreign port of registry, and fulfilling the requirements as to ownership set out in Article 2 (1).

VII.—ARBITRATION AND DISARMAMENT.

In the sphere of foreign affairs, apart from the review of certain special questions of foreign policy, the main task before the Conference was the discussion of the means by which the Members of the British Commonwealth could best co-operate in promoting the policy of disarmament and world peace.

These questions were considered by a Committee under the Chairmanship of the Hon. Maurice Dupré, K.C., M.P., Solicitor General, Canada.

These discussions naturally covered two main fields :

- I. Formal measures for the preservation of peace including the improvement of the machinery for the peaceful settlement of international disputes ; and
- II. Measures for the reduction and limitation of armaments.

(1) *Formal Measures for the Preservation of Peace.*

The Conference noted with pleasure the progress which had been made since the last Imperial Conference in this field and in particular the important steps taken in the conclusion of the Pact of Paris and the acceptance by all Members of the British Commonwealth of the Optional Clause of Article 36 of the Statute of the Permanent Court of International Justice. The Conference, having considered the provisions of the General Act for the Pacific Settlement of International Disputes, approved the general principles underlying the Act. The representatives of the United Kingdom, Canada, the Commonwealth of Australia, New Zealand, the Irish Free State, and India, intimated that it was proposed to commend the General Act to the appropriate authority with a view to accession on conditions mainly similar to those attached to their respective acceptances of the Optional Clause ; in particular the reservation regarding questions which by international law fall within the domestic jurisdiction of the parties would be retained by those Members of the Commonwealth who had adopted it in accepting the Optional Clause, in view of the importance attached by many of His Majesty's Governments to certain matters, such as immigration, which are solely within their domestic jurisdiction. The representatives of the Union of South Africa intimated that His Majesty's Government in the Union were not opposed to the principle of the General Act but that the Act would be further examined by that Government before they could arrive at a final decision, as some time would be required for a study of certain questions involved.

The Conference further considered the proposals which had been made to bring the Covenant of the League of Nations into harmony with the Pact of Paris and reached the conclusion that the principle underlying these proposals is one which should receive the support of all the Governments represented at the Conference.

The Conference also placed on record the view that the amendments to the Covenant which were drafted by the Sub-Committee appointed for this purpose by the First Committee at the Eleventh Assembly of the League of Nations should be recommended to the several Governments for acceptance. The Conference was further of opinion that the entry into force of these amendments should be made dependent upon the entry into force of a General Treaty for the Reduction and Limitation of Armaments.

(2) *Measures for the Reduction and Limitation of Armaments.*

The Conference desired to record its conviction that the future peace of the world depends upon the early adoption of some general scheme of disarmament by international agreement and that every effort should be made to convoke a General Disarmament Conference at an early date in order that the obligations accepted by all the Members of the League under Article 8 of the Covenant might be honoured without further delay.

The Conference considered the text of the draft of a Disarmament Convention drawn up by the Preparatory Commission and reached the conclusion, as the result of an exchange of views, that the principles underlying the draft Convention should be approved. The Conference was in general further satisfied that the provisions of the draft Convention, with certain proposed amendments, afforded an adequate basis for an effective system of disarmament.

The Conference took note of the deposit of ratifications of the London Naval Treaty, which took place while it was in session, and desired to record its satisfaction at the progress thereby achieved in the sphere of naval disarmament.

VIII.—THE ANTARCTIC.

The question of Antarctic exploration was discussed between representatives of the Governments interested. They took note of the fact that, in the exercise of the British title to that part of the Antarctic continent which lies between Enderby Land and the Ross Dependency (with the exception of the territory of Adelle Land), an Expedition organised by His Majesty's Government in the Commonwealth of Australia and led by Sir Douglas Mawson, was despatched to these regions in 1929. The valuable exploratory and scientific work accomplished by this Expedition during the season of 1929-30 was reviewed by the representatives of the Governments concerned, who also discussed the arrangements proposed for the continuation of the work during the season of 1930-31. Sir Douglas Mawson started for his second year's expeditionary voyage during the sittings of the Conference, and the Chairman, on behalf of the Conference, sent to him the following message:—

“ On behalf of the Imperial Conference now sitting in London, I send you and your companions in adventure the best wishes of the Conference for a successful voyage and a safe return. God speed you all.”

The representatives of the Governments interested expressed their serious concern at the increasing magnitude of whaling operations in the Antarctic, which, they felt, had now reached such proportions that the introduction of restrictive measures was urgently required if the future of the whaling industry was not to be gravely endangered. The representatives of the Governments concerned recognised that there were many difficulties in the way of the adoption of such measures, which could only be introduced by international action, but they felt that these difficulties ought to be faced and that, in the interests of preserving the whaling industry, no opportunity should be lost of urging the imperative necessity of conserving the stock of whales in the Antarctic.

IX.—DEFENCE.

As already mentioned, the great pressure of work in connection with Inter-Imperial Relations and Economic questions rendered it impossible to arrange any plenary discussions on Imperial Defence.

At an early stage of the Conference, however, arrangements were made for the Chiefs of Staff of the three Services in the United Kingdom and representatives of the Services of the Dominions and India to meet together and discuss matters of common interest. The existing arrangements for consultation and co-operation (including questions of general defence such as the supply of war material and the co-ordination of defensive arrangements as well as the staff arrangements of the respective services), which have grown up as the result of past Imperial Conferences, were reviewed, and, where necessary, recommendations were submitted for their improvement in matters of detail.

In addition, meetings took place at the Admiralty, War Office and Air Ministry at which questions of naval, military and air defence respectively were examined from a more technical point of view.

Naval Base at Singapore.

As a result of discussion between representatives of the United Kingdom, the Commonwealth of Australia and New Zealand, it was recommended that the present policy of the ultimate establishment of a defended naval base at Singapore should be maintained and that the Jackson contract should be continued. It was, however, also recommended that, apart from the latter expenditure and such as will be required for the completion of the air base on the scale at present contemplated, the remaining expenditure, *i.e.*, that required for completing the equipment of the docks and for defence works, should be postponed for the next five years, when the matter could be again reviewed in the light of relevant conditions then prevailing.

X.—PROPOSED AMENDMENT TO THE CHARTER OF
THE IMPERIAL WAR GRAVES COMMISSION.

Certain proposals for the extension of the powers of the Imperial War Graves Commission under their existing Charters were considered by a Committee under the Chairmanship of Sir Fabian Ware, Vice-Chairman of the Imperial War Graves Commission.

The Committee recommended, and the Conference approved the recommendation, that application should be made for a Supplemental Charter to remove doubts as to the power of the Commission to make superannuation provision for, and pay gratuities to, their officers and servants, and to make certain other arrangements for the general welfare of their officers and servants abroad. It was recommended also that at the same time power should be sought to enable official members of the Commission to appoint deputies to represent them on Committees of the Commission.

The full text of the Committee's report, and of the provisions to be incorporated in the proposed Supplemental Charter, is published with the Appendices.*

* Appendix III in Cmd. 3718.

ECONOMIC QUESTIONS.

XI.—INTRODUCTORY.

The agenda on the economic side of the Conference was briefly reviewed at the First Plenary Session of the Conference, held on 1st October, when a number of Committees were appointed to examine and report on important but specialised or technical subjects.

These Committees were as follows :—

- Committee on Communications,
- Committee on Civil Aviation,
- Committee on Oversea Settlement,
- Committee on Forestry,
- Committee on Research,
- General Economic Committee, to deal with miscellaneous economic matters.

A brief account of the Reports of the above Committees which were adopted by the Conference and the Resolutions passed by the Conference on their recommendation are given in the appropriate sections of the present Summary.

The Conference also agreed that meetings on Standardisation should be held separately from but concurrently with the Conference itself. The Report of this Conference on Standardisation has been published separately;* a brief account of its proceedings and the text of the Resolutions adopted by the Imperial Conference are included in the present Summary.†

XII.—GENERAL ECONOMIC CONCLUSIONS.

It was apparent that all parts of the Commonwealth were united in a common desire that all practicable steps should be taken to promote and develop inter-Imperial trade, and at the Second Plenary Session of the Conference, held on the 8th October, a discussion of great importance took place on the methods to be used to achieve this end. The speeches made on that occasion on behalf of His Majesty's Governments in the Dominions and the Government of India are printed as an Annex to this Summary.‡

No statement of policy was made on behalf of His Majesty's Government in the United Kingdom during the Second Plenary Session, but at the meeting of Heads of Delegations on the 13th November, the following statement was made by their representatives :—

“ 1. His Majesty's Government in the United Kingdom, believing that the development of inter-Imperial markets is of the utmost

* See Cmd. 3716.

† See pp. 54-57.

‡ See pp. 81-132.

importance to the Commonwealth, have declared that the interests of the United Kingdom preclude an economic policy which would injure its foreign trade or add to the burdens of the people; but that their fiscal policy does not preclude marketing propaganda and organisation which will secure valuable opportunities for the consumption of Dominion products in the United Kingdom.

2. His Majesty's Government in the United Kingdom have suggested that the Governments of the Empire should undertake to make forthwith a close examination of the various methods by which each may make the greatest possible contribution to economic co-operation within the Empire with a view to presenting reports to a Conference which, it has been suggested, should be held next year or as soon as the reports are ready.

3. In the meantime His Majesty's Government in the United Kingdom have declared that the existing preferential margins accorded by the United Kingdom to other parts of the Empire will not be reduced for a period of three years or pending the outcome of the suggested Conference, subject to the rights of the United Kingdom Parliament to fix the budget from year to year.

4. His Majesty's Government in the United Kingdom agree to reconstitute the Empire Marketing Board as a body with a fixed minimum annual income, with a provision enabling it to receive such other contributions from public or private sources as it may be willing to accept, for the purpose of furthering the marketing of Empire products.

5. His Majesty's Government in the United Kingdom agree to the reconstitution of the Imperial Economic Committee on the lines recommended by the Committee of the Conference on Economic Co-operation."

In view of the above statement made by the representatives of His Majesty's Government in the United Kingdom, the representatives of His Majesty's Government in the Union of South Africa, made the following statement:

"The Government of the Union of South Africa declare that the existing preferential margins accorded by South Africa to the United Kingdom will not be reduced for a period of three years or during such shorter period as the existing preferential margins accorded to South Africa by the United Kingdom may remain in force."

The discussion arising out of the statements made at the Second Plenary Session was continued at a series of Meetings of Prime Ministers and Heads of Delegations held between the 9th and 17th October, in the course of which it was intimated on behalf of His Majesty's Government in the United Kingdom that they were opposed to any policy involving duties on foodstuffs or raw materials. They suggested that there were other methods worthy of examination by which the common object of increasing inter-Imperial trade might be attained, and in this connection

mention was made of quotas, import boards, bulk purchase, direct exchange of commodities and the promotion of agreements between industrialists, and improved machinery for inter-Commonwealth consultation in economic matters. During these discussions it became apparent that the Governments of the wheat-exporting Dominions (Canada and Australia) attached special importance to increasing the sales of their wheat in the United Kingdom, particularly in view of the depression in the world's wheat markets. An informal Committee of Ministers representing the United Kingdom, Canada and the Commonwealth of Australia was accordingly set up to explore the wheat situation.

On the 14th October this informal Committee was re-constituted as the "Committee on Economic Co-operation" under the Chairmanship of the Right Hon. William Graham, M.P., President of the Board of Trade, and representatives of New Zealand, the Union of South Africa, the Irish Free State, Newfoundland and India were added to it. The subjects referred to the Committee by the Meetings of Prime Ministers and Heads of Delegations for examination were as follows:—

The quota system.

Bulk purchase schemes, import boards, direct exchange of commodities and the promotion of agreements between industrialists.

Imperial Shipping Committee, Imperial Economic Committee and Empire Marketing Board.

The Report of the Committee on Economic Co-operation, which is dealt with in Section XIII below, together with the views expressed on behalf of the various Governments, were considered at Meetings of Prime Ministers and Heads of Delegations held on the 12th and 13th November.

At the latter Meeting it was decided to recommend the following Resolutions, which were adopted by the Conference:—

" I. The Imperial Conference records its belief that the further development of inter-Imperial markets is of the utmost importance to the various parts of the Commonwealth.

II. Inasmuch as this Conference has not been able, within the time limit of its deliberations, to examine fully the various means by which inter-Imperial trade may best be maintained and extended, it is resolved that the Economic Section of the Conference be adjourned to meet at Ottawa on a date within the next twelve months to be mutually agreed upon, when that examination will be resumed with a view to adopting the means and methods most likely to achieve the common aim; provided that this reference is not to be construed as modifying the policy expressed on behalf of any of the Governments represented at this Conference.

III. The agenda for the meeting referred to in the previous resolution will be agreed between the several Governments."

XIII. WORK OF COMMITTEE ON ECONOMIC CO-OPERATION.

The discussions in the Committee on Economic Co-operation were chiefly devoted to examining the question of a quota for Dominion wheat* milled in the United Kingdom, and it was found convenient to remit to sub-committees the examination of other subjects referred to the Committee. The Reports of these sub-committees were adopted by the Committee on Economic Co-operation.†

(a) A Quota for Wheat.

On the question of a quota for wheat, the Committee reported as follows:—

1. The Committee have devoted a large part of their time to examining the suggestion that steps should be taken to secure that a guaranteed proportion of the wheat milled in the United Kingdom should be of Empire growth.

2. The Committee were informed that about 120 million cwts. of wheat are milled annually in the United Kingdom, of which about 15 per cent., or 18 million cwts., consists of wheat grown in the United Kingdom, the remainder being imported wheat. Of the total imports of wheat in the six years ended 1929, the proportion consigned from British countries amounted to 48 per cent. But, owing to the fact that some Canadian grain is stored in elevators in the United States and shipped from United States ports, the above figures of consignments do not accurately represent the real figures of wheat of Dominion growth imported into the United Kingdom. We referred this matter to a Sub-Committee of Experts, who gave it as their opinion that the average figure of the imports from British countries during the six years ended 1929 may not have been in excess of 53 per cent. of the wheat grain imported into the United Kingdom; that the use of 55 per cent. as a basic figure would adequately cover the element of uncertainty attaching to the calculations; but that in order to arrive at an accurate figure further information is necessary beyond that at present available. Adding to this the wheat of United Kingdom growth which is milled in the United Kingdom, the use of 55 per cent. of the total *imports* as the basic figure for a Dominion wheat quota would be equivalent to the use of a figure of 47 per cent. of the total quantity of wheat *milled* in the United Kingdom.

* i.e. Wheat imported from the other parts of the British Commonwealth

† For text of Reports of the Committee on Economic Co-operation and of its Sub-Committees, see Appendix IV. of Cmd. 3718.

In addition, the Sub-Committee reported that flour imports from the Dominions amounted on the average to 335,000 tons a year, and if this is converted into wheat, the percentage of the total consumption of milling wheat and flour in the United Kingdom attributable to Dominion wheat and flour would be increased to 49 per cent.

3. The object of a quota for Dominion wheat would be to secure that a guaranteed and, if possible, increasing proportion of the total quantity of wheat milled in the United Kingdom was of Empire growth. It was stated on behalf of the United Kingdom delegation that no price guarantee could be given for Dominion wheat and that the suggestion was confined to securing a guaranteed share of the import requirements at world prices. We were informed that a quota scheme for United Kingdom wheat had been under examination for some months, and that the machinery and procedure had been discussed in detail with the trade organisations concerned. We have had prepared the outline of a similar scheme applicable to Dominion wheat, which is attached as an Annex to this Report.* The essence of this scheme is that certificates should be issued by His Majesty's Customs in the United Kingdom in respect of all imported wheat passed through the Customs, which they are satisfied is of Dominion growth. Wheat millers would be required to produce evidence of purchase (including the surrender of Dominion wheat certificates issued by the Customs) of the prescribed minimum quota. The certificates would be transferable, in the same way as other contract documents, and divisible, and, in order to save unnecessary transport, would not necessarily remain attached to the wheat or flour in respect of which they were issued. In the event of undesirable results following on the transfer of certificates, the situation would require to be dealt with by the authority in charge. The scheme would have to be elaborated in greater detail before the plan could be embodied in legislation or put into operation, and for this purpose consultation with the trade interests concerned might be necessary.

4. We assume that a quota scheme for wheat of Dominion growth would not be introduced without the introduction also of a quota scheme to absorb the whole of the wheat of millable quality grown in the United Kingdom. While it is not within our competence to discuss the details of a quota for United Kingdom wheat, some Members of the Committee feel that such a quota might react on a Dominion scheme. Thus it was suggested that, in so far as a quota for United Kingdom wheat had the effect of raising its price, the result might be that the price obtainable for imported, including Dominion, wheat might tend to be depressed. Again, if the United Kingdom quota scheme stimulated the production of wheat in the United Kingdom, the requirements of imported wheat would be reduced. On the other hand it was suggested that any increase in the price of United Kingdom wheat must fall not on the importer of wheat but on the consumer of flour, that any increase in the United Kingdom supply could not

* See p. 49.

exceed 5 per cent. of the total requirements of millers and that such an increase would be effected at the expense of foreign wheat and not of Dominion wheat, if a quota for Dominion wheat were in force.

5. We next considered what would be the advantages to the wheat-exporting Dominions of the quota scheme. The total exports of wheat from the Dominions greatly exceed the total imports from all sources into the United Kingdom, and it follows that provided there is free competition in the United Kingdom market among Dominion exporters, the price of Dominion wheat in the United Kingdom could not be raised appreciably above the world price since, as the United Kingdom price tended to rise, shipments to continental ports would be diverted to ports in the United Kingdom. Wheat importers in the United Kingdom are further protected by the present arrangements whereby the whole of the exportable surplus of the Dominions, whether consigned to the United Kingdom or not, is available and identifiable for the purpose of the quota by documents of origin or grade certificates or otherwise. There is no suggestion of any interference with these arrangements. Further, the Parliament of the United Kingdom might also introduce legislative safeguards designed to prevent any undue inflation of prices.

6. We also considered whether a quota for Dominion wheat in the United Kingdom would tend to reduce the price which the Dominions obtained for their wheat in foreign markets. The effect of the quota would be to divert a certain amount of foreign wheat from the United Kingdom market to the continental market but, on the other hand, the same quantity of Dominion wheat would be diverted from the Continent to the United Kingdom. We see no reason therefore to suppose that the effect of the quota would be appreciably to reduce the price for wheat on the Continent. It is pointed out that the displacement of foreign wheat on the United Kingdom market would lessen the quantity of Dominion wheat for which foreign markets would be required, thus maintaining price equilibrium.

7. There has this year been a marked increase in the exports of Russian wheat compared with 1929, much of which wheat is shipped "on consignment", *i.e.*, to be sold on arrival for what it will fetch. It seems probable that, for the future, Russia will be a more important wheat-exporting country than she has been in recent years. Several of the Dominion representatives expressed considerable apprehension on this question, and they pointed out that during and since the War their production had been greatly increased on patriotic grounds and that the results would be serious if they lost some of their markets in the United Kingdom by the unequal competition of countries with a lower standard of life.

8. It is not improbable, therefore, that in the ordinary course of trade the imports of Dominion wheat into the United Kingdom will fall below the level of recent years other than 1929. This applies

particularly to Canadian wheat, since the bulk of the Russian supply is hard wheat of a similar character to Canadian wheat. Australian wheat, on the other hand, is in direct competition with Argentine wheat, being generally similar in character and marketed at the same season of the year. It appears to us, therefore, that a quota which secured to Dominion wheat a guaranteed market for a quantity of wheat in excess of the figure of recent years would be *pro tanto* beneficial to the wheat-exporting Dominions by giving them a secured market, of which they could not be deprived by any dumping competition, for a definite quantity of their exports; and this advantage would be enhanced in so far as it was possible to increase the quota progressively over a period of years. In this connection it should be observed that the quota would be a guaranteed minimum and that it would be open to the Dominions to compete equally with foreign countries for the remainder of the supply apart from that reserved for United Kingdom wheat.

9. We have considered whether in any Dominion quota scheme separate quotas should be fixed for each of the wheat-exporting Dominions, but we have been informed that it would be administratively impracticable.

10. We have devoted a good deal of attention to the steps that it would be necessary to take in respect of imported flour. The imports of wheat meal and flour into the United Kingdom average about 10 million cwts. per annum, of which about two-thirds come from British countries. It is clear that millers in the United Kingdom would have just cause for complaint if they were placed under the control involved in a quota system while flour could be imported as freely as it is to-day. The scheme which it is suggested might be applied to imported flour is outlined in paragraphs 4 and 5 of the Annex to this Report.* The general effect would be that the importer of Dominion flour would be required to take up his quota of United Kingdom wheat certificates, while the importer of foreign flour would also be required to take up his quota of Dominion wheat or wheat flour certificates. Seeing that the imports of Dominion flour at present exceed considerably the imports of foreign flour, we do not consider that such a requirement would place any serious hardship on the importer of foreign flour. As regards imported Dominion wheat flour, we have considered whether the obligation to acquire United Kingdom wheat certificates would interfere with the trade in special brands, but it was suggested to us that the importer would experience no undue difficulty in obtaining the necessary certificates, doing this probably in many cases through agents in the London Corn Exchange or in the country markets for United Kingdom wheat. The divergent interests of millers and of flour importers would require to be protected in the framing of legislation which would be required to give effect to the plan, thus ensuring that no action would be taken to prejudice the important trade in Dominion flour. It would probably be desirable that the arrangements in connection with imported flour should be planned in consultation with the trade interests concerned.

* See p. 49.

ANNEX.

Outline of Plan for the Introduction of a Guaranteed Quota for Dominion Wheat on Milling in the United Kingdom.

1. The term " Dominion wheat " shall apply to wheat grown in, and sent from, any part of the British Commonwealth outside the United Kingdom, and the term " Dominion wheat flour " to flour milled entirely from " Dominion wheat " and sent from any part of the British Commonwealth outside the United Kingdom.

2. In connection with every parcel of Dominion wheat imported into the United Kingdom, a Dominion wheat certificate (or certificates, if it is desired to sub-divide the parcel) shall be issued by the Customs when they are satisfied, by the usual evidence tendered, that the wheat concerned is of Dominion origin. Similarly, in connection with every parcel of Dominion wheat flour imported, a Dominion wheat flour certificate would be issued by the Customs to the importer.

3. *Quota as applied to Millers.*—The quota would be reckoned as a percentage of the total amount of wheat used in mills, and the responsible Minister would require millers to produce evidence of purchase (including the surrender of Dominion wheat certificates issued by the Customs) of the prescribed minimum quota. (Millers would be under a similar obligation in regard to a United Kingdom quota.)

