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Imperial Conference, 1926.

APPENDICES TO THE SUMMARY OF PROCEEDINGS

(In continuation of Cmd. 2768)

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

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IMPERIAL CONFERENCE, 1926.

APPENDICES TO THE SUMMARY OF PROCEEDINGS.

(In continuation of Cmd. 2768.)

APPENDIX I.

OPENING SPEECHES, 19th OCTOBER, 1926.

OPENING SPEECH BY THE PRIME MINISTER OF GREAT BRITAIN.

Welcome to Oversea Delegates.

Mr. Baldwin: In opening a new session of the Imperial Conference, I wish first to extend a very hearty welcome on behalf of His Majesty's Government to the representatives from Overseas. They have come here as representatives of great and free nations or, I speak of the representatives of India, of an Empire which includes many races and peoples within its confines. They have also come as our colleagues, Ministers of the same Crown, or, at any rate, fellow workers in the service of that Crown and of the great traditions and high ideals for which it stands. Some, too, have come as old friends, among whom we are glad to see round this table Mr. Mackenzie King, Mr. Bruce, Mr. Cosgrave, Mr. O'Higgins, and Mr. Desmond Fitzgerald. We offer a no less warm welcome to the three Prime Ministers, Mr. Coates, General Hertzog, and Mr. Monroe, who are attending the Conference for the first time, all of whom have succeeded to their present high office after gaining marked distinction in other spheres. We greet, too, the other Ministers who are newcomers to our counsels, Mr. Lapointe from Canada, Sir Neville Howse and Mr. Latham from Australia, Sir Francis Bell from New Zealand (whose father, I find, was the principal representative of the Dominion at the Conference of 1887), Mr. Havenga from South Africa, Mr. McNeill from the Irish Free State, and Mr. Higgins and Mr. Morine from Newfoundland. And, lastly, we are pleased to have with us to-day the Maharaja of Burdwan and Mr. Chadwick as the distinguished representatives, with the Secretary of State, of the great Indian Empire.

Tribute to Mr. Massey and Lord Curzon.

I cannot let this occasion pass without paying a tribute to the memory of two men who made so great a contribution to previous Imperial Conferences, and whose death we all deeply deplore; I

refer to Mr. Massey and Lord Curzon. Each was a true lover of the British Empire; each to the utmost of his opportunity—and the opportunity was great—devoted his life to its service.

Results Achieved by Past Conferences.

I have heard it suggested from time to time that little is accomplished at these Imperial gatherings. The Resolutions passed at earlier Conferences have been described as "generalities," mere "expressions of goodwill," "platitudes," and so forth. This attitude appears to me to be due to a failure to study sufficiently closely or over a long enough period of time what has been the aim of these Conferences and what has been achieved. Since the first Colonial Conference was held in 1887 less than forty years have elapsed—not long in the history of a nation, much less of a great Commonwealth of Nations such as we here represent to-day: yet, in that time, how much has been accomplished. In 1887, there was no Commonwealth of Australia, there was no Union of South Africa, there was no Irish Free State, and there was no full representation of India, such as we have to-day. Apart from defence, hardly any matters of larger policy came before that Conference, which was confined to questions not indeed without importance, but mainly of a secondary kind. On the present occasion, as a glance at our Agenda will show, we shall not be confined to questions of that order. Our discussions will extend over the whole field of Imperial and International policy and relations.

I will not attempt to forecast what conclusions we shall submit to our respective Parliaments and peoples as the result of the present Conference, but, for my part, when I survey the past, and when I ponder over the problems of the Empire, I feel that our predecessors have been wise to content themselves with gradual and steady progress rather than to attempt to construct some theoretical written Constitution which could no sooner be framed than it would have been superseded by the evolution of the living forces of growth in our midst.

Their Effect on the Development of Inter-Imperial Relations.

I have referred to the constitutional developments during the past forty years and to the corresponding growth of the importance of the matters which have come before successive Conferences. This growth is the outcome of the very conspicuous and far-reaching change which has taken place during that time in the relations between the component parts of the Empire. Coupled with a continuous process of extension of self-government and development of national consciousness, there has been a continuous necessity for adapting the relations between the Government in Great Britain and other Governments of the Empire to the altered state of affairs. It is in guiding this growth and in assisting this adaptation that above all the value of successive and increasingly frequent Conferences has lain. Without them it is hardly conceivable that the changes of the past forty years, so far from weakening the ties which bind the Empire together, should have contributed that

fundamental unity and strength which displayed itself to the amazement and admiration of the world during the four years of the war —a war of whose sacrifices we have been reminded by the solemn ceremony we attended together this morning. Without them it is hardly conceivable even that changes could have been effected, as from time to time they became necessary, with so little inconvenience. Sometimes there may have been some "lag" in this process of readjustment, but the greater frequency of these Conferences has in recent years provided some safeguard against this. We have gradually built up a whole network of contacts, extending throughout the entire fabric of our respective national organisations, official and unofficial. If we examine the matter we shall find that this network extends from the Crown which unites all by a common bond, through the whole range of government activities, justice, foreign policy, defence, finance, trade, communications, migration, education, and so forth, and is completed by a thousand social links—of race, religion, language, science, literature, drama, sport. From these we derive those common ideals, interests, and mutual sympathies which put us as a group of nations in a family apart, whose several members stand in a relation to each other differing in kind as well as in degree from that in which each stands towards the nations outside the family.

Developments as affecting Foreign Policy.

Nowhere has the necessity for adjusting the relations between the Governments of the Empire been more conspicuous than in the region of foreign policy. In this sphere I would recall to you the meeting of the Imperial Conference of 1911, when Sir Edward Grey (now Lord Grey) for the first time made, at the Committee of Imperial Defence, a comprehensive statement on foreign policy to the representatives of the Dominions assembled that year. His opening sentences are of such interest that I should like to quote them to-day:—

> "The starting point, I imagine," he said, "of the consultation which we are now going to have on foreign policy and the foreign situation is really the creation and growing strength of separate fleets and forces in the Dominions, of which the Prime Minister has just given some account. It is possible to have separate fleets in a united Empire, but it is not possible to have separate fleets in a united Empire without having a common foreign policy which shall determine the action of the different forces maintained in different parts of the Empire. If the action of the forces in different parts of the Empire is determined by divergent views of foreign policy, it is obvious that there cannot be union, and that the Empire would not consent to share an unlimited liability the risks of which it cannot gauge, because this liability would be imposed upon it by different parts of the Empire having different policies. Therefore, the first point I want to make is this, that the creation of separate fleets has made it essential that the

Foreign Policy of the Empire should be a common policy. If it is to be a common policy, it is obviously one on which the Dominions must be taken into consultation, which they must know, which they must understand, and which they must approve; and it is in the hope and belief that the *Foreign Policy of this country* does command the assent and the approval, and is so reasonable that it must command the assent and approval, of the Dominions, that we wish to have a consultation, and I wish to explain, as fully as I can, the present situation of foreign affairs, and what our views and prospects are."

Progress since 1911.

You will note Sir Edward Grey's reference to the "Foreign Policy of this country." The change that has taken place since then is aptly illustrated by the fact that it is now by universal admission no longer only a question of the foreign policy of this country. The problem before us is how to reconcile the principle of self-government in external as well as domestic affairs with the necessity for a policy in foreign affairs of general Imperial concern which will commend itself to a number of different Governments and Parliaments.

That problem we have already gone some way to meet. The first conspicuous demonstration of the changes which had taken place in the sphere of foreign affairs was the Imperial War Cabinet of 1917. This was followed by the Imperial War Cabinet of the following year and the Empire Delegation at the Peace Conference. In the seven years that have since elapsed there have been (including the present Conference) three sessions of the Imperial Conference. At the last two Conferences, not only has a common understanding been arrived at as regards the principles which should govern the main issues of foreign policy, but also agreements have been reached on what I may term the administrative side of foreign relations in matters of major importance. I need only refer to the part played by the Conference of 1921 in the discussion which preceded the Washington Disarmament Conference and to the work of the Conference of 1923, first, on the problem of Reparations, which led up to the Agreements reached in 1924, and, secondly, on the question of smuggling off the United States coast, which resulted in the conclusion of the Treaty for the Regulation of the Liquor Traffic. Apart from meetings of the Imperial Conference, there have been a number of International Conferences since the war, at which the Dominions have been represented and have played an important part, in addition to the periodical meetings of the Assembly of the League of Nations at Geneva, where there has invariably been close and constant touch between our respective representatives.

Present System for Diffusion of Information.

Side by side with the increase in the opportunities for interchange of views afforded by personal contact at such Conferences

has gone a continuous increase in the diffusion of information. You will remember that, following on the promise made by Lord Curzon at the Conference of 1921, copies of all communications of importance to and from His Majesty's representatives abroad bearing on current aspects of world politics and on the conduct of foreign affairs are now sent without delay from London to the Prime Ministers of the Dominions, and day by day they are kept informed by telegram and despatch of every important development and tendency. I find that during 1925 the number of such telegrams sent was 190, while during the present year the number sent up to the end of September has been 116. The numbers of confidential Foreign Office prints sent during the same periods were respectively 576 and 491. The present Prime Minister of the Commonwealth has supplemented this system by the appointment in London of a personal liaison officer in close touch with the responsible authorities in this country. I need not say that we have been only too glad to help him in every way within our power.

Resolution of 1923 Conference on Negotiation, &c., of Treaties.

A beginning has also been made, on the more formal side, in indicating the principles which govern our national and international relationships. I am thinking particularly of the Resolution on the Negotiation, Signature, and Ratification of Treaties which was agreed to at the Imperial Conference of 1923, and has since been accepted by all the Governments represented here. It may well be that this Resolution, in the light of experience, now needs clarification and amplification in certain ways. But I can say with confidence that its usefulness has been amply demonstrated in the course of the last three years.

Developments as affecting Defence.

In the field of Imperial Defence there has been steady, if unobtrusive, progress towards improving the facilities for co-operation, if the necessity should unhappily arise. The long-drawn-out controversy of the early part of this century between the advocates of Dominion Navies and Dominion contributions to a single Imperial Navy has long since died away in the natural and inevitable course of constitutional development. The principle of Dominion Navies is established, and is not merely accepted, but is whole-heartedly endorsed, by the Admiralty. I take this opportunity of warmly welcoming the step recently taken by India in establishing the Royal Indian Navy. At the end of this year, in accordance with the provisions of the Articles of Agreement of 1921, we shall be entering upon a conference with representatives of the Irish Free State with a view to the undertaking by the Free State of a share in her own coastal defence. A regular system for the interchange of British and Australian cruisers is now in operation. Our Navies, on which we depend in the last resort for our corporate existence, remain—and I venture to say will continue—one of the strongest possible bonds that unite us.

In the land forces also much has been done to facilitate co-operation. At the present time units and formations throughout the Empire are organised in general on similar lines. Broadly speaking, similar patterns of weapons are in use, and a human bond is created by a system of interchange of Officers, and by personal visits of Officers to and from the Dominions.

In the Air arm, whose actual and potential importance is a link between us, not only from the point of view of Imperial Defence, but also from that of Imperial communications, has been strikingly demonstrated by recent long-distance flights; contact and co-operation are being secured by corresponding methods.

In all these services common doctrine in matters of defence is provided for by special facilities for the attachment of Officers to colleges and other technical establishments, and we hope to see this process extended.

I will not now detain you by referring to the Resolutions of successive Imperial Conferences on these matters, but I can assure you that study of them affords ample proof of the value of the part which these Conferences have played.

I cannot leave the subject of Imperial Defence without a brief reference to the generous, patriotic, and far-sighted action of Their Highnesses the Rulers of the four Federated Malay States and other members of the Federated Malay States Council in offering, on the motion of the Sultan of Selangor, a contribution of £2,000,000 to the Imperial Government, payable in five annual instalments, towards the cost of the Singapore Naval Base. This contribution is of the greatest assistance in enabling this important development to be proceeded with. I shall return to this subject when we discuss Imperial Defence.

Developments as affecting Trade and Oversea Settlement.

The third, and not the least important, head under which the work of the Imperial Conference may be classified is that of Empire Trade and Empire Settlement. One of the most striking of the definite results of recent Conferences has been the institution of a number of joint Imperial bodies, each surveying some particular aspect of the Empire's economic, as opposed to its political, relations. Thus, at this Conference we shall be called upon to consider the valuable work done by the Imperial Shipping Committee and the Imperial Economic Committee. I would refer also to the Imperial Institute, which has recently been reorganised as a result of the work of the Imperial Economic Conference of 1923, with which is now amalgamated the Imperial Mineral Resources Bureau—the latter itself the product of Resolutions of the Imperial War Conferences of 1917 and 1918; also to the advances which have been made since the last Conference in co-operation in research within the Empire; and to the work of successive Conferences on Forestry, one result of which has been the establishment at Oxford University of an Imperial Forestry Institute.

In the sphere of direct trade relations between the different parts of the Empire, the most striking developments of recent years

have been the greater realisation of the importance to the Empire of fostering inter-Imperial trade. We in this country may fairly claim to have played our part, from a very early date, by the facilities given in London, both in the raising of loans, and in giving such loans the privileged position of Trustee Securities. From no other source could such large sums have been provided on such favourable terms. I find, for instance, that down to the end of 1925 London had lent to Governments and Municipalities in Canada, Australia, New Zealand, and South Africa more than £850 millions sterling. In spite of the reduction in the wealth of this country and the diminution of its accumulated savings resulting from the World War, and in spite of the heavy consequential drain on our savings for capital expenditure in this country, we have been able, even in the years since the war, to maintain the flow of investments which is so important for oversea development. In addition we took a further step, as the direct result of the special Conference held in the early part of 1921 and of suggestions made by the Dominions' representatives at the subsequent Imperial Conference, in passing the Empire Settlement Act of 1922. The problem of settlement, which transcends all others in importance, so far as many of us represented here are concerned, is not so much one of relieving congestion of labour in this country and supplementing its shortage elsewhere as of building up the prosperity and strength of the national life of each part of the Empire, and of giving its citizens the widest opportunity for healthy individual development. This problem is essentially a problem of co-operation, not only in actual measures directly concerned with migration and settlement, but also in finance and in the marketing of Empire products.

The principle of Imperial preference, which, I gladly admit, was initiated and pressed in the Dominions before the Government of this country recognised its advantages, was first unanimously accepted in its widest sense by the Imperial War Conference, 1917, and the Resolution then passed was re-affirmed in 1923. Substantial results have followed from the preference accorded in the Dominions to Empire goods, and I am confident that the measure of preference which we in this country have been able to afford, even under our very limited tariff system, supplemented as it will be in the future by the operations of the newly established Empire Marketing Board, has increased and will increase the flow of inter-Imperial trade.

British Empire Exhibition at Wembley.

In this connection I cannot pass on without a reference to a great Imperial organisation which held the field of public attention during the two years which have intervened between our Meetings—I mean the Empire Exhibition at Wembley. That Exhibition, to which all parties and all Governments in the Empire gave their hearty support, brought home to the people of this country, and in some measure also to every part of the Empire, as nothing else

could have done, a conception not only of the present development of the Empire but of its immense future possibilities. A whole generation of children are growing up in this country to-day whose imaginations have been kindled by the wonderful panorama of Empire, and whose outlook has been broadened by the thought of the field of opportunity before them.

Imperial War Graves Commission.

Lest anyone should think that the practical results which have sprung from past Conferences have been wholly material, I would mention one other inter-Imperial body, created by the Conferences of 1917 and 1918, which has in addition a spiritual side—I refer to that unique Imperial organisation the Imperial War Graves Commission, an abiding memorial of the spirit of co-operation which inspired us in the Great War. I rejoice to think that the future continuance of its work has now been ensured by provisions for the establishment of a permanent endowment fund.

Establishment of Dominions Office.

I should like to add here a brief reference to a recent development which, though it does not directly arise out of the work of recent Imperial Conferences, has, nevertheless, a very close relation to that work. I refer to the establishment last year of a separate Dominions Office under the supervision of a Secretary of State for Dominion Affairs. I will leave it to my colleague who holds that office to set forth in greater detail the reasons for that change and the advantages which we hope to see resulting from it. But I should like to say that I believe that this development, whilst not interfering in any way with the personal communications between Prime Ministers on matters of Cabinet importance, which both I and they feel to be of the greatest value, will do much to facilitate the conduct of our relations with the Governments of the Dominions.

Unofficial Relations.

I have spoken hitherto of the part which successive Imperial Conferences have played in the development of the official relations between the Governments represented at them. But to complete the picture I should add a reference to their value on the human side in promoting a personal and unofficial relation between our peoples. Such relations exist in every sphere of our life as a Commonwealth. I need only instance the Empire Parliamentary Association with its reciprocal visits of parliamentary delegations—whose object, as Lord Salisbury recently put it in New Zealand, "is to bring about, not political union, but a union of hearts and sympathies"; the extent to which advantage is being taken of the facilities provided by our Universities, where during the past year, in round numbers, 1,200 students from the Dominions and over 1,000 from India have pursued their education, without counting large numbers of Law students and students in technical

schools and research institutes; the Rhodes Trust, which since its inception has enabled 565 students from the Dominions in addition to 69 from the Colonies to pursue their education at Oxford University; the close connection maintained by the churches; the reciprocal visits of scientific bodies, of press representatives, of farmers, students, scouts and guides, indeed of societies of all kinds; the mutual recognition of professional diplomas in medicine and other branches of science—to say nothing of a thousand other social ties too numerous to mention, partly material, partly sentimental, sometimes invisible, which, in the aggregate, constitute an inseparable bond.

Need for Improvements.

It must not be supposed, however, that my attitude is one of satisfied complacency. No responsible person believes that we have reached finality in our relations. It is our business at this Conference to take stock of our situation as a whole, to locate our weak places and to do all we can to strengthen them.

In the conduct of Foreign Relations.

As regards foreign affairs, perhaps the most important question which arises is the admitted necessity for improvement in the present system of communication and of consultation between the Governments of the Empire, with a view to giving fuller effect to the principle of "continuous consultation on all matters of common concern," the importance of which was affirmed by the Imperial War Conference of 1917 and reaffirmed by subsequent Conferences.

I have already referred to the great progress which has been made in the direction of keeping the Dominion Prime Ministers informed by mail and telegraph from London on all matters of world politics, but I think that we must certainly examine what results flow from the system thus set up, and consider what developments are possible both as regards it and as regards the arrangements for the supply of information in the reverse direction.

As regards the system of consultation, the most pressing problem, it seems to me, is whether it is possible to increase the opportunities for personal discussion, which experience has shown to be at present insufficient, particularly in relation to matters of major importance in foreign affairs where expedition is often essential and urgent decision necessary.

In Defence.

In the sphere of defence also there are matters which require careful joint consideration. I have already mentioned one direction, namely, the development of common doctrine by the interchange of facilities for technical education—in which there is room for further progress—but it will be obvious that in the wider questions of policy, which must constantly be adapted to meet changing conditions, there is urgent need for constant and close co-operation.

In Trade.

As regards Empire trade and settlement, though all of us have gone far, we can, I hope, go a great deal further towards the achievement of our common object, which is, as I conceive it, that each of the Governments should give, subject to the special economic needs of the countries which they represent, not only the most sympathetic consideration, but the fullest practical encouragement, to the development of inter-Imperial trade. When I consider the extent of the resources of the different parts of the Empire and their essentially complementary character I cannot resist the conclusion that a policy of effective co-operation between us all would produce results in the creation of wealth and of human welfare for each of us out of all proportion to what we could severally achieve in economic isolation. But we can only make effective progress in that direction in the degree that our various peoples realise the greatness of their opportunity and concentrate their purpose upon it.

Conclusion.

I will not at this stage attempt to make any suggestions as to the solution of the many problems which we have to face. The detailed Agenda is before you. It is not the least of the many advantages which flow from these Conferences that those who are primarily responsible for the peace, order, and good government of no small part of the world here meet one another face to face, on such a footing as to be able to interchange our views on the basis of absolute equality, without restraint, without resentment of criticism, in an atmosphere of common desire to reach agreement.

In a world still suffering severely from the shock of the war, still rent by barely concealed rifts, dissension, and bitterness, the British Empire stands as one of the great stabilising elements. In what spirit and with what ideals shall we, who have the responsibility for its governance, face the problems which confront us? You will find both, I think, summed up in a phrase which is traditionally attributed to St. Augustine. It is this :—

> "In essentials unity, in non-essentials liberty, in all things charity."

OPENING SPEECH BY THE PRIME MINISTER OF CANADA.

Mr. Mackenzie King: Prime Minister and Members of the Conference, I believe it is the custom that the representative of the senior Dominion should speak first after the Prime Minister of Great Britain, and it is perhaps as well that precedent should be followed on this occasion as on others. I could wish that representatives of the Dominions of longer experience were present to speak first, but looking about this table I realise that Mr. Bruce, Mr. Cosgrave, and I are the only three Prime Ministers from the Dominions who were present at the last Conference, notwith-

standing that it was our first Conference. That only helps to illustrate the vicissitudes of political life and fortune, and the importance of a gathering such as this in enabling us all to become more intimately acquainted, and to have the privilege of discussing together the great questions in which we are all concerned.

May I take this opportunity of joining in the Prime Minister's expressions of regret at the death, since our last Conference, of Lord Curzon and of Mr. Massey? Lord Curzon was a great Imperial figure, the representative of a splendid tradition of prolonged preparation and high service. Those of us who were privileged to listen three years ago in this room to his masterly three hours' survey of world affairs, a remarkable intellectual feat, will long cherish his memory. Mr. Massey on the last occasion was the dean of the Dominion Ministers. His sound common sense, his wide human sympathies, and his sturdy individuality impressed all who met him. We are looking forward to making the closer acquaintance of his successor, Mr. Coates, of General Hertzog, Mr. Monroe, the representatives of India, and the other members of this Conference. The representatives of His Majesty's Government of Great Britain are already old friends of most of us. May I, in this regard, express our deep appreciation to the Prime Minister of the heartiness of the welcome which he has extended to us all at this Conference?

Value of Imperial Conference.

The rapid changes in personnel indicate the need and the value of such gatherings as this, which make it possible for those directly responsible for the government of the several parts of the Commonwealth to learn something of the special problems, the difficulties, and opportunities of the other British communities and to learn something also of the personal equation in their governing. Brief cabled reports of what some Minister on the other side of the globe has said or done will be interpreted in truer perspective once we have met and exchanged views in frank and friendly discussion.

Improvement in International Situation since 1923.

Mr. Baldwin has given us a very lucid review of developments since the last Conference, of the historical significance of the Conference itself, and an outline of the tasks we are now called upon to discuss. Beyond question the international horizon has cleared very greatly since 1923; a distinct advance has been made towards both political and economic stability in most countries, and, if some serious industrial and financial difficulties still remain both within and without the Commonwealth, we may be encouraged to hope that a solution will soon be found. I need not at this stage comment upon any of the questions of special interest to members of the British Commonwealth to which Mr. Baldwin referred, as they will come before us in detail later. I may simply say that I believe that, approaching them with goodwill and a realisation of their vital significance, we may well hope to find ways and

means of advancing them distinctly toward a settlement to our common good.

Diversity of Empire.

In this historic room are gathered representatives from every continent and all the Seven Seas, owing allegiance to a common King. Such a gathering makes one realise how great an error it would be to overlook in our plans and forecasts either the differences in situation and outlook of these several nations or the deep and lasting things they share in common. This diversity is sometimes left out of account in the habit we have formed of speaking of all the countries of the Empire whose representatives sit on this side of the table under the collective term of "the Dominions," as if they were not individual countries so much as examples of a type, and the differences between them were unimportant in comparison with the distinction between them all and the Mother Country. And yet a moment's reflection indicates how distinct they are in historical background, in racial composition, in economic organisation, in neighbours and neighbourhood relations, and perhaps increasingly in national character. On the other hand, our very presence here indicates that we share in common many great problems, many commanding opportunities, many proud memories—the moving ceremony we witnessed this morning commemorates the greatest of those common memories—and, not least, common standards of public life and private conduct. In more senses than one, we speak the same language. In countless ways, in trade, in markets, in migration, one part needs and complements the other.

I should like to join the Prime Minister in his appreciation of the work of the Imperial War Graves Commission and to express our gratification at the establishment of the Endowment Fund.

Through this unprecedented experiment in world organisation which we call the Commonwealth or Community of British Nations, one-fourth of the world's peoples are linked in friendship and in peace. It is inevitable, simply because this great experiment is without precedent or parallel, that sometimes we find difficulty in making foreign countries understand our position, or in wholly understanding it ourselves. But perhaps in the next few weeks we may be able to explore methods for a clearer understanding of our political relationships, including the problem of foreign policy in its several aspects, and methods as well for closer co-operation in economic matters and fuller utilisation of the challenging opportunity the Commonwealth presents to each and all of its members. It will then remain to bring such outcome before the several Governments we represent, and in some cases before our Parliaments and peoples.

Message to Their Majesties.

As a first step in our proceedings it is especially fitting that we should express our respectful homage to Their Majesties, and

I would therefore ask that I might have the honour of moving the following Resolution* :—

"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."

OPENING SPEECH BY THE PRIME MINISTER OF THE COMMONWEALTH OF AUSTRALIA.

Message to Their Majesties.

Mr. Bruce: Prime Minister and Ministers, I think perhaps it would be appropriate if I might exercise the privilege which is mine, as the representative of the second senior Dominion, to second the Resolution which the Prime Minister of Canada has just proposed, and I do it with the greatest appreciation of the obligations which the whole family of British nations are under to His Majesty the King, and also remembering that he is the visible symbol of our unity, the centre of all our loyalties, and the link which binds us together. But I think throughout the Empire there is something more than that, and in considering our loyalties to the Throne we ever have in mind not only the functions of the Crown as an institution, but the arduous and devoted personal service which His Majesty and the whole of his family have rendered to the Empire and all its people, and in seconding this Resolution on behalf of His Majesty's subjects in Australia I would like to emphasise that they are a loyal and devoted people to the Throne and also to the person of His Majesty.

I second the Resolution* which the Prime Minister of Canada has moved.

I desire to associate myself with all that Mr. Mackenzie King has said in expressing appreciation at the welcome which you have been good enough to extend to us this morning. I would also, if I may, as one who has been here on a previous occasion, express a welcome to those Prime Ministers and Ministers and to the representatives of India who attend an Imperial Conference for the first time, and express the hope that our deliberations will be conducted in the same spirit which marked the last Conference which I was privileged to attend. I would also desire to associate myself with what both you and the Prime Minister of Canada have said with regard to Lord Curzon and Mr. Massey. We all remember those two figures very well at the last Imperial Conference, and I have equally vivid recollections with the Prime

* The Resolution was subsequently carried unanimously: see Section III of Cmd. 2768.

Minister of Canada of that masterly exposition of the position in connection with foreign affairs which Lord Curzon gave on that occasion. Anyone who has attended an Imperial Conference must also miss Mr. Massey because he held, I think, in the Empire a unique position. He was at the last Conference, as I think at previous Conferences he had been, almost in the position of the father of the Empire, and anyone who came in contact with him must have been inspired with a great affection for him and a great regard for his character and his very sane and sound Imperialism.

At this moment I do not think it is desirable that I should touch upon the many things which you have said in your admirable and full exposition of the history of Imperial Conferences and where we have arrived to-day. The only thing I would desire to suggest is that with regard to all that has been accomplished in the past we should ever remember that we have progressed, and that when we meet together we should not again go through a long survey, which must occupy a great deal of time, of all that has been done, but that we should start from the point we reached on the last occasion and attempt to go forward and do something constructive towards further cementing the Empire.

I desire to endorse the remarks of the Prime Minister with regard to the solemn ceremony which we attended this morning. Nothing could have more fittingly preceded the opening of this Conference than a ceremony which symbolises the unity of this Empire, and our mutual sacrifices in the late war. These are spiritual links which must strengthen the bonds which now unite us.

Nor can I let this opportunity pass without referring to the work of the Imperial War Graves Commission which is perpetuating in a most admirable manner the remembrance of the great sacrifices to which I have referred. I rejoice to think that, by the endowment mentioned by the Prime Minister, the sacred work of that Commission has been placed on a basis that will ensure its permanency.

Constitutional Questions.

We have to look at the questions that face us under three heads, the relations of the different parts of the Empire one to another, the question of our common defences of the Empire, and the question of inter-Imperial trade and economic development in the future. I think it is very unfortunate that so much has been suggested as to great constitutional difficulties which exist at the present time, for it amounts to an implication that there is friction between the different parts of the Empire and the Governments that represent them. I think the Prime Minister of Canada in his admirable remarks has, if he will permit me to say so, shown the position in a very clear light and has brought us all to the recognition, to which I hope we had come before, that the problems of the Empire, with the diversity of conditions which exist of race, and fortunately not of ideal but possibly of tradition, render it necessary

that we should have the fullest discussion with a complete recognition by all of us that our desire is mutually to advance the interest of the Empire as a whole. If there are any misunderstandings let us clear them away by a frank interchange of views. For my part I am certain that those constitutional difficulties which some people are trying to suggest will disappear entirely when around this table we come to discussion. We have been able to solve all our problems in the past, we have gone through the system of progress and advance in the Empire which you have recounted to us to-day, we go right back to the first Imperial Conference, we come to the testing period of the war and the sittings of the War Cabinet, we pass on into the post-war period, and, as each new problem has arisen, we have met it. I am confident to-day that if we have to face further problems we shall be able to find a solution for them all. The one point at this stage I would desire to stress is that, while it is admirable that we should survey where we have got to, we should meet only the problems that confront us at the present moment. It would be disastrous to attempt to lay down something in the nature of a written Constitution that is going to govern us in the future. It is quite impossible for an Empire progressing continually as we are to have any such document. If we had had it in the past, either it would have had to be torn up or it would have destroyed the Empire. I am certain that if at this Conference we again, as has always been done at these Conferences in the past, approach these problems with a real appreciation of the aspirations and ideals not only of Britain but of the Dominions, all governed by the one central fact that we are a great Empire and are determined to remain united, there will be no difficulty in solving any of the difficulties that may present themselves.

Defence.

On the question of Defence I would say little save to stress that it is a common Empire problem, and it is necessary that we should recognise that our interests are all common though our circumstances are so divergent.

Trade and Oversea Settlement.

In regard to the question of inter-Imperial trade, of settlement, and that greatest problem that faces us in the British Empire to-day, a better distribution of the white population of the Empire, I, Sir, you remember, agreed that on the present occasion we should not follow the precedent of the 1923 Conference and have separate Imperial and Economic Conferences, but that the two should be one. I did it, not in the belief that the economic problem was less important to-day than it was in 1923, but because I believe that, if we have the one Conference, anything that might be proposed by the different parts of the Empire in regard to economic questions would come from this Conference with the full authority of the Imperial Conference, and would probably be of more weight and have a greater effect. It was because I believe that the

economic and trade problem is even greater to-day than in 1923 that I so readily agreed that it should be dealt with in the Imperial Conference rather than in a separate economic conference. The only point that I desire to stress in regard to the economic side of our discussion is that I firmly believe, and I think the people of Australia believe, that this is the most vital and important question of the Empire at the present time, and could we solve this great question, really bring about a true and co-ordinated development of the resources of the Empire and a better distribution of the white population, most of the great problems that face us to-day as British people would disappear. I believe further that in thus solving our own difficulties we should be making a great contribution towards a solution of the world's problems. On these questions of Imperial trade and the whole economic situation that we have to face, I would, Sir, suggest that it is desirable that we should try and get down to a practical basis. The accusation that has been made against Imperial Conferences in the past has been, as you have indicated and so admirably refuted, that in regard to many of our questions we come to no definite decision and make no great movement upwards. Nevertheless, the Imperial Conferences have served a great purpose in moulding public opinion in regard to great Imperial questions.

Conference to give a Lead.

In regard to these economic questions that face us, I venture to say the whole Empire expects a great deal more and indeed is looking to this Conference to give a lead. There is a great and deep-set feeling throughout the Empire that something could and should be done, and, while it may not be for Governments alone to effect a solution of these problems, it is for Governments to give the lead, and there is no better opportunity than a meeting of the Imperial Conference at which the representatives of the whole Empire are present. I would stress to this Conference that it is vital to the future of the Empire that the Imperial Conference should live. I believe it does more to cement the Empire than anything else. But, if this Conference can give no lead to the Empire nor accomplish anything in regard to the matter that is burning in the minds of the whole of the people of the Empire because their personal conditions are tragic in many respects, then I think we will strike a blow at the Imperial Conference. Unless we can do something to show to the people that on the material side, if you will, we are capable of giving some lead and accomplishing something, it will not be easy to bring from the corners of the Empire (with all the disadvantages and trouble which it involves in being absent for such a length of time) the Prime Ministers and the representatives of the whole of the Empire to meet in consultation as often as we would desire in the future. I am confident, however, that on all these questions, our relations with each other, questions of defence and trade, with that goodwill which has always distinguished the Imperial Conference and with a genuine desire on the part of all to try and

find a solution of our problems which will be of material benefit to the whole of the citizens of the Empire, we shall find some way of making a useful contribution towards Imperial unity and the advancement of the Empire in this present session.

OPENING SPEECH BY THE PRIME MINISTER OF NEW ZEALAND.

Mr. Coates: Prime Minister, I should like to say at once that on behalf of New Zealand I support whole-heartedly the loyal Resolution moved by the Prime Minister of Canada and seconded by the Prime Minister of Australia, for presentation to Their Majesties the King and Queen.

Tribute to Mr. Massey.

I desire in the first place to express my recognition of the vast importance of these Imperial Conferences and the appreciation of the people of New Zealand of the opportunity of joining with the representatives of the Imperial Government, of the Dominions and India, and of the Colonies, in considering the well-being of the Empire. I do not think it an exaggeration to say that these Conferences, guiding as they do the destinies of the British Empire, are equal in importance to any assembly in the world to-day—perhaps one might even say in history. My sense of diffidence in taking a place at this table and in approaching the vitally important problems that will arise for discussion is intensified by the reflection that I follow in the footsteps of a man who has written his name large in the history of New Zealand and of the Empire. I desire to assure you, Sir, that your reference to the late Prime Minister of New Zealand will be received in the Dominion with the greatest appreciation as a recognition of the regard in which his name was, and still is, held, not only in New Zealand, but throughout the British Commonwealth. Mr. Massey is no longer with us, but his high belief in the destinies of the British Empire, his optimism as to its future, and his firm determination to do all that man can do to further its interests, still live and flourish in New Zealand, and it is my mission here, and my privilege, to follow in all its essentials the path already laid down by him. I desire also to join with the Prime Minister in his reference to the late Marquess Curzon, whose life-long period of public and Imperial service is honoured in New Zealand no less than in this country.

Many questions of the greatest importance, and some of grave difficulty, will require our consideration in the near future, and in a very real sense the well-being of the British Commonwealth of Nations will depend upon the result of our deliberations. The solution of these questions will demand the highest qualities of goodwill, of mutual toleration, and of statesmanship.

I am aware of the results achieved in the past by one typically British method of solving difficulties by the careful avoidance of a decision, and I hope much from it in the future, but in the case of

our inter-Imperial relations I think that some definite step is possible and at this stage perhaps essential.

We who are here at present hold in our hands a weighty trust not only on behalf of our own people, but in a very real sense on behalf of the world itself, and it is a great pleasure to me to be able to say that my enunciation of this principle in the New Zealand Parliament just prior to my departure evoked no dissentient opinion from any political quarter. The small country that I have the honour to represent cannot perhaps exert any decisive influence in this Conference, but, if I may say so, it hopes that its earnestness, its goodwill, its ready recognition of the varying points of view of its sister nations, and its willingness to fall in with any plans that will make for the common good of all, will to some extent compensate for its want of magnitude.

Value of Imperial Conference.

I desire to affirm here my sense of the extreme desirability—I might even say the paramount necessity—of these meetings of representatives from all parts of the Empire. Situated as we are in many cases thousands of miles apart it is inevitable that without such a means of exchanging thoughts and viewpoints our interests would tend to diverge and the Empire to drift apart. It is clear that the more frequently it is possible to meet in Imperial Conference the more readily a mutual understanding will be arrived at between the various partners in the British Commonwealth. At the same time, some of us are obliged to travel literally half way around the globe to meet here, necessitating an absence from our more immediate responsibilities for a considerable length of time. It is highly desirable therefore that in every way we should strive to make these discussions of real value and to arrive at definite decisions upon questions of real importance. I recognise, however, that a resolution of this Conference can be of no value unless it represents the true feeling of the individual peoples concerned so that it may subsequently be translated into effective action, and this seems to me to emphasise the fact that the Conference should aim above all things at agreement.

New Zealand's Desire to Help Great Britain.

I think it fitting here to express the sense of sympathy with which men and women of all shades of opinion in New Zealand regard the struggle of the Mother Country to overcome the difficulties that are at present, and for some time past have been, confronting her. Many of her financial troubles, are, I think, due to her scrupulous observance of the nicest points of honour and obligation. None can doubt the capacity of Great Britain and her people to triumph ultimately over all obstacles, but it is felt in my country that the appropriate time to repay some of the benefits we have received from her, and to return some portion of the assistance that she has so generously extended to us in the past, is now. We in New Zealand will regard it as a privilege to assist this great

country in so far as our small resources will enable us to do so. We feel no sense of reproach for our actions in the past, but we have a very earnest desire to extend our co-operation in the future. The question of the form in which assistance may best be rendered is exceedingly difficult, but I have every hope that earnest consideration will result in the formation of some practicable plan and I desire in the meantime to give an assurance of most sympathetic examination of any proposal that may be put before us.

I entirely agree with the Prime Minister's remarks on the subject of war graves. The success of our mutual association to keep evergreen the memory of those who gave their lives for an ideal is a most happy and significant indication of what may be achieved in other directions by an extension of the principle of consultation and concerted action. These men died fighting, not for the ideals of New Zealand, of Canada, of Australia, of any particular section of our people, but for the ideals that are the heritage and the pride of each and all of us as units of the British Empire, and I feel that the importance of taking wherever possible the larger Imperial view on our problems cannot be too strongly emphasised.

I do not intend to discuss here in detail the Prime Minister's address—I take it that a more suitable opportunity will arise at a later date—but I desire to express my appreciation of the welcome that has been extended to the Dominion representatives, and especially to those of us who like myself are appearing here for the first time, and of the most interesting and valuable remarks to which it has just been our privilege to listen.

OPENING SPEECH BY THE PRIME MINISTER OF THE UNION OF SOUTH AFRICA.

General Hertzog: Prime Minister, may I also on behalf of myself and my colleague thank you very heartily for the welcome extended to us in this Conference? I also wish to join in the tribute paid by you to the memory of Lord Curzon and Mr. Massey. Lord Curzon I never knew, except, of course, as a public man, but I knew the great services he rendered during his lifetime. Mr. Massey I happened to meet in 1910 for a short time, and I think there again I may say that what I knew of him I knew as a public man whose services were published to the world: we all liked and respected him in that way.

Nature of Empire.

Now, Sir, we are here to consider matters of an Imperial nature, and perhaps I may say just a few words. The Empire, I take it, Sir, may be said to consist in the sum total of relations uniting so many associated States under the Crown. Those relations are of many and various kinds. We have the relations of blood, of friendship, of common interests and ideals, and of allegiance to a common Crown. The strength, therefore, of the ties that bind us as a Commonwealth will depend at any given time

upon the ties, upon the relations, binding us at that particular moment, and especially upon the kind and quality of those relations. These relations are the cement of the Empire, and our strength and power of endurance will depend upon the quality of that cement. I take it that one of the objects of our gathering together here to-day and for the following weeks is to ensure the usefulness and permanency of our relations as an Empire by advancing its efficiency as an instrument of good for each of its associated members as well as for the world at large. In the attempt to attain that object I wish to assure you, Sir, of the hearty support and co-operation of myself and my colleague on behalf of the Union of South Africa. We are prepared to co-operate to the fullest extent in laying as solidly as possible the foundations of our Commonwealth of Nations so as to make it as durable as it can be, and here I wish to say a few words as to South Africa's attitude in regard to the Empire or British Community of Nations. It has our hearty support, and will ever have our hearty support, irrespective of parties and races, as long as it is, and shows the character of, a Commonwealth of free and independent nations, each free and striving to attain what is best for itself, yet in such a manner and in such a spirit as will conduce wherever and as much as possible to the well-being of all. If I may state in a few words the principle which should guide us in matters of general Imperial interest, I would say: In principle, unrestrained freedom of action to each individual member of the Commonwealth: in practice, consultation with a view to co-operative action wherever possible. It is clear to me that in order to attain the highest degree of permanency and usefulness for our Commonwealth we shall have to be frank with one another, but above all we shall have to be sincere, imbued with the spirit of goodwill and a desire to be of real service both to our country and to one another. It will be in that spirit of frankness and sincerity, I hope, that I and my colleague will assist at this Conference. The economic and other practical questions will receive our full and earnest consideration with a desire to co-operate as much as our peculiar circumstances and requirements will permit. If, however, this Conference is to attain success at all commensurate with the expectations entertained, it will, Sir, as far as South Africa is concerned, have to do more than simply devote its energies to economic and other practical problems of the day. These are, no doubt, of very great importance, it may be of vital interest, but we may not forget that they are of vital interest mainly, if not solely, because the Empire with which they are concerned is assumed by us to constitute a relationship that will last. It is therefore of paramount importance that we shall make sure that the foundations of the Commonwealth are such as to stand the test of time. I think, Sir, it will be generally admitted that the corner-stone of the Empire is the will, the goodwill, of those who compose it. Without that will the Empire must collapse. If, therefore, the Empire is to be maintained, if it is to flourish and fulfil that great task which we all hope it will achieve in the history

of the world, we must see that the will to live in the Empire, as a Commonwealth of free nations, will in future, as it is to-day, be present and active with every one of its constituent elements.

Position of South Africa.

Whether at present all the conditions are there to ensure the permanency of that will, and therefore of the Empire, is a question which I think we should enquire into at this Conference. Speaking merely for South Africa, I think they are not. South Africa is anxious to possess that will equally with every other member of the Commonwealth, but that will can be assured for the future only if she can be made to feel implicit faith in her full and free nationhood upon the basis of equality with every other member of the Commonwealth. That implicit faith she does not possess to-day, but she will possess it the moment her independent national status has ceased to be a matter in dispute and has become internationally recognised. I hope, therefore, that this question of the status of the Dominions, which concerns their own communities no less than the world at large, will receive due consideration by this Conference and will be agreed upon in a manner that will remove all fear and doubt for the future. I am glad to see, Prime Minister, that, according to the Agenda, this question will be treated, and I hope the result may be such as I see Mr. Bruce, the representative from Australia, contemplates will be the effect—if we, with a will, set to business to settle these questions, they will find a solution which will satisfy us all, I have no doubt.

OPENING SPEECH BY THE PRESIDENT OF THE EXECUTIVE COUNCIL OF THE IRISH FREE STATE.

Mr. Cosgrave: Prime Minister, I wish to thank you very sincerely for the welcome which you have extended to us on this occasion of the opening of the Imperial Conference, to thank you especially for the references to those of us who were here at the Conference of 1923, and to join with you in your expression of regret at the demise of the Marquess Curzon and Mr. Massey. Lord Curzon I met but once, and I had not the honour of hearing him on the last occasion when he made a remarkable contribution to the business of the Conference. Mr. Massey came from my own country. I had but a very short acquaintance with him, but it is indeed one of the satisfactory features of a Conference such as this that a tribute of generous appreciation should be paid to the memory of those who are no longer with us.

Value of Imperial Conferences and of Personal Consultation.

We come here from Governments representing countries widely scattered across the surface of the earth but linked together in an association such as exists between no other body of independent

States. In the very able statement to which we have just listened and which I have followed with great interest and appreciation, you have been good enough to outline the problems with which the members of the British Commonwealth of Nations are to-day confronted. We meet here in an atmosphere of fraternal friendship to consult one another on these problems and to endeavour to come to a clear appreciation of our several points of view upon all matters which in common affect our peoples.

During the three years covered by your remarkably lucid review, our relations have been marked by sympathetic understanding and close co-operation. The written word, as a vehicle of thought, as a medium of consultation, is but a tardy and unsatisfactory substitute for personal discussion and personal contact. Hence we welcome these recurring opportunities for members of Governments having so many interests in common to come together and consider how those interests may best be furthered, to see how any potential interference with the unmarred concord which exists between us may most surely be avoided, to reinforce the sympathetic bonds uniting us, and to take all steps that may be advantageous to our future co-operation in the interests of peace and progress.

OPENING SPEECH BY THE PRIME MINISTER OF NEWFOUNDLAND.

Mr. Monroe: Prime Minister. I have to join with my colleagues, the Prime Ministers of the various Dominions, in thanking you very sincerely for the welcome given us here to-day and for the honour of meeting the various representatives of the Dominions and India. I did not know Mr. Massey or Lord Curzon and therefore I cannot say very much about them except that my predecessor, Mr. Warren, always talked about Mr. Massey as being the father of the last Conference which he attended.

Position of Newfoundland.

I am not here to-day posing as an Imperial statesman. On the contrary, I am simply an ordinary business man who is very proud to be present at this Conference as the representative of what we much prefer to call Britain's oldest Colony rather than Britain's youngest Dominion. We represent such a very small number of people that we do not expect to have very much to say on Imperial matters. We would not desire to. Our position here to-day is very much that of "listeners in," desirous of learning rather than of speaking. The message I would bring from Newfoundland to-day is that we are entirely satisfied with the flag under which we live; we are entirely satisfied with the status under which we exist and we do not even require to be consulted as to questions of foreign policy. We are perfectly satisfied that the Ministers who are in charge of Great Britain's affairs to-day are fully capable of dealing with them without any assistance from us,

and, if their deliberations should ever bring the Empire to war, we are perfectly willing to come in, feeling satisfied that we are fighting for a just cause. I do not wish to say anything more this morning except that we people who live very largely by the sea have been drawn very closely to the Mother Country through our associations with the Navy, and we regret very much that there has been a disassociation through the abolition of the training of Naval Reservists in Newfoundland. We hope some way can be arranged between ourselves and the Admiralty for the continuation of what we consider a very important link in the chain which binds the old Colony to the Mother Country. Our interests are largely with economic questions, and we are hopeful that we will be able to make some concessions in a readjustment of our tariff before the next session of our Parliament with a view to giving a preference to Great Britain. I feel it is a reflection on the old Colony that it can be said that we are the only Dominion, so called, that does not give a preference to the Mother Country. I sincerely hope that this can be rectified and that we, a very small representation of the vast population of the British Empire, will be able to contribute something towards the settlement of the various questions that will be before us.

OPENING SPEECH BY THE MAHARAJA OF BURDWAN, ON BEHALF OF THE INDIAN DELEGATION.

Lord Winterton: Prime Minister, I am representing the Secretary of State for India. It had been Lord Birkenhead's intention, had he been present, to ask the Maharaja of Burdwan to speak, and, on Lord Birkenhead's behalf, I therefore now do so.

The Maharaja of Burdwan: Prime Minister, I feel very complimented indeed at having been asked by the Secretary of State for India to speak on behalf of the Indian Delegation at the opening of this year's Imperial Conference, and I am most grateful to Lord Birkenhead for the kind consideration he has shown to me in this respect. It is my good fortune to have to acknowledge on behalf of the Indian Delegation the very cordial welcome extended to the Conference, and to thank you, Sir, most sincerely for that welcome and for the kind words with which you have greeted us representatives of India. I should like also to say how much we have appreciated the eloquent passage at the close of your speech to-day in which you have suggested the spirit and the ideals that should inspire the Conference in the great tasks awaiting it. It will be the single desire of the Indian Delegation to take part in your discussions in that spirit and with those ideals, and to co-operate to the full extent of our opportunities in bringing the Conference to a successful and harmonious conclusion.

Position of India.

We realise that our position as representatives of India necessarily differs in some respects from that of our colleagues, the

elected representatives of the self-governing Dominions, and on that account we value all the more highly the privilege of assisting at this great Council of the Empire. The basis of our presence here to-day is special because India herself occupies a special, and, indeed, unique, position in the British Commonwealth of Nations. Though her status in many respects is different from that of a Dominion she looks forward to the progressive realisation of responsible Government as an integral part of the Empire and has already reached a stage of individual development, as an important part of that Empire, through which alone it has been possible for her to be admitted to your counsels and also to take a place, side by side with the Dominions, as a Member of the League of Nations.

As you, Sir, have indicated, India is a country including many races and peoples. It comprises many religions and a variety of cultures in the setting of an ancient civilisation, which in consequence make it difficult for her people to understand always the problems that confront the West and are not infrequently not in harmony with their mentality or their traditions. I would add that the Indian Empire which we, with the Secretary of State, represent here to-day includes both British India and also the Indian States which cover about one third of its territory and contain nearly one fourth of its vast population of 320 millions.

India's Pride in the Empire.

India is proud of her place in the British Empire and there can be no question that the real India's ambition is to remain in it. I should say that if there is one feeling more than another which unites all these varying elements I have mentioned—all the different peoples and classes in India—it is the desire to maintain and to strengthen the bonds of sentiment and loyalty which bind together the several units of the British Commonwealth. Since I was appointed a delegate of India to this Conference, I have naturally had occasion to study the proceedings of previous meetings. Perhaps, therefore, I may venture to say, Sir, that in reading the Report of the Conference of 1923 I was especially struck by a passage in your opening address at that meeting. After pointing out that the peoples represented in an Imperial Conference are drawn from all the continents, from all their races and from every kind of human society, you likened the British Commonwealth to a network of steel which, embedded in concrete, holds more than itself together. That, Sir, if I may say so, is a true and pregnant illustration, and its truth perhaps explains what might be called the special significance and value of the British Empire to India. The Empire, besides all else that it stands for, is a link between European and Asiatic civilisations and a bridge between the peoples of the East and the West and, standing as it does for peace, it must tend to allay racial antagonism and to promote harmony of aim and conduct not only within its own limits but, by its example, throughout the world at large.

India's Part in Imperial Defence.

I have said that it is India's desire to preserve this link. It is also her ambition to develop her own growth in order that she may be ready to take up as soon as may be possible her share in the common responsibility that naturally must fall to her as a partner in the Empire. In the field of Imperial Defence India's long and exposed frontier renders her problems both on land and in the air more immediate and urgent than those of any other part of the Empire. They place on her a strain which, as communications tend to remove physical barriers, is likely to increase rather than diminish; but despite her own preoccupations India regards Imperial Defence from the widest point of view, and should danger threaten she will not be found backward in putting forth her maximum effort for the common good in the direction most necessary at the time. You, Sir, have referred to the Indian Navy. While India is proud of this, the first step towards the provision of her own defence on the sea, the ever-increasing effort necessary to secure her land frontiers cannot but limit the extent to which she can develop strength on the sea. We must recognise therefore that she must continue to rely in the main on that great bond of Empire, the British Navy, for the security of her sea communications.

India's Interest in Imperial Development.

Then again, Sir, in speaking of Empire Settlement you took a broad view and laid stress on the essential nature of the problem, which is to build up the prosperity and strength of the national life of the several component parts of the Empire so as to give the citizens of each opportunity for healthy individual development. Empire settlement in the narrower meaning of the phrase is, of course, of more urgent interest to other parts of the Empire than to India, though I may mention in passing that the Governments of British Guiana and India have recently agreed on the principles of a scheme for the settlement of Indian colonists on a small and experimental scale in that Colony. But, regarding the question with a broader view as a problem of Empire development, I may say that India has continued recently to make rapid strides in the development of her own resources. As one example only, the great project of the Sukkar barrage on the Indus is calculated, if all goes well, to lay open some 4 million acres of fresh cultivable land for agricultural purposes.

It is a matter of satisfaction that recovery from post-war conditions has advanced so far as to render feasible the initiation of large development projects of this nature.

I will not enter into questions of inter-Imperial trade, as those will form the subject of detailed discussion later. I will content myself by saying that we Indian delegates welcome on behalf of our Government all practical measures for fostering inter-Imperial trade. We believe that close commercial ties not only are of mutual

the political and economic difficulties peculiar to each member of the Empire.

Value of Personal Intercourse.

Another factor, which is not unimportant in fostering India's growth as an integral part of the British Empire, is the promotion of personal contact between her representative citizens and those of the Dominions, and, so far as may be, the encouragement of closer relations between her Government and theirs. As long ago as the Conference of 1921 the Government of India expressed their desire to encourage personal intercourse as a means to better mutual understanding. They instanced the interchange of Parliamentary Delegations and visits of representatives of the Press or of Chambers of Commerce as possible methods of such *rapprochement*. I am happy to feel that progress has been made in this direction. For example, two members of the Indian Legislature have been associated in the visit to Australia recently organised by the Empire Parliamentary Association. More important still, the Government and people of India have been delighted by South Africa's cordial acceptance of an invitation to send to India a delegation representative of the Union Government and Parliament as guests of the Government of India, and I see from the newspapers that the members of that delegation have reached India and have been given a cordial reception. Such visits cannot fail to increase mutual knowledge and sympathy and to foster the spirit of harmony, friendship, and goodwill.

Negotiations between India and South Africa.

As the Conference is aware, a problem of grave importance both to India and to South Africa and of great difficulty has been the subject, almost continuously in recent years, of direct negotiations between the two Governments. These negotiations, both by correspondence and subsequently through a deputation sent by the Government of India, have been conducted on both sides with courtesy and patience, and as a result a round-table conference has been arranged which is to meet in South Africa this year. That result is largely due, if I may say so, to the high statesmanship and sympathetic recognition of the Indian point of view shewn by the Union Government. The atmosphere in which the problem will be discussed has been sensibly improved, and the auspices for the meeting between the two Governments are at the present moment propitious.

I am particularly fortunate in finding that, although there are many important matters which are likely to be discussed by us with the representatives of His Majesty's Government and the representatives of the great Dominions which form an integral part of the British Empire and which are a glory to the British race, there are no very great controversial matters relating to the position of Indians in other parts of the Empire.

While, therefore, congratulating the Conference in not having upon its Agenda on this occasion the position of Indians overseas, I feel sure that it is the earnest desire of everyone here that the meeting between the Governments of South Africa and India will lead to a satisfactory and enduring settlement of this problem, and will mark the beginning of close and friendly relations not only with South Africa but with the Empire generally; for India, being the juniormost traveller on the highroad of self-government, not only has to draw many an inspiration from the great Dominions, but can emulate to her advantage many of their examples in the fields of agriculture, industry, trade, and commerce to enable her to be raised to that high position in the British Empire which she is destined to fill by the British nation itself and by the free and good will of the British people themselves. If this achievement is completed, which, however, must naturally take time and which will depend on the Indians themselves when they realise how the whole world is watching their uplifting, their political progress, and their capacity for self-government, it will be the greatest glory to the British race. It is therefore natural that every Indian worth his salt, every Indian who has a real stake in the country, should realise and feel proud of the British connection, and firmly believe that India's connection with England can alone make India a no mean partner of the great British Commonwealth to which she is justly proud to belong. We have come to this Conference in a spirit of goodwill, and we look to ever increasing goodwill based on mutual knowledge and understanding as affording the most potent force for solving our difficulties as they arise and for ensuring the welfare of this Empire, the maintenance of which is of such vital concern to each one of us.

Tribute to Lord Curzon.

In conclusion I should like to associate myself with what has fallen from the lips of my colleagues regarding the late Marquess Curzon and Mr. Massey. The latter I did not know, but Lord Curzon was well known to us in India. It is true I had not the honour of meeting him in his sphere of activities in the politics of the United Kingdom but I do know, Sir, what a giant intellect he had, what wonderful imagination he had, and what a great Viceroy of India he was. In him the British Empire has indeed lost a true Imperialist of a kind very hard to replace, and indeed a great figure has been removed from our midst.