4. *Quota as applied to Flour Importers.*—(i) Imports of " Dominion wheat flour " qualified to receive the Customs certificate will be subject only to the requirement as to surrender of United Kingdom wheat quota certificates.

(ii) *Other Imported Flour.*—An importer of any other wheat flour will be required, before clearing such flour from Customs control, to produce and surrender to the Customs, Dominion wheat or wheat flour certificates as issued by the Customs for an amount equivalent to the Dominion wheat quota.

This flour, *i.e.*, non-Dominion wheat flour, will also be subject to the same requirement as Dominion wheat flour in respect of the surrender to the Customs of United Kingdom wheat quota certificates.

The responsible Minister would prescribe the equivalent of imported flour in terms of Dominion wheat certificates.

5. *Flour Imports.*—It is to be understood that the Dominion wheat quota will be increased or reduced should imports of Dominion wheat flour fall below or increase beyond a basic figure, the change in the quota being equivalent in terms of wheat to the change in the imports of flour, in accordance with the prescription of the responsible Minister.

His Majesty's Government in the United Kingdom undertook to examine carefully the above Report of the Committee on Economic Co-operation on a quota for wheat and, in the course of their consideration of this subject, to consult with the Governments of the wheat-growing Dominions and of India.

(b) Quotas for Commodities other than Wheat, Import Boards, Bulk Purchase Schemes and the Organisation of Channels of Trade.

After a preliminary discussion of quotas for commodities other than wheat, import boards, bulk purchase schemes and the organisation of channels of trade, the Committee on Economic Co-operation decided that the most convenient method of examining them was to refer

them to Sub-Committees for consideration with reference to particular commodities. Sub-Committees were accordingly appointed to consider the possibility of extending the trade between the United Kingdom and other parts of the Empire by the above means. Their Reports are printed with the Appendices.*

The Conference received the Report of the Committee on Economic Co-operation on quotas for commodities other than wheat, import boards, bulk purchase schemes and the organisation of channels of trade, and decided to refer it to the Governments concerned for consideration.

(c) Imperial Shipping Committee.

The Committee on Economic Co-operation had the advantage of hearing a statement by Sir Halford Mackinder, the Chairman of the Imperial Shipping Committee, on its work and functions. In the light of this statement and after reviewing the position, the Committee recommended, and the Conference adopted, the following Resolutions :—

I.—The Conference desires to place on record its appreciation of the value of the work done by the Imperial Shipping Committee and to convey to the Chairman and Members of the Committee its thanks for their services.

II.—The Conference is of opinion that it is desirable to maintain the Imperial Shipping Committee generally on its present basis, deriving authority from, and being responsible to, the Governments represented at the Imperial Conference."

The Committee also supported the recommendation of the Committee on Civil Aviation, subsequently adopted by the Conference, † suggesting that civil aviation should be represented on the Imperial Shipping Committee and that a small addition should be made to the terms of reference of the Committee in order that it may be empowered to take into account facilities for air transport on the routes for maritime transport which it may survey.

(d) Imperial Economic Committee.

The Committee on Economic Co-operation examined with considerable interest the Progress Report of the Imperial Economic Committee. † They recommended, and the Conference adopted, the following Resolution :—

"The Conference desires to convey to the Chairman and Members of the Imperial Economic Committee an expression of its high appreciation of the valuable work which has been done by the Committee since the last Imperial Conference."

* See Appendix IV of Cmd. 3718.

† Seventeenth Report (non-Parliamentary Publication).

‡ See Resolution B, pp. 60-1.

In their Progress Report the Imperial Economic Committee* made three suggestions of a general character :—

(1) that the organisation of an Intelligence Service on a Commonwealth basis should be considered ;

(2) that the creation and assimilation of Empire standards in regard to many trades, both of primary production and manufacture, should greatly simplify the promotion of inter-Imperial trade ;

(3) that further steps should be taken, under the lead of the Economic Organisation of the League of Nations, to secure that trade statistics compiled by the various Governments of the world should be based on such common rules as will render them more truly comparable.

The first of these suggestions is dealt with below (*see* Section on the Empire Marketing Board) ; the second suggestion is dealt with in the Report of the Conference on Standardisation† ; the third suggestion will come under review by the Conference of Statistical Officers of the various parts of the British Commonwealth which it is proposed should be held in September, 1932‡.

During consideration of the work of the Imperial Economic Committee, the general question of arrangements for the examination of economic matters of inter-Imperial concern arose. The Committee on Economic Co-operation recommended, and the Conference adopted, the following Resolutions :—

I.—The Conference is of opinion that the Imperial Economic Committee should continue as at present established, but takes note of the desire expressed by His Majesty's Government in the United Kingdom that their representation should be on the same basis as that of other parts of the Commonwealth.

II.—The Conference is further of opinion that the Chairman of the Imperial Economic Committee should be elected annually by the Committee from among its own Members, regard being paid to the desirability of rotation.

III.—The Conference considers that the general reference to the Imperial Economic Committee should be as follows :—

(1) to complete the series of investigations into the marketing of Empire foodstuffs in the United Kingdom ;

(2) to undertake inquiries into the production for export and the marketing in various parts of the world of the raw materials enumerated in the Fifteenth Report of the Imperial Economic Committee‡ ;

(3) to prepare, at the instance of the Governments of the Commonwealth, preliminary surveys of any branch of Empire trade and marketing such as were contemplated in the recommendation of the Imperial Conference of 1926 ;

* Seventeenth Report (non-Parliamentary Publication). † Cmd. 3716.

‡ A List of Raw Materials suitable for Marketing Enquiries (non-Parliamentary Publication). § See pp. 74-5.

(4) to carry out any investigations arising out of recommendations contained in Reports submitted by the General Economic Committee and adopted by the present Conference ;

(5) to facilitate conferences among those engaged in particular industries in various parts of the Commonwealth ;

(6) to examine and report on any economic question which the Governments of the Commonwealth may agree to refer to the Committee."

(e) Empire Marketing Board.

The Committee on Economic Co-operation recommended certain resolutions with regard to the work of the Empire Marketing Board and the Conference adopted them in the following form :—

I.—The Conference, having surveyed the work of the Empire Marketing Board, is satisfied that it is valuable to the Commonwealth as a whole, and recommends its continuance and its extension in certain directions, notably in the spheres of market intelligence, statistical surveys and market promotion.

II.—The Conference takes note of the Empire Marketing Board's programme of research, involving commitments approaching £2,000,000 from the Empire Marketing Fund, as well as independent contributions by so many Empire Governments. It finds that programme in accord both with the Resolution of the Imperial Conference of 1926 and the policy adopted by the Imperial Agricultural Research Conference of 1927.

III.—The Conference commends especially that feature of the Board's policy which aims at the concentration and development in the most appropriate centres of scientific team work upon problems of interest to the Commonwealth as a whole, and notes as an example of special promise the recognition and extension of the Onderstepoort Veterinary Research Station as an Empire centre of research in the field of animal health.

IV.—The Conference also welcomes the facilities provided by the Board for enabling scientific workers to visit different parts of the Empire.

V.—The Conference is of opinion that if effective advantage is to be taken of the opportunities for co-operative action within the British Commonwealth open to the Board :—

(1) The limitation of the Empire Marketing Fund to marketing in the United Kingdom should be removed.

(2) While the amount of its contribution must remain wholly within the discretion of the Parliament of the United Kingdom, it should be recognised that the efficiency of the Board's work and its opportunities for effective planning depend upon a minimum annual income being assured to the Board over a reasonable period.

(3) The Board should therefore be constituted as a body with a fixed minimum annual income, with a provision enabling it to receive such other contributions from public or private sources as it may be willing to accept, for the purpose of furthering the marketing of Empire products.*"

* *Note.*—The representatives of the Union of South Africa considered that the Fund was and should remain the concern solely of the Government of the United Kingdom and could not, therefore, agree to paragraph (3) of Resolution V.

XIV.—STANDARDISATION.

The Imperial Conference of 1926 adopted a Resolution* commending the further development of standardisation within the various parts of the British Commonwealth of Nations, the exchange of information and co-operation in regard to common standards. Since that time it has become obvious that full and representative discussion would be of substantial assistance in giving effect to these general recommendations and a Conference on Standardisation, under the Chairmanship of Mr. W. R. Smith, M.P., Parliamentary Secretary to the Board of Trade, was accordingly arranged to take place at the same time as the Imperial Conference of 1930.

The work of the Standardisation Conference fell into two parts relating respectively to Industrial Standardisation and Fundamental Standards. As regards *Industrial Standardisation*, the Conference commended the co-ordination of standardisation under a central body in each country, to which support should be given by the Government. It urged closer co-operation between these standardising bodies with a view to the further development of standardisation and the establishment, so far as practicable, of uniform standard specifications. Stress was laid upon the importance of simplification by means of the reduction of unnecessary types, sizes, etc., of everyday commodities. The Conference also recommended the adoption of marks or brands by the various standardising bodies, to be protected throughout the Commonwealth, and suggested measures to promote adherence to standard specifications and practices.

On the recommendation of the Conference on Standardisation, the Imperial Conference adopted the following Resolutions on the subject of Industrial Standardisation :—

“I. (a) The Conference takes note of the growing recognition of the value of standardisation as a means both to economy and to efficiency in the interests of producers and consumers, and draws attention to the importance of the contribution that may be made by its judicious development to the economic welfare of the British Commonwealth of Nations as a whole and of its various parts.

(b) It welcomes the advance which has been made in various parts of the Commonwealth in the co-ordination of standardising activities under one central body representative of all parties concerned ; and recommends to the consideration of those parts of the Commonwealth, in which such co-ordination has not been achieved, the adoption of steps to that end.

(c) It urges that the standardising body in each part of the Commonwealth should be accorded the support of the Government, by way of financial assistance, of the co-operation of the Government purchasing departments, and otherwise.

* See p. 54 of Summary of Proceedings of the Imperial Conference, 1926, (Cmd. 2768).

II. (a) The Conference draws attention to the Resolution of the Imperial Conference of 1926* in favour of the adoption, where practicable, of common standards, and recommends that the standardising bodies in the various parts of the British Commonwealth of Nations should keep in regular and systematic consultation with a view to the establishment of uniform standard specifications so far as is practicable in their common interest.

(b) As part of this consultation, the practice of communicating draft specifications prepared in one part of the Commonwealth, for the observations of the standardising bodies in other parts likely to be interested, should be continued and extended. It would be advantageous if any proposed specification could be so communicated in draft form at the earliest moment practicable, subsequent modifications being sent, if necessary, by telegram, and if a definite time-limit were agreed upon within which the observations of the other standardising bodies should be furnished.

(c) It is further desirable that in the event of users in one part of the Commonwealth not being satisfied with the performance of the goods made to any particular standard specification issued in another part, the matter should be brought to the attention of the issuing standardising body in order that the specification in question may be brought under review.

(d) Much advantage would result from the communication by one standardising body to others of any suggestions that it may be able to make from time to time as to commodities in respect of which standardisation is desirable. Any such suggestion should be supplemented, where possible, with co-ordinated information of the views of users and manufacturers in the country from which the suggestion emanates as to the characteristics that are desirable in the commodity in question, and also with information as to the extent of the demand that may reasonably be anticipated in that country when the commodity is standardised.

(e) The Conference recommends that the scope of the work of the standardising bodies should include both standard specifications for industrial materials and apparatus, and codes or rules; in order to simplify the procedure, should modification be required, the actual specifications for materials in connection with any code should be kept separate from the code itself.

III. (a) The Conference recommends that each standardising body should adopt a mark or brand to be applied under the licence and control of such body to goods which comply with standard specifications issued by it and are produced or manufactured within the territory which it covers; and should take the necessary steps to secure for such mark or brand the full protection of law throughout the British Commonwealth of Nations, whether by its registration wherever possible as a standardisation trade mark or in some other appropriate way.

* See p. 54 of Summary of Proceedings of the Imperial Conference, 1926, (Cmd. 2768).

(b) The Conference is further of opinion that it would be advantageous for each standardising body adopting such a mark or brand to communicate from time to time to the other standardising bodies lists of the specifications to which the mark or brand relates, and of the holders of licences, together with an indication of the class or classes of products in respect of which the licence is held in each case.

IV. The Conference is of opinion that with a view to the promotion of economy in production and distribution to the advantage of both manufacturers and consumers throughout the Commonwealth, and also as a preliminary to standardisation in suitable cases, it is desirable that all practicable steps should be taken by the appropriate bodies in each part of the Commonwealth to promote, wherever possible, industrial simplification, by co-operation between consumers, distributors and manufacturers.

V. The Conference desires to emphasise the need for standardising bodies to ascertain within their spheres of activity the extent of adoption of and adherence to standard specifications and practices, and recommends that such measures consistent with the principle of voluntary adoption should be taken as will promote the greatest degree of conformity in each part of the Commonwealth.

It wishes also to bring to the attention of the Governments of the Commonwealth the great importance of adherence to the standard specifications drawn up by the recognised standardising bodies, and suggests that encouragement should be given to a general adherence thereto by the adoption of such specifications to the fullest extent possible by Government purchasing departments, local authorities and public corporations, and in any other ways which may be found practicable.

VI. The Conference draws attention to the suggestion of the Imperial Conference of 1926 that a specific department of each Government within the Commonwealth should be charged with the duty of watching and stimulating the movement towards standardisation and simplification, and accepts the view that there is considerable scope for activity, in the interests of consumers and manufacturers alike, by such Government departments.

As a particular means to the extension of simplification and standardisation within the Commonwealth, the Conference suggests for the consideration of the several Governments the establishment in each country of an index to specifications in use by large buyers (Governmental and other) and would draw attention to the type of index which is to be compiled by the Board of Trade in London."

As regards *Fundamental Standards* of weight, measure, etc., the Conference on Standardisation made proposals for preserving uniformity in the standards used in common throughout the Commonwealth. The following Resolution proposed by them on this subject was adopted by the Imperial Conference :—

“The Conference is of opinion that—

(i) It is desirable that there should be uniformity between the standards employed for all units of measurement which are of common use among the British Commonwealth of Nations.

(ii) In order to secure such uniformity arrangements should be made—

(a) to provide in each Dominion and in India suitable reference standards for each such unit of measurement required for use in that country, where not already available ; and

(b) to introduce suitable procedure whereby all such standards shall be periodically compared with the corresponding standards at the Board of Trade or at the National Physical Laboratory.

(iii) At least one Member of the Commonwealth should undertake research work with the object of enabling the fundamental standards to be referred ultimately to natural standards such as the wavelength of light. It would be a great advantage if it were possible for research work of this character to be carried out independently by more than one Member.”

The Report of the Standardisation Conference has been published.*

* Cmd. 3716.

XV.—COMMUNICATIONS (OTHER THAN TRANSPORT).

Certain questions relating to Imperial Communications (other than Transport) were referred to a Committee under the Chairmanship of the Right Honourable G. W. Forbes, M.P., Prime Minister of New Zealand.

The Committee considered the possibility of establishing an Empire broadcasting service and, at the instance of the Committee, the Conference adopted the following Resolution:—

“The Conference has examined the question of the establishment of an Empire broadcasting service and considers that such a service, organised and conducted on sound lines, would be greatly appreciated by many persons in the Dominions, in India and in the Colonies and would strengthen the ties between various parts of the British Commonwealth. It should also tend to stimulate trade and commerce within the Commonwealth.

The Conference welcomes the action of the British Broadcasting Corporation in carrying out experimental work in connection with Empire broadcasting and in submitting proposals for a permanent and extended service from a new station in the United Kingdom.

The Conference recognises the technical and financial difficulties of the scheme and feels that further information is required to determine whether they can be overcome. It recommends, as a first step, that His Majesty's Government in the United Kingdom should suggest to the British Broadcasting Corporation that that body should communicate particulars of the scheme to the broadcasting organisations or other appropriate authorities throughout the Empire and should invite them to furnish their views (after any necessary consultation with their respective Governments) as to the value to them of such a service and as to their readiness to make a contribution towards its cost in return for the right to relay any part of the service which they may require.

In conjunction with these proposals for a regular service, the Conference recognises the desirability of encouraging broadcasting organisations in the various parts of the Commonwealth to arrange for the reciprocal broadcasting of programmes and events of special interest, in any cases where suitable means of long distance transmission may be available.”

The Committee also considered questions relating to cable and radio communications and postal services. On the recommendation of the Committee, the Conference adopted the following Resolutions:—

Telephone Services.

“The Conference notes with satisfaction the progress already made in the establishment of public telephone services between the United Kingdom and certain of the Dominions. The Conference approves the various projects now under way for the establishment of additional Empire telephone services by the United Kingdom Post Office and trusts that this work will be carried forward with the object of eventually interconnecting by means of telephone channels all parts of the British Commonwealth of Nations.”

Telegraph Services.

“The Conference has examined with interest and appreciation the work of the Imperial Communications Advisory Committee.”

Radio Broadcast of Weather Maps.

“The Conference notes with approval the work now under way in the United Kingdom and Australia in connection with the transmission of weather maps by radio for the use of shipping and aviation services.

The Conference wishes to draw the attention of all Governments of the Empire to the great importance of this service both to shipping and to aircraft and recommends that the Imperial Shipping Committee be asked to study this question with a view to promoting the further development of the service as an aid to navigation.”

The Committee received representations from the Empire Press Union on the subject of facilities for the dissemination of news throughout the Empire.

For Reports by the Committee on the above subjects see Appendix V.*

XVI.—CIVIL AVIATION.

The Conference appointed a Committee under the Chairmanship of the Hon. Hugh Guthrie, K.C., M.P., Minister of Justice, Canada, to deal with civil aviation questions.

This Committee reviewed the progress made in the development of air communications with heavier-than-air aircraft since the date of the Imperial Conference, 1926, and was impressed with the great advantages, both commercial and political, to be derived from the speeding up of Imperial communications by means of regular air services.

The Committee appointed a Sub-Committee to consider the question of airship development, but pending the report of the Court appointed to investigate the R 101 disaster, the Committee decided to make no recommendations.

The Committee gave consideration to other questions, including the representation of civil air interests on the Imperial Shipping Committee and certain recommendations put forward by the Society of British Aircraft Constructors.

On the recommendation of the Committee, the following Resolutions were adopted by the Conference:—

"A. (i) The Imperial Conference takes note of the marked development in civil air activities in different parts of the Empire since the date of the last Imperial Conference and is appreciative of the importance and variety of these activities.

(ii) The Conference notes with special interest that the first step has been taken in linking up by air the different parts of the British Commonwealth by the opening in March, 1929, of the first regular Imperial air service, namely, that between England and India operated by Imperial Airways, Ltd., which was followed at the end of last year by the Indian extension from Karachi to Delhi.

(iii) The Conference expresses the hope that the next stage in the development of Empire Air Communications, by the opening in 1931 of the regular Imperial air service between England and South Africa, will be followed at an early date by an extension of the regular weekly air service between England and India as far as Australia.

(iv) The Conference places on record the great importance of establishing regular air services throughout the Empire, particularly for the carriage of mails, which will have the result of bringing the several parts of the Commonwealth into quicker communication with each other than is possible by any other means of transport.

(v) The Conference recommends that preference should be given to Empire air routes for the carriage of air mails when the facilities which exist offer equal advantages to air routes by foreign services.

B. The Imperial Conference is of opinion that civil aviation should be represented on the Imperial Shipping Committee, and with this object hereby amends the terms of reference

to the Imperial Shipping Committee by the addition of the following words :—

..... (ii) ; and in doing so to take into account facilities for air transport on the routes in question.'

- C. (i) The Conference takes sympathetic note of the desire of the Society of British Aircraft Constructors for reductions in the existing shipping freight rates for aircraft and aero engines, and recommends that this subject should be referred to the Imperial Shipping Committee for consideration.

(ii) The Conference recommends the following proposals to the favourable consideration of the several Governments of the British Commonwealth :—

(a) that the personnel of the existing liaison system should be appointed on a more permanent basis ;

(b) that the interchange of selected administrative and technical officers for periods of service within the Empire is desirable ;

(c) that the technical officers of the various parts of the Empire should confer with a view to evolving a common standard of airworthiness for the Empire."

For the Committee's Report *see* Appendix VI.*

XVII.—OVERSEA SETTLEMENT.

The subject of oversea settlement was examined by a Committee presided over by the Hon. Parker J. Moloney, M.P., Minister for Markets and Transport, Commonwealth of Australia.

The Committee in their Report stated that they realised that conditions overseas were at the moment unfavourable to any large movement of population under Government-assisted passage schemes. They recommended, however, that the existing arrangements should be kept in being in the case of Canada, New Zealand, and Southern Rhodesia, subject to such limitations as may from time to time be found necessary or desirable. The Australian representatives, whilst unable to concur in any general recommendation on the lines contemplated, were prepared to recommend the maintenance of the existing arrangements for the re-union of families.

As regards the future, the Committee stated emphatically that in their opinion the primary consideration in dealing with the question of inter-Imperial migration should be, not the conditions in the country which the settler is leaving, but the absorptive capacity of the country to which he is proceeding. Any increase in the absorptive capacity of the Dominions must depend in the first place on the existence of adequate markets for their products,

and, secondly, upon the inflow of capital for fresh development. It was felt that anything which will increase the absorption of the products of the Dominions must be of benefit to the Dominions and to the United Kingdom, in that it will stimulate development, encourage the investment of fresh capital, and attract settlers from the United Kingdom.

The Committee welcomed the introduction of the general reduced rate of £10 for *bona fide* British migrants from the United Kingdom to Canada and were of opinion that it has had satisfactory results, but it was felt that it would be inopportune at the present time to make any recommendation on the subject of a general reduced rate to Australia and New Zealand.

The Committee considered that voluntary organisations were capable of performing valuable work in connection with migration, but that it was essential that the operations of these organisations should be conducted under the supervision of, and in close co-ordination with, the various Government migration authorities, and that only those organisations should be recognised which were possessed of a full sense of responsibility and had efficient and adequate machinery in this country and overseas.

On the recommendation of the Committee, the following Resolution was adopted by the Conference :—

“The Conference approves the Report of the Committee on Oversea Settlement. The Conference is of opinion that the problem of the better distribution of the white population of the British Commonwealth continues to be a question of paramount importance for the British Commonwealth as a whole. Its successful solution depends upon the availability of adequate markets for the products of the Empire and of sufficient capital for the development of its resources. The Conference recognises that the economic difficulties of the present time are such as to render impracticable any considerable flow of migrants from the United Kingdom to the Dominions, but it has every confidence in the future and recommends that the problem of oversea settlement should continue to receive the most careful consideration and that the Governments concerned should adopt such measures as may be found best calculated to secure the object in view as and when economic conditions permit.”