To my colleagues I should like to say that, as an Indian and a representative of the Government of India, not only do I feel myself greatly honoured at the great opportunity afforded me to meet the modern Great Empire builders of the British Empire but that I feel indeed proud at being associated with them in the great work that lies before us, and, lastly, I associate myself wholeheartedly with the message of loyalty to our Beloved King Emperor and Queen Empress which we have just passed, for in India the Sovereign and his Consort have niches in the hearts of Indians only below Divinity itself.

STATEMENT BY THE SECRETARY OF STATE FOR DOMINION AFFAIRS.

Establishment of Dominions Office.

Mr. Amery: The Prime Minister has already referred to the alteration in our machinery here for communication and consultation with our partner Governments in the Empire which has been effected by the creation of a separate Secretaryship of State for Dominion Affairs, and he has asked me to amplify his statement a little in order to make clear both the motives for, and the full extent of, the change. It is nearly twenty years since Mr. Deakin at the Conference of 1907 drew attention to the profound difference in kind, and not merely in degree, between the dealings of the British Government in relation to the Dominions and its dealings with subordinate Colonial Governments whose administration it directly supervised and controlled, and criticised the inappropriateness of existing Colonial Office arrangements by which Dominion and Colonial affairs were indiscriminately "jostled together" in the various geographical departments into which the Office was then divided. His criticism led at the time to the establishment within the Colonial Office of a separate Dominions Department. But it cannot be said that this arrangement met the Dominions' point of view. At the 1911 Conference New Zealand and South Africa brought forward a specific Resolution urging that it was "essential that the Department of the Dominions be separated from that of the Crown Colonies and that each Department be placed under a separate Permanent Under-Secretary." The British Government rejected the proposal, and the matter was not raised again directly by the Dominions, though I think the discussions on "channels of communication" in 1917 and 1918 gave clear evidence of the feeling that existing arrangements did not correspond to the constitutional position in the Empire or sufficiently recognise either the status or the national sentiment of the Dominions.

Meanwhile the case on constitutional and sentimental grounds for a clearer differentiation between Dominion affairs and Colonial affairs was reinforced by very practical considerations. Both on the Dominions side, and on the Colonial side, the volume of work had grown out of all recognition, and had become far more than the existing machinery could efficiently cope with.

The time had come for a change, and for one of a more far-reaching character than anything contemplated in the Resolution of 1911 to which I have just referred. That change has taken the form of the creation of a Secretaryship of State for Dominion Affairs and a Dominions Office entirely separate and distinct from the Secretaryship of State for the Colonies and the Colonial Office. The full extent and significance of the change has been to some extent obscured by the fact that for reasons of practical convenience the new Dominions Office is still housed in the Colonial Office, and that the two Secretaryships of State are for the time being vested in the same individual. But the union is, if I may use the term, a personal

and not an organic union, and there is nothing to preclude the appointment of two separate Ministers to the two offices, or the combination of the Secretaryship of State for Dominion Affairs with some other office than the Colonial Secretaryship.

It has, I know, often been suggested that the conduct of the relations of the British Government with the Governments of the Dominions should, as the most important of all functions of the Government, be assigned to the Prime Minister himself. That the Prime Minister should regard Dominion relations as a sphere of government over which his supervision should be peculiarly intimate and continuous is, I think, essential. But that object is, I believe, sufficiently secured by the system under which all the more important communications are addressed as from Prime Minister to Prime Minister, a device which ensures that the subject concerned is not merely dealt with departmentally but comes directly under the personal cognisance of the Prime Minister, and that no action is taken without his personal sanction. On the other hand, I doubt if anyone who realises the immense burden of work thrown upon the Prime Minister of this country under present day conditions, and the necessity for keeping his hands free from departmental work in order to enable him to supervise all Departments, and in times of domestic or external crisis to concentrate his whole attention upon some particular issue, would suggest that the conduct of inter-Imperial affairs could receive either as full or as continuous attention if attached to the Prime Minister's Office as it does if it remains the specific responsibility of one of the Prime Minister's Cabinet colleagues.

Opportunities of Personal Visits thereby Increased.

There is another aspect of the matter that is perhaps worth referring to in this connection. The conduct of inter-Imperial relations is very largely a personal affair and depends in no small measure on personal contact and mutual understanding. The peculiar value of the Imperial Conference lies, I venture to think, almost as much in the fact that it contributes so greatly to that object, as in the particular business which it transacts. But I know well how difficult it is to arrange for frequent meetings of the Conference, and it has always appeared to me desirable that all the travelling for purposes of personal consultation should not have to be done by Dominion statesmen, but that there should be some reciprocity on our side. My hope is that the new organisation will not only lead to the more effective conduct of the continuously growing volume of work in the Dominions Office, but will also make it easier for the Dominions Secretary himself to get away in order to keep in closer personal touch with Dominion Governments in the intervals between Conferences, or to send the Parliamentary Under-Secretary of State to discuss such matters as schemes of migration and settlement which are often best dealt with on the spot.

Position of Southern Rhodesia.

There is one matter which I might mention at this point as falling within the purview of the Dominions Office. Southern Rhodesia is now a self-governing part of the Empire, and, though not a Dominion and as such separately represented at the Imperial Conference, is undoubtedly interested in some of the subjects which we shall be discussing, more particularly on the economic side. After consultation with Sir Charles Coghlan, the Premier of Southern Rhodesia, I am proposing, if it meets with the approval of the Conference, to ask Sir Francis Newton, the High Commissioner for Southern Rhodesia, to assist me in matters where Southern Rhodesia's interests are concerned.

APPENDIX II.

STATEMENTS REGARDING INTER-IMPERIAL TRADE, 21st and 22nd OCTOBER, 1926.

STATEMENT BY THE PRESIDENT OF THE BOARD OF TRADE.

Sir Philip Cunliffe-Lister: The object of the Imperial Economic Conference three years ago was to devise, in consultation, ways and means of developing inter-Imperial trade. The success of that Conference is to be found in the growth, and still more in the future prospects, of trade within the Empire, and in the spirit engendered and brought home to our people.

I have circulated to the Conference memoranda* showing, in general and in detail, the growth of inter-Imperial trade. A few figures will serve to show the size and importance of the trade between the Mother Country and the other parts of the Empire.

Growth of Inter-Imperial Trade.

In the first half of 1926, one-third of our imports came from the Empire. In the same period nearly half of our exports went to the Empire. Both these figures include trade to and from the Irish Free State. To obtain a fair comparison with the pre-war period that trade must be excluded. But, even so, the figures are hopeful and suggestive. In 1913 the Empire proportion of our imports was 24·87 per cent. In the last 12 months the proportion had risen to 31 per cent. In 1913 the Empire took about 37 per cent. of our exports; in the last 12 months the Empire took about 42 per cent. This volume of trade is enormous in itself; but, when we consider the relative population of the Empire and the rest of the world, the proportion and the growth are still more remarkable. And, when we visualise the further possibilities of development,

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* Not printed here.

we must find hope and encouragement in a difficult time. I have dealt with the direct trade between this country and the Empire. During the same period there has been a considerable growth in the aggregate external trade of Canada, Australia, New Zealand, and South Africa. Indian trade, too, has shown a marked revival. India has passed through a difficult time when the prices of what she had to buy ruled far higher than the prices she could obtain for her commodities. That discrepancy is being steadily reduced; and the approximation of prices coupled with bold development schemes such as the Sukkar Barrage to which the Maharaja of Burdwan referred are reflected in the improvement of her export trade and in the volume and character of her purchases. Prospects in many of the Colonies are bright. Improvement in rubber and tin prices has brought prosperity to the Malay States; improvements in transport in Africa bring a rapid growth in Imperial trade.

Need for Further Development.

We are fortunate in these prospects, for the need of the development of trade within the Empire is as great as the opportunity. Goodwill is a tremendous asset in business, and each year adds to the goodwill of our mutual trade and to the appreciation of its value.

We shall need each other's markets during the next few years, in particular because of the economic after effects of the Great War and of their correction. Foreign countries which are seeking to stabilise their exchanges will inevitably be forced to restrict their credit and their purchases and will buy less.

The more we buy and sell within the Empire the easier it is for us to maintain our own exchanges.

Factors in Inter-Imperial Trade Development.

It was demonstrated at the last Imperial Conference how closely trade depends on population. The converse is equally true, that the capacity to absorb population depends on trade. The Conference will be discussing the problems of Empire Settlement and Migration on another occasion. I only want to emphasise now their direct bearing on the development of inter-Imperial trade. If I were asked to name in a sentence the most important factors in securing this development, I think I should be inclined to say, Migration, Transport, Sanitation.

The growth of trade between the Empire and this country must be attributed largely to the growing appreciation of what, economically, the Empire means and can mean.

Effect of the "Buy British Goods" Campaign.

The Economic Conference three years ago focussed the attention of our people on the need and the possibilities of Empire trade. The British Empire Exhibition showed them in an arresting way the infinite variety of Empire production. The "Buy British Goods" campaign in this country has brought home to them how

much an increase in Empire trade depends upon their individual efforts. Empire Shopping Weeks have become a regular feature throughout the country. Buying British goods is becoming a national habit.

It will be convenient if I summarise briefly the action which has been taken here consequent on the Economic Conference to help and stimulate Imperial trade. I have already referred to the initiation and effect of the "Buy British Goods" campaign.

Imperial Economic Committee and Empire Marketing Board.

The Imperial Economic Committee was established in March, 1925. They have already presented four reports. In their first report they made recommendations as to the allocation of the annual grant for the promotion of trade in Empire produce and as to the identification of Empire goods, besides recommending the establishment of the body which has now been set up as the Empire Marketing Board.

In the remaining three reports, they examined and made recommendations regarding the preparation for market and the marketing of meat, fruit, and dairy produce.

The Secretary of State for Dominion Affairs will deal with the questions arising out of the work of the Economic Committee and the Marketing Board. I would only say that I am convinced the Board will be able in their selling campaign to appeal to a public already alive to the possibilities of Empire trade and eager to buy British goods.

Producers' Organisations.

A good deal of attention has been directed to the growth of producers' organisations and producers' pools. This development appears to me to be natural and inevitable. It is clearly to the interest of producers to combine to obtain the best facilities in transport and marketing. Moreover, the attainment and maintenance of a high standard of quality, efficient grading and packing, and regularity of supplies, all of which are vital to the development of export trade on a large scale, must be difficult unless these standards can be enforced among all producers. A few consignments, irregular in quantity or quality, may prejudice a whole trade. But the desired uniformity can only be obtained if there is a large measure of combination and agreement among producers. At the same time, consumers are not unnaturally watchful lest producers' organisations should attempt to raise prices unduly. There should be no serious risk of this. The producers are bound to meet keen competition; and it must be the object of producers to increase the volume of their sales and to strengthen their goodwill. Any policy which sought to hold up supplies is bound to defeat itself. Nothing is more depressing to trade than the knowledge that there are large stocks in existence which must come on the market sooner or later.

Need for Accurate Knowledge of Stocks.

This leads me to another consideration. I am sure that it is in the interest of both sellers and buyers that there should be accurate knowledge of stocks; and, therefore, if we can get a fuller disclosure of stocks, first by agreement within the Empire and then internationally, we shall improve the prospects of trade by giving traders certainty on one important factor. We are now preparing in this country the first complete census of production which we have taken since 1907. The Board of Trade hope that by agreement with trade associations and firms in different industries it may be possible to produce, at regular intervals, an approximate estimate of production, at any rate in the more important trades.

Co-ordination of Empire Statistics.

We have on several occasions discussed the possibility of co-ordinating Empire statistics of trade and production, but without getting very far. I do not believe that we shall get agreement by discussions in the air. There are obvious difficulties in any one country altering its basis of statistics without being sure of the result. It is, however, important for all parts of the Empire that we should obtain comparable statistics relating to the commerce and industries of the various countries within the Empire. I would, therefore, propose as a practical contribution that we in the Board of Trade should prepare, as well as we can from the materials available, comparative tables covering Empire production and trade, and should include these tables in our volumes of Empire statistics. We should then all see what the value of this is and where it falls short of our requirements. It will then be easier for each country to determine how far it is worth while altering the basis on which its figures are collected or classified, in order to obtain reliable comparisons.

Proposals for Marking of Empire and Foreign Produce.

The Imperial Economic Committee in its reports emphasised the importance of marking, so that the purchaser may know what he is buying. The Merchandise Marks Bill, which was introduced last May, has passed through Committee and will be taken on Report in the Autumn Session. One of the cardinal features of the Bill is the provision that, where an order is made for the marking of goods or produce, Empire and foreign goods shall be distinguished.

The Purpose of the £1,000,000 Grant.

The object of the Marketing Board is to advise upon the detailed application of the £1,000,000 grant. I have no doubt that, wisely administered, that grant can be made of enormous value in increasing the sales of many Empire products, and in improving, by research, efficiency in production, transportation, and marketing. This grant is being made by the Home Government in lieu of certain preferences which we proposed at the Imperial Economic

Conference, and to which we were precluded from giving effect. I think it is almost certain that, operating over a wide field, it will be of more value in increasing sales of Empire produce than the limited preferences for which it was substituted.

Extension and Stabilisation of Preferences in Great Britain.

At the same time we have done not a little in the extension of preference. We have enacted those preferences which were within our power, and, what is probably more important still, we have, under the Finance Act of this year, stabilised the preferences for a period of 10 years, by providing that, so long as the duty is maintained at a rate exceeding or equal to the present preferential rebate, the full pecuniary value of the preferences shall not be reduced.

Effects of Preference.

The combined value of preference and security is already apparent. For example, before the war the Empire supplied between 6 and 7 per cent. of our imports of sugar. In the year 1925–26, the consumption of Empire sugar was 22·5 per cent. of the total consumption of the United Kingdom. Before the war the Empire supplied only $1\frac{1}{2}$ per cent. of our tobacco; the consumption of Empire grown tobacco is now nearly 11 per cent. (1925/6) and will undoubtedly increase. The larger preference on wines granted a year ago has already resulted in an increase of one-third in the consumption of Empire wines. Before the war our imports of raisins from the Empire were only $2\frac{1}{2}$ per cent.; last year the Empire proportion was $36\frac{1}{2}$ per cent.

Key Industry Duties.

I could take other examples; but I will take one more from the industrial sphere. We have renewed the Key Industry duties for a period of 10 years. The object of these duties is, as you know, to ensure production within the Empire of articles which are essential to safety in war and to industrial progress in peace. As these duties are based on Imperial security, Empire products have been admitted free. One result has been that the manufacture of acetic acid has been developed in Canada on a large scale, and we imported last year from Canada 6,400 tons.

British Exports to the Dominions: Work of Trade Commissioners.

These and other examples have done much to win general approval for preference as a permanent feature in our limited tariff. And it is right that this should be so, when we remember that over £100,000,000 worth of our exports enjoy preference in different parts of the Empire. You need no assurance that, the more difficulties our manufacturers encounter in the variety and complexity of foreign tariffs, the more they appreciate this tangible and valuable example of your goodwill. They realise too the full importance of studying always the requirements of your markets, a work in which our Trade Commissioners are keen to co-operate.

Imperial Shipping Committee.

The last Conference devoted a good deal of time to questions of communications, which it rightly considered were vital to the development of Imperial trade. The Conference expressed its appreciation of the work of the Imperial Shipping Committee and confirmed its constitution. Since that time the Imperial Shipping Committee has dealt with the following subjects :—

1. The prospective size of vessels in the Eastern and Australian trade via Suez, in relation to proposals for the deepening of Colombo Harbour.
2. Canadian Marine Insurance Rates.
3. Rates of freight on Canadian flour in the North Atlantic.
4. East African shipping services.
5. Certain aspects of the Canadian cattle trade.
6. Prai River railway wharves (Penang Harbour).
7. Control and working of Mombasa (Kilindini) Harbour, Kenya Colony.

All the reports of the Committee have been unanimous. The Committee has at present under consideration :—

Rates of Freight in the North Atlantic and their effect upon Empire trade.
Development of Hong Kong.
Development of Dar-es-Salaam.

Air Communications.

Air communications will be dealt with by the Secretary of State for Air. I would only say here that the development of an air route to India and Australia, whether it be by airship or aeroplane, must be of great value to trade in rapidity of postal communication and of urgent travel. I think you will be satisfied with the progress which has been made.

Flag Discrimination.

You will remember that the last Conference also directed its attention to the instances which had arisen of flag discrimination against British shipping. Realising how important the freest facilities for British shipping were to Empire trade, the Conference passed the following Resolution :—

"In view of the vital importance to the British Empire of safeguarding its overseas carrying trade against all forms of discrimination by foreign countries, whether open or disguised, the representatives of the Governments of the Empire declare—

"(1.) That it is their established practice to make no discrimination between the flags of shipping using their ports, and that they have no intention of departing from this practice as regards countries which treat ocean-going shipping under the British flag on a footing of equality with their own national shipping.

"(2.) That, in the event of danger arising in future to the overseas shipping of the Empire through an attempt by a foreign country to discriminate against the British flag, the Governments of the Empire will consult together as to the best means of meeting the situation."

Although we have had a number of instances of discrimination since we last met, there is no doubt that the existence of that Resolution has been of great value.

Maritime Law Conventions.

In connection with shipping, we considered also at the last Conference the Convention for Carriage of Goods by Sea and certain other international proposals. I shall have to ask the Conference to consider in Committee proposed Conventions for unifying law and practice in relation to Shipowners' Liability, Shipping Mortgages, and Liens, Immunity of State-owned Ships, and also the question of Oil Pollution of Navigable Waters. I think we ought also to consider in Committee the progress which has been made and which can be made to give complete effect to the Carriage of Goods by Sea Convention, which was approved at the last Conference.

Uniformity of law and practice in shipping matters is of great value to the Empire, with its world shipping; and, if at the meetings of the Imperial Conference we can secure agreement throughout the Empire, much time is saved; and we are in a stronger position to obtain international agreement and ratification. Our experts will be considering all these Conventions, and we shall have a report* to present to the Conference at a later stage.

Industrial Standardisation within the Empire.

Another matter which was not raised at the last Conference, but which is, I think, worthy of our consideration, is the question of standardisation. The advantages of standardisation for the manufacturers are obvious. The benefits to the purchaser are also considerable. It is clearly of great advantage to a manufacturer if he can secure large orders for the same type of article rather than many small orders for articles of varying types. He can instal the most up-to-date plant and he can manufacture more cheaply with the result that he can sell a greater volume of goods. And, in engineering products particularly, he can supply spare parts at short notice in many places. The advantage to the purchaser is also great. Standardisation tends to benefit him in respect of cheapness and quick delivery. He can compare tenders rapidly and easily. He can replace or repair quickly. And, if care is taken in establishing a standard to secure both high quality and excellence of design, he obtains the most suitable article for his purpose. It is, of course, important that, in attempting to standardise, manufacturers should not try to give the purchaser something which they wish to manufacture but which he does not want. That is a risk particularly to be

* See Appendix XIV.

guarded against in a country like Great Britain doing a varied world trade. Effective standardisation can, therefore, only be secured by co-operation between makers and users. But, when the manufacturer is encouraged and assisted to standardise production wherever standardisation is possible and convenient, he is put in a stronger position to develop special lines, because he has a steady and assured staple production.

Considerable progress has been made in standardisation in this country, particularly in engineering, where the British Engineering Standards Association have drawn up a large number of standard specifications for materials, machinery, and apparatus. Much more can be done. How much, depends largely on the willingness of buyers on a large scale. In direct governmental purchases, the British Government is doing what it can. The Fighting Services work with the Office of Works, the Post Office, and the India Office on a co-ordinating committee to frame standard specifications for Government purchases. The Office of Works has reduced to a minimum various types of furniture and fittings to supply Government departments. The result of these efforts has been to concentrate on the best designs to the mutual benefit of the buyer and producer.

At the same time there are hundreds of local authorities and institutions which are regular buyers of the same kind of article, but they buy in needless variety. I am told, for example, that no fewer than 132 specifications for police uniforms are issued by 132 public bodies. Such local authorities and institutions could help themselves and help British trade by eliminating unnecessary varieties and concentrating on approved patterns.

I am sure we could do more in this country, and I have little doubt that there is scope for similar improvement in other parts of the Empire. If we could make a greater effort in all our countries to standardise, and if our national standards could be co-ordinated, where that is possible, into an Empire standard, we should I believe do a great deal for inter-Imperial trade.

Cinema Films and Trade.

The essence of Empire trade is on the one side a determination to produce efficiently and to sell efficiently and on the other side the will to buy. The determination and the will are there. "Buy British Goods" in its wide Imperial sense is already passing from a slogan into a habit. The Empire Marketing Board will work in a fertile field. But there is one great vehicle of propaganda which we have almost completely ignored—the Cinema. It requires little imagination to picture the effect on tens of millions of people seeing American films, staged in American settings, American clothes, American furniture, American motor cars, American goods of every kind. This is not theory. It is borne out in practice. This year, Dr. Klein, of the United States Bureau of Commerce, giving evidence before a Committee of Congress, emphasised the value of American films as an advertisement for American goods. He quoted examples to show how, generally and in particular instances,

the sale of American goods had been enormously stimulated through cinema audiences constantly seeing American styles on the screen.

This stands to reason. Millions are spent on newspaper advertisements which comparatively few readers will do more than glance at; but this publicity pays. The Cinema presents day by day to countless spectators an alluring advertisement of foreign goods.

Promotion of Exhibition of British Films.

I do not want at this stage to explore in any detail the possible lines of action which might be taken to encourage the production of British films. It is a difficult and complicated subject; and it is being examined in detail by one of the Committees of the Conference. That Committee has before it a mass of information which has been collected by the Board of Trade in discussion with the various sections of the cinema industry and from other sources during the past year.

The Influence of the Cinema Generally.

And, if what I have said is true of trade propaganda, is it not equally true in other directions? We want our people throughout the Empire to know the Empire better. The strongest bonds are the least definable—a common outlook, common ideals, a common atmosphere exemplified, for instance, in our common literature. If this be so, can we be content that the Cinema, this new and all-pervading influence, should appeal to the most impressionable of our people (for cinema audiences are for the most part young) always in a foreign setting and a foreign atmosphere? No one who has studied the problem will underrate its difficulties, but, the more one studies it, the more one realises its importance. If, at this Conference, we can agree on a common policy, I believe it will be a lasting achievement, not only for Empire trade but for Empire citizenship.

I have attempted to give some review of the development of our mutual trade since we last met, and to indicate some of the questions upon which I hope we may agree on a common policy at this Conference. There is much that our Governments can do to stimulate the reciprocal trade that is vital to us all. But after all trade is conducted not between Governments, but between the peoples they represent. They can do more than any Government to develop that trade and to help each other, and in helping each other to help themselves. And looking back over these past years I am more than ever convinced that the greatest success of the Imperial Economic Conference lay in its presentation to our people of their opportunity, the opportunity day by day by their individual action to increase the trade within the Empire and by so doing to develop its resources. Our people are fully alive to-day to that opportunity; and this Conference will confirm them in their resolution.

STATEMENT BY THE SECRETARY OF STATE FOR DOMINION AFFAIRS.

Mr. Amery: I think I need only give a very brief summary for the purpose of reminding the Conference of the situation and of what took place at the Economic Conference in 1923 with regard to the establishing of an Imperial Economic Committee. On that occasion a Resolution was adopted, on the motion of Mr. Bruce.

Resolution of 1923 regarding Imperial Economic Committee.

The Resolution was as follows :—

"That in the opinion of this Imperial Economic Conference (Canada dissenting)—

"(1.) It is desirable to establish an Imperial Economic Committee, comprising representatives of the Governments represented in the Imperial Conference, and responsible to those Governments.

"(2.) The function of the Committee should be to consider and advise upon any matters of an economic or commercial character, not being matters appropriate to be dealt with by the Imperial Shipping Committee, which are referred to it by any of the constituent Governments, provided that no question which has any reference to another part of the Empire may be referred to the Committee without the consent of that other part of the Empire."

Constitution of Imperial Economic Committee.

The Canadian representative on the Imperial Economic Conference, Mr. Graham, dissented from that Resolution on the ground that the proposed organisation was really unnecessary, and, indeed, that it might raise fiscal or other issues which might be embarrassing. However, the other Governments represented felt that such an organisation was desirable, and passed the Resolution. There was a change of Government in this country immediately afterwards, and the new Government felt disinclined to proceed with the establishment of this Committee, which would have been on a basis of representation of, I think, three for the United Kingdom, two for each of the Dominions, two for India, and two for the Colonies and Protectorates—in the absence of Canada; but they opened up a correspondence with Canada which reached a certain point when there was a further change of Government and we came into office. The outcome of that correspondence was that the Imperial Economic Committee was set up, not on the permanent basis and with the very wide reference originally proposed, but on an *ad hoc* basis, to enquire into the marketing of oversea products by dealing with one subject after another, for instance, with foodstuffs, as agreed upon between the Governments concerned.

Work of the Committee hitherto.

On that basis the Imperial Economic Committee began its work, I think at the beginning of last year, and it has since produced four reports.* The first was a very interesting general report, dealing with the work of marketing Empire food produce, followed by a meat report, a fruit report, and a dairy produce report. I do not know whether members of the Conference have had time really to read those reports and their appendices with any care; but I have done so, and I have been greatly impressed by the very valuable character of these reports —indeed, by their progressively valuable character. For, as the Committee has settled down to its enquiry, it has developed what I may call the technique of enquiry; it has come more and more to know what things to look for, and it has enlarged the circle of the sources from which it has drawn this information. I think any comparison of an earlier report, say, the meat report, with the fruit or dairy produce report, would show how the Imperial Economic Committee has found its feet in the actual business of getting at facts and finding the way to suggest really substantial improvements in the marketing of Empire produce; and in the word "Empire" the Imperial Economic Committee has always included this country, this Home Dominion, as an essential part of the Empire. I think I need not say more, except that the conviction that has been impressed upon my mind—both as a reader of the reports of the Committee and, in my capacity of Secretary of State for the Colonies, from the point of view of the advantage which various Colonies can draw from these reports—is that the Imperial Economic Committee has done extraordinarily valuable work. The results of their work have become available in various ways for the business community in every part of the Empire—we have taken measures to secure a fairly wide circulation of its reports—and for the Governments, and further also for the Government of this country in connection with the particular machinery it has set up in the Empire Marketing Board. The existence of that machinery and of a substantial fund, which can be spent on purposes for assisting marketing, has undoubtedly added a great deal to the concrete value of the work of the Imperial Economic Committee. When discussions about its establishment were first taking place, it was felt that the enquiry would perhaps be of a roving nature and that there was nothing to translate those conclusions into definite action. The existence of a fund and machinery that can translate suggestions of the Imperial Economic Committee into concrete action, of course, makes the whole work more interesting and, from the point of view, at any rate, of such things as research and publicity, more valuable.

Desirability of a Scheme of Work.

Well, as regards the Imperial Economic Committee, we shall presently, no doubt, as a Conference, take that work into closer

* Cmd. 2493 (General); Cmd. 2499 (Meat); Cmd. 2658 (Fruit); Cmd. 2725 (Dairy Produce).

review. We may have the Chairman of the Committee before the Conference, or before some Committee that we might care to establish, and can then consider what its future work should be. There are such questions, for example, as that of what further articles of produce should be investigated; such questions as that of whether the scope of its investigations should go beyond foodstuffs and into the marketing of raw materials, and questions bearing on the future conduct of its work generally. At this stage I think the only thing I need say is that there is a certain disadvantage in the system of not settling what you are going to enquire into until you are pretty well at the end of each particular enquiry. Undoubtedly, if the Committee had a scheme of work and enquiries which it could lay down for some reasonable time ahead, it could have a good many preliminary enquiries made which would help its work and enable it, when it got to each particular subject, to get through it more quickly. Supposing, for example, it were contemplating an enquiry into something like the marketing of timber, and knew that it was going to hold that enquiry a year hence, it might enter into correspondence and set investigations on foot before the time that the actual enquiry by the Committee began. That is really the only positive conclusion I have reached in my own mind about this—that it is desirable, for the purposes of the Imperial Economic Committee, that it should know its programme at any rate some reasonably long time beforehand, and should be able, subject to the approval of all the Governments concerned, to plan out its scheme of work and decide upon the articles into which it could best conduct its investigation.

Empire Marketing Grant.

From that I come to the Empire Marketing Board. That is something that has arisen entirely independently since the Conference of 1923, but which, as I said just now, has undoubtedly added to the practical importance of the investigations of the Imperial Economic Committee, and has also perhaps given them a definite direction, instead of leaving them to rove over a very much wider field of recommendations. At the Imperial Economic Conference in 1923, the British Government was prepared to offer certain preferences to Empire products. As a matter of fact, when we came to the point of operation, we found that, while the greater part could be carried out, there were some of them, involving additional food duties, which were so widely held to be inconsistent with the pledges which the Prime Minister had given at the Election, that it would have been regarded as a breach of faith with the electorate to carry them out in that form. On the other hand, it was equally felt in the Cabinet here that it would be a breach of faith to the rest of the Empire if they were not carried out in some form, and the conclusion we came to was this. We calculated what would have been the equivalent value to the Empire of the preferences if they had been put into force, and we decided that this amount should be devoted through a fund to the furtherance of the marketing of Empire produce.

Machinery for Administration of the Grant.

We then naturally felt that, in spending the money for the benefit of the Empire as a whole, we should desire to be guided in our choice of the most effective methods of expenditure by the views of those whom we had hoped to benefit. It therefore at once naturally suggested itself that the Imperial Economic Committee could give the best advice on general lines as to what would be useful expenditure. Then came the question of what machinery we were to set up. The Imperial Economic Committee, in its first general report,* set out the advantages of an executive body which would be empowered to carry out its recommendations by means of a programme of expenditure spread over some time, and would have a free hand financially, instead of being tied down by the ordinary regulations of a Government Department to hand back its surplus every year and to get fresh estimates on each point. We had to consider the matter from several aspects. There was, first of all, the constitutional aspect. It was obviously desirable that money voted by the British Parliament should be spent under the control of some person or body responsible to that Parliament. It could hardly be entrusted to an Inter-Imperial Committee, on which other parts of the Empire were represented in an executive capacity, because that would clearly have given them authority to spend something which was entirely voted by the British Parliament. That would be inconvenient and constitutionally undesirable. We therefore felt it essential that the actual responsibility for this expenditure should be vested in someone responsible to Parliament, and the conclusion to which we came was that the responsibility for this expenditure should be entrusted to the Secretary of State for Dominion Affairs, that he should be assisted in framing his scheme by, first of all, official representatives of the British Government Departments more immediately concerned, such as the Departments for Agriculture here and in Scotland, and then also by those who could keep in the closest touch with the Imperial Economic Committee and its recommendations, because, after all, a recommendation is one thing in print, but it is essential to know also what was in the minds of those who framed it. The plan, therefore, which we devised, and which has worked very happily, was that the Imperial Economic Committee should be represented in a consultative capacity on the Board that advises me—by a representative of each of the Dominions as well as by certain home representatives. In that way you get a continuing conference or body, which can keep the executive machinery, which is vested in the Secretary of State for Dominion Affairs, in constant touch with the views of the Imperial Economic Committee, and therefore with the Governments represented on that Committee. That is the machinery which has been at work so far, though set up on a purely provisional basis for the consideration of this Conference. We have found that it works very satisfactorily, and it may perhaps be of interest to the

* Cmd. 2493.

Conference if I tell them briefly something of the nature of the organisation we are setting up and of the work we are doing. An account of it is embodied in the two reports* that have already been circulated—or are in course of immediate circulation—to the members of the Conference; but it might be worth while my indicating briefly the lines that we are working on.

Work of Empire Marketing Board.

The Imperial Economic Committee in its first report indicated that there were two respects in which the marketing of Empire food produce could be specially benefited in this country. One was effective publicity to help to create that voluntary preference which, as the President of the Board of Trade has already indicated, can be a very important factor in these matters. It would help to get the public out of the existing ruts of habit in its purchases and give an incentive to purchase Empire produce, which would filter through the merchants and salesmen and alter the whole character of the trade. It was suggested by the Imperial Economic Committee that something like two-thirds of the total money spent from the Empire Marketing Grant should be given to publicity. The other matter to which it has given its attention is the question of research. Undoubtedly an enormous amount of work can be done by research to help the marketing of Empire produce. In a very interesting report* on entomological work, which has been circulated to the Conference, Dr. Marshall, the head of the Imperial Bureau of Entomology, points out that something like 10 per cent. of the world's crops are destroyed every year by insects of one sort and another. I mention that as one indication only of the importance of research. Then, of course, there is not only the question of research into actual methods of growth and cultivation and into the combating of insect and other plagues—there is research into the wide problems of transportation, and of cold storage, and there is also economic research—research into the chain of actual marketing, to see, for example, where the incidence of cost comes and where it could be diminished. The Imperial Economic Committee also suggested that a certain proportion of the expenditure might be set down to definite schemes for helping this or that particular Empire product.

Publicity Work.

Following those lines broadly, we have set up, in connection with the Empire Marketing Board, two main Committees, one on publicity and one on research. On the publicity side we have secured the co-operation of a small group of business men, each of them possessing very special knowledge of publicity either in the wholesale or in the retail trade—such men as Sir Woodman Burbidge, Mr. Pick of the Underground Railways, Mr. Crawford, the head of a big advertising organisation, and others—who have thrown themselves into this matter with the greatest keenness and enthusiasm, who have given an immense amount of time, and

* Not printed here.

whose deliberations will, I think, bear very substantial fruit in the near future. What they have felt, and, I think, felt very rightly, is that it would be a great mistake to launch on a concrete advertising campaign of particular Empire products, and to devote a great expenditure to that campaign, until it is quite certain that the supplies of those products, adequate both in quantity and in quality, are really available from the Empire. Therefore we have felt it wise not to rush into any detailed advertising campaign until we are quite sure that the ground is ready. On the other hand, a very great deal can be done to establish what might be called a background for such campaigns by a more general campaign, urging the advantages of purchasing Empire goods rather than foreign goods. That campaign, in the shape of both a poster campaign and a press campaign, is now being set in train. Our press advertisements are now beginning, and we have had some very interesting poster designs submitted, which are going to be on view at the Royal Academy on the 2nd November, when I hope that the members of the Conference may be able, just before our morning meeting, to come round and look at them. I think they will find most of them extraordinarily well done—attractive and interesting, and yet of a dignified character.

There are other ways, too, in which publicity can be helped a good deal. There are always exhibitions of one sort or another going on. There was the Grocers' Exhibition recently. The Imperial Fruit Show will soon be opening and there will be the British Industries' Fair at the beginning of next year, and perhaps a further Fruit Show in the spring. In all these Exhibitions we can, by spending a certain amount of money, secure a really good show for Empire products and in that way carry on the work done at Wembley. So, too, in connection with the Imperial Institute, by improving the exhibits there, by strengthening the arrangements for lecturing, by bringing teachers of schools and school children into contact with what the Empire can produce, we shall, I believe, be able to do a great deal. So too in connection with the Cinema, to which the President of the Board of Trade has already referred, I think we can see our way to very effective and useful expenditure. But we do feel that this is a side of the work in which we should go gradually, so as not to waste money; and, as any balance of our fund is carried on from year to year and is not paid back to the National Debt Commissioners, if it is not spent, we can well afford to lay our plans for progressive expenditure without being rushed by the idea that we ought to spend so much money straight away.

Development of Research.

The other side of the work that we have taken up, the research work, is in many ways the more interesting. On this we have set up only a very small Committee, and not one of experts. If you had to bring in all the experts on research, you would have an immense body. We thought the best thing would be to have a very small body of four or five, who would simply consider what existing research

organisations could best handle each particular enquiry. The last thing, of course, that we wish to do is to use this fund in order to set up a new bureaucracy or a new research department. All we want to do is to find out what Departments, either of the British Government or of any Dominion Government, or what existing Research Institutions, public or private, can best carry out certain work, and to entrust that work to them. In that connection we have made, I think, a very useful beginning in a number of directions.

Cold Storage and Transportation.

One of the most important subjects, as I mentioned just now, is that of cold storage and transportation. Excellent work in that direction has already been done by the Low Temperature Research Station at Cambridge, but with altogether inadequate equipment for the work, and we have decided to give that Station a sum of £25,000 for its immediate capital needs, with a further £5,000 a year, and, if necessary, more, for the development of its enquiries, which cover, of course, the cold storage of meat, fruit, fish, and indeed all the perishable foodstuffs which come to us from the Empire overseas. We are considering, similarly, whether assistance should be given to a Fruit Storage Research Station at East Malling, in Kent, and the question of what can best be done about fish storage. With regard to fish storage, a great deal is being done at the present time, both in Canada and by the Hudson Bay Company in Newfoundland, and it is very possible that some of the research can best be done over there rather than at institutions in this country. That is one aspect of the matter.

Entomology.

Another subject of immediate importance is, as I have mentioned already, that of entomology. We realise that the Imperial Bureau of Entomology has done admirable work but that its small resources have very much restricted that work in practice. We have, therefore, allocated to that Bureau a contribution which will enable it to set up and maintain a special laboratory for the breeding of beneficial parasites and their distribution, as required, to all parts of the Empire. I believe that very valuable results may flow from that grant.

Tropical Agriculture Research and Training.

Another aspect is that of tropical agriculture. Tropical and subtropical agriculture is a subject of immense importance which affects most of the Dominions, though not all directly, and practically all the Colonies and India; and here our equipment as an Empire has been very inadequate. The first really important Institution to be started, the Imperial College of Tropical Agriculture in Trinidad, which owed its inspiration and inception to Lord Milner when he was Secretary of State for the Colonies, has now been in existence for two or three years and has already done immensely valuable work. Its graduates are already holding important posts in the

agricultural world all over the Empire and in some foreign countries. But it has been woefully starved, both in actual equipment and in its capital and annual expenditure, and it has been understaffed. One of the first matters we had to look into was the question of that College. When we did so, we found that the cotton-growing interests, which had already given money to it from the point of view of cotton-growing, had come to the conclusion that the development of cotton-growing in the Empire depended not only on the provision of more cotton experts but on a higher standard of general knowledge in tropical and sub-tropical agriculture throughout both official and private staffs in the Colonies and Protectorates. I mean that the standard both of the agricultural departments of the Colonies and of the agricultural staffs of the private companies was in their opinion inadequate and needed reinforcement, and they were willing to contribute substantially to the general improvement of the Trinidad College, believing that anything that would improve tropical agricultural science would react for the benefit of the cotton-growing industry generally. And so we at once agreed to allocate a sum of £21,000 to the College, if the cotton interests would do the same, which they have since done. In that way, with an expenditure of £21,000, a sum of £42,000 has been secured for the College, which enables its more immediate capital needs to be met. We shall now have to consider what is required to give the College a reasonable working income. I may add that the British Government, apart from the Marketing Grant, had previously contributed the substantial sum of £15,000 towards the cost of the College and made it a small annual grant. We hope now to put the College on such a footing that both its research work and the men that it turns out will be of immense value to every part of the Empire.

But the Empire wants much more than a single station, and what one hopes to see is a gradual linking up of all the various research and training stations and agricultural colleges in the different parts of the Empire—a closer touch and interchange of information, and also, in some cases, an interchange of staff. There is in the tropical Empire one other institution of great importance, comparable perhaps in future development to Trinidad —that is the Amani Institute, which the Germans established in what is now Tanganyika Territory, but was formerly German East Africa. That institute had been developed to a very high level by the Germans particularly for purposes of research on fibre plants. It had developed the growth of quinine on a scale which enabled the German forces in East Africa to be supplied with quinine right through four years of war. I must admit that since we took it over, owing to the pressure of many other urgent financial requirements, Amani has been at a standstill and practically closed down. But arrangements have now been made by which the various East African Governments are prepared to contribute to it, and we propose shortly to appoint a competent director. With the help of the Empire Marketing Grant we shall set that very important institution on its feet, and shall make it, I am confident, a very useful centre both of research and of practical agricultural training.

Dissemination of Results of Scientific Research.

Another important task that will come within the purview of the special Research Committee that has already been set up outside the main Conference is to ensure that the research work done in different parts of the Empire shall not be done in water-tight compartments and lost, but that there shall be the closest contact between all the different research institutions, so that knowledge of the good work done in one place shall not be buried, but be effectively distributed. That touches another aspect of the same matter, the question of seeing that the results of scientific research are not only distributed among scientists but made effectively available in intelligible language to the ordinary farmer and producer. There again there is scope for a great deal of useful work and, I think, useful expenditure, to make sure that the results get home and are really applied. I believe that in this respect several of the Dominions are a good deal ahead of what has been done here.

Assistance for Producers in Great Britain.

In that connection I mentioned before that the view which the Imperial Economic Committee expressed was that in all these matters, where the question of encouraging Empire produce was concerned, the producer in this the oldest of all the Dominions should be included as well as the producer in the other Dominions. Indeed, the position would be an absurd one if the newest Dominion, the Irish Free State, were specially helped in the markets of this country and Northern Ireland and Great Britain did not receive a parallel measure of encouragement. When we set up the Empire Marketing Grant, we asked the Governments of the Dominions concerned whether it would be agreeable to them that this view of the Imperial Economic Committee should govern the expenditure of that money, because undoubtedly our original suggestion to the Dominions was that we were going to spend this money on the marketing of the produce of the oversea Empire. But all the Governments readily fell in with the suggestion, and indeed our experience has been in the main that the advertisement of one branch of Empire produce covers all. If you are urging people to buy the dairy produce of the Empire, you can naturally do it without really distinguishing between Australian or New Zealand butter, or Canadian cheese, or Irish or English dairy produce—the same campaign can effectively help them all. But just as certain sums may be allocated to certain researches, and perhaps benefit one portion of the Empire rather more than the others, so there are certain matters on which we felt that expenditure might be usefully devoted to encouraging the home producer. One thing to which our attention was particularly drawn was the lack of organisation with regard to marketing in this country. In that respect the farmer of this country stands, I am afraid, far behind the farmer in most of the Dominions. The whole organisation for marketing is very haphazard here; and we decided to

allocate a sum, which will, when the scheme is in full operation, amount to £40,000 a year, to a campaign of propaganda and instruction in order to improve the marketing of home agricultural produce in the home market. All these things are set out very fully and, I think, very clearly in the second report* on the work of the Empire Marketing Board; but, although this is in one sense purely an administrative piece of work within the sphere of the British Government, yet since it concerns the interests of the producer in every part of the Empire and as it links up so closely with the work of the Imperial Economic Committee—carries out, that is to say, so many of the things which the Imperial Economic Committee suggests and adumbrates—I thought it was worth while to give a brief summary of it to the Conference.

I do not know if I have at all succeeded in conveying to the Conference something of the spirit of infectious enthusiasm which has animated that little group of men, including those who have come in a consultative capacity from the Imperial Economic Committee, which has been engaged in this work. It has been extraordinarily interesting work, and those of us who have been connected with it have the strongest faith in the results which we shall produce. We believe that the expenditure of this money derived from a fund which can be freely allocated, in consultation with the best scientific authorities, to the vital needs of research may lead to immense results.

Enquiry into the Mineral Contents of Natural Pastures.

I did not mention it just now, but we are giving quite small sums to an enquiry into the mineral contents of natural pastures. It appears that the minutest traces of various chemicals—iodine, phosphorus, etc.—may make all the difference to the nourishing value of what appear to be equally good pastures. This is a problem which probably affects all natural pastures of the Empire. The investigation is being extended, with the help and resources of the Board and the ready co-operation of a number of research institutions, to many different parts of the Empire. We believe that its results may add many millions a year to the value of the Empire's flocks and herds.

Value of Work of Empire Marketing Board.

In all these matters we feel that we are just at the beginning of a kind of work that really belongs to a new era, and that expenditure such as this, moderate in amount, may in a few years yield incalculable results. I think, too, that those of us, who have been dealing with the publicity work of the Board, believe that we can very largely change the current of trade in this country and consequently immensely enhance the market available to the rest of the Empire by a purely educational campaign, appealing through all the various media of the Press, posters, cinema, lectures, and in other

* Not printed here.

ways, to the consumer and to the trader generally. I feel it really a great privilege to have had to preside over so enthusiastic and keen a body of workers. I should like to say also that we have been extraordinarily fortunate in having a most capable and enterprising Secretary, Mr. Tallents.

Future of the Imperial Economic Committee.

As I said before, this is in the main a matter within the sphere of the British Government, but it does link up very closely with the work of the Imperial Economic Committee. As to that work, though I have not been directly concerned with it, I can only say, as I said at the beginning, that under Sir Halford Mackinder's chairmanship the Imperial Economic Committee has progressively developed a most interesting system of enquiry and has produced reports which are of the very greatest value. One cannot assess that value in actual figures; but I believe that the Committee's enquiries, if effect be given to its recommendations, will in practice result in very great additions to the value of the Empire's production. I should like to express the hope that the Conference will look into the whole work of the Imperial Economic Committee and will consider the shape which should be given to it for the future. Whatever that shape may be, I should like to express the earnest hope that they will encourage the continuance of the work for the common good of all.

STATEMENT BY THE PRIME MINISTER OF CANADA.

Mr. Mackenzie King: Prime Minister, we listened with interest yesterday to the lucid summary given by the President of the Board of Trade of the chief economic questions which are to receive the consideration of this Conference. A number of the minor, or at least more technical, questions are being referred for preliminary examination to sub-committees, so that it is not necessary to refer to them at this stage. One of the most important issues, that of Imperial migration and settlement, is to be discussed in full at a later sitting. I shall therefore confine my observations at this time to a few of the more general economic questions before us.

Trade of Canada with Great Britain.

First, as to inter-Imperial trade. Sir Philip Cunliffe-Lister was able to report that an appreciably larger percentage of Great Britain's exports were being taken by the other parts of the Empire. The same satisfactory position as to total inter-Empire trade is indicated by an analysis of trends in Canada. In the past four years, our imports from the British Isles have increased approximately from 117,000,000 dollars to 163,000,000 dollars, and from 15·7 per cent. of our total imports to 17·6 per cent. We would wish that British imports formed a larger proportion of our

purchases, but in view of increasing competition from other countries, and particularly the advantage which United States exports derive from close proximity and knowledge of Canadian requirements, it is striking to find the share of British exports on the increase. I think it will be agreed that but for Canada's extension of preference to Great Britain in 1897, the starting-point of the present intricate inter-Imperial preferential system, and further developments such as the grant in our budget of 1923 of a one-tenth additional tariff preference to British goods entering by Canadian ports, the position would be far from as satisfactory as it is to-day. It may further be of interest to note the very high percentage of manufactured goods in these imports from the British Isles, 87 per cent. in the last fiscal year, or more than half as great again as in the case of imports from the United States, from which we derive a good deal of our raw materials. In the same four years the rate of duty levied on dutiable imports from Britain declined from 24·8 to 22·1 per cent.

Great Britain was last year our best customer; it has alternated in this position of late years with the United States. Four years ago we exported to Great Britain 300,000,000 dollars worth of Canadian products; last year, over 500,000,000 dollars. Yet the percentage of our exports taken by Great Britain fell during these years from 40·4 to 39 per cent., a fact which reflects the growing diversity of our export trade and the increasing amounts taken by Continental Europe and Asia.

During the past four years our trade with the other members of the British Commonwealth has shown marked expansion in totals, and a slighter increase in percentage of our whole export and import trade.

Trade Agreements with Australia and British West Indies.

During the past year two important trade agreements have been negotiated with other members of the Commonwealth. After long endeavour, we succeeded in making an agreement with our Australian friends for a very considerable reciprocal exchange of preference. The agreement has had to run the gauntlet of a good deal of criticism in both countries, which is perhaps an indication that it was not one-sided, but we believe that it will prove of very distinct advantage both to Australia and to ourselves. More recently we have renewed our trade and steamship service agreement with the British West Indies. I think Mr. Amery, who has kept intimately in touch with this development, will agree with me that Canada entered into this new arrangement as into the old one in no haggling spirit, and with a full appreciation of the desirability of rendering still closer the ties between these two North American units of the British Empire. The new agreement has not yet formally gone into effect, and negotiations for the provision of the new steamship services which are contemplated are still under way, but as an earnest of goodwill we have extended the agreement rates to British West Indies produce since April of this year.

Canada and the Imperial Economic Comn

The work of the Imperial Economic C
year to consider the marketing in Great Br
the overseas Empire, and the proposals for
Empire Marketing Board, were reviewed yestera
with characteristic enthusiasm. Reference was mace
taken by Canada at the 1923 Conference upon the
establish a permanent committee in London with practica
personnel to deal with a wide but undefined range of eco
questions. We supported enquiry into every possible means o
improving inter-Empire trade relations and developing our common economic interests; instead, however, of establishing a single and permanent committee for this purpose, we considered it preferable to appoint from time to time, as occasion required, *ad hoc* committees with specially fitted personnel. It was on the latter basis that the present Imperial Economic Committee on the Marketing of Empire Foodstuffs in Great Britain was eventually set up. Its reports upon the general situation, and on meat, fruit, and dairy products, are valuable analyses of the present situation and contain many suggestions for improving conditions of which advantage will doubtless soon be taken, most notably in legislation for the marking of Empire produce.

On the same basis, it should be possible to organise an effective and helpful enquiry into the marketing of other foodstuffs than those already considered and the marketing of other commodities, including mine and forest products, and Canada would have pleasure in co-operating in such further enquiry.

Empire Marketing Board.

Reference has also been made to the establishment by the British Government of an Empire Marketing Board to administer a grant of £1,000,000 a year. As Mr. Amery has recalled to us, when the present Government of Great Britain felt itself precluded from carrying through certain new preferences on Dominion and Colonial products which had been put forward at the Conference of 1923, it decided to provide a sum equivalent to the estimated value of these preferences for the furtherance in other ways of the marketing of overseas products in Britain, and later it was decided to bring the marketing of British produce as well within the scope of the grant. Canada has for a generation taken the position that the Mother Country was as fully entitled to self-government in determining its fiscal policy as any Dominion, and we still maintain that view. The expenditure of the large sum thus provided, mainly, as has been indicated, in publicity in Britain and in research, particularly on tropical and semi-tropical questions, should prove of unquestioned advantage to Empire production and marketing. It is, of course, for the Government and Parliament of Great Britain to decide whether either preference or this substitute policy is to be established or to be continued, and it is

ponsibility and direction of administration
resentatives of the British taxpayers who
on our part, I may say that the Canadian
using the need of taking still further advantage
ket of the British Isles, is at present considering
ous of providing assistance for the maintenance and
of our exports to Britain.

ould, I submit, be a great mistake to limit our considera-
o State action. The most striking development in marketing
in recent years is the growth of self-help, through producers' co-operative marketing organisations, of which the great Western Canadian agricultural co-operative societies, and latterly the wheat pools, are perhaps the most far-reaching and significant.

Production of British Films.

I shall touch at this time on only one other point, that of film production. No one who realises how widely and deeply the thought and life of the people can be affected by this new and tremendous factor in our recreation and education will underestimate the seriousness of the present situation, in which so small a proportion of the moving pictures exhibited in the British Commonwealth are produced within the Commonwealth. The possibilities of conscious and unconscious influence on the business and political and social outlook are tremendous. The art and industry of the moving picture have found at last the universal language, and no geographical bounds can be set to the appeal of an attractive film. I can see no reason, however, for assuming that the present inadequate representation of British and Dominion films will prove permanent. The initial advantage of the United States will lessen with time, as has been the case with other industries in older lands. The possibilities of utilising the splendid scenic and historic backgrounds and trained actors of Britain, the unsurpassed opportunities afforded in the Dominions for films of outdoor life, the marked way in which the technique developed in any country is being made available in others, provide grounds for expecting that with energy and skill the present proportions of British and foreign films will soon be altered. As Sir Philip Cunliffe-Lister has said, it is not desirable at this stage to explore the possible lines of action which might be taken to encourage the production of British films; the question is being referred to a sub-committee. In any consideration of State action, the division of jurisdiction between Federal and Provincial or State authorities is of course a factor in the situation in Canada, and I suppose in Australia. I need only add that I assume that, in any discussion or policy as to production of British films, we mean films produced in any part of the British Commonwealth.

I hope we shall have an opportunity at a later session of going more into concrete detail on some of the economic questions which are before us.

STATEMENT BY THE PRIME MINISTER OF THE COMMONWEALTH OF AUSTRALIA.

Mr. Bruce: Prime Minister, to my mind and, I think, to the mind of the majority of the people of Australia the economic question and the question of promoting inter-Imperial trade are the most important questions which we have to consider at the present stage in the progress of the Empire. It was for that reason that I readily agreed to the suggestion that upon the present occasion economic questions should be dealt with in the Imperial Conference rather than in a separate Economic Conference. I believe any deliberations that may take place will have greater authority if they come from the Imperial Conference than if they come from a Conference which on the last occasion was, I think, generally considered to be in some way inferior in status to the Imperial Conference. I recognise that it is impossible for the Imperial Conference really to deal with all the questions we are faced with, and that we shall have to delegate to sub-committees the consideration of a great number of points.

British Films.

Mr. Mackenzie King has referred to the question of films. I do not propose to say more than a few words about that matter at this stage because it . is one which will have to be fully considered by a sub-committee. I do not think we can come to any conclusion as to what course should be proceeded with until we have received the fullest possible information with regard to the present position and the possibility of ensuring a greater exhibition of British films, not only inside the British Empire but in the other countries of the world. I would like to say that we in Australia regard this question as one of great importance because the propaganda value of the film with its universal appeal cannot be over-emphasised. It is most undesirable that Great Britain and the Empire generally should not be sending out into the world films depicting British customs and British trade, and generally maintaining the position of the British people in the eyes of the world.

Importance of Economic Problems.

On the other questions which will have to be considered by sub-committees I shall have a word to say later. I certainly would desire to stress the great importance of some of these committees, and I hope that the Conference in the present discussion will intimate to these committees how serious is the work which they have to do in relation to the tasks of the Conference generally.

The importance of the economic problem is that the future of the Empire depends upon its solution. Our position in the world, our prestige, our authority in the Counsels of the Nations, have depended upon our commercial pre-eminence, not upon our armed

forces or our military strength. This also is the factor upon which our defence in future must depend. Because we have this great Empire in all the corners of the world, the Navy must be maintained; and while defence will be a matter to consider later it is obvious that with our far-flung Empire the obligation for naval defence, for the maintenance and protection of our trade routes, is greater with us than with any other nation. Our position has special circumstances in it, and we must keep clearly in mind, in regard to any question of a reduction of armaments, that we must give consideration to the British Empire's special duty to maintain its trade routes and ensure the flow of its commerce. But if we are to do that it depends greatly upon our financial capacity.

Problem of Population.

We have also another wide issue connected with the promotion of inter-Imperial trade, and that is the development of the Dominions of the Empire. Unless we can populate and develop those Dominions I do not think anyone can look forward with any optimism to the future of the British Empire; I would further say that this problem of developing the Dominions, particularly such a great continent as Australia, is not a question we can look to the future to solve: it is a question we have to solve immediately. No one can look at the present condition of Europe, with her great industrial troubles, without recognising the obvious fact that there is over population in many of the countries.