For the Committee's Report see Appendix VII.*

XVIII.—FORESTRY.

Another Committee of the Conference was set up under the Chairmanship of Sir Padamji P. Ginwala, of the Indian Delegation, to report upon forestry questions. This Committee laid stress on the

* Cmd. 3718.

desirability of improving the existing facilities for scientific forestry instruction and research. In the opinion of the Committee the work of this character carried out by the Imperial Forestry Institute, Oxford, had been seriously hampered by the want of sufficient funds for staff and equipment, and should now be placed on a more permanent basis. To enable the Institute to function effectively an assured income of £19,000 per annum is required—this estimate including a sum of £2,500 for the establishment of a Bureau of Information.

The Committee gave consideration to reports on forestry made by the Forest Services of the Empire and noted the general improvement which has taken place in forest management and technique. Considerable progress in afforestation has been made in the United Kingdom, New Zealand, the Union of South Africa, the Irish Free State and Southern Rhodesia. An important survey of forest resources has been begun in Canada, progress in laying down forest policy is being made in Australia, the extensive timbered area of Labrador is now included in Newfoundland and in India the Dehra Dun Research Institute has been completed.

Measures to be taken for the prevention of loss by soil erosion caused by forest clearance and the preservation of indigenous forest fauna were further subjects to which the Committee gave consideration.

Much importance was attached to the good beginning which had been made in various parts of the Empire in forest products research and it was decided that special emphasis should be laid upon this branch of forestry work at the next Empire Forestry Conference, to be held in the Union of South Africa in 1933.

On the recommendation of the Committee, the Conference adopted the following Resolution:—

“The Conference, having in view the vital importance of forestry both directly and indirectly to the well-being of the British Commonwealth,

(a) urges all the Governments concerned to develop such forest policies as will bring their forests under effective management;

(b) takes favourable note of the good beginning which has been made in various parts of the Commonwealth in forest products research, and of the steps which are being taken by the Empire Marketing Board and the Forest Products Research Laboratory at Princes Risborough to promote the utilisation of Empire timbers; and expresses the opinion that the scope of forest research should be widened to include the utilisation of exotic as well as indigenous timbers;

(c) recognises the value of the Imperial Forestry Institute and the desirability of attaching to it a Bureau for the collection and dissemination of information, and, further,

recommends the several Governments to give these bodies their fullest support ;

(d) desires to place on record its appreciation of the munificent gift of £25,000 by His Highness The Rajah of Sarawak to the Imperial Forestry Institute ;

(e) desires to express its appreciation of the excellent work done by the Empire Forestry Conferences, welcomes the invitation of His Majesty's Government in the Union of South Africa to hold the next Conference in that Dominion in 1933, and recommends to all the Governments concerned active preparation for and participation in that Conference."

For the Committee's Report *see* Appendix VIII.*

XIX.—RESEARCH.

Subjects connected with scientific research were considered by a Committee of the Conference comprising senior officers of the research departments of the various Governments of the British Commonwealth, under the Chairmanship of The Right Honourable Lord Parmoor, K.C.V.O., Lord President of the Council.

The position with regard to co-operation in agricultural research may be regarded as generally satisfactory. As the outcome of the recommendations of the Imperial Conference of 1926 and of the Imperial Agricultural Research Conference of 1927, eight agricultural bureaux have been established for the interchange of information in eight branches of agricultural science. Scientific conferences are growing in number and importance. Improvements have been effected in the arrangements for the recruitment and training of agricultural research workers. Investigations have been carried out with the aid of funds provided by the Empire Marketing Board involving team work between research organisations in different parts of the British Commonwealth.

The following Resolutions were passed by the Research Committee on co-operative developments connected with agricultural research :—

Results of Imperial Agricultural Research Conference, 1927.

" (i) The Research Committee of the Imperial Conference note with satisfaction the remarkable growth within the Commonwealth during the last four years of co-operative activity in the field of agricultural research designed to meet the needs to which the Imperial Conference of 1926 drew special attention.

(ii) The Committee welcome the success of the first Imperial Agricultural Research Conference held in London in 1927, and, being satisfied that great benefits accompanied and have

followed the holding of that Conference, urge the respective Governments to give their fullest possible support to the second Conference to be held in 1932, and to facilitate the representation of universities and research institutes at that Conference."

Imperial Agricultural Bureaux.

"In the establishment of the eight Imperial Agricultural Bureaux, financed from a common fund and controlled by a Council of nominees of the Governments of the Commonwealth, the Research Committee of the Imperial Conference find both a notable precedent for action on a true Commonwealth basis and a contribution that is already bearing fruit in the better dissemination of scientific knowledge throughout the Empire."

*Research Grants of the Empire Marketing Board.**

(i) The Research Committee of the Imperial Conference take note of the Empire Marketing Board's programme of research, involving commitments approaching £2,000,000 from the Empire Marketing Fund as well as independent contributions by so many Governments. They find that programme in accord both with the resolution of the Imperial Conference of 1926 and the policy adopted by the Imperial Agricultural Research Conference of 1927.

(ii) The Committee commend especially that feature of the Board's policy which aims at the concentration and development in the most appropriate centres of scientific team work upon problems of interest to the Commonwealth as a whole, and note as an example of special promise the recognition and extension of the Onderstepoort Veterinary Research Station as an Empire centre of research in the field of animal health.

(iii) The Committee also welcome the facilities provided by the Board for enabling scientific workers to visit different parts of the Empire."

Financial Provision for Research.

The Committee considered it desirable to emphasise the importance of scientific investigation being steadily pursued if fruitful results were to be achieved, and passed a Resolution in the following terms:—

"The Research Committee of the Imperial Conference, being convinced that progress will in the future be dependent to an increasing extent upon the growth and application of scientific knowledge, desire to direct the attention of the various Governments of the British Commonwealth of Nations to the importance of making adequate provision from State funds for the steady pursuit of scientific research into the various problems affecting the material well-being of mankind. They also desire strongly to urge their view that the severe economic depression from which the British Empire, in common with the rest of the world, is now suffering, should be regarded as a reason not for the

* In this connection see Resolutions II, III, and IV on p. 52.

curtailment, but for an expansion, of expenditure on research. The greater utilisation of the help which science can give will be a potent factor in the rehabilitation of existing industries, including agriculture, no less than in the development of new ones."

Visits of Research Workers in the Empire.

The Committee passed the following Resolution on this subject:—

"The Research Committee of the Imperial Conference are of opinion that the existing facilities, by means of which research students throughout the British Empire are enabled to visit laboratories and research stations in other parts of the Empire in order to receive training in research and to gain additional experience, should be extended, and that funds should be definitely provided in the annual budgets of research organisations with this object in view. The Committee regard it as even more important that financial provision should be made to enable senior workers engaged in research to visit laboratories in other parts of the Empire for the purpose of consultation and the promotion of co-operative relations."

Questions referred to the Research Committee by the General Economic Committee of the Conference.

The General Economic Committee referred a number of matters to the Research Committee for an expression of opinion on the scientific issues involved, and recommendations were made as follows:—

* (a) *International Institute of Agriculture, Rome.*

"The Research Committee are of opinion that the value of the assistance rendered by the International Institute of Agriculture to scientific workers in agriculture in the British Empire is negligible, and does not warrant the continuance of this work, especially having regard to the effectiveness of the services now rendered by the Imperial Bureaux.

They consider that the energies and expenditure of the Institute should be concentrated on the statistical side of its work, particularly in the directions of greater completeness and speed of distribution of information."

† (b) *Dissemination of Research Results among Agricultural Producers.*

"The Research Committee of the Imperial Conference, being impressed with the potentialities of the cinema as a means of disseminating the results of scientific research among agricultural producers, recommend that steps should be taken to stimulate the production of agricultural instructional films having a common interest to more than one part of the Empire and to secure closer co-operation between the authorities

* See also Section XX (c), p. 71.

† See also Resolution III on p. 77.

producing such films through the institution of a central catalogue, lending library, information service and otherwise, and commend this proposal to the attention of the Empire Marketing Board."

(c) *Imperial Institute.*

"(i) The Research Committee desire to record their view that the Imperial Institute is specially fitted to discharge its duties as a clearing-house for the collection and dissemination of information relating to the commercial and industrial utilisation of the raw materials, including the mineral resources, of the Empire by virtue of the valuable information and experience accumulated by the staff during the last thirty years, by means of its contacts with technical Government Departments and producers of those materials in the Dominions, India and the Colonies, and by its close association with scientific and technical authorities and with the trades and industries concerned with the different groups of raw materials.

(ii) The Committee recognise that a close degree of co-operation already exists between the Imperial Institute and organisations in the United Kingdom engaged in agricultural and industrial research, and in the promotion of marketing facilities for, and the commercial utilisation of, Empire products, and recommend that in any scheme for the economic development of the resources of the Empire that may emerge as the result of this or of future Imperial Conferences, full advantage be taken of the services the Institute is in a position to render."

† (d) *Mineral Resources of the Empire.*

"(i) The Research Committee of the Imperial Conference are of opinion that in order to develop intra-Imperial trade in minerals and mineral products, it is desirable that a survey be made of the mineral situation of the whole British Commonwealth of Nations, with the object of indicating the surpluses of mineral supplies in certain units of the Empire available to supply the deficiencies in other units.

(ii) The Research Committee strongly recommend that steps be taken by each administration in the Empire to carry out such a survey of its own situation along the lines of a common plan which would permit the proper correlation of the data by a central committee to include representatives of the various Governments concerned, of the mining and metallurgical institutions of the Empire, and of the Imperial Institute. The Committee desire to draw attention in this connection to the resolutions passed by the Empire Mining and Metallurgical Congress in April, 1930, and suggest that consideration be given by the Imperial Conference to the form of common programme described in Dr. Camsell's Memorandum, with the principle of which the Committee are in general agreement."

* See also Section XX (a), p. 70.

† See also Section XX (b), p. 71.

* (e) *Production of Oil from Coal.*

The Committee were favourably impressed with the results that had been achieved in the experimental work at the Fuel Research Station at Greenwich on the hydrogenation of coal and tar, and formed the opinion that, technically, the treatment of coal and coal tar oils with hydrogen at suitable temperatures and pressures offered a most promising method for obtaining large supplies of motor spirit.

* (f) *Geophysical Methods of Survey.*

The Committee reached the conclusion that geophysical methods of prospecting have been developed to a point of definite usefulness, and that their employment in the search for mineral and oil deposits is justified, provided that the work is carried out under proper scientific supervision and in close association with the geological survey of the area concerned.

Other Resolutions.

The Research Committee also passed the following Resolutions on a number of other matters :—

Minor Forest Products.

“ The Research Committee are of opinion that in order to secure the full utilisation in commerce and industry of the minor forest products of Empire origin, and to develop intra-Imperial trade in these products, it is desirable that such steps be taken as are practicable by the various Governments of the Empire to carry out a survey of their own resources in these materials. The survey should, as far as possible, conform to a common plan so as to permit the proper correlation of the data by a suitable central body, including in its membership representatives of the various Governments concerned, of the Imperial Institute, and of other organisations closely associated with the investigation or utilisation of these products. The directions in which information is particularly required would include the following :—

A.—Resources of minor forest products within the existing limits of economic production.

- (i) Statistics of actual production.
- (ii) Economics of production.
- (iii) Exports.
- (iv) Imports.
- (v) Consumption.

B.—Resources outside the existing limits of economic production.

- (i) Lists of possible minor forest products which might be of economic importance.
- (ii) If possible, the collection and extraction of information as regards costs and quantities.”

* See also Section XX (e), p. 73.

Standardisation of Meteorological Units.

"The Research Committee of the Imperial Conference note with satisfaction the progress made towards the universal adoption of a common system of meteorological units, and endorse the recommendations of the Conference of Empire Meteorologists and its proposals for the adoption of the International Codes for the transmission of meteorological messages."

Agricultural Standards.

"The Research Committee of the Imperial Conference desire to draw attention to the assistance which might be rendered to intra-Imperial trade in certain agricultural commodities by reasonable uniformity of standards or grades, and urge that those responsible for formulating regulations of this character in each part of the British Commonwealth of Nations should bear this aspect in mind."

Research under the Department of Scientific and Industrial Research (United Kingdom).

The research work carried out under the Department of Scientific and Industrial Research of the United Kingdom on the preservation and transport of foodstuffs, on building, radio-telegraphy, prevention of water pollution and on standards was also considered. The Committee agreed that the arrangements for collaboration between the various Governments of the Commonwealth were generally satisfactory, but certain suggestions were made for more effective intra-Imperial co-operation in building research.

Industrial Research Associations.

The question of the practicability of co-operation between industrial research associations in the United Kingdom and the manufacturing industries in the Dominions received attention. The conclusion was reached that it was not practicable to devise a policy of co-operation between research associations and Dominion manufacturers which would be capable of general application, but that oversea firms desirous of making application to a research association for membership, either directly or through a national research organisation, should be encouraged to do so.

Imperial Wool Research Conference.

The Committee gave consideration to the Resolutions* passed by the Imperial Wool Research Conference and expressed their general agreement with the spirit of the Resolutions, and in particular, heartily endorsed the reference made therein to the importance of scientific investigation into the problems of wool production.

Imperial Collaboration in Co-ordinated Programmes of Research.

Finally as a means for effecting a greater degree of Imperial collaboration in research, the Committee recommended that arrangements should be made for the interchange of the schemes of work

* See Appendix IX (para. 44) of Cmd. 3718.

of the national research organisations of the British Commonwealth and for the principal workers engaged on the various researches to establish personal contact with their "opposite numbers" in research institutions in the countries of the Commonwealth.

The Imperial Conference agreed to take note of the Report* and Resolutions of the Committee on Research and to refer them to the consideration of the several Governments of the British Commonwealth.

XX.—OTHER ECONOMIC QUESTIONS.

A number of other economic questions of a miscellaneous character were referred to a General Economic Committee under the Chairmanship of Sir Sydney Chapman, K.C.B., C.B.E., Chief Economic Adviser to His Majesty's Government in the United Kingdom.

The principal matters dealt with by this Committee, and the conclusions of the Conference thereon are indicated below.

(a) Imperial Institute.

Attention was drawn to the position of the Imperial Institute. It was recognised that as a clearing house for information and for the conduct of technical investigations in general the Imperial Institute performs functions which constitute an essential service to the various parts of the Commonwealth not obtainable elsewhere.

Contributions towards the maintenance of the Institute are made by the various Governments of the British Commonwealth. The Conference was informed in this connexion that, to enable the Institute to carry on its work on the existing basis, new revenue of £9,000 a year was required, and that consequently, even if the contributory Governments undertook to maintain the existing level of their contributions, the present work could not be carried out without eventual depletion of capital funds and possible insolvency. The Conference agreed that if any part of the Institute's work was to come to an end, it ought not to be the work of intelligence and investigation and that, therefore, the Exhibition Galleries presented the one field where economy might be least regrettable.

The General Economic Committee recommended that, even if the new revenue of £9,000 a year were not forthcoming, the contributory Governments should at any rate maintain their subscriptions for a period of not less than five years.

The Conference agreed to accept the Report† and to refer to the consideration of the various Governments of the Empire the recommendations on finance contained therein.

* Appendix IX Cmd. 3718.

† Appendix X (A) Cmd. 3718.

(b) Work of Imperial Organisations in the field of Minerals.

Under the above heading, the Committee examined the proposal made by the Second Empire Mining and Metallurgical Congress held in Canada in 1927 and recommended by the Empire Congress held in Johannesburg in April, 1930, that the Governments of the Commonwealth should undertake a mineral survey of their respective countries on lines suggested by the Empire Council of Mining and Metallurgical Institutions.

The Research Committee of the Imperial Conference, who were asked to advise on the subject, expressed themselves as entirely in accord with the proposal that such a survey should be made.

On the recommendation of the General Economic Committee, the Conference adopted the following Resolution :—

“ The Conference, recognising that it is highly desirable that the various parts of the British Commonwealth of Nations should be furnished with the fullest practicable information regarding the mineral resources of the other parts of the Commonwealth, and the surpluses of mineral supplies in certain parts of the Commonwealth available to meet deficiencies in other parts, recommends to the favourable consideration of the various Governments that steps should be taken by each part of the Commonwealth to compile along the lines of a common plan existing information of its mineral resources and, where practicable, to make a survey of those resources with a view to completing such information, arrangements for the settlement of the form of common programme and for the correlation of results to be undertaken by a central committee, on which such Governments as so desire, the Imperial Institute and mining and metallurgical institutions of the Commonwealth, would be represented.”

For the Committee's Report see Appendix X (B)†.

(c) International Institute of Agriculture.

It was felt that an exchange of views on this subject would be of value before the meeting of the General Assembly of the Institute which opened in Rome on the 14th October.

The Research Committee of the Conference, who were asked to advise, expressed the view that the value of the assistance rendered by the Institute to scientific workers in agriculture in the British Commonwealth was negligible.

† Cmd. 3718.

The Conference adopted the Report* submitted by the General Economic Committee, which recommended:—

(a) that the reform of the Institute should be pressed for at the General Assembly on every suitable occasion; and

(b) that in view of the importance to the British Commonwealth of Nations of complete and comparable information on world agriculture, and also in view of the limited financial resources of the Institute, it would be advantageous if the energies and expenditure of that organisation were in future more concentrated on the statistical side of its work.

(d) Cotton Growing.

The General Economic Committee discussed the question of cotton growing within the Empire with representatives of the Empire Cotton Growing Corporation. There has been a marked increase in the growth of cotton in the Empire in the last ten years, and there has also been a distinct falling off in the consumption in the United Kingdom of United States cotton as compared with cotton of other growths. Much expansion of cotton growing in the Empire is, however, not to be expected unless prices improve.

In India, in particular, at least one and three-quarter million bales of stapled cotton ($\frac{7}{8}$ inch and over), suitable for the machinery of Lancashire, are produced annually. It appeared that Lancashire would be assisted in increasing her sales in Eastern markets if she used more Indian cotton, and it was suggested that the method of obtaining the best Indian cotton was to establish buying agencies to purchase direct from Indian growers.

On the recommendation of the General Economic Committee, the Conference adopted the following Resolutions:—

"I. The Conference notes with satisfaction the increased production of cotton within the British Commonwealth of Nations in recent years and recommends to the consideration of the Governments of the various parts of the Empire concerned that they should take all possible steps to maintain that increase, in particular (a) by requiring a sound and scientific foundation in the training and qualifications of their agricultural officers, and (b) by pursuing an agricultural policy which recognises that cotton growing can only be established as a permanent feature of the agriculture of any country if it constitutes one crop in an evenly balanced rotation suited to local climatic conditions.

II. The Conference notes with approval that the most careful attention is being given to the possibility of using in Lancashire a larger proportion of Indian cottons."

For the Committee's Report see Appendix X (D)†.

* Appendix X (C) Cmd. 3718.

† Cmd. 3718.

(e) Petroleum Production and Refining in the Commonwealth.

The question of petroleum supplies throughout the British Commonwealth had not received attention at an Imperial Conference since that held in 1918. Since then the world's production of petroleum had increased about two and a half times, reaching in 1929 a figure slightly over 200 million metric tons. Of this total, about 17 million tons of refined products (requiring about 21 million tons of crude oil) are consumed in the British Empire, while the production within the Empire of crude oil only amounts to about 3½ million tons. Any practicable steps to reduce the dependence of the British Commonwealth on foreign sources for its supply of so important a product would therefore be of value.

The Research Committee of the Conference, who were consulted, expressed the view that technically the treatment of coal with hydrogen at suitable temperatures and pressures offered the most promising method of obtaining oil from coal. The commercial success of the method would depend, however, on a number of factors. The Research Committee also considered geophysical methods of surveying for oil, and advised that the employment of such methods in the search for mineral and oil deposits was justified, provided that the work was carried out under proper scientific supervision and in close association with the geological survey of the area concerned.

On the recommendation of the General Economic Committee, the Conference adopted the following Resolution:—

“The Conference notes with satisfaction the progress which is being made in connection with the question of the extraction of oil from coal and the development of geophysical methods of surveying, and recommends the Governments concerned to support such steps as may be found practicable to promote the searching for and production of natural oil, and to increase the supply of refined oil produced within the Commonwealth, whether by the refining of oil or by the production of oil from coal.”

For the Committee's Report see Appendix X (E)*.

(f) Oversea Mechanical Transport Council; Roads and Road Transport.

Under these heads the General Economic Committee considered certain questions brought forward by His Majesty's Government in New Zealand with regard to road transport in general. They also reviewed the work of the Oversea Mechanical Transport Council.

* As regards the latter, the Committee were informed that there would be a serious waste of past effort and expenditure if lack of funds prevented the Directing Committee of the Council from proceeding with the development of either of the two units with

* Cmd. 3718.

which they were experimenting. Sufficient money was available for the completion of the lighter unit and it was thought essential that the work on the heavier vehicle should be completed.

As to the taxation of commercial vehicles, the Committee were agreed in recognising the importance of encouraging vehicles with low axle loads, but recognised that there are other factors, including the type of tyres, which are of great importance in relation to damage to roads. The Committee did not feel competent, however, to express an opinion as to any uniform basis of taxation of commercial vehicles, either in the United Kingdom or overseas.

On the recommendation of the General Economic Committee, the Conference adopted the following Resolutions :—

"I. The Conference takes note of the Report of the General Economic Committee on the work of the Oversea Mechanical Transport Council and on roads and road transport, and recognising the importance of improved methods of transport to the production and marketing of primary products, especially in less developed areas, recommends to the favourable consideration of the Governments of the various parts of the British Commonwealth the close study of methods for the improvement both of vehicles and of roads. It considers that much advantage is to be gained by interchange of information on these subjects and it therefore welcomes the issue of the confidential bulletin on oversea mechanical transport by the Directing Committee appointed by the Oversea Mechanical Transport Council.

II. The Conference further records its opinion that the experimental work on large vehicles now being carried out by the Directing Committee is likely to prove of great value to the development of the British Commonwealth. It trusts that means will be found to enable the Council to complete this agreed programme and notes with appreciation the substantial contributions which the Empire Marketing Board has been able to make to these developments."

For the Committee's Report *see* Appendix X (F)*.

(g) Arrangements for a Conference of Statisticians.