One further point, which is very clear, is that the unity of the Empire and its progress can best be ensured by adding ties of mutual interest to those intangible ties that have always bound us together. It is because I feel strongly about these things and about the paramount importance of the economic question to the Empire and its future that I would desire this morning to deal at some length with the position we have reached, and particularly with regard to the marketing both of Britain's production and of the production of the Dominions. Naturally in doing so one has got to deal with the position of Britain. It might possibly be more appropriate that I should come to an Imperial Conference to talk about Australia, Australia's progress and what we hope to accomplish in the future, but it would not really assist very much. We are a young country, only on the brink of our greatest development, and what we are going to do is contingent upon the position in Great Britain. It is much more necessary therefore to consider the position of Britain, what we can do to assist her in our markets, and what Britain can do to assist us in the markets of this country.

Economic Strength of Empire dependent upon Britain's Position.

The whole economic strength of the Empire is vitally dependent upon the position of Britain. Britain contains 65 per cent. of the white population of the Empire; she is the great reservoir of British people; she is to-day carrying the main burden of the defence of the Empire. We in Australia certainly recognise that our position

is safeguarded to-day by the fact that we are inside the British Empire, and can always rely upon the defence of our shores by the British Navy. We also realise the position of Britain in regard to her great Colonial Empire with its 50 millions of people. We know the great obligations that Britain is carrying to develop those great countries, and the other burdens that she must bear if the Empire is to exist and make progress. Believing, as we do, that she can carry them only if her commercial prosperity is ensured, the position of Britain appears to us to be the key to the whole question of the future of the Empire and of the development of the different parts of the Empire. Because of that, it seems to me that one must deal at some length with the position of Britain, but in anything I may say I want to make it perfectly clear that the people of Australia have watched with the greatest possible sympathy the wonderful efforts that the people of Britain have made in these post-war days to restore her industrial and commercial prosperity; and we have also recognised the wonderful courage she has shown in bearing the tremendous burdens which were placed upon her shoulders by her efforts in the Allied cause. We take an immense pride in the fact that Britain has met all her financial obligations and is repaying all her debts in the world, although many of her debtors are not following a similar course; and we also view with deep admiration the great courage she showed recently in her return to the gold basis. And it is because we believe that we can help, that there is something we can do to assist in the solution of the problems of Britain, that we possibly express our views very definitely and very fully. I am sure that the people of Britain will understand that this expression of opinion means only that we are intensely interested in the future of the Empire, that we take a tremendous interest in the progress of the family concern, and that anything we say springs from a desire that something may be done for the benefit of the people of Britain and the people of the Empire generally.

Britain's Need of Markets.

Looking at the position as we can see it to-day, we still believe that the great problem of the Empire is the one which I put into the three words—men, money, and markets; but we believe Britain's is almost entirely a problem of markets; that if Britain can solve her problem of markets then the difficulty she is faced with industrially and commercially to-day must disappear. In order to deal with that question, it is necessary, I think, to consider what is Britain's position in the world to-day, and also what we can possibly do to help and assist.

Let me recall what has happened since 1923, when the last Imperial Conference was held. At that time there was grave unemployment in Great Britain, there was serious industrial depression. This was attributed by many to the fact that the world's purchasing power had been reduced and that there was general impoverishment after the war. When one looked at the

facts it seemed to be clear that this was the reason, but looking at the history of the last three years it is at least a little doubtful whether the present position in Britain can be attributed entirely to a reduced world's purchasing power and impoverishment after the war. The League of Nations recently published a statement on the "Balances of Payment and Trade Balances in 1924." This statement showed that the volume of world's trade was about equal to the volume of world's trade in 1913, the year immediately preceding the war. Taking those figures, and remembering that there has been a general progress since 1924, and then considering the trade returns of Great Britain during the last three years, I think one is forced to the conclusion that Britain has not secured her fair share of that world's improvement in trade.

Competition of the United States and Germany.

There are certain figures on some aspects of this question which I want to add to the remarks that I make, and I suggest that possibly they might be included in what I am saying, as I think they would be of some interest in rounding off the whole story I am trying to tell. The reason I suggest for Britain's failure to share to the full extent in this improvement in the world trade is that she is to-day subjected to a tremendous amount of competition. At the 1923 Conference I pointed out that by 1913 Britain had lost to a great extent her commercial supremacy, and that her position was seriously challenged by two countries—the United States of America and Germany. In 1923, when the Conference met, Germany's competition had reached a low ebb, and at that time the American home market was absorbing a greatly increased amount of American production. The United States Department of Commerce gives the percentage of the total production that America was absorbing herself as 91·5, a figure higher than the pre-war figure and much higher than the figure for the post-war years prior to 1924.

The actual competitive situation, if it is looked at to-day, is even worse than it was in 1913. America has a great protected home market, with something like 114 millions of people, with the highest standard of living in the world, and in 1923 she only exported 8·5 per cent. of her total production, but exported 18 per cent. of agricultural produce, which, of course, means that the amount of manufactured produce that she exported was very much lower than 8·5 per cent. But since 1923 there has been a great expansion of production in America; that expansion is still going on, and it seems almost impossible that the growth of the population in America can in any way approximate to the development of production that is taking place at the present time, particularly when it is remembered that she is reducing substantially the number of migrants going into her country. America is recognising, therefore, that it is necessary for her to build up her overseas market if she is to maintain

her rate of increase of production. During the last four years the value of the export of finished manufactured goods from America has increased by 60 per cent.; that is a fact which we must look at when we are considering the markets for British production. I have taken out the figures of what would be the effect if America increased by 5 per cent. the proportion of the total production which she exports :—

EXPORTS of United Kingdom and United States of America in 1924 showing a Supposed Increased Export from the United States to the Extent of 5 per Cent. of her Production.

Article.		United Kingdom Export.	United States of America Export as recorded.	United States of America Export as recorded. Estimated percentage of Production.	United States of America Export with additional 5 per cent. of Production added.
Iron and steel ...	Tons	3,851,435	1,805,000	5·0	3,610,000
Machinery (a) (b) ...	£	39,495,176	27,000,000	4·1	60,000,000
Motor-cars	No.	15,659	178,730	5·1	353,903
Cotton manufactures (a)	£	199,162,166	24,500,000	5·6	46,500,000
Woollen manufactures (a)	£	67,797,314	1,300,000	0·45	15,600,000
Wearing apparel(a)(c)	£	18,387,000	3,000,000	0·5	33,000,000
Boots and shoes ...	Pairs	11,973,336	8,504,000	0·27	24,165,000
Rubber tyres	£	2,729,838	4,500,000	3·3	11,300,000

(a) 1923 figures throughout, as United States of America production figures for 1924 are not available.
(b) These figures exclude agricultural, dairying, and electrical machinery.
(c) Excludes knitted goods and boots and shoes.

I would like to stress one fact, and that is that if America, who to-day is exporting only 4·1 per cent. of her manufactured machinery, increased that by 5 per cent. to 9·1 per cent., it would mean that she would be exporting 60 million pounds' worth of machinery against 39 million pounds' worth which is exported from Great Britain. I think that fact is one we have to bear in mind. I would again stress that what we are trying to see to-day is where the markets for Britain in the future are, since the development and progress of the Dominions, certainly of Australia, depend upon the purchasing power of Britain, and that purchasing power can only be ensured if Britain is maintaining her commercial position, if her people are in employment, and if her purchasing power is increasing in relation to the increase of the production that we have to dispose of.

Competition from European Countries.

Then there is the position in Europe. There are many significant things with regard to it, but the one fact that is driven home is that there has been a very big expansion in the export trade of most of the manufacturing countries of Europe during the last three years. Germany, I have indicated, was not on a really competitive basis in 1923, but her trade has expanded greatly, and, to give one example, her export of iron and steel has increased since 1923 by over 100 per cent., and, though her textile trade is not yet re-established, in machinery and metals she is regaining her pre-war position.

There are a number of significant facts with regard to France, Italy, and Czechoslovakia which I will not delay to give, but there is a table which I would like to put in.

EXPORT of Manufactured Goods from Various European Countries.

——	1923.	1925.	Percentage Increase, 1925 over 1923.
	£1,000.	£1,000.	
Germany	270,858	326,599	20·5
Netherlands	41,905	52,091	24·2
Belgium	60,938	79,396	30·2
France	214,403	262,974	22·7
Czechoslovakia	41,434	71,006	71·5
Great Britain	579,950	616,279	6·3

This has extraordinary significance with regard to European trade. I will refer only to one amongst the countries I have taken—namely, Germany. In 1923 she was exporting manufactured goods to the extent of £270 millions. In 1925 she exported £326 millions, an increase of 20 per cent. Britain's figures in 1923 were £579 millions and in 1925 £616 millions—an increase of 6·3 per cent. only. The point I would stress is that in the European market all these competing countries are extending their trade and becoming much greater competitors with Britain. It may be said that France, Italy, and Belgium have depreciated currencies and that has affected the position, but the same thing cannot be said with regard to Germany, the Netherlands, and Czechoslovakia in the past three years; their increase cannot be explained away by depreciated currencies. Nor can it be explained by saying that Britain, having returned to the gold standard, has placed herself at a disadvantage in competition.

Taking Europe generally, the position since 1923 has changed in this way: in 1923 Britain, owing to the temporary eclipse of Germany, had a greater share of the market in Northern Europe than she had before the war, but, whereas her export trade to Europe in 1923 was £250,000,000, in 1925 it had been reduced to £228 millions, notwithstanding the fact that there had been a con-

siderable expansion in the volume of European trade. Not only to show the significance of that position, but also to suggest where the solution lies, I give another figure in regard to Australia herself and her value as a customer of Great Britain. In 1913 four countries, France, Belgium, Spain, and Portugal, with a population of 74,000,000, bought £53,000,000 worth of British goods against Australia's £34,000,000. In the year ending 26th March last the same four countries bought £60,000,000 worth of British goods, and Australia, with a population of 6,000,000, bought the same amount. The increase in the money value of the export to these European countries by Great Britain between those two dates was 14 per cent. and the increase to Australia was 76 per cent. There is possibly a ray of hope in this, for it is obvious that the Dominions are a valuable market and a market that, if effectively catered for, can meet the difficulty arising out of the increasing competition in European countries.

British Trade with the Far East.

Now let me turn to the other markets of the world. China and Japan, great customers of Britain, for the year ending March, 1924, together purchased £48,000,000 worth of British goods—somewhat less than Australia, but a very large sum. For the year ending March, 1926, however, they purchased only £31,000,000—half of Australia's purchase, and a drop of £17,000,000 or 36 per cent. An obvious reply to that statement may readily suggest itself—namely, that the disturbed conditions in China must have affected Britain's trade position there; but on examining the position it is found that the falling off of the trade with China was only 21·6 per cent., while that with Japan was 45·6 per cent., which shows that it cannot be explained by the disturbed conditions in China.

British Trade with South America.

The South American Republics show possibly a more satisfactory position, but, if it is analysed, we find even here cause for concern. The trade in 1923 was—imports from Britain £52,700,000, and from United States £62,000,000. In 1926 the imports from Britain had gone up to £60,000,000, while the trade with United States had gone up to £87,000,000; an American increase of 40·3 per cent., as against a British increase of 14·2 per cent.

Britain's Share of Empire Trade.

The trade with the Empire shows a great increase, but even there I suggest we have to take considerable thought as to what the position in the future is going to be.

EXPORTS of British Produce and Manufactures to Europe and the Empire 1913, 1923, and 1925–26.

	1913.		1923.		1925–26.	
	Value.	Percentage of Total Export.	Value.	Percentage of Total Export.	Value.	Percentage of Total Export.
	£		£		£	
Europe ...	178,645,749	34·0	250,077,251 (33·7)	32·6	214,853,638	28·5 (30·0)
Empire ...	195,311,399	37·0	300,602,626 (275,963,384)	39·0 (37·2)	333,410,524 (294,847,202)	44·2 (41·2)

(N.B.—The figures in brackets exclude exports to the Irish Free State.)

These figures are certainly satisfactory as showing a growth in the proportion of Empire trade; but it has to be borne in mind that the total trade of the overseas Empire has largely increased between those dates and that the increase from 37 to 44 per cent. in British exports to the Empire does not mean that Britain has taken her full share of the increased trade of the Empire.

To give actual figures, taking America as a country for comparison, the exports of America to the Empire in 1913 were £112 millions; in 1925 they were £233 millions. In 1913 the British export to the Empire was £209 millions, and in 1925 it had gone up to £310 millions, so that, while it is still substantially greater than America's, the facts are that America increased her trade with the Empire by 108 per cent. and Britain by 48 per cent. The figures of the growth of American competition in Australia are very significant, and I believe show one of the ways in which British trade can really be stimulated by action which we can take.

COMPETITIVE Imports from Great Britain and United States of America into Australia, 1921–22 to 1924–25.

Year.	Share of Great Britain in Australian Competitive Imports.		Share of United States of America in Australian Competitive Imports.		Total Australian Competitive Imports.
	£1,000.	Percentage of Total.	£1,000.	Percentage of Total.	£1,000.
1921–22 ...	52,604	56·7	12,856	13·8	92,800
1922–23 ...	67,915	57·0	17,764	14·9	119,053
1923–24 ...	63,051	50·8	24,367	19·6	124,081
1924–25 ...	68,507	52·6	23,776	18·2	130,985
July to Dec., 1925... ...	33,369	49·2	13,224	19·5	67,643

(N.B.—For the purposes of the above table, the following articles have been deducted from the list of imports: Unmanufactured tobacco, oils (including petrol and kerosene), and timber. The figures do not include gold and silver specie.)

Between the years 1921–22 and 1924–25 Britain's share of Australian competitive imports has increased from £52 millions to £68 millions, but over the same period America's increase was from £12 millions to £23 millions, and for the present year, as far as the figures go, they are further increasing in proportion. Those figures have certainly got to be considered. In Australia, for example, Great Britain has enjoyed a tariff preference which applies to 90 per cent. of the British goods imported, and the value of the preference averages about 12·2 per cent. of the value of the goods. There is also a sentimental preference, very much greater than most people realise, which has been operating all the time for the benefit of Great Britain.

Overseas Trade of the Dominions.

There is only one other angle of this question that I want to say one word about, and that is about the overseas trade of the Dominions. This trade has been less seriously affected by the war than the trade of Great Britain. We are a great distance from the scene of actual operations; we have huge internal resources which are all the time being expanded. We have also to remember that, although the purchasing power of the peoples of the world has diminished, they still must buy those things which are required for either the sustenance of their people or the restoration of their industries—the very foodstuffs and raw materials which we produce. The figures of Dominions trade thus show a great expansion.

TOTAL Trade of Dominions, 1880–1925.

Country.	1880.	1901.	1923.	1924.	1925.
	£1,000.	£1,000.	£1,000.	£1,000.	£1,000.
Canada	29,000	71,000	411,000	417,000	447,000
Australia	50,000	92,000	247,000	284,000	302,000
New Zealand... ...	15,000	28,000	87,000	100,000	106,000
South Africa... ...	18,000	55,000	91,000	101,000	110,000
Total	112,000	246,000	836,000	902,000	965,000

I would call your attention particularly to the figures of the post-war years. An even more significant point, however, is the direction of the export trade of the Dominions and India.

EXPORTS of Four Great Dominions and India to Great Britain and to Foreign Countries.

Empire Country.	Exports to Great Britain.			Exports to Foreign Countries.		
	1913.	1923.	1925.	1913.	1923.	1925.
	£1,000.	£1,000.	£1,000.	£1,000.	£1,000.	£1,000.
India*	40,446	57,780	58,864	95,183	144,222	183,381
Canada* ...	44,247	74,011	102,569	39,661	127,707	144,643
Australia ...	33,971	51,523	68,624	33,803	50,994	75,247
New Zealand ...	18,088	37,213	44,073	1,622	4,535	7,669
South Africa ...	58,829	57,020	43,988	3,972	11,260	15,525
Total ...	195,581	277,547	318,118	174,241	338,718	426,465

* 12 months ending 31st March of year following that stated.

Percentage increase to Great Britain ... 62·6
" " Foreign Countries ... 145·0

An examination of these figures shows that the tendency has been for an increase in the export trade of the different Dominions to foreign countries, and a reduction of the proportion that Great Britain is taking. Why I would desire to quote those figures is to stress this point, and to stress it strongly, that it is a most undesirable position. If we look forward to inter-Imperial trade and closer relations inside the Empire, then it is unfortunate that the proportion we are taking from Great Britain on a competitive basis should be reduced, while, on the other hand, we are beginning to look more and more to foreign markets for the sale of the things we produce.

That unquestionably is the trend at the present moment, and I suggest it is the task of this Conference to see if we cannot definitely find some way in which we can check this tendency. I have been drawing, I quite admit, rather a gloomy picture of British markets and the possibilities of British trade, but, as I said at the beginning, I feel compelled to do it because in Australia we believe in the idea of inter-Imperial trade, and we believe there is much that we can do at once.

British Exports of Motor Cars to the Dominions.

One particular matter I want to say a word about, because I think it does afford a practical issue for definite action, is the question of motor cars in Australia, and generally in the Dominions. At the present time a considerable number of British motor cars are being sold in Australia, for example, and I am glad to see that there is considerable revival in the British motor car trade and a general feeling of optimism with regard to it. I hope that that feeling can be realised, but I am certain that there is much more that can be done with regard to motor cars in the Australian market, while I understand that very much the same

circumstances apply to New Zealand and South Africa. I am equally certain that if those markets were really being dealt with seriously by the British manufacturer it would enable him to make a further bold bid for the South American market.

At the present moment the facts with regard to motor cars are that in 1924 Great Britain produced 123,000 motor cars and exported 15,659. In the same year the United States produced 3,500,000 motor cars and exported 178,000. That discrepancy, of course, can to a great extent be accounted for by the tremendous home market that the American producer enjoys, but I venture to suggest that there is a great home market awaiting the British industry if it will take advantage of it, and that is the home market inside the Empire. Australia, New Zealand, and South Africa together import not less than one-fifth of the total motor cars that are exported from all countries of the world, but out of the amount of £18,000,000 worth of motor cars purchased by those three Dominions only a little over one-tenth is going to the British manufacturer.

In certain parts of the Empire a preference is given to the British motor car. In Australia, for example, on unassembled foreign cars we charge a duty of 12½ per cent., while British unassembled chassis come in free. The people of Australia want to buy the British motor car, but at the present moment, although the sales are going up, the cars which are being purchased in Australia from the British manufacturer are not suitable to Australia, they do not meet Australia's requirements nearly as well as the American car, and with very few exceptions it is because the Australian people desire to purchase British cars that those British cars are being sold. Here are figures showing the expanded British sales.

EXPORTS to Australia of British Motor Cars and Chassis, 1922–25.

Year.	Exports of Motor Cars, Touring and Commercial.		Exports of Chassis.	
	Number.	Value.	Number.	Value.
		£		£
1922	246	138,628	549	279,386
1923	707	347,285	1,302	560,889
1924	2,329	835,801	1,621	630,292
1925	3,310	987,224	7,108	1,327,418

Those figures look very encouraging on the surface—a great expansion in numbers and a great expansion in value—but there is a large market that is not being taken up by the British manufacturer at all. In 1924–25 the United States sold £7,295,000 worth of motor cars to Australia. To a great extent the British purchases come about by reason of the sentimental preference

that is being given. The actual position with regard to motor cars is that Great Britain has its home market, and has a system of taxation upon motor cars which is dependent upon the power of the car. You have extraordinarily good roads throughout Great Britain, and the manufacturer in Britain naturally produces a car suitable to his own country. He produces a low-power car to avoid the taxation, he produces a low-power car because it is suitable to the perfect roads of this country. But it is not suitable to Australia, and while our experience is that British cars will last much longer, and in that sense are a better purchase, it is no good purchasing something, even if you believe it is better, if it is unsuited to the local conditions.

Joint Action by British Motor Car Industry suggested.

The point I would stress is that it is not the slightest use looking at these figures and saying that everything is all right. It is not; because you could be doing so much better. Nor is it possible, I suggest, for any British motoring firm to say: "All right, we will cater for the Australian trade, we will produce a car that it suitable to it, and we will fight the American in this market." It cannot be done, because the overhead charges would paralyse any individual manufacturer in this country, and I suggest that the only possible way in which it can be done is for the motor industry as a whole to make up its mind that it is going to get this very great British market oversea, to come together and combine to assemble in Australia certain cars specifically built on behalf of the whole motor industry of Great Britain: otherwise we shall continue to get this multiplicity of cars from different manufacturers with the resulting difficulties about spare parts. If that were done it would be possible for us to overcome the trouble we are faced with to-day, and to obtain British cars absolutely suitable to our requirements. I can say, on behalf of Australia, that if you need assistance to achieve this we should have no hesitation at all in giving you any help in our power, along the lines of our national policy, which as you know includes the principle of preference to Britain.

This question, of course, is one that has to be taken up with the motor industry itself, but I think it is worth while putting it forward because it is a typical case of the position in Australia, where there are a great number of things in which Great Britain is to-day doing a certain trade, and conceivably an expanding trade, but in which there is not anything like the trade which she could do with proper organisation. This is how I view the possibility of our assisting to ensure markets for British production, and I am certain that there is a tremendous amount that can be done in a similar way to that which I have suggested with regard to motor cars.

Australia's Need of Population and Markets.

But it is necessary that I should say a word or two with regard to the other angle of the situation, that is, the position of

Australia and the markets that we require, and what we believe can be done to ensure our being able to get them, ever remembering that upon the obtaining of markets depends the solution of the problem of a better distribution of the white population of the Empire. This question of Oversea Settlement is, of course, being considered by a sub-committee of this Conference, and possibly we shall have a discussion upon it here, but, while such a committee can consider the ways and the machinery and do a great deal to stimulate the flow of people into the Dominions, the real fundamental thing that will revolutionise the whole situation is for great developments to be going on in the Dominions, and for their absorptive power to be increased. Increased population means increased production, and the problem we have to solve before that can be achieved is to find markets for what we produce.

Increased Customs Duties in Great Britain not suggested by Australia in 1923.

In 1923, when I was at the last Imperial Conference, it was continually stated—I read it myself hundreds of times—that I was urging upon the people of Britain that they should tax foodstuffs and raw materials. I never urged anything of the sort, but a mis-statement of this sort, once it gets loose, can never be overtaken, and I am sure that practically all the people of Britain are convinced that I did suggest that. Britain in 1919 had granted certain preferences and had accepted the principle of preferences within her limited fiscal system. This did not really apply to anything that was of very great importance; it certainly did not apply to anything that could have had any effect upon the cost of living in Britain. The preferences that were granted in 1919 were upon wines, dried fruits, and canned fruits, &c., and all I urged was that Australia would be glad if this preference, having been granted, should be made effective. I think it is very desirable that I should make this matter quite clear because I know the belief exists that I came in person and urged that a duty should be placed on the food of the people and on the raw materials that are so vital for British industry. One or two other commodities were introduced during the discussion, but they were introduced by the voluntary action of the British Government who came forward with proposals with regard to them. As far as I was concerned, my only concrete proposal in regard to tariff preference was that existing preferences should be made effective. But to-day I would urge exactly the same thing, that where there is a duty, and where a greater preference to any part of the Empire can be given by reducing the amount of duty which Empire goods must pay, it would be desirable, having regard to the great value of getting a market for some of these commodities of the Dominions, to consider whether such a reduction is not desirable. It could have no possible effect on the cost of living in Britain other than that it might conceivably reduce it.

Methods of Stimulating Empire Trade.

The other point which I urged in 1923, after having put forward the views of the Commonwealth in regard to the certain preferences which we suggested it would be desirable to increase, was that we should examine every possible way in which Empire trade might be stimulated. I referred to five different methods that conceivably might be adopted, and I suggested that it was very desirable they should be fully examined. These five suggestions included tariff methods, import licences, and similar methods. My suggestion of a tariff method was put forward just as tentatively as my other proposals, but attracted an altogether disproportionate amount of attention. It is no use my referring to such methods as import licences again because under the Anglo-German Treaty Britain is quite precluded from adopting them, so I leave these entirely aside and we are brought back really to the position which has been indicated very clearly in the Report* of the Imperial Economic Committee, namely, the question of voluntary preference. The President of the Board of Trade referred yesterday to the great advance that had been made in regard to voluntary preference and his belief that by an intensive campaign much could be done to advantage Empire produce in the markets of this country. As far as we are concerned, we entirely agree with the principle. Voluntary preference has certainly existed to a great extent in Australia for a long time, and we are prepared to go on and do everything in our power to try and ensure that voluntary preference will be given both in Britain and in the Dominions. The basis of voluntary preference will be very greatly helped if this Bill which the British Government has introduced, the Merchandise Marks Bill, is actually brought into operation and put on a basis that can be effectively worked.

Closer Settlement Products in the Dominions.

The only other point with regard to this side of the preferences which I would like to say a word about now is that I believe it is essential, having regard to the importance of a better distribution of the white population of the Empire, that serious consideration should be given in Britain to the position of certain products which are what I describe as closer settlement products, products that are produced on small areas and lead to close settlement. These industries only cover three things which I would suggest, dairy produce, fruit, and pig products, but these things, having regard to the great advantages that would flow from greater settlement and an increased population in the Dominions, are, I suggest, well worthy of the consideration of the British Government. But again I would stress that as far as I am concerned I only put this suggestion forward for the consideration of the British Government. I have never suggested the general taxation of foodstuffs, and I have always recognised the great importance to Britain of having adequate supplies of cheap food and raw materials.

* Cmd. 2493.

Appreciation of Preferences and the £1,000,000 Grant.

I desire to express the appreciation of Australia for those increased preferences which were given after the 1923 Conference, and also for the action that was taken in regard to the grant of £1,000,000 for promoting the consumption of Empire produce. I believe that both those things, certainly the preferences, have had a very considerable effect, and I believe the wise utilisation of this £1,000,000 will have similarly advantageous results.

Improvements in Quality, Price, and Continuity of Supply of Australian Produce.

On the question of voluntary preference, it is invaluable to create the spirit and the desire to purchase what we are producing in the Dominions; but we also recognise very clearly that there is a great obligation on us. It is quite useless to create the sentiment and desire to purchase what we are producing unless we are going to ensure that we will send goods of the highest possible standard, and secure that we are going to produce them at a price which will be competitive with the other countries of the world. Finally, and possibly more important than any of them, we must ensure that we shall send a continuous supply. We are doing our best to meet that position, and I can assure you that we are prepared to admit that in the past we may not have produced our goods in the way they should have been produced when they had to fight in a competitive market. We have accordingly set ourselves in the last three years to set our house in order, and I am very hopeful that all the difficulties that have existed in the past will disappear. I am confident that the British public will be able to rely upon the standard of the production from Australia, and also that we shall get to the point of being able to ensure continuity of supply. It will go a long way to help voluntary preference if we will do our part and ensure that what we are sending forward is what the people want and at a price which is competitive with other nations. I believe we can do it.

Cost of Distribution in Great Britain.

There is, I believe, one thing that can be done here enormously to assist the position. I refer to the distribution problem. There have been many Royal Commissions in Great Britain that have gone into this—the Royal Commission on Food Supplies, the Departmental Committee, the Linlithgow Committee, and the Reports of the Imperial Economic Committee—and every one of these Commissions has laid down that there is something wrong with the present basis of distribution, and that there is far too great a spread between the price received by the producer and the price paid by the consumer. I think anybody who will put himself in the position of a producer overseas will recognise that the position appears to be an extraordinary one. Take the case of meat. A man will breed cattle, carry them for five years perhaps, transport them conceivably hundreds of miles to a meat

works, bear all the cost of treatment at the meat works, bear the freight, bring the meat to Britain with the insurance and other incidental charges, and probably will get for his whole share about one-half to one-third of what is received by those who handle the meat after it has actually reached the hands of the distributor in this country. What applies, of course, to overseas questions applies equally to the distribution of British produce. The point I urge very strongly is that though this question has been considered, and there have been Royal Commissions on it, I believe that it is a question that should be solved by the commercial interests themselves. I do not believe any Government can come in and start trying to put a basis of distribution right where it is defective, as is obviously the case to-day, but I do suggest that it would make all the difference towards the promotion of the sale of Empire produce in Great Britain if something could be done to solve this question. Again, I would stress that the commercial interests of the country have to recognise their obligations, and must find the solutions, although possibly it might be necessary for governmental action to be taken to give effect to the methods which the traders were prepared to put forward.

I would stress almost more than any point the question of the whole system of distribution in this country. The matters which I believe have got to be carefully thrashed out and considered are methods by which we can improve the efficiency of our production and the efficiency of our distribution. Distribution I have already touched upon. There are many questions which, of course, are for consultation with the commercial interests, and an endeavour should be made to get the commercial interests to give the lead.

The Application of Scientific Research to Industry.

There are, however, certain questions where Governments can do a great deal, and I believe that this Conference can possibly achieve very much in regard to these things. If I were asked to-day to name the most important thing for the promotion of Empire trade for ensuring efficiency in production and competitive power in the markets of the world, I think I would put first the application of science both to our primary and to our secondary industries. While a great deal has already been done, I venture to suggest it is essential to get some greater co-ordination of all the efforts that are being made to-day to bring to the aid of industry the assistance of science. I would urge strongly that the committee which is being appointed from this Conference to consider that question should have in mind an endeavour to try and bring about some system of co-operation in regard to scientific research in its application to industry on an Empire-wide basis. We are all confronted with many problems that are similar, and different parts of the Empire are going forward and doing their own work, but I believe we could bring about a much more effective system if there were a real co-operation on this question.

Industrial Standardisation.

There is the question of standardisation, and I do not think there can be any question of greater importance to-day. But I would suggest that, there again, we have to try and get a real forward move on an Empire basis in regard to this question, and I would further suggest that it is not a matter for Governments. It is not a matter for handling by a Government Department. It is a question of getting the co-operation of the whole of the industrial interests, with possibly the Government subsidising the work to some extent, but certainly these interests themselves ought to control and handle such a question as this. I believe that, if this Conference really took the question up seriously, if in all the parts of the British Empire we approached our respective industries, we could bring about a measure of standardisation which would improve the efficiency of Empire production enormously and would remove many of the difficulties that we are faced with at the present time, when, with all the desire in the world, many Dominions find a considerable amount of difficulty in buying British-produced goods for some of their major requirements.

Transport and communications, of course, are vital, but they will also have to be considered in more detail by committees, and at this moment I do not want to refer to them at all.

Marketing on a Co-operative Basis.

The only other question that I think we should consider and should try to see clearly is the question of marketing and the recognition of changed circumstances which exist in the world to-day. There is a prejudice, and not an unnatural one, against any action by Governments with regard to commercial questions. In the Dominions there have been actions taken in regard to the organisation of co-operative marketing which have been very strongly criticised by certain interests. But I would point out that we have to recognise that practically every great country in the world to-day is taking some step towards organisation on a basis of co-operative marketing, and it is very possible that, on this whole question, we might have to take the Imperial point of view. There are great commodities that are vital to large sections of the people, and we have had examples very recently. There is the position in regard to rubber that has arisen in the British Empire. There is the question in regard to cotton at the present moment in America. We have also got another factor which is coming forward very strongly at the present moment, and that is the organisation of industry on a basis which overrides national boundaries. We have the question of *cartels* in Europe, and those things I believe we have to look at very carefully, recognising the changed circumstances that have now arisen. But I only raise this question by reason of the fact that co-operative marketing is a factor which we shall have increasingly to consider in future. There has been an atmosphere, however, of trying to create a belief that organised marketing in the Dominions for the better

handling of Dominion products is, in some way, directed against the consumers of Great Britain. It has no element of that sort in it at all. I am certain that, in the end, it will be enormously to the benefit of the consumer if we can get all marketing done on a basis where the producers are not subject to the machinations of the speculator. If we can keep a steady and regular price the consumers themselves will obtain what they require on a better basis than they do at the present time. I think it is most undesirable that there should be any encouragement given to the idea that these efforts, which of necessity the Dominions have had to make in order to ensure the position of their own producers, are in any way directed against the consumer.

Imperial Economic Committee and Empire Marketing Board.

The only other point which I would desire to say one word upon is in connection with the position of the Imperial Economic Committee and the Empire Marketing Board. I think those two bodies will have to be considered in relation to any decisions that may be come to as a result of the investigation of the whole position by the committee that is dealing with the economic side, but I certainly agree that the work that has been done by the Economic Committee in the past has been of the very greatest possible value. It has thrown a new light upon the position of certain of the matters which it has considered. I particularly refer to the fruit report* and to the dairying report,† and I agree with the Prime Minister of Canada that there are probably many other industries they could most valuably investigate and which it would be most beneficial that they should.

Investigation into the Resources and Requirements of the Empire suggested.

I also think it is essential that we should, now that we are faced with great economic difficulties and the necessity of trying to find a solution of them, look at the Empire as a whole with a little wider vision and consider exactly what are the resources of the Empire and try to bring about some sort of a stocktaking which at the moment we really have not had at all. The starting point for any such investigation, I believe, would be to consider exactly what we are already producing, where we are producing it, and where we are selling, and also to consider what we are actually buying to-day and where we are obtaining it. You can try to get a view of exactly what is being produced and where it is sold, what is being purchased and where it is being bought. but this means bringing together an almost impossible number of statistics. I suggest it might be an extraordinarily valuable thing, in considering this whole question of the promotion of Empire trade, if the Imperial Economic Committee or some similar body were entrusted with the task of really trying to take a full survey of the Empire and its resources and to report

* Cmd. 2658. † Cmd. 2725.

to the Governments of all the different parts of the Empire upon the question of what we are in fact producing to-day and where it is being produced; what are our requirements and where we are obtaining them. Such information, I believe, would assist us all in connection with the whole question of trying to promote a greater flow of Empire trade.

Sir, I apologise for having spoken at such length, but I have done so because the Australian people are convinced that this is the most vital question we are faced with in the Empire to-day. We are determined to do everything in our power to try and promote inter-Imperial trade, and I would assure you that anything the Australian people can do to assist Great Britain now to try and ensure that British goods will be consumed in increasing volume in the Australian market will be done with the approval of the whole of the people of Australia. While we are determined to go forward with our own national development, we are equally determined that this national development shall take place inside the British Empire and that we shall in every way give preference to British trade over that of any other country in the world.

STATEMENT BY THE PRIME MINISTER OF NEW ZEALAND.

Mr. Coates: Prime Minister, I think the Conference is indebted to the statements made yesterday which raised this very important question. I shall make my remarks as brief as possible.

Trade Relations within the Empire.

In considering this subject it is, I think, necessary to bear in mind the fact that the trade relations of the Empire are more than a matter of mere pounds, shillings, and pence. The intercourse that is the normal result of trade between the many communities that comprise the Empire has an undoubted effect in creating a proper understanding of varying points of view, in comprehending the different problems that each of us has to face, and in bringing more clearly to each part of the Empire a proper appreciation of the immense resources and tremendous significance of the Commonwealth of Nations to which we belong. The strength of the sentimental ties binding the Dominions and Dependencies to Great Britain is undeniable and is, I think, even stronger than is generally supposed to be the case. When to these ties is added the further bond of inter-dependent trade relations the future integrity of the Empire will be ensured in a much greater degree. In so far as it is possible to direct trade channels by governmental action it should be the policy of this Conference to aim at an Empire that will itself supply all its necessary requirements, and I am confident that with proper organisation it is possible to achieve this object.

The advantages of an Empire self-sufficient in all essentials are clear—in the first place, it will be unnecessary to expend any

portion of the Imperial resources in the purchase of essential commodities outside the Empire. Secondly, the Empire will be in an infinitely stronger position than hitherto to face a conflict such as has just been concluded; thirdly, by the exploitation of the vast possibilities of the oversea Dependencies it will be possible to arrange for a redistribution of the surplus population of Great Britain, and, finally, to the extent that it is found possible to reduce the trade of the Empire with foreign countries the danger of our entanglement in vexatious and difficult foreign complications will be correspondingly reduced.

Quite apart from this aspect of the matter, however, it appears to me that the pressure of economic facts will in the course of time force upon Great Britain a re-orientation of her trade. We are, of course, all aware of the tremendous difficulty that this country has had to face in the immediate past and is facing for the future, and it seems possible that she may not be able to regain in its entirety the peculiar position of pre-eminence in manufacture and in transport that she held in pre-war days. With the enormous overhead cost of her war charges, which she alone is facing in a most courageous and commendable manner, the difficulty of meeting foreign competition is intensified, and, if I may express the opinion here, it seems to me that the best opportunities of British trade in the future lie within the borders of the Empire rather than in the foreign fields that she has been accustomed to exploit in the past.

Proportion of Trade of Dominions with Empire and with Foreign Countries.

Turning now to the position of Imperial trade as it is disclosed by statistics to-day, we find that so far as Great Britain is concerned the proportion of her trade with the Empire is increasing in a satisfactory, if uninspiring, ratio. It is unfortunately a fact, however, that the position in the case of the Dominions is not equally encouraging. Here we find that the proportion of the Dominions' trade with the Empire, instead of increasing, is actually decreasing, and unless this movement is checked there appears to be every prospect that the decrease will continue in an increased ratio in the future. In the case of New Zealand, for example, while 91·8 per cent. of our exports went to the Empire in 1914, only 86·1 per cent. was sent to British countries in the year 1925. Again, in the year 1914, 74·7 per cent. of our imports came from the Empire, while by 1925 the proportion had decreased to 72·9 per cent. In other words, while foreign countries in 1914 took 8·2 per cent. of our exports, in 1925 they took 13·9 per cent., and while in 1914 we received 25·3 per cent. of our imports from foreign countries the proportion had increased in 1925 to 27·1 per cent.

This movement, though an adverse one, is in New Zealand not severe, but I understand that a similar position exists in other parts of the Empire and in many cases to a much greater extent. It is, of course, obvious that anything that can be done to check

this decrease in the volume of inter-Imperial trade in the Dominions should be done and that the subject is one that calls for our very earnest consideration at this Conference.

Destinations of New Zealand Exports.

Perhaps I may be pardoned if I examine a little more in detail the actual position in my own country. In the year 1925, of a total export trade of fifty-five and a quarter millions some seven and a half millions was with foreign countries. Now I do not regard this as in any way alarming—except in so far as our products are necessary to other portions of the Empire I can see nothing but good in selling our surplus production to foreign countries. But where, as is unfortunately too often the case, we find that products in every respect similar to those which we have to sell are purchased by other portions of the Empire from foreign countries, then I think we should aim at a readjustment of this trade. To take a concrete example—and I select one of no great importance merely to serve as an example—New Zealand butter to the value of some £440,000 was sold to foreign countries last year, while within the same period large quantities of butter were imported from foreign countries by many portions of our Empire. This, I submit, is entirely wrong. Where necessary products are available within the Empire then they should be purchased from the Empire—other things being equal—before the foreign field is approached.

Voluntary Preference. Desirability of Reduction in Cost of Distribution.

One difficulty that most of the oversea Dominions have to face, and New Zealand and Australia in particular, is the immense distance that it is necessary to transport our produce before it can be placed on our principal market in Great Britain. We have of course strong competitors in many classes of produce and these competitors are, in practically every case, much more favourably situated geographically to carry on trade with this country. Anything therefore that will facilitate the disposal of our products in Great Britain will enable us to meet this competition on more equal terms. I fully appreciate the difficulty of the subject of preference and the strength of public opinion on the matter here. Here I may say, Sir, that if the situation can be met, and it may by voluntary preference, then we certainly would co-operate in every way in that direction. But as a matter of fact it is, I think, for this country to decide what action they will take in this connection. I believe the distance may be covered and a great deal accomplished by voluntary preference so long as you get right down to the consumer and the user. But anything that will reduce the cost of the distribution of our products—for example, any reduction in shipping charges, in landing charges, in cold storage charges—or the cost of retailing will greatly benefit our export trade and ultimately have a beneficial effect on the people of Great

Britain themselves. The Dominions are proportionately by far Great Britain's best customers and it is unnecessary for me to call attention to what has already been stated many times previously that any increase in the prosperity of the Dominions will lead to an immediate increase in the business that the Dominions are able to do with this country. I know it is very difficult, in regard to that voluntary preference, to get down to the actual consumer. It would be an advantage if we could, by some method, tell the British working classes that the more they purchase from the Empire itself the more continuous work they will have, and the more they will be able to buy, because you know our purchases from Great Britain are considerable and are an increasing quantity. That will continue to be so as our trade goes up.

Empire Marketing Board.

Here I wish to take the opportunity of welcoming the institution of the Empire Marketing Board and of recognising the generosity of His Majesty's Government in providing this Board with funds to the value of £1,000,000 annually in order to facilitate the disposal of Empire products. I hope for great things from this Board—I have many detailed matters that I hope to have the opportunity of communicating to the Board—and I venture to express the opinion that any organised effort to increase and facilitate the sale of Dominion goods in Great Britain will be vastly beneficial not only to the Dominions but also to Great Britain.

Co-ordination of Research.

I want to support the remarks of Mr. Bruce with regard to science and research. I agree entirely that in the past we have neglected this important factor, and I think we can say now that the matter has been taken up in earnest, in Great Britain to begin with, followed, I think, by Canada—I understand Canada is co-operating. Australia has done the same, and we have done the same, and we look for great savings by the use of science and investigation. It will be a matter, of course, that will come up more particularly in committees, in order that we may bring about a system of co-ordination, and that there will not be a duplication of work being carried on, but that we can assign to particular scientists definite work for them to carry out, and, at the same time, inform each other of the actual progress being made. I do think that, although Governments should not interfere with trade and commerce generally, they must necessarily do so, not in every-day operations, but in watching to see that people have placed at their disposal the necessary means and the necessary organisations.

Imports from Empire Countries into New Zealand.

While the proportion of our exports that goes to the Empire may be regarded as reasonably satisfactory, the position is not the same when our imports are considered. The fact that we obtain

over 27 per cent. of our imports from foreign countries is significant, even when we take into consideration the fact that many of our requirements are not at present produced in the Empire; and this very considerable amount of foreign trade takes place notwithstanding the fact that our Customs duties provide for a preference to British products on an exceedingly large number of items varying from 10 per cent. to 30 per cent. and probably averaging 15 per cent. Of a total import trade of some £52,000,000, approximately £8,000,000, or nearly one-seventh of the total value of our imports, was expended last year on motor cars and their requirements, and of this sum some £5,000,000 went to foreign countries. It is, of course, a fact that petrol is not produced to a sufficient extent within the Empire, but the amount expended in foreign countries on the purchase of the actual motor cars themselves, namely some £2,000,000, is most disturbing.

British Motor Car Trade with New Zealand.

In an endeavour to divert as much as possible of this trade from foreign countries we recently provided for an increase in Customs duty on foreign motor cars from 25 per cent. to 35 per cent., with an additional 15 per cent. where vehicles have bodies designed to carry passengers. The result of our amendment is to give an actual preference to British motor cars of 25 per cent., and an additional preference of 5 per cent. where passenger-carrying bodies are attached. We hope that this amendment will afford real assistance to the British motor car manufacturer in his competition with the foreign article. We are exceedingly anxious to purchase British goods of all descriptions in preference to foreign goods and this, I think, is particularly the case in connection with motor cars, but it must be understood that the increase we all desire in the proportion of British cars will depend to a very large extent indeed upon the provision of a vehicle suitable for our requirements. I feel that this point cannot be too strongly stressed and not only in connection with motor vehicles, though this perhaps is the most outstanding example, but generally. We feel that the British manufacturers as a whole are not inclined to alter their product to suit oversea requirements and the result is that in many lines foreign countries whose articles are perhaps more closely adapted naturally to our requirements have obtained a virtual command of the market. I cannot too strongly urge the desirability from every point of view, and not least from that of the personal gain to the manufacturers themselves, of careful and continued enquiry as to our actual requirements. I feel that any firm desiring to increase its business with the Dominions—and I speak particularly for New Zealand—would be well advised to set up a nucleus organisation in our country, or, at any rate, to appoint a representative there in order to study and report on particular aspects in which our requirements differ from those of this country. I would urge also that wherever the value of the article warrants, and particularly in the case of motor cars, arrangements should be

made for the installation of assembling plants overseas. This practice is already being adopted to a considerable extent by Great Britain's principal competitors, and I feel that for success it will be essential to follow this example.

I think, if I may just take up one minute, British manufacturers should be really alive to the importance of the few words I have uttered in that connection. It is true that competitors with Great Britain are setting up their assembling works in New Zealand. In speaking to manufacturers here they say, "Oh, no, there is no business ahead." They say we have not sufficient business there. Well, I would like to say this, that if men are on the spot, if other countries think it is worth while to set up assembly works to meet the requirements of the people of the country, then it seems to me that if the British manufacturer wants to keep pace with them he will have to do so also. I will admit it is purely a question of economics and business arrangements, but there is this about it, that every country has its peculiarities, physical difficulties to be overcome, and a man who is on the spot, with an organisation on the spot, has this great advantage that he can keep his principals in touch with those requirements, and it may be only the very smallest alteration, but that alteration may mean thousands and thousands of pounds to the manufacturer himself. Mr. Bruce touched upon the difficulties. It is true that there is an increasing sale for the British manufactured motor vehicle in New Zealand, but it is not fast enough to our liking, not by any means, and, after going into it very carefully, and particularly taking into consideration the growth of the population, the improvement of the roads—and they are being improved from one end of the country to the other—it seems to me that there is a great field for British manufacturers in that connection, particularly when we remember the sentiment of the people and their desire to do business with their own people; when we consider that, I feel certain that, if we can induce the manufacturers of this country to follow the example of competitors from other parts, then they will have everything to gain and certainly nothing to lose. I will not stress it further. In addition to that, these assembly works mean increase in population there. It is true it may mean the transplanting of some few men from this country, or indeed the whole of the men required, but, at any rate, it does help to remove from a thickly populated area to a sparsely populated area people who will have opportunities there.

Empire Goods favoured in New Zealand.

I can assure you, Sir, that in New Zealand there is a most pronounced sentiment in favour of the purchase of Empire goods and, if a suitable product at a reasonable price is offered, I think I may say that business will be done.

Though I have laid particular stress on motor cars I could enumerate a large list of articles in which there is a most promising field for remunerative business by British firms. We purchase, for

example, from foreign sources machinery to the value of a million and a quarter sterling annually, piece-goods (cottons, linen, silk) one million, apparel half a million, tyres half a million, fancy goods three hundred thousand, hardware three hundred thousand, drapery two hundred and thirty thousand, manures two hundred thousand, dried and preserved fruits two hundred thousand, cinema films a hundred and eighty thousand, tools a hundred and fifty thousand, musical instruments one hundred and forty thousand, sawn and rough timber one hundred and twenty thousand, asphalt one hundred and twenty thousand. In practically all these articles, and certainly in all those in which the trade is large (with the exception of oils which are not available to any extent as Empire products), a substantial preference is given to British goods. Of all the larger articles enumerated above, except oils, we purchase a greater amount from British sources, but as will be seen the amount obtained outside the Empire is by no means negligible.

Extension of Trade Facilities Act suggested.

Though I attach great importance to the efforts of the manufacturers themselves there are, I think, other directions in which a stimulus may be given towards replacing this foreign trade by Empire trade. I do not propose to enter into any exhaustive survey of these possibilities at this stage, but I might throw out here a suggestion that the Trade Facilities Act might be extended to provide cheap money for the purchase of British goods. Again, anything that would level up cost of production in competing countries, wages for example, would enable British goods to compete more successfully with the foreign article, and, finally, much may be done, I think, by a sustained and intensive course of propaganda.

The Value of New Zealand Preferences to British Goods.

I should like to say here a few words as to the actual value of the preference that we in New Zealand afford to British goods. I have noticed at times some criticism of our system, in common with other Dominion preference systems, to the effect that its benefits to the British manufacturer were more apparent than real, and I wish to take this opportunity of controverting this criticism as forcibly as possible. It is, of course, not practicable to give exact figures as to its value, but as nearly as it can be calculated—and that is very nearly indeed—the actual cash value of the Customs preference granted to British goods in New Zealand in the year 1925 was three and a half million pounds, and to this must be added a very large sum not capable of exact calculation resulting from the action of the Government and of local bodies in granting preference, in pursuance of the Resolutions of the last Conference, to British contracts wherever possible. As far as the Government is concerned, a preference—and a very substantial preference indeed—is invariably accorded to the British tenderer, and in many important cases tenders have been entirely restricted to

British firms, and as the Dominion purchases of electrical equipment and railway material have lately been heavy the amount involved in this preference is substantial. Similar action is taken by local bodies in New Zealand from one end of the country to the other. Now, I do not make this statement by way of self-appreciation—though we are naturally proud of the stand we have taken up, we look upon it more as a privilege than as a sacrifice—but we do wish to have our position thoroughly understood.

While on this subject let me say that, of Empire imports in 1925 to the value of thirty-eight and a quarter millions sterling, goods to the value of twenty-seven and a quarter million, or 71·1 per cent., were actually subject to a preference in Customs duty, while goods to a value exceeding eight million, or 21·2 per cent., were admitted free of duty. In other words, only 7·7 per cent. of our imports from the Empire were subject to a duty at the same rate as foreign goods, and this class of imports consists for the most part of alcoholic spirits, wine, and tobacco, which are subject to a heavy duty even in this country. If there is anything illusory as to the value of this preference to Great Britain there is at any rate no doubt of this fact, that the whole of the $3\frac{1}{2}$ millions and of the additional sum resulting from the preference in public contracts is actually paid by the people of New Zealand and represents several pounds per head of our population. We make this contribution for many reasons, not the least of which is our recognition of the immense services already rendered to our young country by Great Britain, and we make it, as I say, with pride and ungrudgingly.

Control Boards and Co-operative Marketing in New Zealand.

In discussing the second subject listed under the heading of inter-Imperial trade, namely, the Imperial Economic Committee and the Empire Marketing Board, I wish to express my appreciation of the value of the reports already issued by the Committee. As you are of course aware, the regulation of supplies of our primary products in this country is now very largely in the hands of Control Boards. At their inception I am afraid that these Boards were regarded with some degree of suspicion in this country, and I wish to make it clear that these Boards are in no way Government institutions. I should like to say that as far as co-operative marketing is concerned, for the 25 years it has been in operation in New Zealand, I think the position is misunderstood.

First of all, we know that, if anything does happen to go wrong, the Government gets the blame, and these Control Boards—they will persist in calling them Government organisations, but they are organisations set up by the producers themselves—are an attempt by the producers to solve their own difficulties. The cause for setting them up is well known, that is, that the producer is having a most difficult time—labour costs have gone up, everything has gone up, and he is finding it most difficult to make a success of his enterprise. He reads of business concerns making 10, 12, 15 per cent., and at the end of the year he finds that he is not, even after working,

not eight hours a day or anything of the kind, but from daylight to dark. We all know that the farming community consists of hard-working men and women; that applies to every country.

Well, Sir, I do not think anybody has the idea that it is possible to prevent this movement. It is very close to the heart of the producer. His effort is to see if he can get a bit more for himself, and, generally speaking, to see if he can improve his product in order that it will meet the requirements of the consumer. First of all, he wants to have the best article possible. He wants to see it brought up to a proper standard, he wants to prevent anything like manipulation. He is anxious that it should go to the consumer in the form manufactured in his own country, and to avoid overhead or needless distribution or ramifications in distribution. I am only mentioning this to the Conference in order that members may understand the psychology of the man who is producing so far as New Zealand is concerned.

Well, Sir, they have proceeded some distance. Some of the Boards, I think, are getting on very well. They have managed to get a reduction in costs, in the railway and marine freights, and in storage rates, and have worked through recognised channels. Others, again, are rather trying, so I am told, to depart from that. Our advice right through has been to take a cautious attitude but at the same time to watch their own interests, and wherever possible gradually to place their produce in the hands of the consumer in the best possible form and in the best possible condition. So that co-operative marketing is not new in New Zealand and it is spreading, and, I think, spreading definitely. But I do want to say this, that apart from passing the legislation the actual administration of the Boards does not come within the scope of governmental control. I would ask the people of Great Britain wherever they are doing business with those great Boards to feel that they are really dealing with the producer himself. Again, if those Boards are unable to do the business—if they fail—it is going to be very difficult for any Government to resist interference; that is, if my Government will not take the matter up, no doubt some other Government will. It is best for Governments to keep out of business altogether, but that may be the position that we may be forced into.

The Marking of New Zealand Produce in Britain.

It may not be out of place here for me to call attention to what we consider a defect in the Merchandise Marks Bill. As I understand the matter, this Bill requires that all produce should be marked either "Empire Produce" or "Foreign Produce," leaving the indication of the actual country of origin to the option of the seller. We desire something more than that. We have taken the greatest care to maintain the highest quality of our products and in some cases—take lamb for instance—our New Zealand article has a reputation second to none. To attain this goodwill has cost a large expenditure of effort and money, and, while we do

not wish to do anything to injure the other Dominions, we do wish that it should be made obligatory to label our goods not only as Empire products but specifically as New Zealand products. This may appear to be a small matter, but from our point of view it is of great importance.

Representation of Producers on Empire Marketing Board.

In view of the fact that His Majesty's Government is providing a fund to be expended by the Empire Marketing Board, I have some diffidence in bringing forward my next point, which has to do with the constitution of that Board. But it would be greatly appreciated in New Zealand if arrangements could be made for representation on the Board of the producers connected with the actual subject that the Board is considering—for example, when the Board is dealing with fruit, we would appreciate the representation of New Zealand by an expert in fruit, and in the same way of dairy produce, meat, and any other articles. This could, I think, be arranged without inconvenience by means of a panel, the members of which could be called upon from time to time as required.

It simply means that, if the question of fruit were being dealt with, a representative of one of the Boards, or the expert who happened to be here for the Board or on behalf of the Government, would, when that question was being considered, be brought in, in order to express the viewpoint of an expert or of a man who had been in close touch with the trade. We think that that would be of great advantage, and we hope it would not be an inconvenience to the Marketing Board itself.

Marketing of New Zealand Apples.

One matter to which the Board might with advantage turn its attention is the importation of fruit, and especially, so far as New Zealand is concerned, the importation of apples. The apple-growing industry in New Zealand is at present in an exceedingly precarious position, due almost entirely to the difficulty experienced in finding a remunerative market. At the last Conference the opinion was expressed—and I entirely agree with it—that the Empire is capable of producing all the apples that it requires for its own consumption. In New Zealand we produce a large surplus of apples above our own requirements, and in the past few years we have endeavoured to place these apples on the Home market. The results, however, have been very unsatisfactory, especially during the past season. We have found that as soon as our apples arrive in this country they are met by large stocks of stored apples from foreign sources, the surplus apparently being held for this purpose. I do not say that definitely, but it almost looks like that. I do not think I should be presuming in saying that Australia has had much the same experience. As a result, prices have dropped, and the trade, so far as we are concerned, is worthless.

Publication of Stocks of Meat and Wool.

So far as meat and wool are concerned we would greatly appreciate a regular publication of the stocks from time to time held in this country. We desire this information not in any way for the purpose of controlling the market but merely to avoid shipping large quantities of our produce to a market that may for the time being be already replete. I need not point out that glutting the market in this manner is an advantage neither to the consumer nor to the producer if a long view is taken of the matter —what we aim at with our produce is a steady and consistent flow that will meet the needs of the consumer of this country without producing any violent fluctuation in price.

Markets for New Zealand Hops.

It might be advisable to refer also to an infant industry in New Zealand that requires assistance at this stage to obtain further markets—I refer to hop-growing. We are finding now considerable difficulty in disposing of our surplus stocks, and some steps have already been taken in the direction of disposing of this surplus in Great Britain. I am aware that there is in this country a preferential Customs duty on Empire-grown hops, but we would greatly appreciate any further assistance that can be rendered to put this industry on its feet. To sum up, we want a regular output for our surplus and, in addition to that, there is no doubt that there is a great possibility, to a limited extent, for any settlers who like to follow this industry. The Empire can easily absorb the hops that it grows, and a great deal more, but there is no doubt, as the Prime Minister is aware, that quite a large proportion of the hops consumed comes from foreign sources.