In the course of successive Imperial Conferences the inadequacy of existing statistics for the purpose of presenting a general review of the production and trade of the Commonwealth as a whole has received attention. Since the 1920 Conference of Statisticians, the preparation of trade statistics in the Colonies and Dependencies has been systematised on lines permitting of fairly ready comparison with corresponding data prepared for the United Kingdom, but difficulties have been experienced in respect of the trade statistics of the Dominions and India.

* Cmd. 3718.

It was recognised that if real progress was to be made in the preparation of statistical surveys covering the Commonwealth as a whole, a further meeting of statistical officers would be necessary and the matter was accordingly referred to the General Economic Committee for further consideration.

The Committee proposed that a Conference of the Statistical Officers of the various parts of the British Commonwealth should be held in September, 1932, at Ottawa, and drew up a list of subjects which such a meeting might consider.

The Conference commended the Committee's proposals to the consideration of the Governments of the Commonwealth.

For the Committee's Report *see* Appendix X (G)*.

(h) Adequacy of existing Steamship Services.

While the shipping services between various parts of the Empire are generally adequate for the needs of the parts of the Empire concerned, there are cases where direct services for the carriage of important imports and exports from and to certain markets would be advantageous. For example, Canada is at present largely dependent on the port of New York for the shipment of goods between Canada and Java. The policy of treating the shipping of all countries on a footing of equality would, however, preclude the possibility of stimulating the provision of direct services by a system of preference to goods imported in British ships.

The Conference recommended, therefore, that the Government of any part of the Commonwealth should be invited to submit to the Imperial Shipping Committee any specific case in which they considered that shipping services were not adequate to the needs of that part.

For the Committee's Report *see* Appendix X (H)*

(i) Double Income Tax Relief.

Under the system at present in force for the avoidance of double income tax where income belonging to a person resident in the United Kingdom or in a Dominion is taxed by both Exchequers, the United Kingdom Exchequer reduces its rate on such income by the amount of the Dominion rate, subject to the limitation that the reduction of the United Kingdom rate shall not exceed one-half the total rate of the United Kingdom tax (including super tax). Consequently in cases where the Dominion rate of tax is not greater than one-half the United Kingdom rate, the United Kingdom Exchequer bears the whole cost of the relief and when the Dominion rate exceeds one-half the United Kingdom rate, the Dominion Exchequer bears the cost of the remission of such excess.

It was felt by His Majesty's Government in the United Kingdom that the time was ripe to review the arrangements for the avoidance of double taxation and it was thought that some approximation

* Cmd. 3718.

to the system in force between the United Kingdom and the Irish Free State, under which each country reciprocally agrees to refrain from taxing income which accrues to persons resident in the other country, would afford a more satisfactory basis for the relief.

The matter was referred to the General Economic Committee, who considered such a method of relief, but definite division of opinion arose and there was not sufficient agreement among the members of the Committee to warrant an attempt being made to elaborate further details of the scheme. Those who were favourable to the scheme suggested, however, that it should receive the early and careful consideration of the various Governments of the British Commonwealth and that, if possible, advantage should be taken of the next meeting of representatives of the Governments of the Commonwealth to consider the scheme in greater detail with a view to the introduction of the appropriate legislation.

The Conference took note of the Committee's Report,* and referred it to the several Governments for consideration.

(j) Reciprocity in Old Age Pensions.

This matter was discussed at the Imperial Conference of 1926,† since when certain developments have taken place. In the United Kingdom the Widows' Orphans' and Old Age Contributory Pensions Act of 1925 has been amended by the enactment of 1929. In the Union of South Africa a scheme of non-contributory old age pensions has been introduced on substantially the same general lines as the systems of the United Kingdom, Australia and New Zealand. In Canada the Federal Government has passed an Old Age Pensions Act, but does not at present appear to be in a position to negotiate schemes of reciprocity with other parts of the Empire. No changes have occurred in the pensions systems of Australia or New Zealand, at the instance of which latter Dominion the question of reciprocity was placed on the agenda of the Conference.

The matter was referred for examination to the General Economic Committee, who reported that, in view of the manifold divergences of the various non-contributory pensions systems, no standard reciprocal scheme for general application could be devised. It was recognised that, in addition to the question of the conditions governing the award of a pension to a migrant coming within the scope of a reciprocal arrangement, there was the further and distinct question as to the basis upon which the cost of a pension becoming payable under such an arrangement was to be apportioned between the two countries concerned. The various pensions systems differ so extensively, however, that it was impossible, within the limited time available for discussion, to formulate a common basis of apportionment.

The Committee (with the exception of the representative of one Government) recommended that the Governments of the different

* Appendix X (I) Cmd. 3718.

† See pp. 282-5 of Appendices to the Summary of Proceedings, Imperial Conference, 1926 (Cmd. 2769).

parts of the Commonwealth should at the first convenient opportunity introduce such legislation as might be necessary to enable them to make reciprocal arrangements relating to old age pensions, and when the necessary powers had been obtained, to enter into negotiations with any other Government within the Commonwealth possessing similar powers, with a view to the formulation of a scheme of reciprocal arrangements.

The Conference took note of the Report* and referred it to the several Governments for consideration.

(k) **Use of Cinematograph Films for the Education of Producers, Etc.**

On the recommendation of the General Economic Committee, the Conference adopted the following Resolutions :—

" I. The Conference, impressed with the increasing importance of the question of Empire films, recommends to the various Governments of the British Commonwealth the further consideration of the Report on the subject laid before the Imperial Conference of 1926, and re-affirms the Resolution then adopted.†

II. The Conference, recognising the value of films for propaganda purposes, whether direct or indirect, in connection with inter-Imperial trade, as well as for other purposes, and realising that the present period is one of rapid development and, therefore, of great opportunity, recommends that attention should be devoted to establishing and maintaining contact between the different parts of the Empire in relation to film production with a view to the sharing of experience and the promotion of the production of such films as will best serve the interests of the several parts of the Commonwealth.

III. The Conference, being impressed with the potentialities of the cinema as a means of disseminating the results of scientific research, for example, among agricultural producers, recommends that steps should be taken to stimulate the production of instructional films having a common interest to more than one part of the Empire, and to secure closer co-operation and exchange of information between the authorities producing such films, and that this proposal should be referred for the consideration of the Empire Marketing Board."

For the Committee's Report see Appendix X (K) ‡

(l) **Standardisation of the Form of Invoices and Certificates thereon.**

The Imperial Economic Conference of 1923§ recommended two standard forms of invoice and certificates of value and origin for adoption respectively by those parts of the Empire which levy *ad valorem* duties on the basis of (1) the current domestic value of

* Appendix X (J) Cmd. 3718.

‡ Cmd. 3718.

† See p. 53 of Summary of Proceedings, Imperial Conference, 1926. (Cmd. 2768.)

§ See pp. 19, 264-281 of Record of Proceedings of Imperial Economic Conference, 1923. (Cmd. 2009.)

goods in the country of export, and (2) the invoice values of goods. The former was based on a form drawn up and recommended by the Imperial Customs Conference, 1921.

Although, with certain important exceptions (due for the most part to the fact that the parts of the Commonwealth concerned do not levy *ad valorem* duties on either of the above-mentioned bases), the invoices and certificates now required by most parts of the Empire are more or less in conformity with one or other of the standard forms recommended by the Conference of 1923, there exist numerous divergencies.

The matter was referred for examination to the General Economic Committee, who came to the conclusion that it was impracticable to devise a standardised invoice form which would be at once convenient to shippers and acceptable to the Customs authorities of all parts of the Empire. The Committee were, however, of opinion that technical difficulties in regard to certificates of origin would be greatly lessened if it were possible to arrive at a common understanding of the principles which should determine the distinction between Empire and non-Empire goods.

On the recommendation of the General Economic Committee, the Conference adopted the following Resolution :—

“ The Conference, recognising the advantage of maintaining the greatest measure of uniformity in the form of invoices and certificates thereon, expresses the hope that the forms recommended for adoption by the Imperial Economic Conference of 1923 will be adhered to as closely as possible, and further recommends that an enquiry should be made into the possibility of arriving at a common understanding with regard to the principles which should determine the distinction between Empire and non-Empire goods.”

For the Committee's Report see Appendix X (L)*.

(m) Other Subjects.

The General Economic Committee also considered the questions of the avoidance of obstacles to the free entry of books, periodicals, and newspapers, and of an Empire mark of origin. The Conference, however, did not pass any Resolutions on these subjects.

* Cmd. 3718.

XXI.—CONCLUDING RESOLUTIONS.

At the concluding meeting, the Conference adopted the following Resolution :—

“The Imperial Conference desires to place on record its appreciation of the work accomplished by the Chairmen and Members of the various Committees and Sub-Committees which have been engaged in the discussion of the various subjects remitted to them.

“The Conference is convinced that the detailed study of these subjects in committee has been of very great value, not only in facilitating the work of the Conference, but also in affording an opportunity for establishing closer personal association among those who are engaged in similar work in various parts of the Commonwealth.”

The Conference also passed the following Resolution at its last meeting :—

“Before the meetings of the present Imperial Conference terminate, the Prime Minister of the United Kingdom and his colleagues desire to place on record the great pleasure which it has given them to welcome in London the Prime Ministers of the Dominions and other Representatives from Overseas.

“On their part the Prime Ministers and Representatives of the Dominions and India desire to express their thanks to the Prime Minister of the United Kingdom for presiding over the business of the Conference, and their gratitude to him and his colleagues for the warmth of their welcome and the assistance which they have rendered in the organisation of the work of the Conference.

“The Conference has met at a time of great stress and difficulty, but its Members trust that the work accomplished during the past few weeks may prove of lasting value to all the Nations of the British Commonwealth.”

At the concluding meeting the Prime Minister of Canada, in accordance with the Resolution already adopted by the Conference (*see* Resolution II in Section XII on page 44), moved that the Economic Section of the Conference adjourn to Ottawa to meet within the next twelve months at a date to be mutually agreed upon. This motion was put to the Conference and carried unanimously.

The concluding speeches have been published.*

* Appendix XI of Cmd. 3718.

XXII.—ADDRESS TO HIS MAJESTY THE KING,
EMPEROR OF INDIA.

THE following address to His Majesty was moved by the Prime Minister of the United Kingdom at the concluding Meeting of the Conference, seconded by the Prime Minister of Canada, and was unanimously adopted. Mr. Ramsay MacDonald, as Chairman of the Conference, was asked to submit the Address to His Majesty :—

“ To His Majesty the King, Emperor of India,

“ We, the Prime Ministers and Representatives of the Governments of the British Commonwealth of Nations, who have been assembled during the past few weeks, desire, at the conclusion of the Conference, again to present our respectful duty to Your Majesty.

“ We pray that under Divine Providence Your Majesty and Her Majesty the Queen may long be given health and strength to preside over the destinies of all the Nations of the Commonwealth, and that the assurance of the devotion and affection of your peoples may support you in this great task.”

The following gracious message from His Majesty was received and read by the Chairman at the close of the proceedings :—

“ I sincerely thank the Prime Ministers and Representatives of the Governments of the British Commonwealth of Nations for the message which they have addressed to me at the close of the Imperial Conference of 1930, and I greatly appreciate their affectionate good wishes for the Queen and myself. It has been a pleasure to me during the session of the Conference to have this opportunity of meeting my Ministers from the Dominions as well as the Representatives of India. I trust that the results of your deliberations may be for the happiness and prosperity of my people in all parts of the British Empire.

“ The Queen and I wish the Members of the Conference God speed and a safe and happy return home.”

GEORGE R.I.

ANNEX.

STATEMENTS MADE ON BEHALF OF THE DOMINIONS AND INDIA
AT THE SECOND PLENARY SESSION OF THE CONFERENCE ON
OCTOBER 8, 1930

STATEMENT BY THE PRIME MINISTER OF CANADA.

Mr. Bennett: Before offering to this Conference the plan which, once effective, will in my opinion make for greater prosperity in all parts of the Empire, I shall briefly state the fiscal policy of the Canadian administration, of which I am the head.

Fiscal Policy of Canada.

The Conservative party of Canada believes in, and employs, the principle of protection of the home producer of agricultural and fabricated products from harmful interference by world competitors. But it is not part of our policy to exclude from our markets foreign goods, so long as their importation does not threaten a reduction in the high standard of living which our citizens enjoy. On the other hand, it is our declared policy to provide for the consumer a cheap market, by stimulating the growth of competing domestic industries to that point of development where they will be able, in fair competition with others beyond our Dominion, to offer to the Canadian public products of like quality and at prices comparable to those prevailing in the larger markets of other countries.

To achieve this result, we are obliged to consider the whole question from the point of view of both consumer and producer, and, through the employment of a flexible tariff, to ensure the proper protection of the one and safeguard from exploitation the other. This result we are on the high road to accomplish. Its accomplishment will mean vigorous industries assured of that minimum scale of production through home consumption, without which their excess products can never find a place in world markets.

In pursuance of this policy, and to meet an economic situation, brought about by world and domestic causes (it is not necessary here to determine their relative responsibility), the Parliament of Canada at a session called for the purpose in September of this year, enacted certain changes in the tariff, designed, in our view, to strengthen the position of the home producer. Certain measures were taken as part of this emergency legislation, to avoid the exploitation of the consumer; and in the good faith and good sense of the Canadian producers we have the necessary assurance of their rigid adherence to these measures.

This policy of the Conservative party has come to be known as the policy of "Canada first." In approaching the economic problems of our Empire I stand four-square behind that policy. And if this Conference is to meet these problems and provide an effective solution of them, it seems to me that my attitude towards my own country will be the attitude of you all towards yours. On no other basis can we hope to effect an enduring agreement of benefit to each one of us. I will determine what my country needs, and, if you do likewise, then we may come together and search out the means by which we can be of mutual assistance in satisfying those needs.

A Policy of Preference for Empire Goods.

I rejoice that the Government of Canada finds, in the Empire scheme I have to propose, the surest promise that its duty to its own country will be fulfilled. For we believe that through the broadening of the home markets of Empire States to Empire products, in preference to the products of foreign countries, every unit of this Empire will benefit. This does not mean, of course, that an attempt should be made to exclude from Empire markets the goods of other countries. We must have—all of us—markets without the Empire, and to make those markets sure, and greater, we must place no insuperable barrier in the road of reciprocal world trade. What it does mean, however, is that we should direct the present flow of trade into more permanent Empire channels by preferring Empire goods to those of other countries. This can be done only in one way—by creating a preference in favour of Empire goods.

We have considered what such a scheme of preference will mean to Canada and to the other parts of Empire, and our conclusion is, that we of the Empire States have within our own control the means to advance the interests of each one of us, by developing a plan of economic co-operation, based on the principle of Empire preferences.

To establish the soundness of this conclusion, I apply the test which most readily suggests itself to me as a Canadian. I shall tell you frankly what it is, for it is clear that no useful agreement will ever be reached until we fully disclose to one another the main-spring of our contemplated action.

The primary concern of Canada to-day is profitably to sell its wheat. We believe that we shall be reaching towards a solution of that problem if we can establish a better market in Great Britain. This market we want, and for it we are willing to pay, by giving in the Canadian market a preference for British goods. You may each, in your own way, apply what tests you choose to determine the value of reciprocal preferences to your own country. I am confident your conclusions will coincide with ours.

And so I propose that we of the British Empire, in our joint and several interests, do subscribe to the principle of an Empire preference, and that we take, without delay, the steps necessary to put it into effective operation.

First, we must approve or reject the principle. I put the question definitely to you, and definitely it should be answered. There is here no room for compromise and there is no possibility of avoiding the issue. This is a time for plain speaking, and I speak plainly when I say that the day is now at hand when the peoples of the Empire must decide, once and for all, whether our welfare lies in closer economic union or whether it does not. Delay is hazardous, further discussion of the principle is surely unnecessary. The time for action has come.

Projects other than the one I propose have been placed before you. They have been carefully canvassed by our Delegation, and, while we would avoid anything which might savour of premature condemnation, we are constrained to state that none of them can be accepted by Canada as alternatives at all likely to achieve the purpose we have in mind.

Until this principle is accepted it would be profitless to discuss the application of it in any great detail. I shall, however, outline in a broad way our conception of the manner in which it may be employed, and shall qualify the generality of my proposal by indicating the method of its application.

Details of proposed Preference.

I offer to the Mother country, and to all the other parts of Empire, a preference in the Canadian market in exchange for a like preference in theirs, based upon the addition of a ten per centum increase in prevailing general tariffs, or upon tariffs yet to be created. In the universal acceptance of this offer, and in like proposals and acceptances by all the other parts of Empire, we attain to the ideal of Empire preference.

I amplify and explain this offer in the following ways:—

In the first place, the rate I have mentioned cannot be uniformly applied. The basis of the proposal is the adequate protection to industries now existent, or yet to be established. Because of this, we must ensure a certain flexibility in the preferential tariff, having regard to the fundamental need for stability in trade conditions; and must take account of such prevailing preferences as are now higher than the general one I suggest.

It follows, therefore, that this proposed preference should not be considered as a step towards Empire free trade. In our opinion, Empire free trade is neither desirable nor possible, for it would defeat the very purpose we are striving to achieve. All that is helpful in Empire free trade may be secured by Empire preferences. All that is harmful may in this way be avoided.

Again, it is conceivable that this preferential rate should be lower in the case of raw products, or where the Empire supply does not meet the Empire demand. On the other hand, the preference may be increased beyond ten per centum where that rate, in relation to the main tariff, is inadequate to afford Empire goods an appreciable

advantage over those of foreign countries. It will also be necessary and proper to determine what Empire agencies may be employed to ensure the most effective operation of the principle. That is a question which at the moment I shall not discuss further than to say that, foremost among these agencies, that of our ocean transport should be looked upon as the rightful carriers of Empire goods. And I see no reason why, by creating additional preferences on goods so carried between Empire ports, that great service should not be profitably used.

Proposals to be subjected to Analysis.

All these are matters requiring the most careful consideration. Some of them might readily be resolved into difficulties so definite as to defy removal, unless the greatest care is taken to anticipate and avoid them. They must, therefore, be subjected to searching analysis by the economists of all the countries concerned. Such analysis will inevitably result in variations in any standard of preference now to be adopted. But whatever modifications may be found necessary, these will not adversely affect—nay, they cannot but make more beneficial and lasting—the broad principle of Empire protection, based on common advantage, and guided in its application by the need to ensure the welfare of the home producer. With proper safeguards to the consumer, such a preference makes possible, in the only way, full employment of the resources of Empire to the advantage of all its parts.

I do not need to point out to you that to enjoy prosperity, a country must be assured of stability in trade conditions. A preference, therefore, which cannot be regarded as enduring is worse than no preference at all. And, to be enduring, it must be predicated upon mutual benefit. A preference on any other basis is manifestly unsound and ephemeral.

Consistent with the fullest inquiry into the application of the principle of an Empire preference, our deliberations must be governed by the time factor. If this change in our economic relationship is to be made, it must be made without undue delay. I would, therefore, propose that this Conference, if it approve the principle, should constitute such committees as may, with the greatest expedition and thoroughness, consider the various questions incident to its operation. As we have here neither the time, nor the machinery necessary, to reach a final conclusion upon all of them, it is apparent that we must employ the technicians of our respective countries to complete the inquiry. And for that purpose I would suggest that committees be set up in each of the countries concerned; and that these committees commence immediately an exhaustive examination of the effect upon their domestic situation of the proposals I have made.

Suggested Conference at Ottawa.

I am satisfied that whatever modifications in the general plan Canada may have to suggest will be ready for submission within a period of six months. I assume that you are all capable of a like measure of expedition. And so I further propose that, when this Economic Conference has had an opportunity profitably to discuss the plan in its various aspects, it do adjourn to meet at Ottawa early next year, as the guests of the Canadian people, and that in the interval, through the instrumentalities I have suggested, full and final reports be prepared for submission to it.

Any Government of which I am the head will be prepared to support the proposal I have made, and, with whatever variations in the general plan may seem advisable, to make it effective by the proper legislation.

We Canadians will continue our consideration of this great question with steadfast earnestness, and will take all means within our power to avoid any conclusions but those most likely to lead to helpful and sustained Empire co-operation. I know that in this the other constituent parts of Empire are like-minded with ourselves, and that to this proposal, and to the anxious deliberations incident to its thorough canvass, they will bring the best will and the most skilful advice. For to you, as to us, it must be plain that we dare not fail. I have said that the time is now at hand when the doctrine of closer Empire economic association must be embraced, if we would not have it slip forever beyond our powers of recall. Once gone it were vain to suppose that lesser existing Empire agreements will long outlive it, and, that being so, the day will come when we must fight in the markets of the Empire the countries of the world, shorn of that advantage which it should be in our individual interest to secure and maintain.

To me that is unthinkable, and I appeal to the national representatives here assembled in conference, to forget, each one, those prejudices which forbid the realization of that Empire building plan by which we all may advance to greater prosperity.

I await your decision with confidence. We have a common purpose. The means by which it may be fulfilled offer themselves in like measure to each one of us. In the days of our past achievements we surely learned that our mutual trust and confidence were not misplaced. With them by us yet, and with faith in the future of our Empire, I cannot but believe that out of our deliberations there will come an enduring scheme of co-operation, based, if you will, upon self-interest, but destined to carry the Empire through all its parts, into an era of commercial supremacy such as it has not heretofore known.

**STATEMENT BY THE PRIME MINISTER OF THE
COMMONWEALTH OF AUSTRALIA.**

Mr. Scullin: Mr. Prime Minister—At the official opening of the Conference I expressed my belief that the problems of economic co-operation between the various members of the British Commonwealth of Nations would dominate our proceedings, and I am pleased to agree with the two previous speakers that this is the important issue of this Conference. I agree with Mr. Thomas when he said in effect that the people of the British Commonwealth of Nations are looking to this Conference for something practical, something more than phrases, something to be done, and if we separate before we have taken some practical steps we will have let the people down. I agree with that, and so I make no apology for trespassing upon your time at greater length than has been done by previous speakers, because I believe we must not only put forth a plan from each Dominion and each Government, but we must put before this Conference a survey of the situation supplementing each other's facts to prove the necessity for the adoption of that plan. Mr. Thomas has brought us up to face certain hard facts. I propose to elaborate and to extend those facts during my speech. Mr. Bennett has rather contented himself with putting forward an offer from his Government and calling for plans from all the Governments, following it up with the suggestion of setting up of Committees in each country for an examination of those proposals, but insisting that we should come to grips whether we approve or disapprove of the principle of Preference.

I entirely agree with Mr. Bennett that we must come to some decision on that principle. Already that principle has been conceded. Already there is a measure of Preference in operation reciprocally between the Dominions and the United Kingdom. Already there are treaties in existence between certain Dominion Governments. We have accepted to a large extent the principle of Preference, but it is our duty at this Conference first of all to affirm the maintenance of that principle and the extension of its operation.

The General Economic Depression.

We are gathered together at a time when all our peoples are suffering in varying degree from economic depression. Unemployment is affecting each part of our Commonwealth of Nations, the fall in the price of farm commodities is jeopardizing the well-being of millions of agriculturalists—this is being reflected in a marked reduction in purchasing power. To-day, in a world in which we are gaining an ever greater command over nature, and in which science is enormously increasing our power to produce food and manufactures, we have failed to improve, with equal rapidity, our systems of distribution. As a result, we have the spectacle of poverty and want amid greater plenty than the world has ever

witnessed before. That is our economic problem, to which we must bend our efforts. Such conditions constitute a challenge to our civilisation. Because the economic depression and this challenge are both world wide, there are those who maintain that the solutions can only be found on an international basis. Certain very important problems, such as that of the world's monetary position, must obviously be studied upon an international basis, and their solution will probably have to be an international solution. We shall indeed all agree with the need for international co-operation, but surely economic co-operation, like charity, can begin at home and within the limits of the British Commonwealth of Nations we have a field vast enough for our immediate efforts.

The Development of Empire Markets.

At our opening session, I briefly referred to the scope which exists for co-operation, and to our joint resources which can now provide all our needs in many commodities and which, given an active policy of development, could furnish us with all we require, save for a certain small number of mineral products. I will not take up the time of the Conference with a further citation of the more general facts about Empire resources and trade. It will be sufficient for me just to emphasise a fact which cannot be overstressed. Whereas in competitive trade there are elements of friction and of loss to some of the competing nations, complementary trade must be wholly good to those who engage therein. In the Empire we have unexampled opportunities for such complementary trade. The United Kingdom is the world's greatest purchaser of most of the primary products which are the main basis of Dominion exports, while the Dominions already provide an enormous market for many classes of manufactures. The development of these markets should create such a further demand as to be the basis of the prosperity of our industrial centres whether in Great Britain or in the Dominions.

Although the trade between the various Dominions and with the other parts of the British Commonwealth is to-day considerable and will doubtless largely develop, the trade of each part with the United Kingdom is to-day of greater magnitude. This is certainly true for Australia, and I must therefore now deal in particular with our trade relations with Great Britain.

Importance of the Australian Market to Great Britain.

- In order that the Conference may realise the significance of the Australian market to British industry, it may first be desirable to remember the present position held by Great Britain in world trade.

According to the latest figures published by the Economic Organization of the League of Nations, Great Britain supplies to-day about 11 per cent. of the import trade of the world. It has

also been estimated that Great Britain's share of the import trade of the foreign world is about 9 per cent. Within the British Commonwealth her share of the import trade is 95 per cent.

In Australia in 1928-29 Great Britain held 40 per cent. of the total import trade. In the same year, our 6,400,000 people were the second most important market in the world for British exports and for the first six months of 1930, in spite of our severe depression, we still remained the second largest purchaser of British exports. The next most important purchaser of British goods after Australia is the United States of America, whose 120 million people have the highest purchasing power in the world. In 1929 America bought British goods at the rate of 7s. 7d. per head, as compared with £8 10s. 0d. purchased by each inhabitant of Australia.

Mr. Thomas has quoted certain figures comparing the imports and exports between the various Dominions. He quoted Australia and he quoted one year. I suggest that you cannot get an accurate survey by taking one year. There are differences, to some extent, in the methods of statistical calculation in our country and in the United Kingdom, but I do not think we ought to split straws about that. I take our statistics and I take a period of five years, which is a fair estimate, and I would point out that, during the five years ending the 30th June, 1929, Australia purchased from Great Britain goods to the value of £323 million, whilst the value of goods sold to Great Britain approximated to £285 million, a balance of £38 million in Britain's favour.

The reasons which make Australia so important a market for Great Britain are numerous and diverse. A factor in Great Britain's trade relation with Australia has been the investment of large capital sums, much of which has been required in the form of heavy manufactures.

The fact that we have a population which is over 97 per cent. British in origin, naturally predisposes our people to exercise a voluntary preference for British goods over those of foreign origin. This voluntary preference afforded to Great Britain is supplemented by certain administrative preferences under which large purchasing bodies, such as Government Departments, give a preference to British tenders over those of foreign countries. I have, however, no hesitation in stating that *the* most important method of assistance which we offer to the marketing of British manufactures in Australia is our system of tariff preferences.

Comparison of Great Britain's Trade with Australia and with Argentina and Denmark.

In order to illustrate the significance of the Australian market to British industry, I have prepared a series of comparisons between the trade of Great Britain with Australia and her trade with two foreign countries, viz., Argentina and Denmark. Argentina and Denmark were chosen for this comparison because, apart from

preferences, Great Britain should enjoy many advantages in trading with these countries. In very many ways Argentina is the foreign country which is most comparable with Australia. Both Argentina and Australia produce very similar types of goods, wool, wheat, meat, &c. In both, large sums of British money have been invested. In Argentina, Great Britain holds a larger share of the total import trade than in most other foreign countries. Denmark has been selected as a country in close proximity to Great Britain, finding in this country the main outlet for her products, and carrying on a large export trade to Great Britain in many of the commodities which we are most anxious to export.

In all these three countries the standard of living is above the world average. The population in Australia is 6,400,000, and in Denmark and Argentina together 14,000,000. The total imports of merchandise into Australia in 1928 amounted to £143 million. Imports into Argentina and Denmark together equalled £269 million. Thus the two countries, Argentina and Denmark, contain over twice as many people as Australia and their joint import trade is almost twice as great, yet we find that £56 million of British exports were sent to Australia while only £41 million were consigned to these two foreign countries. That is a striking illustration of the value of the Australian market to British manufactures.

The reverse side of this picture is even more striking, for in the same year Great Britain imported from the Argentine and Denmark a total of £130 million, while her imports from Australia amounted to £54 million. This comparison is rendered still more interesting when Great Britain's trade in certain important commodities is considered. In iron and steel the total imports of Argentina and Denmark were about three times as large as the purchases of Australia, yet these countries imported from Great Britain a lower value of iron and steel manufactures than did Australia. In electrical goods Australian total imports were somewhat higher than the joint imports of Argentina and Denmark. But the value of Great Britain's exports of electrical goods to Australia is nearly four times as great as her trade with Argentina and Denmark combined. Great Britain supplies nearly nine times as much paper to Australia as to these foreign nations. The figures for cotton goods are also striking. Although Argentina and Denmark between them spend twice as much on imported cotton goods as does Australia, Great Britain's exports to Australia are just about as large as to those two foreign countries.

I will not detain the Conference by giving further figures to illustrate this point, but the detailed figures which I have had prepared are of striking interest and I will therefore hand them in in order that they may be incorporated in the official record, because, Sir, I believe it is necessary to have some survey of the position to realise what we have done in the way of preferences in the past and are prepared further to do on a reciprocal basis.

TABLE showing Total Imports into, and Value of British Exports of Certain Manufactures to, Australia and to Argentina and Denmark taken together.

	Year 1928.	
	Australia. £000.	Argentina and Denmark. £000.
• Total imports from world* ...	143,500	269,500
• Total British exports to† ...	55,654	40,968
British exports of following commodities—‡		
Iron and steel	6,928	6,232
Cutlery	344	27
Motor vehicles	1,720	433
All machinery	4,064	2,460
Aeroplanes and parts	147	10
Electrical goods and machinery	3,263	1,605
Artificial silks	1,503	239
Cotton piece goods	6,003	6,147
Woollen and worsted piece goods	1,505	3,414
Carpets, carpeting and rugs ...	1,094	141
Linoleum	896	77
Paper	2,581	377

Fiscal Policy of Australia.

There can be no doubt that the Australian system of tariff preference has proved of major importance to British trade, and I do urge the representatives of the British Government to keep that in mind.

The policy of Australia is like that of Canada, first, to encourage and support the Australian manufacturer, and, secondly, to secure to British industry the lion's share of the import trade of the Commonwealth. In other words, our policy is exactly similar to that which has been so well advocated in Great Britain by the Empire Marketing Board in regard to Empire trade in food-stuffs. The British public has been urged by the Board to buy the products of the British Commonwealth but also to remember that "Empire buying begins at home." This is the policy which Australia has carried out by means of her Customs tariff and through administrative preferences for the last twenty-three years.

* League of Nations Memorandum on International Trade and Balances of Payments, Vol. I, 1926-28.

† Accounts relating to Trade and Navigation of the United Kingdom, January 1930.

‡ Annual Statement of the Trade of the United Kingdom, Vol. III, 1928.

Emergency Measures in Australia.

It is well-known that, at the present time, Australia is passing through a critical period, due to various causes, of which the most important has been the fall in price of the main commodities which she exports. The result has been to bring about a period of severe financial stringency and the Commonwealth Government has been forced to take certain measures to deal with the situation. These measures have included the curtailment of imports in order to rectify the trade balance and thus re-establish the value of the Australian £. As a part of these emergency measures, certain imports have been prohibited; others have been rationed and in yet other cases the tariff has been increased with the deliberate purpose of checking the flow of certain imports into the country. These measures are to be regarded as being wholly of an emergency nature and subject to review and in some cases to withdrawal as soon as the financial position permits. Even in these emergency measures, the Commonwealth Government has done everything in its power to maintain the principle of preference and to secure that, in so far as they may have caused hardship, they should bear less hardly upon Great Britain. Just because, however, the steps which we are reluctantly forced to take are so definitely of an emergency character, I should not propose to discuss the significance of preference on the basis of the trade figures of the last nine months, even if statistical data were available. For the purposes of this review, it is sounder to consider the position as it existed in 1928-29.

Value of Australian Preference to Britain.

In that year, the total preferential rebate allowed on British goods entering the Commonwealth amounted to the sum of £7,204,000, but while I quote this figure I am not going to suggest that the total amount of duty rebated is an exact measure of the value of the preference which Australia gives to Great Britain. A more significant indication of the value of preference is shown by the fact that in the year 1928-29, £26,280,000 of British exports of classes subject to duty if of foreign origin entered Australia free of duty because of their British origin. The value of the British exports receiving this extremely favourable treatment was actually greater than the value of Great Britain's total exports in 1928 to any one of the following countries: France, Holland, Belgium, Italy, China or Japan. This sum of £26,280,000 was equal to 48·5 per cent. of the total amount of British goods cleared for home consumption in Australia in that year. It is, however, impossible to gauge the value of a preference accorded in any given article. No yard stick exists whereby the exact value of a preference can be measured. It depends upon the amount of competition which the goods receiving the preference have to face, and in order to obtain an understanding of the degree of competition, it is not enough to consider the position in the country giving the preference, but it is also necessary to examine the extent to which British goods are meeting severe competition in other markets.

To carry out any complete survey taking into account all the factors of the competitive situation would obviously be a task of great magnitude. A survey on a limited basis has, however, been undertaken, the results of which illustrate, in a striking way, the importance of the shelter which British industries receive in the Australian market.

Thus in the products of the electrical industry, Great Britain holds over 60 per cent. of Australian imports, but less than 20 per cent. of the combined imports of Argentina, Denmark and Holland. Further instances showing the great importance of preference to specific industries are provided by the paper trade, the motor trade, artificial silk, cutlery, and almost all the iron and steel products.

In some industries the assistance received from Australian preference is so great that Australia, with her 6,400,000 people, is not only the largest market, but in a number of instances, including motor chassis, carpets and printing paper, purchased a larger value of British goods than all foreign countries together.

There are, of course, cases where this survey indicates that preferences have less significance, the clearest instance being in the woollen trade, in which Great Britain holds a considerable share of the imports of many foreign markets.

In the cotton piece-goods trade Australia admits almost all the British cloth free under the preferential tariff and imposes a tax of 15 per cent. *ad valorem* on the foreign article. Great Britain, thus assisted, supplies a larger value of cotton piece-goods to Australia than to China, although the latter country is one of the largest import markets for cottons in the world.

It would be possible to go on almost indefinitely multiplying instances of the importance of Australian preference to British trade, but I will content myself with quoting the words of the final report of the Balfour Committee:—

The figures of Empire trade, states the report,* “supported as they are by the testimony of the trade witnesses who appeared before us, are amply sufficient to show the great value and importance to British traders of the preferential access which they enjoy to certain Empire markets. In view of the facts, it cannot admit of doubt that the preservation and development of these advantages must be one of the cardinal objects of British commercial policy.”

I would just add that as we must all agree that world competition in industry is intensifying, so must we be convinced that the significance and value of preferences are also increasing.

Question of Larger Preference to be considered.

I have spoken about the value of the Australian market and of the preferences we extend to British trade because the very fact that we already do so much makes it more difficult for Australia to find

* Cmd. 3282, p. 23.

further methods of help compared with another country that had done less. Australia is, however, willing as a part of a definite policy of Imperial economic co-operation, to examine every method of assistance. We will willingly consult with the representatives of your manufacturers to see if it is possible, without sacrificing any important Australian interests, to afford a greater degree of preference to certain goods and we will also sympathetically consider any representations which your manufacturers may desire to make in regard to the administration of our preferential system.

At the opening of the Conference, I referred to a much more important way in which your trade could be assisted. Australia is to-day importing between £40 and £45 million worth of manufactured goods from foreign countries which are of a type in which Great Britain could compete. I stated that my Government would like to see that £45 million shared by Empire industries which, in effect, would largely mean a division between the Australian and British manufacturer. The method whereby such an objective could be realised must be for those engaged in the industries in both Great Britain and in Australia to determine. I should like to see methods of consultation evolved between our industrialists with a view to making such allocations of the supply of Australia's requirements as should benefit both parties. If consultations of the type which I have in mind take place and lead to understandings and agreements, my Government will most sympathetically consider to what extent it can assist to bring the proposed allocations into effect. Australia is firmly determined to encourage her secondary industries and to witness their development; we recognise, however, that there are some types of goods for which the size of our market does not yet justify the establishment of manufacturing plants. If British industry will co-operate with us in the development of our industries, we, on our part, will do everything in our power to help you to secure the lion's share of our import trade.

Marketing of Australian Goods in Great Britain.

I must now turn to the marketing of Australian goods in the United Kingdom and to the question of the directions in which we should like to see Great Britain help us. Although it has been suggested that different methods should be considered by the Conference, I must definitely declare that tariff preference is, in our opinion, much the most satisfactory form of help.

In making this statement, I must not be considered as attempting any form of dictation. It is for the Government and Parliament to decide what methods, if any, shall be adopted. We will co-operate in any practical plan which may be jointly approved. I should, however, be wanting in frankness if I did not make our position clear.

Appreciation of United Kingdom Preferential Duties.

Great Britain is to-day giving certain of our products, including wine, sugar and dried fruits, most welcome assistance through her

tariff system. In each of these commodities your preferences are essential to us, because in each case our producers have to face competition from very low-wage paying countries where also the labour conditions are far inferior to those obtaining in Australia, and I sincerely hope that the existing preferences will be maintained and extended.

We are grateful for these preferences and hope that the British Government will be prepared to discuss with us certain proposals which we should like to make in order to render these existing preferences more effective.

To-day Great Britain is giving preference to 12 per cent. of our exports to her, while we give preference to 90 per cent. of her goods entering Australia. It is but natural that we should like you to reciprocate upon a somewhat wider scale.

Voluntary Preference.

Great Britain has, through the work of the Empire Marketing Board, carried out for four years an admirably conceived educational campaign to show the British people that it is to their advantage to buy Empire goods. Successive British Governments have thus supported the idea of voluntary preference. But voluntary preference, although an essential background to other forms of assistance, can give little help against foreign competition based on very low wages, and is particularly ineffective against the dumping of commodities at prices far below costs of production, an occurrence which we are experiencing to a marked degree at the present time.

Through voluntary preference Great Britain, in effect, asks the ordinary citizen, and particularly the housewife, to assume the responsibility for assisting Empire trade, a responsibility which in Australia is carried, through the tariff, on the broad shoulders of Parliament—representative of all citizens and of all housewives.

At a later stage I should be glad to discuss in detail the commodities upon which we should most appreciate preference, but I think it would be useful if I now explain the general direction in which reciprocal action by Great Britain would be most helpful, by reference to the present position of agriculture in Australia and those potentialities for increased output which we believe would yield the most immediate return as a result of the assistance in marketing you may be able to afford us.

Intensification of Agriculture in Australia.

There is urgent need in Australia for the intensification of agriculture. In the past, we have tended to produce extensively rather than intensively. Extensive development involves heavy capital costs for railways and roads. In our present circumstances we want to avoid capital commitments and to see more freight provided for our existing means of transport. The Commonwealth Government, therefore, strongly supports the recommendation of the British

Economic Mission that more intensive use should be made of our already settled areas. The work of the Commonwealth Council for Scientific and Industrial Research and of the State Departments of Agriculture have shown us many ways in which this intensification can be brought about. We are ready to put improved methods into practice, but we are faced with a difficulty in which Great Britain to a far greater extent than any other country can help us—the difficulty of markets. If Great Britain can see its way to help us in the marketing of the products of intensified agriculture, she will take the most important step in bringing into being a chain of events which will undoubtedly prove of great benefit to Great Britain as well as to Australia. An intensified agriculture, able to rely upon the British market for its export trade, will steadily become more efficient, costs will decrease as production grows; the volume of our exports will expand and thus reduce the present financial necessity to curtail imports: the new purchasing power of the rural areas will assist industry to increase employment and, as the process goes on, it will become possible to revive land settlement and the absorption of British migrants.

Co-operation in Scientific Research.

In the course of a single speech, it is impossible even to touch upon many of the important problems which we must face during this Conference. There are, however, certain other matters to which I desire briefly to refer. I shall, therefore, say nothing further about this most important subject. I must also at this stage omit all reference to Standardisation or to the proposals for economic consultative machinery. I would, however, like to refer very briefly to the importance which the Commonwealth Government attaches to co-operation in scientific research.

The establishment of the Council for Scientific and Industrial Research and the development by it of intimate relations with the State Departments of Agriculture as well as with Universities and other scientific organisations, have made it possible to deal with production problems on a national scale not formerly attainable.

The Commonwealth Council is co-operating with scientific bodies in many parts of the British Commonwealth, and particularly with the Agricultural Research Institutions in Great Britain, from whom Australia has received valuable assistance. We have also warmly appreciated the technical and financial assistance which has been made available through the Empire Marketing Board. I hope that the discussion of the problems of co-operation in the scientific field, which will occur in the Research Sub-Committee of this Conference, will powerfully assist forward a movement to which the Commonwealth Government attaches the utmost importance.

The Relation of Wholesale to Retail Prices.

Another question to which I wish to refer is the relation of wholesale to retail prices. To the Australian producer the fact that this tremendous fall of wholesale prices is not reflected in a corresponding decrease in the prices which the British consumer pays is a matter of great importance. If retail prices closely followed wholesale, the fall in prices might be expected to stimulate demand, which, in turn, should give some stability to markets.

According to the "Economist" newspaper, the United Kingdom wholesale price index, although 160 in 1925, was last month only 109, whereas the index numbers for retail prices (cost of living) was 170 in 1925, and in August of this year was 157. The situation revealed by these figures seriously affects the trade of all British countries. It would be valuable if further enquiries could be undertaken into the present costs of distribution of our produce with the object of seeing whether the present disparity could not be rectified.

Wages and Labour Conditions.

The final matter that I desire to mention to-day is that of wages and labour conditions. It is a matter of primary concern to Great Britain as a supplier of high quality goods and to the Dominions as producers of valuable food and raw materials that the consumptive capacity of the world should increase as rapidly as possible. World demand is conditioned by the standard of living of the people, and we should all, therefore, have an intense interest in efforts to improve wages and labour conditions especially in low-wages countries. To Australia this is a matter of especial significance, for in many of our exports we have to meet competition from countries where wages are a quarter to a sixth of our own, or even less. British industry also suffers from low-wage competition not only in foreign markets but also in its own home market. There are two aspects of this question. Through our membership of the League of Nations we all support the International Labour Office in its attempt to improve labour conditions in the world. Should we not also within our own Commonwealth do all we can to secure a juster distribution of the products of industry?

The protection of our own standards of living from the cut-throat competition of low wages in foreign countries is an even more urgent question for the attention of this Conference.

I hope means may be found to induce the International Labour Office to devote more attention to wages and labour conditions in backward countries and particularly to study agricultural wages. Effective world publicity for comparable figures on wages might be expected to arouse the national conscience in countries whose wages rates are (having regard to types of civilisation) markedly lower than normal.

The protection of the wages and conditions which our own workers have achieved through many years of effort is a matter for ourselves. In Australia the tariff protects our wages from outside competition. The report on the importation of sweated goods, issued some years ago by a very important Committee of the British Labour Party, indicated another possible method. To-day I ask that, in our discussions upon Empire trade and Empire agriculture, we should not neglect the consideration of wages and labour conditions.

I have outlined in broad principle what Australia is prepared to do, and what I believe we at this Conference ought to agree to do. If those principles are accepted, I suggest that a Committee of this Conference be formed when I shall be prepared to suggest in detail proposals to give practical effect to this policy of economic co-operation.

STATEMENT BY THE PRIME MINISTER OF NEW ZEALAND.

Mr. Forbes: Mr. Chairman, there is no doubt that Inter-Imperial trade is the main question with which the Conference has to deal, and I think the speeches that have just been delivered show that a good deal of thought has been given to it by the Dominions and also by the Mother Country. The facts laid before the Conference by Mr. Thomas, the bald figures showing the position in regard to the trade that is done by the Dominions with the Mother Country require in my opinion somewhat closer examination. While I think every one of us and every member of the Dominions wish to do the utmost trade that they can with Great Britain, we ourselves would like to examine the position so as to know what remedies can be applied. I think a good deal can be gained by a study of these figures. We have all the desire to do it, and when we find the figures not showing as favourably as we would wish, well, we would like to see what is the reason for, and how we can do something to improve, the position, whereby our trade with the Mother Country shall be increased and we should not give so much of that trade to foreign countries.

Growth of Inter-Imperial Trade.

Now in dealing with the question of the examination of figures I have gone into the question of the growth of the trade so as to give one some idea as to how it has been moving, and this will give some conception of the way in which it can be best dealt with. One can feel that it is only by seeing what has been the tendency over the last few years that one would be able to supply such remedies as would bring about a better state of affairs. There can be no question that the problem we have to deal with to-day is a very serious one, and we all wish to do something that will be mutually helpful.