Other Items on Agenda.

On the subsidiary questions listed in the Agenda under this heading I have only a few remarks to make. We already provide for a deduction from the value of imported goods of any import or excise duty or dumping duty payable in the United Kingdom, and this, I think, meets the desire of His Majesty's Government.

Though taxation of non-resident traders is, as a general rule, charged on a percentage of their receipts in New Zealand, our law provides that such traders may, if they choose, prove the actual merchanting profit in New Zealand, and on this being done their tax is charged on the actual rate of profit so shown. It is found, however, that as a general rule merchants are quite satisfied to accept the percentage rate.

On the subject of standardisation I have to say that British standards are generally adopted in our country and invariably so by Government Departments. We have recently set up a new Department of Scientific Research, and it will be the earnest aim of this Department not only to increase standardisation generally but to ensure that wherever standards are adopted they are British standards.

I have no comment to make on the Economic Conference called by the League of Nations, beyond saying that the progress of the League's enquiries will be watched with great interest in New Zealand.

Assurance of Markets for Primary Products.

May I, in conclusion, enunciate once again a principle that has received support not only at previous meetings of this Conference but very generally throughout the Empire—that as the surplus population of Great Britain is transferred, as it must be, to the Dominions, and primary production in the Dominions is correspondingly increased, it is essential that a satisfactory market be provided for the increased products that will be available. There can be no doubt that the natural market, and from all points of view the most satisfactory market, for these products is Great Britain, and I think at this stage it might be well to consider the desirability and the possibility of some directing steps to ensure that the market will be available when required. Having regard to the importance of this aspect of the subject of inter-Imperial trade as a factor in holding together the Empire, I venture to suggest that this might be a fit subject for consideration in the future by a committee of experts.

Policy regarding British Films.

I would like to add a word or two in connection with the production of British films. I agree with what has been stated by Mr. Bruce, that it is most important that if possible—we know it is a commercial question—British films should be assisted in every reasonable manner. While I find little fault with films that are produced by foreign countries, I also realise that if that is allowed to go on they will gradually transplant the feelings, aspirations, and possibly the atmosphere, of our countries into new ones, and we are anxious to retain all the characteristics of the people we know best—the British race. For that reason, all that New Zealand can do we will do in order that assistance and help and encouragement may be given to the producer so that his films may find a market in New Zealand. We know it is a small market, we realise that, but, on the other hand, if we all make an effort, I believe we can encourage capital in the direction of producing films with all the atmosphere of our British people contained in them. Several times we have made attempts definitely to suggest that every theatre must show at least, we will say, 20 per cent. of British-produced films. The reply has been, even from the British representatives themselves in New Zealand, that it is impossible for them to show that quantity for the reason that the production is not forthcoming. It is true that we have gone up from about 5 per cent. to 13·1 per cent., which is encouraging as showing that we are no doubt getting more films produced in Great Britain and the Empire than we did previously. When I say "Great Britain," I naturally refer to the Empire as well.

We are anxious that we should co-operate and give exactly the same inducement to Sister Dominions as we do to Great Britain.

There is a lot more that one could say, but I have endeavoured to condense my remarks, long though they may have been, to as few words as possible, and I thank you for giving me your attention while I have been delivering my speech.

STATEMENT BY THE MINISTER OF FINANCE, UNION OF SOUTH AFRICA.

General Hertzog: Mr. Havenga will speak for me.

Mr. Havenga: At these Conferences some subjects appear on the Agenda of each Conference, whilst other important subjects, like currency, for instance, in 1923, may figure very prominently at one Conference and never require to be again brought up.

Co-operation in Research.

As an illustration of the former I take "Co-operation in Research," of which the Secretary of State for Dominion Affairs gave such an interesting account yesterday and to which the Prime Ministers of Australia and New Zealand referred this morning. There can, of course, be no finality in research, and it would be very unwise to attempt to lay down for all times, or even for a lengthy period, the lines on which our co-operation in research is to be carried on. I am, therefore, very glad to see that we are to have an opportunity on this occasion to review what has been done during the last three years, and to consider and determine what our course is to be in the immediate future.

Research Grant Board in South Africa.

At the conclusion of the war we established in South Africa a Research Grant Board with the object of advising the Government generally in regard to the encouragement of research. This Board of ours is in a position to keep in touch with all research activities in the Union, and constitutes a co-ordinating medium in regard to scientific research in our country. It can conveniently be used to pass on information regarding the results of research obtained in Britain and other parts of the Empire which are of common interest and be used as a medium of communication between the Union and the Department of Scientific and Industrial Research in London.

South African Students and British Research Institutions.

Every year some of our South African students proceed overseas with the aid of scholarships to engage in post-graduate research, and I think that in some instances it would be of great advantage, not only to them, but also to the work of research generally, if these students could be attached to institutions such as Kew, the National Physical Laboratory, the Royal Horticultural Society, the Engineer-

ing Division of the Post Office, &c., where they could interchange views and experiences with students from the other Dominions. It is possible that the establishment of similar research boards or councils in Great Britain and in each of the Dominions might be the best means which we can devise, not only of keeping the various parts of the Empire in touch with each other in regard to the research and institutional work in progress in their countries, but also to institute, when called upon to do so, special investigations into problems which are common to more than one of the parties.

You may be aware that we have an institution at Onderstepoort near Pretoria, of no mean size, devoted to research into animal diseases and the methods of their prevention, where products such as vaccines are manufactured on a very large scale and which is affiliated to the University of the Transvaal and is organised for teaching. The money voted annually by Parliament for the official work of this institution allows of experimentation and provides equipment on a scale which no purely teaching institution in the world could face.

Exchange of Research Data and of Staff.

Mr. Amery referred to the desirability of close contact being established between research institutions, and I quote a case in point. At the present time two almost identical experiments are proceeding—one in Ceylon and one at our institution at Onderstepoort—and it is only the accident of personal acquaintanceship of the investigators concerned which enables the experience of both countries to be combined in interpreting the data exchanged. Research Councils would be in a position to inform any worker of the names and resources of other workers engaged upon problems similar to his own and so enable an exchange of views to proceed throughout the actual course of specific researches.

Ultimately, it might be possible to arrive at some system whereby experts in, say, the various branches of veterinary and entomological science might be loaned to other Dominions to give the benefit of their experience or temporarily exchanged merely for the benefit of two institutions. The introduction of the element of human intercourse, the personal exchange of that experience and outlook which is never committed to paper, might be of incalculable benefit, more particularly in the case of workers in isolated centres pre-occupied with local problems and with limited facilities for the exchange of ideas.

Suggested Investigations regarding Fruit.

At a later stage of our work we shall be able to go into these matters in greater detail so that it is not necessary for me to do more to-day than to cite two investigations which we should endeavour to get put in hand and the work in connection therewith co-ordinated without delay.

I refer to—

(1.) The arsenical contamination of fruit as a result of spraying. We are having some difficulty now in regard to this matter; and

(2.) The presence in dried fruit of sulphur dioxide. That is another of the problems with which we are faced.

Experiments in Cotton Growing in South Africa.

Cotton growing is another subject on which I might touch for a minute or two. From time to time for many years attempts have been made to grow cotton in South Africa but these efforts have met with failure owing to lack of knowledge and the want of gins and means of conveyance. In 1909 a division of the Transvaal Agricultural Department was created for the purpose of encouraging the development of the industry. Since that time there has been steady progress, especially in portions of the Transvaal and Natal. Experiments have been carried out in a number of likely areas in order to ascertain by actual field trials how the cotton plant would thrive under various local soil and climatic conditions. The seed of a large number of promising varieties was imported and experimented with, with the result that the undesirable ones have been eliminated and one or two others have been improved to such an extent that to-day these compare very favourably with any of the best commercial varieties grown in America.

While the last Conference was in session, an arrangement was entered into by the representatives of the Union with the Empire Cotton Growing Corporation which has been of material advantage to the development of the cotton industry in South Africa. Many difficulties have yet to be overcome but much valuable data has been accumulated and experience gained. The great possibilities of cotton have caused widespread interest, as in some instances where maize and other crops failed through drought cotton not only grew but stood up well to the trying conditions and yielded a profitable return. On the other hand, some farmers had the unfortunate experience of having their crops ruined one year by too much rain and the next by drought, while those who have succeeded in raising a good crop this year find that the price has dropped to such an extent that it is doubtful whether it is a payable proposition.

From what I have said you will have gathered that the last two or three years have not been too favourable to the establishment of a new industry, but in spite of all the drawbacks I am glad to be able to state that satisfactory progress has been made. Farmers are always optimists and some of them are incorrigible.

In South Africa, the only two really serious pests to which the cotton plant is subject are boll worms and jassid. The breeding of jassid-resistant varieties has been undertaken by the Empire Cotton Growing Corporation and I am informed that a solution now seems in sight. The boll worm trouble is being investigated by our own officials.

It is a pleasure to record the readiness with which the Empire Cotton Growing Corporation and its officials have worked and co-operated with our officials, the farmers, and all others concerned in furthering the establishment of cotton growing on a sound basis. Their assistance has been greatly appreciated.

Forestry.

Another subject which comes to mind naturally in connection with research is forestry, and in this we are working up to the Resolutions* of the Empire Forestry Conference held in Canada in 1923. We have several South Africans at present at the Oxford School of Forestry and next year one of our students is to enter the Imperial Forestry Institute. Correspondence is at present going on between our Department and the research side of the Institute with reference to a critical examination of the structure of South African woods. I understand that an Imperial Forestry Conference was held in Great Britain in 1920 and another in Canada in 1923 and that the next is to be held in Australia in 1928, and that it is proposed to hold the following Conference in 1933. Now that is a long way off and much may happen in the interval, but I may be permitted to suggest to those who will at some time or other have to decide the venue of the 1933 Conference that South Africa be considered in this connection.

South Africa is of all the Dominions the one that is by nature the most poorly endowed with forests. It only contains about 780,000 acres of dense forest which is only $\frac{1}{4}$ of 1 per cent. of its area. Compared with Canada's 25 per cent. and New Zealand's 16 per cent. it will be patent how restricted our forest resources are. But the country is doing much to improve this state of affairs and its progress in afforestation during the past five years compares very favourably with that of other Dominions and even with that of Great Britain. 40,000 acres have been planted by the State in the past three years, and in addition much is done by private enterprise. From the Government nurseries alone between 3 and 4 million trees are sent out annually and planted by farmers, land-owners, &c., on their properties and nearly as many trees are sent out from private nurseries.

I am quite certain that those who come to South Africa to attend a Forestry Conference would find that their time would be well spent in studying the problems which have been, and still have to be, faced.

Tours of South African Farmers in Great Britain and vice versa.

Intimately related to agricultural research is the matter of land settlement, and in this connection I may mention that within the last year or so a party of South African farmers made a tour of Britain and that a party of no less than 100 of your farmers have just recently completed a lengthy tour of the Union. That the tour in Britain was a success may be gathered from the fact that I understand arrangements are now being made for another tour being

* pp. 555-559 of Cmd. 2009.

undertaken at no distant date. From what I hear, the tour of the British farmers in South Africa was no less successful. Our visitors had a strenuous time in endeavouring to see as much of the country and of our farming methods as possible in the time at their disposal.

It seems to me that such tours of practical farmers will sooner or later have an important bearing on many of our settlement problems, as the would-be settler will have the benefit of the advice of some practical man who is known to him and who can estimate his capabilities and prospects of success.

Appreciation of Work of Imperial Economic Committee.

We then come naturally enough to the topics of marketing, statistics of foodstuffs, wool, &c., but I think that my remarks on these subjects will be made more appropriately when these subjects are specifically before us for discussion. I wish, however, to express on behalf of the Union Government our appreciation of the work of the Imperial Economic Committee in making available to us the information which they have done and to express our entire agreement with Mr. Amery's remarks yesterday and Mr. Mackenzie King's this morning when they commended the reports issued to date of that Committee, which I have read with great interest.

I have no doubt there are other industries which can profitably be subjected to similar investigation. I may mention that South Africa would be particularly interested in tobacco investigation.

Imperial Preference. Policy of South Africa.

There is one phase in regard to trade, namely, Imperial preference, which has always bulked largely in the discussions at previous Conferences, and concerning which I take the opportunity of relating what has been done in South Africa during the last three years.

When it was made clear in 1924 that the people of Great Britain were not in favour of the proposals put forward at the Economic Conference of 1923, which involved the taxation of foodstuffs in order to give preferential Customs treatment to Empire products, the Union Government which came into power the same year was forced to reconsider the position. It was decided, and the decision was given effect to in the Tariff Act of 1925, to make the granting of preferential rebates of duty as far as possible conditional on like treatment being accorded to Union products, to withdraw the rebate from certain commodities such as woollen piece-goods and apparel, in which Great Britain held the market, and to increase the existing rebates where it was felt that such a course would assist British trade, for example, machinery and metal manufactures and the cheaper grade of cotton piece-goods. The actual amount of duty rebated has perhaps been lessened, but we claim that the effective increased rebates are proving of material assistance to the British manufacturer.

The extension of preference accorded by Great Britain to our sugar, dried fruits, and other products, since the 1st July, 1925, is tending to restore the balance so far as our mutual trade is concerned, and I am the bearer of a special message of appreciation from the fruit growers of South Africa, who are reaping the full advantage of the free admission of their dried fruits into England.

Customs Agreements with other Dominions.

The Customs Agreement which existed for many years between Australia and the Union has unfortunately lapsed, whilst that with New Zealand is under revision, but I have every hope of concluding new agreements on a basis satisfactory to both parties. South Africa is herself entering a field of industrial development, and the Union Government is determined to assist in building up her manufacturing industries as well as supporting her primary producers. But there will doubtless be many commodities which the Union itself will be unable to supply economically; and to maintain a trade therein my Government will be in favour of considering arrangements which will be to the mutual advantage of the nations of the Empire.

Merchant Shipping Legislation and Maritime Law Conventions.

Touching briefly on shipping matters the Union is in the initial stages of development as regards maritime legislation and merchant vessels registered at, and operating from, South African ports. Existing laws follow the Imperial Merchant Shipping Acts, and our views on recent developments in maritime law arising from the Brussels Conventions coincide generally with those of the British Government. We have in draft form or under consideration Bills dealing with the sea carriage of goods, shipowners' liability, and cognate matters.

In the ports and harbours of the Union there is no discrimination against the shipping of any country. Our coasting trade is free to all nations. The ocean-going vessels owned by the Government enjoy no competitive advantage over private-owned ships; they pay the ordinary charges in all South African harbours, and claim no immunity from legal process which may be brought in any competent Court.

In short, the Union in its modest way, with regard to mercantile marine matters, follows in practice the principles recommended for general acceptance by various international conferences.

The question of films and the remaining highly technical subjects such as Air Communications, Workmen's Compensation, and Industrial Standardisation I propose to leave over for a more appropriate occasion, but in closing my remarks I wish to assure the Delegates present of the earnest desire of the Union to co-operate with all members of the Commonwealth in any action which may tend to promote our common interests.

STATEMENT BY THE MINISTER OF JUSTICE, IRISH FREE STATE.

Mr. O'Higgins: Those of us who represent the Free State of Ireland have listened with real interest to the statements of the representatives of the British and Dominion Governments on the question of trade development.

Progress in Agricultural and Allied Industries.

In common with most of the other Dominions, our interest at the moment centres largely on the agricultural and allied industries, where, without being over sanguine, I think we can report satisfactory progress. My colleague, the Minister for Lands and Agriculture (Mr. Hogan), after a careful study of the problem has embarked upon, and has almost completed, a systematic overhaul of the industry. Far-reaching schemes for the improvement of the education of the farmer and for the advancement of the science of farming and dairy produce have within the life of the present Government passed from the stage of almost age-long discussion into legislative and executive fact. In these reforms the past work of the Irish Department of Agriculture and also of the Irish Agricultural Organisation Society represents a factor of considerable help. Greatly increased facilities are now provided for technical education, both in the secondary and in the university stages. A comprehensive scheme of licensing (after close scrutiny by Government Inspectors of the suitability of premises and equipment) of egg exporters, with serious penalties for infringement of Government regulations, is in full working order. By the spring of next year similar complete control of creamery production will have been established. Although the ink is scarcely dry on the Parliamentary sanction for these measures, we are able to tell you that in the opinion of competent critics in Great Britain the best of our Irish produce for certain parts of this year has been higher in quality than the best that our foreign competitors—long established and highly organised as they are—have been able to place on the British market.

When the peculiar difficulties of our internal conditions in the past three years are borne in mind it will, I think, be agreed that it is most encouraging to find practically all our agricultural institutions, schemes, and activities functioning more effectively than ever they did before. There is an increase in the local rate for county schemes, there is an increase in the number of cow-testing associations. The number of farmers grading up their breeding stocks is increasing every month. New creameries are being built and equipped, and existing creameries are co-operating with active goodwill with the Government, and there is a definite recognition throughout the agricultural community that by organisation, efficiency, and hard work we can face without fear the hitherto triumphant competition of foreign countries.

Imperial Economic Committee.

I should like to add my word of appreciation to that of Mr. Amery of the valuable services which have been rendered by the Imperial Economic Committee. It is pertinent to say here that we, too, had recognised the need and had taken steps accordingly to bring the advantages of the most recent research within the grasp and understanding of the small farmer. Similarly, we are at one with the Imperial Economic Committee in its insistence upon the supreme importance of securing in our produce both uniformity of quality and continuity of supply. We recognise that it is better to have it said of our produce that it is consistently good than that it is occasionally excellent.

Mr. Amery's observations on the important work of the Empire Marketing Board were of special interest to me and my colleagues because both producers and the Government in Ireland are at the present moment co-operating in the work of improving our marketing methods. The Government of the Free State are dealing also with the question of agricultural credits.

Trade with Great Britain.

The influence of geography on trade is both immediate and obvious, and whilst it may not be generally appreciated it is nevertheless true that in her near neighbour, the Free State, Great Britain finds one of her best customers—the total value of our imports from Great Britain being greater than the total value of all our exports.

We welcome the opportunity of taking our part in this Conference, representing as it does a great clearing-house of thought and action, since we are convinced that from the interdependence of Great Britain and our State it follows that, broadly speaking, whatever makes for the economic betterment of the one will have a like consequence for the other. We find, for instance, that every fluctuation in the purchasing power here is reflected immediately in the markets of the Free State. Similarly, we hope and believe that, if we are able to maintain a larger population and to induce more prosperous conditions, those facts will have beneficial reactions on this side of the channel.

STATEMENT BY THE PRIME MINISTER OF NEWFOUNDLAND.

Mr. Monroe: Prime Minister, I would like to say that I agree entirely with Mr. Bruce's remark this morning that while the question of Empire films and other matters are in the hands of an Expert Committee we cannot very well make any very definite pronouncement upon them, but I would like just to make a few preliminary remarks.

Exports of Newfoundland.

The exports of Newfoundland consist chiefly of fish, paper, pulp, and iron ore. The fish is salt-dried codfish and chilled salmon. The latter is brought to this market, and its consumption could be helped by the Marketing Board. Half the paper is used here by the Harmsworth Press, so-called. The other half is sold at present in the United States of America. Australia has granted a preference on pulp from Canada, and perhaps both countries might agree that the preference should be extended to Newfoundland in return for some preference by Newfoundland upon Australian exports. Our iron ore finds its chief market in Germany, and none here. This latter fact is due in the main to lack of unloading facilities here, and to the consequent cost of transportation. We feel that the use of our ore within the Empire, and particularly within Great Britain, is a vital matter for us, and for the Empire, and should be stimulated.

Empire Preference to be Considered.

Newfoundland grants no preference to Empire goods, but a Commission has recently been appointed to revise the Customs Tariff, and the propriety and feasibility of Empire preference will be favourably considered. Negotiations have been proposed for reciprocal preferences between Newfoundland and the British West Indies, along the lines of the recent agreement between them and Canada, and an attempt will be made to increase facilities for transportation. As I have said, we shall welcome some arrangement with Australia, and one with New Zealand will be regarded with equal favour.

I may say in that respect that Mr. Robb, in addressing the West Indian Board when they conferred in Canada, stated very kindly that they had no objections at all to Newfoundland participating, and no desire to have any preferential tariff that would exclude Newfoundland. I am very hopeful that they may have similar views in connection with Newfoundland paper going into Australia and competing with Canadian paper which now enjoys a preference of, I think, 15 dollars a ton.

Trade with Great Britain Improving.

Our import trade with Great Britain, dislocated by the Great War, is steadily improving. Despite the zeal with which the American producers study the wishes of consumers, and the greater attention they pay to style than do manufacturers in this country, the proportions of the trade with Great Britain and the United States are constantly changing to the advantage of Great Britain, and in a comparatively brief time may approach the position in pre-war days.

Motor Cars and Films.

Very few motor cars are imported from Great Britain; many from Canada and the United States. Power, style, and price are

the reasons. If this country wishes this trade, she must make more powerful cars, suited to conditions such as Australia and New Zealand ask for. I agree fully with all that has been said about the importance of the film trade, but I would point out that until Empire films of quality as good and price as cheap as the films made in the United States are procurable (which I believe is not now the case) little can be done to increase the Empire trade, by any quota device or otherwise.

In the matter of films, motor cars, and all other exports, much depends, not only upon quality and price, but on selling methods, and in all these respects British methods can be improved, and the improvement therein will go far to restore the Empire trade to which the sentiment of our people powerfully impels them.

The enormous home markets of the United States' producers enable them to dump manufactured goods of particular kinds upon our market at prices below cost of production and greatly to the disadvantage of local and other Empire producers. This matter of dumping is exceedingly troublesome and is receiving close consideration.

STATEMENT BY MR. CHADWICK ON BEHALF OF THE INDIAN DELEGATION.

Mr. Chadwick: Prime Minister, Mr. Bruce and Mr. Coates have drawn attention to the deeper purposes behind our discussions here on inter-Imperial trade. The same idea was stressed by the Maharaja of Burdwan in his opening speech when he said that we in India were very anxious to see a development of trade between India and every part of the Empire because thereby we look forward to a development in mutual knowledge and mutual understanding, two features which are of the first importance to political development in India.

Survey of Indian Trade.

Therefore, Sir, I will leave that side of this question entirely alone and come directly to a brief survey of our trade and the economic position at the moment in India as we see it. Last year our total trade in merchandise exceeded 470 millions or with treasure 500 millions sterling. With a trade of these dimensions it was impossible in the last few years to have escaped the dislocations which have happened in every other country but I am not overdrawing the picture, or trying to make too rosy a picture, if I say that the feeling now is one generally of chastened hopefulness.

Assistance to Coal, Steel, and Textile Industries.

Each one of the trades and industries in India has gone through a difficult period. I do not suggest that that period has been anything like what it has been in this country in intensity or complexity but just to mention the words coal, steel, and textiles,

three industries which have forced their notice upon the attention of the Government of India almost constantly during the last three years, is to mention words which are very familiar here. All these three industries have applied to the Government for fiscal assistance. The application on the part of the coal industry was turned down, a small Bill to help forward the better organisation of the coal trade being alone enacted. The application from the textile industry is under enquiry at the present moment. For the steel industry a discriminating protection has been given under the principles explained here some three years ago. I do not wish to enter on controversial fiscal matters but I do want to take this opportunity of acknowledging the very friendly and understanding attitude of the National Federation of Steel Manufacturers in Great Britain to this change in our economic policy. This attitude was much appreciated in India, and I think even more important was the line taken by the big Textile Associations last year when the Cotton Excise Duty was removed. The attitude adopted, especially by the Cotton Textile Associations, has gone a long way towards obliterating many of the rather bitter memories which in India were associated with old controversies with regard to that duty and has helped to promote a better feeling which in itself is an asset to trade.

Expenditure on Productive Works.

Perhaps it is unnecessary to say that the State credit has improved greatly, so much so that at last we are able to devote considerable sums of money once more to capital productive works. The irrigation schemes that are now actually in progress of construction are likely to bring new land under cultivation in a very short time to the extent of well over 5 million acres. The new docks in Calcutta should be open to receive ships in a very few months. The system of railway finance has been recast to enable the railways to push forward and organise a well-thought-out scheme of new works and as one result 6,000 miles of new line are on the programme and under construction. I mention these works not because they are of immediate importance to trade at this moment but, firstly, because they are of great importance to India in opening out the country more and more, in giving more opportunities of work—which is of great importance in a country of ever-increasing population—and, secondly, because of the prospects that they hold out to this country of increased and improved markets in the future owing to the greater production and greater productivity in the land.

India is essentially a quantity market. To speak of values of trade as being 400 or 500 million pounds does not give a proper picture of the trade in India. We can only do it if we try to get statistics of quantities. There, there are also signs of improvement. It is rather early perhaps to say anything for the current year but up to date railway earnings are higher than they were last year although freights and rates were reduced last February and March,

indicating a greater movement of goods and a greater number of passengers travelling. Last year, too, export trade for the first time since the war reached its pre-war figures, pre-war figures in volume I mean, values of course being much higher. That is satisfactory so far as it goes but it is not really sufficient. The trade was harder to get, harder to do, as every merchant will testify, but with the prospect of increased production India needs greater and wider markets for the distribution of that trade.

Distribution of India's Export Trade.

Mr. Bruce has stressed this question of distribution of trade. The distribution of India's trade is interesting. In 1925–26 Great Britain was our best individual market, but yet it only took about 21 per cent. of our exports, a small proportion compared with the percentage of trade from the Dominions to Great Britain. The rest went to other countries. India would desire to see more of our goods sold in this country for the reasons given by the Maharaja of Burdwan. India does not give a preference and we have no ground, in fact we are out of court in talking on any matter as if it were a question of reciprocity. That makes it all the more urgent for me to acknowledge the appreciation of the Government of India for the conception behind the work of the Imperial Economic Committee and the Empire Marketing Board, and also to acknowledge that the preferences which you have given in this country have been of definite material advantage to certain branches of Indian trade.

Imports of India.

It is the import trade which at present lags. Roughly speaking, imports into India compared with pre-war figures are 25 per cent. less in volume although 25 per cent. more in value. It is thus very largely a question of price. The position of cotton textiles illustrates this very clearly. Until quite recently the index number of the price of raw cotton was 149 while for textiles it was 217, indicating that there is a much wider spread between the prices of the raw material and of the manufactured article than was the case in pre-war days. The cotton market is a large one. It is one which has also the capacity of breaking very rapidly if the prices of raw materials and manufactured goods diverge widely. It is so large that once a contraction in demand begins it runs into very big figures. These prices, as the President of the Board of Trade has said, are now coming much closer into touch with each other, and when that arrives I expect to see the Indian demand revive. This happened in iron and steel goods, when last year, in spite of the protective duty imposed upon them, India imported more iron and steel goods than before the war, or at any other time, and—I am not talking of machinery, but of iron and steel goods—in that class of imports England kept up the percentage which she had before the war. That was largely due to a stabilisation in prices in those classes of goods after a heavy fall; it indicated that the purchasing power in India was there but latent, ready to come

forward when the Indian buyers felt that at last, for some time at least, the bottom of the market had been reached. I trust I am not too sanguine in expecting something similar will happen in the highly important trade of textiles.

I want to recognise also very frankly the enormous effort, and the very considerable success that has attended that effort, of the British manufacturers in meeting foreign competition. They are still far and away our chief suppliers of manufactured goods. Last year they sent to India £87,000,000 worth of manufactured goods; that represented practically 70 per cent. of our imports of manufactured goods. I do not compare them with our total imports because it is better really to compare them, imports of manufactured goods that is, with the class of goods which Great Britain makes; that is a very high percentage of the trade and can bear comparison with similar percentages in almost any other country. In value it far exceeds the figures for any other country. The difficulty, and I state it frankly, is that before the war the British manufacturer sent us much nearer 80 per cent. than 70 per cent., and, although before the war Britain's exports to India were only worth £61,000,000, compared with the £87,000,000 now, there has been a retrogression in its relative position.