It has been said that the Dominions are coming to this Conference with their hands open to receive. I wish altogether to contradict that view. There is no desire on the part of New Zealand—and I am certain on the part of the other Dominions—to come to this Conference with the object of getting some advantage at the expense of Great Britain. What we want to do is to devise means round this table that will bring about a better understanding and a better arrangement of trade between the Dominions and the Mother Country. That is our duty to-day.

The development of Inter-Imperial trade has held a prominent position in the deliberations of Imperial Conferences for many years past. No doubt the idea originated in the instinctive desire of British subjects overseas to trade with the Motherland, thus retaining their intimate association with the country from which they sprang. Although the extension of this ideal was necessarily arrested by the Great War and by the extraordinary conditions left in its train, it was hoped that the position would before this have adjusted itself and that Inter-Imperial trade would at least have been restored to its previous proportions.

The fulfilment of the wish for a greater revival of Empire trade has been delayed by many unexpected influences, and the recent dislocation of world prices tends further to complicate the issue.

Aspects of Inter-Imperial Trade.

I therefore propose to consider briefly the following aspects of the subject :—

- I. The present position of Inter-Imperial Trade and the changes which have taken place therein during recent years;
- II. Action taken to increase Inter-Imperial Trade;
- III. Protective tariffs in British Possessions as affecting Inter-Imperial Trade;
- IV. Protective tariffs in foreign countries; and
- V. Action proposed for the further development of Inter-Imperial Trade.

I.—PRESENT POSITION OF INTER-IMPERIAL TRADE AND THE CHANGES WHICH HAVE TAKEN PLACE THEREIN DURING RECENT YEARS.

It is quite impossible to discuss the question of Inter-Imperial trade without referring to the trade of the component parts of the British Empire with other countries. It is customary in discussing the development which has taken place in commerce during the last few years to take the year 1913 as the starting-point, and I do not propose to depart from the usual practice. The point with which I am now dealing seems to me to involve in the first place a consideration of the trade of the British Empire as a whole with the

rest of the Empire and with foreign countries, and in the next place a short review of the trade of certain portions of the Empire with the remainder of the Empire and with other countries. Thirdly, I propose to say a few words upon the position of the British Empire in world trade.

Before dealing with these matters I desire to thank His Majesty's Government in the United Kingdom for the trade statistics which they have kindly supplied and which have been so useful to me in considering these problems.

I do not think that as a general rule any useful purpose is served by quoting the total figures of imports and exports, as it has always to be remembered that, during the years which have intervened since the commencement of the Great War, fluctuations have occurred and are still occurring in the standards of values. I therefore intend, as a rule, to deal with percentages of trade, as these provide a better means of estimating the alterations which have taken place. I would, however, like to quote a few figures to show the magnitude of the trade which is now carried on by the British Empire all over the world. In 1913 the imports into British countries from other parts of the Empire were over £470 million, in 1927 and 1928 the figures were £872 million and £863 million respectively. The exports in 1913 from British countries to other parts of the Empire were over £427 million. These had increased in 1927 and 1928 to £787 million and £791 million respectively.

I wish that these figures represented the advance which had been made in the volume of Inter-Imperial trade during this period of 14 or 15 years. It is, however, unnecessary for me to remind this distinguished audience that the position is far from being so satisfactory. When the import trade statistics are further examined it will be found that, while the proportion of goods taken by the various units of the Empire from all the others combined has increased, the proportion taken from the United Kingdom has decreased.

The figures are :—

IMPORT Trade.

Percentages of the Total Import Trade of British Countries supplied by other Parts of the Empire and by Foreign Countries.

Year.	Imports from United Kingdom.	Imports from rest of Empire.	Total Imports from Empire.	Imports from U.S.A.	Imports from other Foreign Countries.	Total Imports from Foreign Countries.	Total.
1913 ..	17.5	19.6	37.1	19.8	43.1	62.9	100
1927 ...	16.5	22.2	38.7	20.0	41.3	61.3	100
1928 ...	16.4	22.2	38.6	20.5	40.9	61.4	100

So far as the Empire trade is concerned, therefore, it is clear that the Empire is still very far from being self-supporting.

EXPORT Trade.

So far as the export trade is concerned, it will be found that there has been an increase of $1\frac{1}{2}$ per cent. in the proportion of the export trade to the United Kingdom from other parts of the British Empire, while the proportion sent to the rest of the Empire had in 1928 practically reverted to that in 1913.

The figures are :—

Percentage of Total Export Trade of British Countries to other Parts of the Empire and to Foreign Countries.

Year.	Exports to United Kingdom.	Exports to rest of Empire.	Total Exports to Empire.	Exports to U.S.A.	Exports to other Foreign Countries.	Total Exports to Foreign Countries.	Total.
1913 ...	19.1	25.0	44.1	9.5	46.4	55.9	100
1927 ...	21.2	25.7	46.9	14.4	38.7	53.1	100
1928 ...	20.6	25.1	45.7	13.8	40.5	54.3	100

I may say that if Inter-Imperial trade (imports and exports) is regarded as a unit, there has been an increase between 1913 and 1928 in the Inter-Imperial portion of British Empire trade from 25 per cent. to 26.3 per cent.

I do not want to weary you with columns of figures, but it may be of interest if I set out the proportions of the trade of the United Kingdom and of New Zealand, with other countries.

IMPORT Trade—United Kingdom.

Percentages of Total Import Trade of United Kingdom obtained from the Rest of the Empire and from Foreign Countries.

Year.	From rest of Empire.	From U.S.A.	From other Foreign Countries.	Total from Foreign Countries.	Total.
1913 ...	25	18	57	75	100
1927 ...	30	16	54	70	100
1928 ...	30	16	54	70	100

EXPORT Trade—United Kingdom.

Year.	To rest of Empire.	To U.S.A.	To other Foreign Countries.	Total to Foreign Countries.	Total.
1913 ...	37	6	57	63	100
1927 ...	46	6	48	54	100
1928 ...	45	7	48	55	100

The corresponding figures for the New Zealand trade are as under :—

IMPORT Trade—New Zealand.

Percentages of Total Import Trade of New Zealand obtained from Empire Countries and Foreign Countries.

Year.	From the United Kingdom.	From rest of Empire.	Total from Empire.	From U.S.A.	From other Foreign Countries.	Total from Foreign Countries.	Total.
1913 ...	61	21	82	10	8	18	100
1927 ...	48	21	69	18	13	31	100
1928 ...	48	21	69	18	13	31	100

EXPORT Trade—New Zealand.

Percentage of Total Exports from New Zealand sent to Empire and Foreign Countries.

Year.	To United Kingdom.	To rest of Empire.	Total to Empire.	To U.S.A.	To other Foreign Countries.	Total to Foreign Countries.	Total.
1913 ...	84	8	92	4	4	8	100
1927 ...	78	10	88	5	7	12	100
1928 ...	74	10	84	7	9	16	100

From these tables and from similar figures relating to the trade of Canada, Australia, the Union of South Africa, the Irish Free State (since 1924), Newfoundland and British India, the following conclusions may be drawn, comparing the trade in 1913 and 1928 :—

I. With respect to the import trade—

- (a) there has been an increase in the percentage of the imports into the United Kingdom from the rest of the Empire;
- (b) there has been a decrease in the percentage of imports into the rest of the Empire from the United Kingdom; and
- (c) the country which in 1928 took the largest percentage of its imports from the United Kingdom was the Irish Free State, with 78 per cent., the next in order being New Zealand (48 per cent.), British India (46 per cent.), the Union of South Africa (44 per cent.) and Australia (40 per cent.).

II. With respect to the export trade—

- (a) there has been an increase in the percentage of goods sent from the United Kingdom to the rest of the Empire;
- (b) there has been a decrease in the percentage of goods sent from the other parts of the Empire to the United Kingdom; and
- (c) the country which in 1928 sent the largest percentage of its exports to the United Kingdom was the Irish Free State (96 per cent.), the next in order being New Zealand (74 per cent.).

It should be mentioned that in some cases the Irish Free State has been necessarily omitted since its statistics of trade for 1913 are not available.

If Inter-Imperial trade be considered as a whole the United Kingdom is still the central point. The following table, taken from the Imperial Economic Committee's 13th Report,* shows the percentage of United Kingdom (including Irish Free State) trade in relation to the total passing between Empire countries:—

	Per cent.
1913	87·4
1925	86·5
1926	85·8
1927	84·0

According to the same authority, in 1927 Great Britain and Northern Ireland utilised about 40 per cent. more produce from the Empire overseas (excluding the Irish Free State) than in 1913, and only about 15 per cent. more of foreign produce. Meanwhile, the export trade declined in volume, but that to the Empire Overseas dropped by about 9 per cent. as compared with a fall of nearly 30 per cent. in that to foreign countries. As a whole, trade with the Empire Overseas increased in volume by about 11 per cent., whilst that with foreign countries was stationary or declined somewhat.

WORLD TRADE.

Before leaving this aspect of the matter, I desire to say a few words concerning the relation of the trade of the British Empire to total world trade, and I would like to express my indebtedness to the valuable* Report of the Imperial Economic Committee already referred to, which I have used in dealing with this subject.

I find that the share of the British Empire in world trade has increased from 27·75 per cent. in 1913 to 29·48 per cent. in 1927.

* "A Memorandum on the Trade of the British Empire, 1913 and 1925 to 1928" (non-Parliamentary Publication).

In the case of the United States there has been an increase from 11·17 per cent. in 1913 to 14·21 per cent. in 1927, while with respect to Northern and Western Europe (*i.e.*, Norway, Sweden, Denmark, Germany, Switzerland, Italy, Portugal, Spain, France and Belgium) there has been a decrease from 34·2 per cent in 1913 to 27·49 per cent. in 1927.

If the share of the British Empire in world trade is split up to Inter-Imperial trade and foreign trade the figures are:—

British Empire Trade—	Percentage of World Trade.	
	1913.	1927.
Inter-Imperial Trade	10·95	11·54
Empire Foreign Trade... ..	16·80	17·94
Gross total for British Empire	27·75	29·48

If the Empire is regarded as a unit and Inter-Imperial trade omitted the percentage shares of world trade in 1913 and 1927 are:—

Countries.	Percentage of World Trade.	
	1913.	1927.
British Empire	18·86	20·28
United States	12·54	16·06
Northern and Western Europe (excluding Netherlands) ...	38·40	31·07

If the increase in trade of the United Kingdom, the British Empire overseas and the United States in 1928 is compared with the position in 1913, the results are:—

1913 = 100.

Year.	Imports.			Exports.			Totals.		
	United Kingdom.	Empire Overseas.	U.S.A.	United Kingdom.	Empire Overseas.	U.S.A.	United Kingdom.	Empire Overseas.	U.S.A.
1913	100	100	100	100	100	100	100	100	100
1928	163	209	225	138	218	206	152	214	216

In 1913 the total trade of the United Kingdom was greater than that of the United States, but it has been less during 1926, 1927 and 1928. The trade of the Overseas Empire has, during these years, been greater than that of the United States. The figures for 1928 are:—

	Millions of £.
United Kingdom	1,799
Overseas Empire	2,053
United States	1,855

The changes in the *volume* of trade of the United Kingdom, Canada, India, Australia, South Africa and New Zealand are, I think, of interest and are set out below:—

1913 = 100.

	Imports.		Exports.	
	1913.	1927.	1913.	1927.
United Kingdom (including Irish Free State)...	100	117	100	83
Canada	100	152	100	205
India	100	100	100	100
Australia	100	—	100	110
South Africa	100	119	100	118
New Zealand	100	147	100	145
U.S.A.	100	180	100	157
The World	100	122	100	118

From these figures it will be seen that while the volume of imports into the United Kingdom has increased, that of the exports shows a considerable decrease, although there has been an expansion in 1928 and 1929. Canada and New Zealand are the only Dominions mentioned, the volume of whose imports and exports has increased faster than the world average, and Canada alone has had a greater increase in export trade than the United States.

Coming as I do from a portion of the Empire which has an intense desire that the trade of the United Kingdom should increase both in volume and value, it is discouraging to place these facts before you.

I would, however, venture to account in part for the position somewhat as follows: Before the war the United Kingdom was much more highly industrialised than the majority of other countries (including even those within the Empire). These latter nations, called upon by national necessity during the war, have continued their industrial development and therefore, judged by a comparison of their export trade in manufactured goods before the war and now, they show a relatively high rate of progress.

This is, I think, well illustrated in the case of importations into New Zealand from Canada, which now consist chiefly of manufactured goods. The figures are as under:—

Year.	Imports into New Zealand from Canada.	
	£	
1910	261,000	
1915	795,000	
1920	2,453,000	
1925	3,916,000	
1929	4,792,000	

Another factor which I think tends to restrict the trade of the United Kingdom is that she probably suffered, and is suffering, more from the economic difficulties created by the late War than almost any other country. In these circumstances it is not surprising that the trade figures of the United Kingdom are not as satisfactory as everyone in this room would wish.

II.—ACTION TAKEN TO INCREASE INTER-IMPERIAL TRADE.

The question as to the action which should be taken to increase Inter-Imperial trade has been discussed at previous Imperial Conferences, and I propose now to say a few words upon some of the methods which have been adopted with a view to achieving this result. These are :—

- (a) The institution of Preferential Tariffs;
- (b) The work of the Imperial Economic Committee;
- (c) The activities of the Empire Marketing Board; and
- (d) The carrying on of trade services, trade campaigns, through commissioners, agents, &c.

(a) *The Institution of Preferential Tariffs.*

In my opinion, the most important and effective method of increasing Inter-Imperial trade is by means of tariff preferences. I fully recognise, and the people of New Zealand recognise, that the question whether or not preference should be granted by one part of the Empire to another is a matter for the particular unit of the Empire concerned. In this connection it is, I think, rather interesting to note that preference was granted in New Zealand in its first tariff passed in 1841, the year after the Sovereignty of the late Queen Victoria was proclaimed. The preference then given did not continue for very many years, and it was not until 1903 that preference to Empire goods became a permanent part of New Zealand's tariff policy.

In dealing with the question of preferential tariffs I propose, as far as possible, to limit myself to the system adopted in the Dominion which I have the honour to represent, although I recognise the value and importance to the British Empire generally of the concessions which are granted by various Empire countries. No doubt any conclusions reached from a consideration of the position in New Zealand would, after making any necessary adjustments, be applicable to any other Empire country granting preference. As I have said, preference became a permanent part of New Zealand's tariff policy in 1903. Since then the number of items upon which preference is granted and/or the rate of preference have been increased in 1907, 1915, 1917, 1921, 1926 and 1927. Again, this year, just before I left New Zealand, Parliament passed a measure increasing by at least 5 per cent. *ad valorem* (and in many cases by over 10 per cent. *ad valorem*) the preference on over one-third of the tariff items. Preference is now granted on 65 per cent. of the items in the New Zealand tariff.

The policy adopted is to grant preference to goods produced or manufactured in the United Kingdom or in any other part of the Empire which treats New Zealand products fairly in tariff matters.

The Empire material and labour content required in New Zealand for preference purposes is 50 per cent. of the factory or works cost, but provision is made for admitting at the preference rates goods manufactured wholly in British countries from unmanufactured raw materials or from certain partly manufactured materials of foreign origin, which, generally speaking, are not produced within the Empire.

The following table shows the various rates of preference now in force in New Zealand :—

	British Preferential Rate.	General Tariff Rate.	Rate of Preference.
Motor chassis and trucks	Free of duty ...	12·2 % <i>ad val.</i>	12·2 % <i>ad val.</i>
	12·2 % <i>ad val.</i> ...	24·5 % "	24·5 % "
	24·5 % <i>ad val.</i> ...	49 % "	36·8 % "
Motor cars ...	24·5 % "	49 % "	24·5 % "
	24·5 % "	55·1 % "	30·6 % "
	26 % "	68·9 % "	32·9 % "
	30·6 % "	61·2 % "	30·6 % "

Omitting motor vehicles, the majority of lines imported into New Zealand are either free of duty under the British Preferential Tariff or are liable to duty at the rate of 20 per cent. or 25 per cent. *ad valorem* plus a surtax of 9/40ths of the duty.

Effect of Preference Policy in New Zealand.

With respect to the important question as to the effect of the preference policy adopted in New Zealand, I have to offer the following observations :—

One would have thought that if the figures of the import trade of New Zealand from various countries were taken over a series of years, they would have shown an increase in the percentages of goods imported from British countries. The following are the particulars :—

PERCENTAGES of the Imports of Goods into New Zealand from the Countries mentioned.

Year.	United Kingdom.	Canada.	Australia.	Total British Countries.
	Per cent.	Per cent.	Per cent.	Per cent.
1914 ...	51·5	2·1	12·3	74·7
1919 ...	37·6	5·3	12·8	63·6
1924 ...	47·8	8·1	11·6	73·8
1929 ...	46·3	9·8	6·7	67·8

It will be seen that between 1914 and 1929 there has been a decrease of 6·9 per cent. in the proportion of goods obtained from Empire sources.

If, however, the figures are examined with respect to goods (a) upon which preference is granted and (b) upon which preference is not granted, the results for the average of the two years before and after the tariff revisions of 1921 and 1927 are as under :—

	Percentage of Goods imported from British Sources.			
	Average for Two Years before 1921 Tariff.	Average for Two Years after 1921 Tariff.	Average for Two Years before 1927 Tariff.	Average for Two Years after 1927 Tariff.
	Per cent.	Per cent.	Per cent.	Per cent.
Goods upon which preference granted ...	74·4	78·4	75·3	74·6
Goods upon which preference not granted ...	69·6	64·5	61·2	55·2

In making deductions from these figures regard must be had to the following :—

- (a) that the immediate post-war years were probably the worst for the export trade of Great Britain since the War, and
- (b) that many lines admitted without preference are raw materials for the industries of New Zealand.

When, however, all reasonable allowances are made for these factors, the figures clearly indicate that the preference accorded in New Zealand has had a great influence in retaining the Dominion market for Empire goods.

Value of New Zealand Preference.

It may be useful if I place on record some figures relating to the value of the preference. In my view one way in which this value may be estimated is by taking the difference between (a) the duty actually collected on goods imported from British countries and (b) the duty which would have been charged had the General Tariff rates been levied. Dealing on this basis only with goods imported into New Zealand during 1929 from the United Kingdom,

Canada, Australia and the Union of South Africa, the figures are as under:—

Country.	Value of Preference granted, <i>i.e.</i> , difference between the Duty paid on Goods imported into New Zealand during 1929 and the Duty which would have been payable under the General Tariff.	
	£	
United Kingdom ...	3,570,000	
Canada	1,029,000	
Australia	262,000	
Union of South Africa ...	22,000	
		4,883,000

If the rates imposed this year had been chargeable on the goods imported during 1929 it is estimated that the value of the preference on the above basis would have been £5,621,000, made up as under:—

Country.	Value of Preference.	
	£	
United Kingdom ...	4,090,000	
Canada	1,196,000	
Australia	310,000	
Union of South Africa ...	25,000	
		5,621,000
Total		

The amount of Customs Duty collected in New Zealand in 1929 was approximately £9,650,000. The above figures therefore show that the value of the preference estimated in the manner I have indicated is about one-half of the total Customs revenue collected.

Import Trade of New Zealand held by Foreign Countries.

I feel that I have transgressed upon your time and patience by setting out in such detail particulars respecting the New Zealand preferential tariff system and the results of its operation, but before concluding this part of my subject there are one or two other matters with which I should like to deal. In the first place, it might be of some interest if I were to indicate some of the classes of goods which are imported into New Zealand from foreign

countries in proportions exceeding 10 per cent. of the trade in such goods. The following are the classes of goods referred to:—

PERCENTAGES of Import Trade into New Zealand of Classes of Goods in which more than 10 per cent. of the Trade in such Goods was held by Foreign Countries in 1929.

Proportion of Trade held by Foreign Countries.	Country from which Goods are imported.	Classes of Goods.
Over 90 per cent.	U.S.A.	Mineral lubricating oils.
Over 50 per cent. and not exceeding 60 per cent.	U.S.A.	Motor lorries, trucks, vans and buses.
Over 40 per cent. and not exceeding 50 per cent.	U.S.A.	Motor cars.
Over 30 per cent. and not exceeding 40 per cent.	U.S.A.	Artificers' tools, agricultural implements and machinery and timber.
Over 20 per cent. and not exceeding 30 per cent.	Japan	Silk piece goods.
	U.S.A.	Electrical machinery, leather and leather goods (other than footwear).
Over 10 per cent. and not exceeding 20 per cent.	Germany	Fancy goods and toys.
	Sweden	Dairying machinery.
	U.S.A.	Hosiery, paints and varnishes, hardware and metal manufactures, paper (other than printing paper), stationery, motor cycles and dairying machinery.
	Belgium	Glass and glassware.
	France	Silk piece goods.
	Germany	Dairying machinery.

The duty on many of these lines when of foreign origin was increased during the present year.

Another matter to which I would like to refer concerns the sale of goods to the Dominion from countries to which preference is accorded. The attention of the Government has, on several occasions, been drawn to the practice of certain vendors of goods increasing prices to New Zealand purchasers to the extent of the preference. I am happy to say that I do not believe that this is a common practice, but it is not encouraging to those countries which make preference a part of their tariff policy to find that the assistance which they give is not really being utilised to assist Empire trade in the way desired. I would urge those organisations which are interested in the development of Empire trade to use their influence to ensure that the confidence of customers is not prejudiced by any such means or by any artificial arrangements as to prices.

(b) *The work of the Imperial Economic Committee.*

• Among the means which have been adopted during recent years to develop Inter-Imperial trade is the establishment of the Imperial Economic Committee.

It is generally recognised that the work of this Committee has been of great value in achieving this object. Among the matters which have been dealt with which are of special interest to New Zealand are the reports and trade surveys on meat (including pig products), dairy produce, fruit, honey, poultry, hides, skins, &c.

(c) *The activities of the Empire Marketing Board.*

The Empire Marketing Board also, by its activities in the direction of publicity and its encouragement of scientific research, has been of material assistance to Empire trade.

In particular the Board has done much to stimulate the scientific advancement of agriculture both at home and in the Empire overseas. Since its inception the Board has made grants to the extent of approximately £50,000 towards research projects of Empire significance carried out in New Zealand. This is in addition to the benefits accruing from researches on food storage and transport, fruit production, &c., sponsored by the Board in the United Kingdom.

The funds provided by the Board have assisted experiments made in New Zealand in the improvement of farming methods through the selection of better strains of grasses, and in researches concerning the nutritional value and mineral content of pastures. These promise considerable possibilities in increased production. For our part we should welcome an extension of the Board's functions in the provision of detailed and regular information as to the stocks of food-stuffs in store in the United Kingdom.

(d) *The carrying on of Trade Services, Trade Campaigns, &c.*

In dealing with this question the first matter I propose to mention is the development of the trade commissioner services. It is with satisfaction that I recall that the origin of these services was due to a suggestion of the late Prime Minister of New Zealand, the Right Hon. Sir Joseph Ward. I understand that at the Imperial Conference of 1907 he called attention to the absence in the self-governing Dominions of any commercial representatives of the United Kingdom to whom application could be made by persons who were desirous of obtaining information to assist them in the purchase of British-made goods. In the following year a number of Trade Commissioners was appointed. The value of the services rendered by these commissioners can be appreciated when it is remembered that the Dominions' Royal Commission in 1917, after examining their activities in the various parts of the Empire, expressed the view that the result of their work had been of considerable advantage to British trade, and recommended an increase in the number of

commissioners in the Dominions and the extension of the system to other parts of the Empire. It is perhaps unnecessary for me to recall that the Imperial War Conference of 1917 also dealt with this subject and recommended that the Governments concerned should co-operate so as to make the service as useful as possible to the Empire as a whole. In the same year effect was given to the recommendation of the Dominions Royal Commission by the appointment of additional trade commissioners, and since then the number of posts of this nature has from time to time been further increased.

The policy of instituting trade commissioner services has also been adopted by the Dominions. Dealing more particularly with the Dominion which I represent, I might say that New Zealand has for many years carried on work of this nature in the United Kingdom through its High Commissioner's Office and has for some time retained two trade representatives in Australia. In addition, some honorary agents and correspondents in other countries have been appointed. During this year New Zealand has entered upon a new phase of its trade commissioner services by the appointment of a Commissioner for Canada and the Eastern seaboard of the United States, and of a Trade and Tourist Commissioner for Australia.

In passing I would like to mention the value of trade campaigns and Empire exhibitions in achieving the objects which we all have in view.

III.—PROTECTIVE TARIFFS IN BRITISH POSSESSIONS AS AFFECTING INTER-IMPERIAL TRADE.

It is sometimes urged that protective tariffs as between the component parts of the British Empire are undesirable on the ground that they restrict trade. It seems to me, however, that this question should be approached from another point of view, and I would ask those assembled here what is the real object of our discussions. I take it that the result aimed at is the prosperity and happiness of the Empire as a whole, and that trade is merely a means to this end and not an end in itself. If this is correct it would appear that it is a matter of indifference in what part of the British Dominions any classes of articles are manufactured so long as the industries are carried on economically and make for the promotion of the common weal.

Another point which must, I think, be borne in mind in dealing with this matter is that it is not desirable that the industrial development of a community should take place within a too limited scope. It is necessary for the contentment of a people that they should have an opportunity of applying their varied activities to the best advantage.

Of course, I recognise that in a newly settled country the first labours of the community must be devoted to primary production, but the conditions in which trade in resultant products is now carried on necessitate the introduction of highly developed manufacturing

methods. In these circumstances it would in any case be difficult to restrict manufacturing processes to those which are necessary to place primary products upon the markets of the world, and with the raw materials at hand it would be unnatural if the manufacturing instincts of a British people did not find expression.

New Zealand, in common with other Dominions, has developed along these lines, and it has for many years been the considered opinion of the people whom I represent that this development should take place gradually and be fostered by means of reasonable measures of protection.

To illustrate this I would quote certain figures relating to some of the principal manufacturing industries of New Zealand. In 1906 the output of these industries amounted to 64 per cent. of the total requirements of the Dominion for these classes of goods, and in 1929 this proportion had increased to 71 per cent. This exemplifies the fact that New Zealand has never adopted as a general policy the imposition of what are sometimes regarded as prohibitive duties, but has taken the view that competition, especially from overseas Dominions, would result in a higher standard of efficiency and the introduction into industry of the latest types of machinery and plant and of the most up-to-date manufacturing and marketing methods.

I might here be permitted to revert to a subject with which I have already dealt—namely, that of tariff preference. In practically every case where protection has been accorded to a local New Zealand industry a measure of preference has been granted in respect of similar goods produced in other parts of the British Empire.

In this connection it is, I think, interesting to recall that the report of the Balfour Committee on Industry and Trade, in dealing with the increases which have taken place in recent years in Empire tariffs, emphasised the point that such increases have in several cases been offset by concurrent increases in the preference accorded to British goods, and that even after considering the rise in Empire tariffs the rates on British goods are still materially lower than in the case of foreign tariffs.

IV.—PROTECTIVE TARIFFS IN FOREIGN COUNTRIES.

Although I have dealt at considerable length with the necessity of increasing Inter-Imperial trade I do not lose sight of the fact that trade cannot be confined within these limits. With the ever increasing means for international communication resulting from scientific and technical progress it is natural to expect that increased outlets for trade would follow. In this connection a problem has arisen in recent years which has been occupying the attention of the Governments of several British countries. This is the effect of the increased and increasing tariffs of many foreign countries. The United States of America, which has only recently again raised its tariff rates, probably furnishes the best example of this.

The following statement shows the trading position between that country and New Zealand in the years preceding the recent changes:—

STATEMENT showing trade between the United States of America and New Zealand during 1925, 1927 and 1929.

Year.	Imports into New Zealand from United States of America. £000.	Exports from New Zealand to United States of America. £000.	Balance of trade in favour of United States of America. £000.
1925	8,885	4,849	4,536
1927	8,079	2,681	5,398
1929	9,320	3,653	5,667

The adverse balance of trade with the United States during the five years 1925–29 has been over £25½ million—i.e., over £5 million per annum.

As I have already explained, New Zealand has just recently taken steps to endeavour to divert portion of this import trade from the United States to British possessions.

V.—ACTION PROPOSED FOR THE FURTHER DEVELOPMENT OF INTER-IMPERIAL TRADE.

The final, but by no means the least important, part of my subject is the action which has been or may be proposed for the development of Inter-Imperial trade. I intend to deal with the subject under the following headings:—

- (a) The maintenance and, wherever possible, the extension of tariff preferences.
- (b) The further development of trade commissioner services, &c.
- (c) Bulk purchasing and price stabilisation of goods.
- (d) Organisation to supply information and advice upon trade and other matters.

(a) *Maintenance and Possible Extension of Tariff Preferences.*

I have already perhaps encroached somewhat on your patience by dealing with the subject of tariff preferences, but I feel that this has been and is the most important means of increasing Inter-Imperial trade. I have, I think, shown that had it not been for the preference which has been granted, the proportion of Empire goods imported into New Zealand would have been much less than it is. As I have said, I recognise that it is the responsibility of each Government of the British Commonwealth of Nations to determine its fiscal policy in accordance with the interests of its own people.

but I think that, before this distinguished audience, I cannot stress too much the advantages which, in my opinion, have accrued to Empire trade generally through the increasing concessions which have, almost from the commencement of the present century, been made in New Zealand and other parts of the Empire by means of tariffs. We would advocate the utmost possible extension of such concessions, either by a general arrangement or, where necessary, by individual agreements between any two or more portions of the Empire.

(b) *Development of Trade Commissioner Services, &c.*

From what I have previously said the value of trade services will be apparent, but I have often wondered whether these services have been carried on with sufficient intensiveness. By this I mean that it is not enough that a trade representative abroad should give advice to those requiring it. It is desirable that he should actually visit wholesale and retail establishments and study the marketing conditions there. After all it has to be remembered that the real vendor of goods is, in general, the person who sells them to the consumer. He it is who knows the designs and makes of goods which appeal to his customers, and if this aspect of the work were further extended I feel that the result would be to increase the sale of Empire goods. It has too often been said and, I am afraid, with some degree of truth, that the British manufacturer is not as anxious as his foreign competitor to supply to the Dominions the exact type of article that the Dominions require, with the result that foreign goods are for this reason alone frequently purchased. Any increase in the desire of the British manufacturer to meet the individual requirements of the Dominions must obviously be accompanied by adequate knowledge of what those requirements are.

I have already given a list of the goods which are supplied to New Zealand to a considerable extent from foreign countries, and no doubt a similar position obtains in other parts of the Empire. Probably the matter has already engaged the attention of Trade Commissioners and other trade representatives, but there appears to be room for further work in this direction. Speaking from the point of view of New Zealand, which is at present easily the United Kingdom's best customer on a *per capita* basis, there is every desire that the goods now obtained from foreign countries should, as far as possible, be supplied from Empire sources, and every reasonable means which can be suggested to promote this end will there receive sympathetic consideration.

(c) *Bulk Purchasing and Price Stabilisation of Goods.*

Another method which has been proposed for assisting Empire trade is bulk purchasing and consequent price stabilisation of goods. It seems to me that to administer a scheme of this nature it would

be necessary to obtain complete control over the goods affected. This would, I think, ultimately mean purchase, sale and distribution by various Empire Governments. To limit the scheme primarily to the purchase of Empire goods would, in my opinion, require the restriction and possibly even the prohibition of the importation from foreign countries of the classes of goods covered by the scheme.

The view held in New Zealand is generally averse to the extension of State trading or to the interference of the Government in commercial matters any further than is necessary for the welfare of the people.

It seems to me that before such a scheme could be put into operation many difficulties would have to be overcome, and until some concrete proposals are brought forward I would prefer to suspend judgment on the matter.

It is true that during the Great War various lines of goods were brought under effective State control, but one is bound to recognise that measures which might prove successful in a time of national emergency may not be applicable when that emergency no longer exists.

(d) *Organisation to Supply Information and Advice upon Trade and other Matters.*

I think that what I have already said indicates that the functions of some Empire organisation, e.g., the Imperial Economic Committee, should be extended so that data might be supplied and advice given respecting all trade and industrial matters. The value of the information at present obtained through the various channels is fully recognised, but I feel that if some such body were charged with the duty of examining the production, manufacture, transportation and marketing of goods in Empire and foreign countries, and of reviewing, co-ordinating and disseminating the information received, valuable results would accrue in the furtherance of Empire Trade.

Conclusion.

A survey of Empire Trade in the face of the present economic situation might suggest that the British Commonwealth of Nations will never again occupy the exact commercial position which it held in the earlier years of the present century, but I would ask the people in the widespread possessions of His Majesty to remember that this position was achieved through the industry and ability of the British nation. I do not believe that that ability and that industry have been lessened in any degree with the passage of time and, although in my opinion the trade of the United Kingdom will in the years to come differ materially from that of the past, it will, I am confident, be no less in degree. We have, I think, come to a most important turning point in the economic development of the Empire and if a new and

true course is shaped now, then I feel that the future is full of promise. I ask you most earnestly to believe that if we in New Zealand have any suggestions to offer, we advance them primarily by reason of our earnest desire that this great country may in the very near future recover her former prosperity and her pre-eminent position among the commercial nations of the world. This is not the time to enter into details, but I must indicate here in general outline the course that we would suggest for the future. As I have already stated, we entirely agree that the policy of the United Kingdom is one for the sole decision of the people and Government of this country, but, as I understand it, we are invited here to consider how best we may increase the general prosperity of every portion of the British Commonwealth and I feel that I should be failing in my duty if I omitted now to express myself frankly on this subject. Our sincere desire in New Zealand is that prosperity should return to this country and that the wheels of industry should again provide a full measure of employment for all. We desire this because of our kinship and our affection for the Mother Country and also because our own prosperity is indissolubly linked with that of the United Kingdom.

Tariff Protection against Dumping.

As a first step, I cannot too strongly urge that the representatives of the United Kingdom should seriously consider the provision of some adequate assistance to the languishing industries of this country, and this, in my opinion, can be afforded effectively by tariff protection against the "dumping" of the surplus products of other countries whose tariff walls prevent the free flow of trade and against the competition of imported goods, often on an unfair basis and invariably on terms of advantage as compared with the article produced in the United Kingdom.

Tariff Preference for Empire Products.

As a second step, I feel that a tariff preference in this country in favour of Empire products (including foodstuffs), accompanied by increased preference in favour of British goods in the overseas Empire, would be the greatest single factor in increasing Inter-Imperial trade. It is my view that trade within the Empire must play, in the future, a far more important part in the economics of the Commonwealth than ever in the past, and the utmost effort should be made to foster and increase the sentiment in favour of the purchase of Empire goods. Any increase in the purchase of Empire goods by the United Kingdom must inevitably and directly react in the form of increased purchases from the United Kingdom.

Perhaps I may be allowed to conclude by pointing out that in the preference which New Zealand has consistently accorded to British goods, we have never, at any time, looked for a *quid pro quo* from this country, and we do not do so now, but, if after

consideration some measure of preference could be extended to Empire produce, it would be greatly appreciated by our people. On the other hand, we shall not fail, on our part, to take our full share in any arrangement to facilitate Inter-Imperial trade in the years to come. The seriousness of the problem confronting the Empire calls for some definite policy and action, and if this Conference breaks up without any effective accomplishment in this regard, it will have failed.

STATEMENT BY THE MINISTER OF FINANCE, UNION OF SOUTH AFRICA.

Mr Havenga: Mr. Prime Minister—I have listened with great interest to the speech of the Right Hon. the Secretary of State for Dominion Affairs, and to the other speakers, on this question of development of inter-Commonwealth trade. It has been customary in the past at meetings of the Imperial Conference, when dealing with the economic side of our agenda, to discuss shortly our policy in regard to the various economic subjects that appear on the agenda. As we shall, however, have an opportunity of dealing with these subjects in a special Committee, I propose to follow the example of Mr. Thomas and the other speakers and only to deal now with this question of the development of inter-Imperial trade and with one other economic subject in which we in the Union of South Africa are particularly interested.

It is unfortunate, Sir, that we should be meeting at a time when so many countries are experiencing a period of great depression, as such a state of affairs must inevitably affect their ability to enter into new schemes with any degree of enthusiasm, or to consider new proposals involving any considerable expenditure.

Trade Depression in South Africa.

Like most other countries at the present time, the Union of South Africa is going through a period of depression. Our sheep farmers this year have obtained for their wool about 40 per cent. less than last year; the maize farmers, although they have reaped good crops, are experiencing great difficulty in marketing their product at a remunerative price, and owing to the depressed state of trade in other centres the diamond producers are finding the market for their goods more limited than usual.

These and other minor factors have created a position in our country somewhat less favourable than we have experienced for a few years, but when I consider the position of other countries, I think we in South Africa have reason to be thankful.

Inter-Imperial Trade.

Coming to the question of the development of Inter-Imperial trade, according to the statistical tables which have been prepared for this Conference, there has, during the last five years, been

decrease in the proportion of imports by the several Dominions from the United Kingdom compared with the total value of merchandise imported by them.

The same decline is apparent in the proportion of exports of domestic produce from the Dominions to the United Kingdom.

On the other hand, the United Kingdom is sending to members of the Commonwealth a greater proportion of her products exported than she did five years ago or in pre-war times. The same applies to her imports, and the deduction is obvious, as has been stressed by Mr. Thomas, despite her increasing trade with the rest of the Commonwealth, she is not keeping pace with foreign competitors in those markets.

Percentage figures are often misleading, but there is no doubt that the United Kingdom has lost ground in the race for world trade, whilst the Dominions, on the other hand, are finding it increasingly difficult to dispose of their products in Great Britain, and I submit that it is for this Conference to find out, if possible, the cause and the remedy in the common interest.

The development of the manufacturing and exporting capacity of other countries may be said to be the principal contributing factor, and other causes advanced are the lower standards of living and lower wages in many foreign countries, the burden of taxation on manufacturers, and the costs of production not coming down in proportion to fall in prices.

Attitude towards Empire Free Trade.

Empire free trade has been preached as the panacea for all these ills, but it is well to say at once that the Union of South Africa cannot afford, and is not prepared to subscribe to, such a policy. Manufacturing industries have been established in the Union which could not exist even against Empire competition without a protective tariff. Those industries, many of them branches of or allied to British houses, now form an indispensable part of the structure of our country, they contribute to our prosperity and afford employment to a large section of our population which cannot be absorbed in agriculture or mining. Our policy is to build up and maintain such industries as are natural to the country or which we consider essential to its development, and we cannot subscribe to any agreement which would endanger their existence.

The matter of free trade goes even deeper and would involve our primary producers. This very year, for example, in order to save our wheat farmers from ruin, we were compelled to enact legislation by which we can prohibit or restrict the importation of wheat. The limitation of imports to types required for blending and milling but not grown in South Africa enabled the farmers to dispose of their crops at rates which were not less than the cost of production; on the other hand, the price of bread did not advance at all.

Reciprocal Tariff Agreements.

The remedy must, so far as the Union is concerned, be looked for in directions outside free trade, and we are willing and anxious to explore every avenue to that end.

The question appears to be capable of being stated very simply; Great Britain, with her industrial difficulties, seeks markets for her manufactures in the Dominions, while the Dominions, in their agricultural troubles, are anxious to extend their markets in Great Britain for their produce.

As our Prime Minister has already stated, South Africa would welcome the extension of trade relations in the Commonwealth by agreements providing for reciprocal tariff benefits, and let me add that it will be necessary, if these agreements are arrived at, that they be for sufficiently lengthy periods to give confidence and to ensure stability.

I hope, Sir, that this will be considered as a definite suggestion, as Mr. Thomas requested us to make suggestions in order to meet these difficulties. I think we are all agreed as to what our economic ills are, and we must now find what the remedy is. I am the more encouraged to make this proposition by the figures which Mr. Thomas has quoted as far as our own Dominion is concerned. He has already pointed out that in the case of South Africa we have a favourable trade balance, we are importing more from Great Britain than Great Britain is taking from us, and we hope that it will be possible at this Conference to devise means by which we shall be able to sell more of our produce to her and also to be in a position to take more of her products.

Double Taxation and Death Duties.

The other question, Sir, in which we in South Africa are peculiarly interested, and which appears on our agenda, is the question of double taxation, both in the field of Income Tax and that of Death Duties. That, Sir, is one with which the Government of the Union has continued to concern itself. We participated in the meeting of experts held under the auspices of the League of Nations and have kept in touch with the investigations conducted by the Fiscal Committee appointed by the Secretariat of the League. Both aspects of the question are of the gravest importance to the Union, which, as a country of vast natural resources calling for development, is vitally concerned with anything which may adversely affect the free flow of capital between country and country.

It is noted that the Government of Great Britain is desirous of revising the existing basis of relief from the double taxation of incomes. It is hoped that not only this question but also the cognate questions of death duties may also be brought to a conclusion at this Conference. The opportunity seems to be a favourable one. There is no doubt that the scientific inquiry which has been conducted into these matters since the resolutions of the 1919 Conference were

embodied in the United Kingdom Finance Act of 1920 has made it possible for the matter to be dealt with on a less rough and ready basis than that adopted in that statute. Nor, in my opinion, can the results of the 1926 Conference be without effect upon this question. In the *memorandum which it has circulated to the members of the Conference, the Government of Great Britain has drawn attention to the fact that the existing system of relief throws the burden almost wholly upon the Exchequer of that country. We, in the Union, are agreed that it is hardly desirable for a matter of such importance to the States of the Commonwealth to be dealt with solely as a concession by one member State and at the expense of that State. These are matters for mutual arrangement and mutual concession. The Union is, therefore, quite ready to give sympathetic consideration to the proposals put forward. We are prepared to assist in putting the system of relief between Great Britain and ourselves upon the basis of a mutual agreement under which taxation would be remitted by the State of origin in respect of certain heads of income which, having originated in that State, are received by residents in the other. We would welcome the acceptance of such a principle. The existing system of relief has undoubtedly prevented the question from becoming a burning one; but it cannot be denied that the palliative provided by the generosity of Great Britain has really stood in the way of a general settlement. A basis of mutual agreement has the great advantage that it can be applied not only between Great Britain and the other States of the Commonwealth but also between those States, and by this means it should be possible to eliminate double taxation of incomes as between the States of the Commonwealth. But, as I have already mentioned, I hope that not only this question but also that of the double incidence of death duties may be dealt with finally at this Conference. This is, of course, one aspect of this question which is peculiarly of interest to the Union. The other Dominions have, it is understood, qualified for the unilateral concession offered by the provisions of Section 20 of the United Kingdom Finance Act of 1894. As between them and Great Britain relief from double death duties is given by Great Britain under appropriate Orders of Council. It is unnecessary for me to reiterate my views as to the undesirability of such concessionary solutions of problems of mutual interest between our States. It is sufficient to point out that the existing basis of settlement equally militates against arrangements between States other than Great Britain. Nor to the Union is it less important that the Union cannot accede to the conditions upon which alone an Order of the Council under the Statute of 1894 can be issued in respect of assets in the Union. A basis of mutual agreement is essential for the settlement of this problem for the Union, and is, I submit, most desirable for the all-round settlement of this question. I hope, therefore, that the Government of Great Britain will be able to deal with this question in a manner similar to that which has been proposed for income tax purposes.

* Not printed here.

There are other items upon the Economic Agenda which I do not propose to deal with now, but to leave for more appropriate occasions, when those subjects are under special consideration. But, before closing my remarks, I may say that in these matters of economic interest the Union continues in its wish to co-operate with the other members of the Commonwealth in such manner as may best advance the common interest of all.

**STATEMENT BY THE MINISTER FOR INDUSTRY AND
COMMERCE, IRISH FREE STATE.**

Measures of Economic Co-operation.

Mr. McGilligan: Mr. Chairman—In approaching the economic side of the work of this Conference, there are certain considerations which, I think, we would do well to bear in mind. Drastic changes in the economic structure or fiscal policy of any Member of the British Commonwealth cannot be effected by the mere passing of resolutions. New measures of economic co-operation, new developments in inter-Commonwealth trade must, of necessity, be based upon the existing economic structure. We must appreciate the chief elements in that structure before we can proceed to build on it. We have for the past week been discussing the political aspects of inter-Commonwealth relations, and have approached those matters from various national points of view. We shall, no doubt, approach the economic side of our work from points of view which will also indicate a variety of aspirations. But the whole proceedings of this Conference will lack reality should there appear any tendency to adopt an attitude on the political side of inter-Commonwealth relations which is not reflected in the proposals put forward for discussion when the economic side of those relations is being examined. To the peoples of the States which are Members of the Commonwealth, the most effective test of the practical measure of co-operation to which we attain will be a test on the economic plane. It has been my duty during the past week to urge upon meetings of the heads of delegations an Irish Free State point of view in the political sphere sometimes more advanced than that adopted by some other delegations. The heads of some other delegations have asserted with emphasis that their relations within the Commonwealth involve the closest ties in outlook and aspiration. It will create, I imagine, some confusion in the mind of the ordinary citizen should he discover that the intimate character claimed for those ties is inadequately reflected in the economic sphere.

Economic Relations between the Irish Free State and Great Britain.

I am glad to have this opportunity of explaining the salient features of the economic relations between the Irish Free State and Great Britain, as well as other Members of the Commonwealth.

because I have reason to believe that those relations have not hitherto been properly or fully appreciated. The Irish Free State takes 80 per cent. of its imports from the Commonwealth, and sends $94\frac{1}{2}$ per cent. of its exports to the Commonwealth. I do not think it can be shown that any other Member of the Commonwealth has at present such close association in the economic sphere with its fellow members.

As would be expected from the past history of Ireland and from its proximity to Great Britain, it is with Great Britain that practically all this exchange of commodities takes place. There is no other unit in the Commonwealth which imports from Great Britain or exports to Great Britain so high a percentage of the commodities it requires or the goods it produces. In manufactured goods, the imports of the Irish Free State from Great Britain are almost equal in value to those which the Irish Free State produces for itself at home. A situation in which a country produces little more than half its requirements in manufactured goods; and imports the other half from a neighbouring country, is obviously not a healthy one, and the fiscal autonomy of the Irish Free State has naturally been, and will continue to be, used, to increase the proportion of such goods manufactured at home, and diminish the proportion which has to be imported. Yet, such a process would have to be carried very far, farther than seems at present probable in the Irish Free State, before the proportion of the country's requirements in manufactured goods that had to be imported was reduced to a point comparable with the proportion in the other Dominions.

Importance of the Trade with Great Britain.

The Irish Free State has never been reluctant to acknowledge its dependence on the British market, or to recognise that the British manufacturer in many instances finds Ireland his best customer. In fact, the Irish Free State is, among the Members of the Commonwealth, the third largest consumer of British and Dominion goods. It is, among all the nations, the fifth largest purchaser in the markets of the United Kingdom. In the list of buyers of many classes of goods exported from the United Kingdom, the Irish Free State stands first among the whole world. Included in such goods are motor cars and commercial motor vehicles, malt, bacon, refined sugar, oil cake and meal, wheat flour and offals, cement, women's and girls' clothing, certain kinds of hosiery, and boots and shoes. The full list is a long and important one.

On the other hand, the Irish Free State is the largest Commonwealth supplier to Great Britain of meat, poultry and dairy produce together, and of many kinds of fish of common consumption. The trade in live cattle between the Irish Free State and Great Britain is the largest of its kind, both in quantity and value, between any two countries in the world. It is reasonable to say

that the Irish Free State plays, and in view of its geographical position must continue to play, a supremely important part in the supply of food products for the British market. No country can, however, be content with a balance between its agricultural and industrial production which does not afford sufficient scope or outlet for the economic energies and abilities of its inhabitants.

Policy for the Industrial Development of the Irish Free State.

It will be recognised in Great Britain that the Irish Free State has hitherto been dependent to an abnormal extent on external sources for its requirements in manufactured goods. Without exception, I think, the other Dominions supply from their own resources and their own factories a very much larger part of their requirements, and the Irish Free State will naturally endeavour to manufacture for itself such goods as it can produce with economy and efficiency. Consistently with that ambition, which must not be mistaken for mere political vanity, the Irish Free State sincerely desires a growing enlargement and development of the trade between it and other Members of the Commonwealth. The value of the trade with other Dominions, notwithstanding the substantial decline in commodity prices, has increased during the last five years by over a quarter of a million pounds, and I believe that this new and most satisfactory development has only just begun. The value of the trade between the Irish Free State and Great Britain in the same period has declined in the case both of imports and of exports, but this feature is common to the trade between Great Britain and all the other Dominions. It can be attributed largely to the admitted general decline in prices.

Examined from other points of view, the economic relations between the Irish Free State and Great Britain are seen to be of the closest character. The estimated amount of the investment of Irish capital in British industry exceeds ninety million pounds; approximately twice the amount of the estimated investment of British capital in Irish Free State industries. In more than one respect, the present balance of advantage must be said to favour Great Britain; for instance, the cost to the revenue of the Irish Free State of the preferences accorded to Great Britain is almost five times the cost to Great Britain of the preferences accorded to Free State products. When the value of British re-exports is added to the value quoted by the Secretary of State for the Dominions for the exports of domestic produce it will be seen that the United Kingdom in fact buys some two million pounds less from the Irish Free State than the Irish Free State buys from her. However exigent the delegates of the Irish Free State may, at times appear in political or constitutional questions arising out of Commonwealth relations, there can be no doubt that the present balance of economic advantage is in favour of Great Britain. The Conference will admit an essential justice in arrangements designed to secure to the Irish

producer, under protective measures of the types adopted by other Dominions, a share of the home market comparable to the share already secured in their own markets by producers in those Dominions when it is realised that, as a purchaser of domestic together with foreign produce from the United Kingdom, the Irish Free State, per person, ranks at present absolutely the highest in the world.

Further, compared with Denmark, not a Member of the Commonwealth, but our chief competitor in the British market for agricultural produce, selling in that market almost twice as much as we do, the Irish Free State buys over five times as much of the products of the United Kingdom.

The Relation of Geographical Factors to Economic Policy.

Each Dominion represented at this Conference has reviewed its own position in the economic sphere of the Commonwealth in such a way as to indicate that if possible at all, the formulation of any common policy, any general scheme, any uniform fiscal system, within the Commonwealth, would require many months of detailed examination before a definite outline could emerge. It is abundantly evident that the geographical situation of the Irish Free State must distinguish its position in essential points from that of other Dominions. But each of those Dominions can also point to geographical factors by which its economic policy and development must inevitably be controlled. If I have correctly understood the statements made by the representatives of Canada, Australia and New Zealand, they regard Great Britain as the centre of gravity of any system of economic co-operation which it would be within the compass of this Conference to devise. Because the facts are so little appreciated, and because, in relation to the Irish Free State, Great Britain occupies a more advantageous if not privileged position than in relation to any other Dominion, I have thought it necessary to emphasise the fact that a contribution by the Irish Free State towards a common policy of co-operation would not be inconsistent with an increased measure of industrial development at home. I have no doubt that Great Britain will long continue to be the chief external supplier of the Irish market, and feel it not unreasonable to hope that the Irish Free State will be enabled to become an even more important supplier of the British Market. I hope also that the growing exchange of commodities between the Irish Free State and other Dominions will rapidly extend in scope and in value. If negotiations for trade arrangements come in due course to be initiated, certain of the members of the Commonwealth, such as the Union of South Africa, New Zealand and India, will, no doubt, realise that, while the Irish Free State accords to their exports the full benefit of its preferential duties, no privileges whatever are accorded by them to the products of the Irish Free State.

I feel no doubt that every delegation represented here is animated by the entirely sincere desire to develop inter-Commonwealth trade to the mutual advantage of the participants. I feel no doubt that we all recognise this common aim to involve problems too complex and too delicate for solution by means of mere political formulas. We will not only benefit our own citizens, but also impress the rest of the world, according to the degree of prudence, patience and goodwill that we apply to the solution of those problems of which unemployment and under-employment, with all their attendant hardships and miseries, are the most evident symbols.

I, for one, anticipate that, as our discussion proceeds, we will arrive at some concrete understandings which, while they may not raise the level of prosperity within the Commonwealth far above that prevailing in the world at large, should promise advantages to those we represent of a kind more real than any other assembly of nations could hope to attain so speedily or so effectively.

STATEMENT BY THE PRIME MINISTER OF NEWFOUNDLAND.

The Need for Economic Co-operation.

Sir Richard Squires : Mr. Prime Minister and Gentlemen—My Newfoundland associates join with me in an expression of thanks to the Rt. Hon. the Secretary of State for Dominion Affairs, Mr. J. H. Thomas, for the frank and masterly manner in which he opened the economic side of this Imperial Conference on behalf of the United Kingdom. His review of world trade conditions in their relation to the Empire and the United Kingdom in particular constitutes a pronouncement which, to me at least, is of great value to this Conference for the consideration of economic problems. Important as may be the constitutional, legal, technical and verbal sides of the work of this Conference, this, the economic, discussion is to me the matter of outstanding magnitude. No matter what our Constitution may be, no matter what our laws may be, no matter what are the particular styles and phrases in which we describe ourselves—as an Empire, as a Commonwealth, or as freely associated independent States—there can, in my opinion, be no world bond of great endurance without that economic co-operation which, from the standpoints of commerce, finance, and international politics, binds us together.

Support for a Policy of Imperial Preference.

I sincerely appreciate the outstandingly able utterance of the Prime Minister of Canada, Mr. R. B. Bennett. I refer to Mr. Bennett particularly because the policy and programme of the Dominion of Canada, a territory removed but eighty miles by sea

from Newfoundland, must naturally affect my own country; separated both politically and geographically though we be. I join with him and the other distinguished Empire leaders who have preceded me in their view that now is the time for action; that this is the body to which not only the entire Empire, but the whole world, is looking for constructive thought; not merely thought expressed in polished periods, but thought expressed in action. The policy of Imperial preference, so ably indicated by Mr. Bennett, will certainly have the enthusiastic support of Newfoundland.

Trade of Newfoundland with Foreign Countries,

It must be remembered, however, that Newfoundland's position is strangely unique in its economic relations with the Empire. Our markets are foreign markets, not markets within the Empire. It is true that large quantities of newsprint come from Newfoundland for consumption in this country. It is true that we have had some trade with New Zealand and that Jamaica is a substantial purchaser of the product of one of our senior industries. In the main, however, our position is that of a country which exports to the foreign, as distinct from the British, market. Germany and Greece, the United States of America and Portugal, Spain and Italy, these are the countries into whose coinage we turn the product of our industrial activities, so that we ourselves might have the pound sterling and the Canadian dollar to pay for the purchases we make within the Empire. In this situation any consideration which we, as Newfoundland, give to economic problems must be fairly and frankly treated in the light of our international, as distinct from our Empire, trade. It has been my privilege during the last ten years to have attended trade conferences in Washington and Ottawa, Berlin and Madrid, with a view to the development of the programme of industrial development with which my party and myself have been so closely identified since the year 1919. The difficulties we face are serious from an Empire standpoint. Thanks to the gracious and able activities of the British Empire Marketing Board, an arrangement was made when I had the opportunity of visiting London last year, for co-operation in connection with matters of scientific research, development and marketing of our fisheries, which industry constitutes one of those which undoubtedly are of major importance.

Steps taken by Newfoundland to Establish Imperial Preference.

The first practical step taken by Newfoundland along the line of Imperial preference it was my privilege to direct a year or two ago, when as a result of conferences at Ottawa, where I was ably assisted on one occasion by the Deputy Minister of Customs and on another occasion by the Minister of Finance and Customs, the Hon. P. J. Cashin, in person, a tentative programme, not of preference

exclusively as between Newfoundland and Canada, but of British Empire preference, was considered. This is a matter which I hope to further discuss with the representatives for the Dominion of Canada within the course of a few days.

With the exception of the Irish Free State, Newfoundland is geographically the nearest to London of all the various Dominions. Our population is over 90 per cent. English, Irish and Scotch. To a very considerable degree our children are educated in this country. We naturally have a special union with England; a particular bond of Empire dating back to the days when Newfoundland was the Gibraltar of the Western world. With that atmosphere then, with that history and personal association, Newfoundland approaches the consideration of the economic problems which affect England, India, ourselves and all that great Commonwealth of Nations represented at this Conference.

STATEMENT BY SIR GEOFFREY CORBETT ON BEHALF OF THE DELEGATION OF INDIA.

Constitutional Issues and Economic Co-operation.

Sir Geoffrey Corbett: It has been stated, Mr. Chairman, that it is the declaration of 1926 that has really made this discussion possible. It has been said, for instance (I am quoting from an article in "The Times"), that until the constitutional issue had been settled, a policy of economic co-operation was inevitably embarrassed by the natural sensitiveness of opinion in the Dominions to any suggestion of "dictation," and by the equally natural reluctance of the Government of Great Britain to take any initiative which might be misinterpreted. May I remind the Conference that the declaration of 1926 did not extend to India? and that the constitutional future of India is to be discussed at another Conference, which is to meet as soon as this Conference has concluded? It is true that for some years now India has, by a convention, been free to determine her own fiscal policy. But while our constitutional future is unsettled, at a moment when it is the one vital issue that our country has to face, I feel sure that our fellow members of the Commonwealth will understand and sympathise if we approach this question of economic co-operation with some reserve.

The Place of India in Inter-Imperial Trade.

At the same time, India can hardly be regarded as a negligible factor in any scheme for the development of inter-Empire trade. We talk of the vast possibilities of trade within an Empire which embraces one quarter of the human race. But we have to remember that out of a total population of 450 millions, India alone contributes

320 millions, or more than 70 per cent. We have to remember not only India's importance as a producer of raw materials, but also the possibilities of this enormous market if India's wealth and purchasing power increase as we hope to see them increase. In 1928-29, the last year for which I have comparative figures, our imports from the other countries of the Empire amounted to £109 million sterling, or 40 per cent. more than Australia's Empire imports. Our imports from Great Britain alone amounted to £90 million sterling, almost equalling the total imports from Great Britain of Canada, South Africa and New Zealand put together. Yet our population is so large that our Empire purchases are equivalent to less than one farthing a head a day. I leave you to calculate the possibilities of expansion.

The Expansion of the Trade of India with Foreign Countries.

Before the War, in the year 1913-14, the value of our sea-borne trade was about £290 million sterling. In the year 1929-30, in spite of the general depression, from which India has not escaped, its value was £414 million sterling, an increase in value of 43 per cent. Rises in prices, of course, account for a large part of this increase. But even when values are recalculated at pre-war rates, the figures also show some increase in volume. It is a fact, however, which must be recognised and faced, that the rest of the Empire has not shared in this increase. On the contrary, our trade with Great Britain has diminished in both directions; our trade with the rest of the Empire has stagnated; and what Great Britain has lost, foreign countries have gained. Now I think it behoves everyone who is interested in the development of inter-Empire trade to examine very closely the reasons for this. Something, no doubt, is due to changes in the Indian market. We are, for instance, now importing from foreign countries much larger quantities of articles such as sugar, mineral oils and raw cotton, which cannot perhaps be so conveniently supplied by Empire countries. On the other hand, there is a reduced demand for articles such as cotton piece-goods and railway plant, which are Great Britain's specialities and which we are now manufacturing ourselves. These are changes, inevitable in the economic progress of a country, to which international trade must be prepared to adjust itself. But beyond all this, there are two reasons which seem to me to go rather deeper.

Reasons for the Reduction in Imports from Great Britain.

In the first place, the share of our exports purchased by Great Britain is disproportionately small, and it is diminishing. Before the War, we bought 65 per cent. of our imports from Great Britain, but we sold to her only 25 per cent. of our exports. To-day we are selling her only 22 per cent. and our purchases from her have dropped to 43 per cent. On the other hand, foreign countries, which now take 64 per cent. of our exports, have increased their sales to

us from 29 per cent. of our imports to 48 per cent. Now, as international trade is, in the last resort, merely a matter of barter, an exchange of commodities, it follows that a country is always likely to buy from a country to which it sells. And if we are to buy all we can from our fellow members of the British Commonwealth, it follows that you should buy all you can from us. Our exports to foreign countries will always be large, because we produce many raw materials of world-wide requirement, and some, such as jute and shellac, in which India has a practical monopoly. But if your industries were to organise their production so as to make larger and more regular use of Indian raw materials, you might perhaps advantageously increase your purchases from us, and so do something to redress the balance.

The second reason is that the Indian market has not been able to adjust itself to the higher prices of imported goods which have prevailed since the war. It is now, I suppose, almost a platitude that the economic difficulties from which the world is suffering are largely due to the gap that has opened out between the price of the raw material and the cost of the finished article. We in India are a people of small primary producers, and we are not receiving enough for our raw materials to enable us to pay for your finished articles. For whatever reason—and I realise there may be many reasons—this gap tends to be wider in the case of British manufactures than in the case of foreign manufactures. And we are being driven to buy foreign because we cannot afford to buy British.

The Tariff Policy of India.

It may be argued that this gap has been still further widened by the incidence of the Indian tariff, which has been greatly enhanced since the war and, being generally on an *ad valorem* basis, falls more heavily on the higher-priced British goods than on the cheaper foreign goods. This is, no doubt, to some extent correct; but I ask you to consider the nature of our tariff, and the reasons for this heavy enhancement. I have heard it said that India is a highly protected country. That is not true. Our tariff is, and always has been, primarily a revenue tariff. Our customs duties have indeed been quadrupled since 1914, and last year yielded about £38 million sterling; but out of this sum only £2 million or 5 per cent. was derived from protective duties, and the remaining 95 per cent. has been imposed solely for revenue purposes to meet the heavy financial obligations which we have been forced to incur during and since the war. Now, whatever views may be held about protection, there can, I think, be only one opinion that a heavy revenue tariff is a burden on the consumer and a hindrance to trade. We have been driven to it because the field for direct taxation in India is limited, and there appeared to be no other way to obtain the money which was necessary to meet our annual requirements. And I think it is right to add one word to explain why our requirements are so large. Our receipts from customs duties are actually rather less than our military expenditure, which

is now about £41 million a year, or nearly one-third of the total revenues of India. And our military expenditure is so disproportionately high because we have to defend a frontier which is, I think, something more than the frontier of India, which may perhaps be regarded more rightly as the frontier of the Empire.

I should now like to say something about protection, as we understand it and practise it. I cannot speak as an economic theorist, but only from practical experience in framing and administering tariffs. And my experience of tariffs has confirmed me in my faith that we are all members one of another. I cannot injure you without injuring myself. Conversely, my prosperity is a condition of your prosperity. Our policy of protection, of "discriminating protection" as we call it, which we adopted some seven years ago, has been aimed solely at increasing the wealth of our people, and increased wealth means increased purchasing power. Our policy is based on a resolution of the Indian Legislative Assembly, which accepted the principle that our fiscal policy might legitimately be directed towards fostering the development of industries in India, but required that this principle should be applied with discrimination, with due regard to the well-being of the community and subject to certain safeguards. These safeguards are: firstly, the industry must possess natural advantages, such as an abundant supply of raw material, cheap power, a sufficient supply of labour or a large home market; and, secondly, the industry must show that it will eventually be able to face world competition without protection. In fact, the protection contemplated is a temporary protection to be given to industries which will eventually be able to stand alone. An application for protection is first examined by the Tariff Board, a quasi-judicial body which holds a public enquiry. And the recommendations of the Tariff Board, after consideration by the Government, are embodied in a separate Bill, which is placed before the Legislature. The measure of protection granted is ordinarily the difference between the fair selling price for the Indian manufacturer, as calculated by the Tariff Board, and the price at which the competing article enters the country; and it is ordinarily granted for a definite period, fixed by statute, which cannot be extended without further legislation. In this way, we believe, it is ensured that the burden on the consumer is as small as possible, and that the consumer has ample opportunity to express his views and assert his influence at every stage of the proceedings.

Protected Industries in India.

So far, in seven years, only four industries have received protection. There was, first of all, our steel industry, which was largely an offspring of the war, and had been reduced to dire straits by post-war difficulties. Protection was granted, in the first instance, for three years; at the end of that time, after a further enquiry, the protective duties were substantially reduced, all

bounties were withdrawn, and protection in this modified form was extended for a further period of seven years. The bamboo paper industry was also given protection for seven years. After an enquiry into the match industry, the existing revenue duty was not increased, but was merely converted into a protective duty in order to give the industry the security that it required. Finally, when our great cotton textile industry was threatened by foreign competition which the Tariff Board, after full enquiry, found to be unfair, assistance was first given by remitting the cotton excise duty and the revenue import duties on machinery and certain raw materials, and by a small temporary "safeguarding" duty on yarn. It was only last March, when an important section of the industry was in imminent danger of collapse, that we raised the import duty on piece-goods for a period of three years, and then only in such a way as to afford the minimum amount of protection required, with the least possible burden to the consumer and the smallest interference with external trade.

Differential Duties for British and Foreign Goods.

This, Sir, is our tale of protection. But there remains one aspect of it that may, I think, be of special interest to this Conference. I have already explained how it is that foreign goods are replacing British goods in the Indian market. It follows that it is frequently against foreign goods rather than against British goods that Indian industries require protection. In some lines there is really no competition at all between British goods and Indian goods. In other lines the measure of protection required is less. In other words, as we put it, the difference between the fair selling price for the Indian manufacturer and the price at which the competing article enters the country is less in the case of British goods than in the case of foreign goods. In our schemes for protecting the steel industry and the cotton textile industry, which are by far the most important industries that we have hitherto protected, we have recognised this difference, and we have fixed differential duties for British and foreign goods. It should be clearly understood that we have done this solely in the interests of the Indian consumer, and in pursuance of our principle of granting the minimum amount of protection required by the Indian industry. But the effect has been to close the gap between the prices of British and foreign imports. I can give you some figures to show what this has meant. I will take our average imports of steel for the two years before, and the two years after, the Act imposing differential duties was passed. Our steel requirements have been growing rapidly and, in spite of the development of our own industry, our imports continued to expand. In the classes on which differential duties were imposed there was an average annual increase of as much as 117,000 tons. But, out of this, only 14,000 tons were foreign steel, and the remaining 103,000 tons were British steel, representing an increase of 143 per cent. on the average annual imports before the Act.

Now, I think these figures should be interesting to this Conference, because they show that it has been possible for us, entirely in our interests, to adopt a system of differential duties which adequately protects our own industries and at the same time enables British goods to compete on better terms with foreign goods in the large market that remains to them. I say this should be interesting because I think you will all agree that any scheme of economic co-operation, if it is really to be successful and lasting, must be based on mutual self-interest and not merely on sentiment.

Attitude of India to Tariff Preference.

That is all I have to say, Sir. India is ready to consider favourably all schemes designed to encourage the development of trade with all other countries of the British Commonwealth. But she is not prepared to depart from her present policy of discriminating protection, which indeed, as I have explained it, seems to us to fulfil the conditions of "rationalised production," about which we now hear so much. We are unable, therefore, to commit ourselves to any general scheme of tariff preference within the Empire, but we must reserve complete freedom to deal with each case as it arises.

APPENDICES.

The APPENDICES to the Summary of Proceedings, Imperial Conference, 1930, are being published separately as Cmd. 3718.