These are the main broad facts which cover India's economic position and trade at the moment. Definite progress has been made in large works which hold out good promise for the future. Stability in trading has not been entirely reached, but there is an improvement there, and I believe there is a market there and a big market, ready to respond when prices become more stabilised and steady. India is very anxious—I said she does not grant preferences—to promote everything which can, subject to her political and economic conditions, enable her to take a greater part in inter-Imperial trade and to do anything practical to assist either in the better organisation of trade or in research connected with trade. I have referred specially to Great Britain because our commercial ties with that country are so close, but we have a trade with the Dominions which, I am sorry to say, is, on the whole, rather small. We would very much like to see that grow, and if any of the Dominions would care to send Trade Commissioners to India or Trade Missions to India to visit it, if they think it worth their while, I can assure them they will get a very good welcome in that country and every assistance within the power of the Government of India to give them.

Industrial Standardisation.

On the other matters mentioned in the President's survey, standardisation and flag discrimination, we in India follow very closely the practice of the Board of Trade here. I think standardisation is probably carried as far in India as in any other country. Only this last year there has been a Committee of the Railways appointed to examine how greater standardisation could be effected. Throughout we are practically taking the British standards, almost without exception.

Desirability of Uniformity in Commercial Law and Regulations in the Empire.

I do not know if I would be out of order in closing on a rather personal note, but one of the ways, and I think a very important way, in promoting inter-Imperial trade, is to keep as much uniformity in the Empire as is possible in commercial law, commercial regulations—in Company Acts, Insurance, Mercantile Law—allowing only for small divergencies in parts where local conditions make them absolutely necessary. Regular principles of business conducted under similar codes and laws and under similar sets of regulations facilitate enormously the work of the business man and those connected with trade. My personal note is this. Economic conditions in India are becoming more complex, and I want to acknowledge—I have been in close touch with these matters for some years—the enormous help we have had and are still having from every branch of the Board of Trade in all details in which their experience and help is available, whether it be in Insurance, Company Law, Accountancy, or Shipping matters.

CONCLUDING STATEMENT BY THE PRESIDENT OF THE BOARD OF TRADE.

Sir Philip Cunliffe-Lister: I believe that the Conference would wish me to reply on the general debate, and supplement as briefly as I can any points that have been raised. I should like to say, if I may, that this has been a discussion of great interest and value, not only to all of us who are in the various Governments, but also, as practically everything that has been said round this table to-day will find its way into the Press, extraordinarily instructive and encouraging to the traders of this country.

The Appointment of the Imperial Economic Committee justified.

The first point raised by Mr. Mackenzie King was the future of the Economic Committee. Those who advocated it in the first instance hoped that it would prove itself just as the Imperial Shipping Committee proved itself. We were all rather sceptical of Committees that have not a specific job to do; we were all anxious that no Committee which was advisory in its character should be tempted to attempt functions outside its sphere.

The Imperial Economic Committee has not attempted to be anything more than an Advisory Committee, and I think it has proved, as every Minister who has spoken to-day has said, its practical value and has justified its initiation and its continuance.

British Empire Films.

Mr. Mackenzie King then dealt with films. Of course, I agree with him that by British films we mean British Empire films. I raised that as a subject which I thought of real importance to trade and of no less importance, as I said, to the whole outlook which

citizens of the British Empire, educated and uneducated, might have in the future. There was general assent as to the importance of that question. It has been well said, by one speaker at any rate to-day, that we certainly shall not solve that problem by producing inefficient British films and trying to make picture houses throughout the Empire take films which no one is going to pay to go to see. That is absolutely true, and any sort of easy assistance of any kind which was merely going to make rather inefficient people go on in an inefficient way would be worse than useless. At the same time, there is the question to be considered whether we can get this film question solved in sufficient time unless we help efficiency in film production by giving it some measure of security. That really is in a nutshell, I think, the problem that the Sub-Committee has got to consider.

Proportion of World Trade held by Great Britain.

Mr. Bruce, in a most interesting analysis of Imperial trade, quoted certain figures which have been published by the League of Nations, which show that the Home Country's proportion of world trade is less than it was before the war. It is very difficult to get even approximately accurate figures of a comparable character —experts disagree. The best estimate that we have been able to make over here is that, while Great Britain and Northern Ireland's percentage of world exports was 13 per cent. in 1913, in 1924 it was 12·87 per cent. and in 1925 11·86 per cent.

There is probably a considerable margin of error in any figures, and in any comparison with a pre-war figure we have got to remember that the comparison may be inaccurate because conditions have greatly changed. In the first place, there are new boundaries in the world, new countries have been created all over Europe, boundaries have been adjusted, and the result is that there is a very considerable volume of trade, which, in the aggregate trade returns of the world, figures as external trade which before the war was internal trade. Take, for example, the Austrian Empire. Before the war, much trade financed from Vienna, and invoiced from Vienna, passed through an aggregate of countries which formed the Austrian Empire, and never figured in the external trade of the world. That trade to-day is going on, but Austria is a capital without much country; it still finances a great deal of the trade of that part of Europe, but the trade which was an internal trade before is to-day a trade passing across the frontiers, very often highly protected, of a large number of new countries. The result is that all that has gone into the aggregate of external trade, whereas before it had never figured in such a return. That is one consideration.

Increase in Manufacturing Capacity of the World.

Now there is another. It is well known that as a result of the war, when every country which was at war had the whole of its plant in use for the intensive manufacture of munitions, when

every neutral country was engaged in manufacturing munitions to sell to one or other of the belligerents and was at the same time pushing forward with the manufacture of commodities it never thought of manufacturing before, partly for its own use and partly to capture neutral markets which previously belligerents had held—as the result of all that there has been an enormous increase in the manufacturing capacity of the world. That is one of the problems we are up against to-day, one of the problems which make it necessary to consider wide cartels and arrangements in industrial production. But, as the result of this great capacity for industrial production in every country, a considerable change has taken place in the character of external trade. Countries which before had been ready and anxious to import manufactured articles to-day have built up industries behind very high tariff walls and are trying to supply their own requirements in manufactured articles from within their own borders and are becoming to an increasing extent importers of foodstuffs, of which they are growing less, and of raw materials. Therefore, in the aggregate, the character of the total exports has to some extent changed, and we in the Home Country, who are exporters of finished goods, or at any rate goods that have reached some stage of manufacture, and export hardly any raw materials except coal, who are at the same time importers of food, necessarily have a smaller share of that aggregate trade than we had in the past when a larger proportion of that trade was trade in manufactured goods.

There is a third reason. You cannot make an accurate comparison without a rather careful survey of what has been the trend of prices. The trend of prices of the kind of goods we make and export, manufactured articles, has been steadily downwards. But it so happens, I think I am right in saying, that in 1924 there was a bad harvest with the result that in 1925 prices for foodstuffs were ruling relatively high in relation to prices for other commodities. The result is that in a figure which can only be taken on a basis of aggregate money values foodstuffs actually appear in the 1925 figures in a higher proportion than the volume they represent.

Empire Proportion of World Exports.

I venture to make those criticisms because, while I am not at all satisfied with the position, it is, as Mr. Bruce has said, enormously important that in any appreciation of the real position we should get down, as far as we can, to actual figures, and in a moment I am coming to a very helpful suggestion which I think he made about getting better Empire figures. But I make those criticisms in order to show that, though our share of the external trade of the world is not as large as it might be, it is perhaps rather bigger than he has said. What is of course satisfactory is that, when you come to look at the proportion of Empire trade generally, those very factors to which I have drawn attention have greatly increased the proportion of British countries overseas.

Before the war, in 1913, the proportion of exports which the world took from the British countries overseas was 12·69 per cent. In 1924, our estimate is that it was something like 15½ per cent., and in 1925 something like 17·9 per cent. or very nearly 18 per cent.

Development of Empire Markets.

But I do most profoundly agree that, whatever be the exact ratio, there is no doubt that we are doing less overseas trade to-day than we were before the war and that it is absolutely vital that we should increase it, but I am very sceptical as to the result of any number of manifestos, by whomsoever they may be issued, in inducing foreign countries to alter policies and practices dictated by extreme nationalism. I think we shall be wise not to bank too heavily on that, but would do better to concentrate all our attention on developing the markets within the Empire to our mutual advantage. Since the last Conference, whenever I have had the opportunity, I have indeed emphasised to manufacturers and merchants in this country the enormous importance of studying the requirements of those markets, and the importance, to which more than one Minister has to-day alluded, of having the right man on the spot. The further afield you are from your centre, the more important it is. I am sure, that you should have the right keen man to do your travelling.

British Motor Cars in Empire Markets.

Mr. Bruce has made particular allusion to motor cars. I think it only fair to say that I believe that in the last year or two a very genuine effort has been made by English motor manufacturers and, benefiting by the considerable preference which they now enjoy in this market, it was indeed up to them to make those efforts to extend their trade. A very considerable effort has been made by them to improve their position in the Dominion markets. I have received, and Mr. Bruce has no doubt seen, the report of Mr. Dalton, our Trade Commissioner in Australia, made in May, 1925, in which he says that there has been a genuine attempt by British manufacturers to gauge the Australian market. "That this has been achieved," he said, "is due almost entirely to the persistent efforts of factory representatives of British firms who have come out to Australia and who have literally worked day and night against the heaviest odds, not only in testing out their cars to secure modifications suitable to Australia, but in establishing organisations throughout Australia which would be adequate to the need."

I think that is shown to-day in examples of motor cars which can be seen at the Motor Show. Of course, they have been up against one difficulty, I want to speak equally frankly, they had no chance of doing any of this business in the war, and the result was the Americans got into the market. The Americans got into the market not only by est .blishing their own depôts, but, more seriously, by creating a wide network of agencies. You find an

agent with a well-established goodwill—it is the same problem that you are up against here in trying to sell apples—I was told quite erroneously by some vendors of apples in this country that American apples were better than Canadian apples; I am certain that is not true, but that is natural where you find these agents with their steady and easy business, and their well-connected goodwill. These people are the best travellers in foreign goods in any of our Dominions. Just as Dominion products have found themselves up against this problem here, so our motor manufacturers have found themselves up against that problem, and it is a problem they have to solve. I believe they are going to solve it. One thing that was true a few years ago was that you could not get a motor car with an adequate clearance. That is changed now. These models which are on show to-day are giving the clearance you require; this is a result of doing what you advise—studying your conditions. They used not to meet your requirements as regards track. Models were required with a wider track; that was very important. A year or two ago you could not get a motor car with the right track. I am told to-day at the Motor Show there are no fewer than twenty-five British models with tracks between 4′ 7½″ and 4′ 8½″. That is a distinct improvement. Then there is the question of the lack of power. There is, of course, there the difficulty about our form of taxation. That is realised. Also, of course, it is important that as far as we can we should be able to standardise the unit of production as much as possible in order to lessen overhead charges and produce cheaply. But that even now is being remedied, and there are, I believe, cars which go a good long way towards meeting your requirements in this respect. At the same time, I think there is a good deal of argument among competent engineers as to whether you really get the best results from that American type of engine, or whether you do not get a better result from a modified type. However, I agree in this: it is the duty of a vendor to advise his purchaser as to what he thinks is the best type of car, but having done that he must give his buyer the goods his buyer needs. There is another thing in which I am sure our people have the advantage, and which does not apply only to motor cars—they have the advantage in quality, which has been admitted. Provided the type is right, I am sure that is going to tell. If you buy a car for an up-country station you must be perfectly sure the thing is going to run well, and that quality they can get.

Meeting with Motor Car Manufacturers Suggested.

I was going to venture, if it is not impertinent, to make a suggestion both to Mr. Bruce and to Mr. Coates, and also, if I may, to representatives of other Dominions where the motor trade is important. Mr. Bruce and Mr. Coates have given some extraordinarily good and practical advice to-day. The practical way of increasing Empire trade lies not in what Governments can do but in getting buyers and sellers together and getting the sellers to meet

the buyers' requirements. I wonder if it would be too much to expect or whether if, after the work of this Conference is over, I could arrange a meeting of the representatives of the motor manufacturers, some informal conference, Ministers could see their way to give direct to that conference the kind of advice they have tendered to-day. If they could find time for that it would carry weight with the manufacturers and give encouragement to them in a way nothing else would. If they could find time for that it would be enormously appreciated.*

Producers' Boards and Industrial Combinations.

Then Mr. Mackenzie King, Mr. Bruce, and Mr. Coates spoke of producers' boards. I think I have nothing to add to what I said yesterday on that. I thought that question would be raised. I know criticism has been advanced here, but I believe—if the sound policy is followed of not holding up supplies and of trying to increase your sales, which is the only policy a sane producers' board can follow—that the consumer has nothing to fear. Industry is faced with similar problems. If we are to hold our position as really efficient industrial producers, exactly the same sort of thing has to happen in the industrial sphere here. We have our coal difficulties in this country. We appointed a Commission, and one of the first things that Commission reported unfavourably on was, as they said, "What is the good of an industry carrying on with 1,600 units? You want them amalgamated and a greater concentration of effort in order to get greater efficiency and a reduction in costs." I have not the slightest doubt the same is true in regard to steel. The day of the vertical trust is past, but the day of the horizontal trust has come, and I believe it is going to be impossible for a country, whatever its advantages, to compete against vast organisations of industry organised in horizontal trusts unless it takes the same action, is able to produce efficiently, is able to pay adequate salaries for the limited number of really able men available for the great positions, is able to bring into its ranks the ablest men, is able to concentrate with an adequate amount of money and resources upon research, is able in a world where credit is inevitably rather short to get the right amount of capital for its new developments, is able to afford to scrap obsolete plant unhesitatingly in a moment in order to instal a more efficient plant. These things are, one and all of them, going to be impossible unless the industries of this country get together and combine, or, rather, unless the units of these industries get together and combine.

I am glad to see that movement is already on foot to-day and I hope that both the knowledge of the rewards that will come to efficiency and the economic pressure of failure, which may ensue if that action is not taken, will make these combinations come very rapidly. But if that be true in our industrial sphere here, as I am certain that it is, it would indeed be idle for us to turn and

* Meetings were subsequently arranged accordingly.

say it was wrong for the producers of foodstuffs in the Dominions to do in the agricultural and horticultural field exactly the same thing that is necessary in industry.

Statistics of Foodstuffs in Cold Storage.

I agree, as I said yesterday, about the publication of stocks provided that the publication is as wide as possible. It would not be reasonable to say, "Publish statistics of everything you have in cold storage in this country, while we do not publish the stocks we have on our side." That would not be reasonable, it would give rise to great suspicion, and as a matter of fact it would be bad business for the producer as well as the consumer. The consumer would be always suspicious of the amount of stocks held on the other side and you would not get that certainty which is so important.

Industrial Standardisation.

I am very glad to find the suggestions I made yesterday about standardisation have been welcomed. There is a very clear limit there to what Governments can do, but, in order to get just that efficiency of production which Mr. Bruce has been advocating, standardisation is necessary. Now standardisation is not, if I may say so, only a question for manufacturers. It is very important they should get together on it, but you cannot get satisfactory standardisation simply by getting the manufacturers together. You have to get the buyers together. You have to get the buyers together for two reasons. First of all, in order that the manufacturers may be satisfied as to what are the types which they can most usefully standardise, otherwise they might be standardising a type which buyers are unwilling to buy. And you must also get the buyers together because if you cannot persuade them to buy common standards we shall not get any further forward at all. For example, take the illustration I gave yesterday of Local Authorities putting out varying tenders for diverse police uniforms. You get institutions for the reception of invalids or lunatics or whatever it may be. They all have to buy much the same sort of thing. They buy crockery, hardware, and so on, but they buy it in endless different types, and in this kind of case you must bring together the manufacturer and the buyer in order that the standard may be agreed upon. What I should hope is that, when this is examined in Committee, not merely should we agree what is the right thing to do, but each of the Governments should agree that it would go forward and try to get its manufacturers and its consumers into agreement as far as it can on these matters, to give the lead in bringing them together (because they will not meet and settle upon these things unless someone is there to give them a lead) and that we should have in each country some small section in whatever is the proper Government Department for carrying this out; that these Departments should be able regularly and rapidly to interchange information. That I believe is going to be much the best way of arriving at effective standardisation and getting such agreement as we can upon Empire standardisation.

Statistics of Production and Sources of Supply.

Then Mr. Bruce referred to the possibility of getting some sort of stocktaking in statistics of what we produce and where we buy what we require. I think, if I may say so, that that is a very good line on which to try to work. I said yesterday that I hoped we would try in the Board of Trade to get out such figures as are available, the best statistics of Empire production and Empire trade that we could, and publish them, not too late, but publish something at regular intervals in our regular trade statistics. If it is thought that the Economic Committee could do useful work in the direction of presenting reports based upon the statistical information available, I need hardly say I should be only too glad that the Board of Trade Statistical Department should put itself at their service. That will be considered in the Sub-Committee, and I would welcome from the Economic Sub-Committee of this Conference a general direction as to what are the lines on which we can prepare statistics in the Board of Trade which would be of general value.

System of Prohibitions and Licences impossible.

Mr. Bruce referred to the fact that prohibitions and licences which we considered at the last Conference were now impossible by reason of the German Treaty. I think it is only fair that I should say that they were fully considered—I mean the whole of the alternatives presented at the last Imperial Conference—and that we had, as he will remember, a very authoritative Committee which examined them all but regretfully reported unanimously against their practicability, and that that report* was adopted by the last Imperial Conference and is published in its records. The action which the British Government, the Home Government, took in making the German Treaty was therefore entirely in conformity with the views which had been expressed as to the practicability of any such proposals at the last Imperial Conference.

Marking of Empire Produce.

Then there are only, I think, two or three other points which were raised. Mr. Coates raised a question regarding the Merchandise Marks Bill. There was general agreement with the form of the measure, and the need for it was agreed, but he suggested that not only should we make it compulsory to mark produce of a Dominion or Colony "Empire Produce," but that we should also compel it to be marked with the individual country of origin. I am not at all sure that that would be a proposal generally acceptable. Our information was that it would not. I think it would be a difficult thing to enforce by statute, because when you come to interfere at all by statute, at any rate in this country, which is not fond of governmental interference, you have got to make the thing practicable, and you have got to justify it on fairly broad grounds. Now there is a great justification for saying

* Pp. 243-248 of Cmd. 2009.

that where an article is to be marked at all the purchaser should know whether it is British or whether it is foreign. That is the great broad distinction, and the purchaser who wants to buy British goods—and he is in the majority—will then buy British; but I am not sure that one can go further and say we must make it compulsory that we should not only label the thing "British" in its origin, but particularise with minuteness its source; nor, indeed, probably would it always be possible to do so. This was considered very carefully, and there was a very strong consensus of opinion in favour of having it "Empire" and "Foreign" and, as a matter of fact, there was a great volume of commercial opinion—industrial opinion—here against the "country of origin" alternative as regards manufactured goods. But I think there is a practical way of meeting the case. We propose, under the Act, to say the thing has got to be marked. The commodity has got to be marked "Empire." The Marketing Board and the Economic Committee have suggested that one of the expenses of the Marketing Board might be incurred in providing the retailer with suitable and attractive labels. I see no reason why, in the case of the productions of any Dominion or any Colony which desires to have its commodities specially labelled, it should not say to the Economic Committee and to the Marketing Board, "Will you provide special labels for such of our commodities as we want to carry a particular identification?" The general Act will have said it has got to be marked "Empire," and then it is up to the Dominion to follow it up still further, and to say, "Having got that safeguard, we propose, as our business, to see that it is still further marked with the country of origin."

Cotton Growing in the Empire.

There were one or two points made by Mr. Havenga on which I will say a few words. The Empire Cotton Growing Corporation will appreciate the tribute which he paid to their work and to the co-operation of their officers. It is not a very hopeful outlook at the present moment for cotton growing in the Empire. We have had one enormous and flooding American crop, and it looks like being followed this year by another. But that kind of thing cannot last. You are not going to have bumper crops of that kind regularly coming from the United States, and I am perfectly certain that the foresight of the Dominions and the Colonies, and the foresight of the Lancashire cotton trade itself, which has contributed so much by its levy to making this possible, will in the long run be found to have been worth while.

Forestry.

As regards Forestry, there will be a particular opportunity of discussing that, because one of the proposed Committees which we are to have is a Committee on Forestry, under the Chairmanship of Lord Lovat, so that those particular points can be discussed there.

Value of Stabilisation of Preferences.

We appreciate very much what Mr. Havenga has also said about the value of the preference on fruit and sugar. While those preferences are valuable in themselves, the fact that they have been stabilised, and that people know in their growing and in the setting up of machinery and the laying down of land that the preference is not for one year or another year but is stabilised for a period of years, will greatly increase the value.

Uniformity of Law and Practice in Shipping Matters.

We were gratified to hear that the South African Government are proposing to go on with legislation for carrying out the Carriage of Goods at Sea Resolution which we agreed upon last time and with the other Maritime Conventions. As Mr. Havenga and Mr. Chadwick said, and I am sure it is true, it is a great advantage to all the Empire to get uniformity of law and practice. When it comes to shipping matters it is vital to us that we should get as far as we can uniformity of law and practice over the whole field of shipping, and one of the greatest incentives to foreign countries to come into line with any variation of law and practice is when they find that the British Empire has not only passed unanimous resolutions, but has taken unanimous action.

Improving Trade Prospects in India: Lancashire and the Abolition of the Cotton Excise Duty.

We all welcomed the statement Mr. Chadwick made confirming what I ventured to say yesterday of the improved prospects in Indian trade, production improving and prices bettering, or, at any rate, the price as between the goods they buy and the goods they sell approximating. We are glad of it in this country. We are glad of it for the sake of India; we are glad of it also selfishly in our own interests, because we have found that, if you take cotton goods for example, when India is poor she buys the coarser types of goods which we do not so much manufacture, and that as Indian prosperity increases so the purchases tend more and more—in so far as she cannot supply them herself—towards those finer classes of goods in which we still have a great predominance. So there is, indeed, a very close link between the prosperity of India and the interests of the textile trade here. I am sure the textile trade in Lancashire, passing through, as it is to-day, one of the deepest periods of depression which it has ever encountered, will look forward hopefully to increasing prosperity in India and will be appreciative to-day of what Mr. Chadwick has said about the way in which Lancashire accepted, and accepted with an understanding goodwill, the removal of the Excise Duty. There have been times when that would not have been so. There have been times, I think, when Lancashire was prosperous when that would not have been so, but it shows a good understanding between the two industries, an understanding we should all wish to see grow, that in a time of the deepest depression that removal should have been

so completely understood in Lancashire. I am sure that what Mr. Chadwick has said to-day will be appreciated.

Spread of the Appreciation of Empire Trade in Great Britain.

I have one other thing to say. That is, we have dealt in this sort of second reading debate with a number of specific points which we shall have to go further into in committee, but there has gone through all our discussions something which will at once find a reciprocal feeling here, the realisation of what the mutual trade of the different parts of the Empire means to all of us and the realisation that it rests not merely and not chiefly on Governments but on the goodwill and the initiative of our people to increase that trade. I am quite sure that every one of you will find in your stay here how real that desire is. I had sent to me only yesterday by the Lord Provost of Glasgow a number of cuttings celebrating an Empire Shopping Week: Empire ran through it all, and that is equally true of every single shopping week in a great city or in a little town. It was not only an appeal to the householders, to the men and women going about their business, but it went right through to the children in the schools. It is a great thing when not only your manufacturers and all who work in our factories realise how dependent they are on Empire trade, but when every householder realises what it means and what he or she can do, and when a young generation, many of whom saw the Wembley Exhibition, are growing up and being educated in all that the development of Empire must mean to them. That is going on to-day. It is going on all over this country, and it is going on largely as a result of the work of the Imperial Conference three years ago and the work which we are carrying on to-day.

APPENDIX III.

STATEMENTS REGARDING THE COLONIES, PROTECTORATES, AND MANDATED TERRITORIES, 21st OCTOBER, 1926.

STATEMENT BY THE SECRETARY OF STATE FOR THE COLONIES.

Mr. Amery: At our first meeting I gave some account, as Secretary of State for Dominion Affairs, of the reasons which, from the point of view of our relations with the Dominions, made it desirable to create that new Office. But I think I indicated that, from the point of view also of its administration of the Colonial Empire and the immense growth of its work, there were advantages in freeing the Colonial Office, properly so called, from the work of correspondence with the Dominions, work of an entirely different character. The work of the Colonial Office has grown

immensely in recent years. It is not only that the actual area which it administers has been greatly increased and its problems multiplied by the addition of such mandated territories as Togoland, the Cameroons, and Tanganyika Territory, and, more difficult still, Palestine and 'Iraq—it is not only that, but the fact is that the whole work of Colonial administration in the tropics has risen on to a new plane, immensely more interesting and immensely more complex, and inevitably calls for a much greater degree of supervision, and, in many directions, of initiative, on the part of the Central Department which guides all those territories. The Colonial Empire has, in fact, during the last generation, evolved as a separate constituent element in the Empire, different on the one side from the Dominions, in which I include for that purpose Great Britain as well—I mean those self-governing parts of the Empire inhabited by people of white race and based on democratic institutions—different also in very many respects from that wonderful complex of races, religions, creeds, and old civilisations which make up the Empire of India. In that sense, and in the sense that the responsibility for their various Governments in the last resort does lie with the Parliament here at Westminster and the Secretary of State for the Colonies, though they enjoy autonomous institutions in varying degree and ever-increasing measure, they possess a certain unity; they also derive unity from the fact that they are mainly inhabited by populations of a non-white character and are mainly situated in the tropics.

Diversity of Colonial Empire.

Mr. Mackenzie King said very truly the other day that each Dominion has its own character. It is only for very limited purposes that you can classify the Dominions as a type. That is equally true of the Colonial Empire. The various parts of it differ enormously in their history, their racial composition, and their state of evolution. You have at the one end of the scale a little white self-governing community, like the island of Malta, with a very small area, yet with a national feeling of its own; at the other end are the vast backwood regions of Africa, inhabited by primitive peoples whom we are only beginning to lift up from the most elementary barbarism, and among whom such a thing as national sentiment is, of course, an entirely inconceivable idea. Now, that Empire is of considerable intrinsic importance; it covers over 2 million square miles, an area greater than India, an area more comparable with that of Canada and Australia. It is inhabited by a population of over 50 millions, and in that sense is a more populous element in the Empire than either the Dominions or Great Britain. The population of India only, within the Empire, exceeds it. In that calculation I have not included the immense area or the population of the Anglo-Egyptian Sudan.

Sir Francis Bell: Is that under the Colonial Office?

Mr. Amery: No, that is under the Foreign Office.

Its Interest to other Parts of Empire.

That Empire and its administration are, I think, of interest to this Conference for more than one reason. In the first place, we are not the only Government nowadays to have Colonial responsibilities, and, except Canada, the Irish Free State, and Newfoundland, every one of the Dominions to-day has to deal with problems of native administration, and Colonial or quasi-Colonial administration. It may be, therefore, that what we are doing, both in development and in our methods of administration, may be of interest to other Dominions, and certainly what they are doing will be of interest to us. Then, again, there is the interest due to their geographical propinquity which various Dominions have in territories which we administer. South Africa with its own native population cannot but be intimately interested not only in those High Commission territories which lie within the confines or along the borders of the Union itself, but in all that happens in the administration of Africa to the north of it. As communications improve, as contact between the native races increases, whatever affects the welfare of the natives and the improvement of the natives in one part of Africa has a very wide repercussion. Again, Australia and New Zealand with their various island Dependencies in the Pacific are naturally interested in what we do in the adjoining Dependencies which are directly under the Colonial Office. Canada has taken in recent years an ever-increasing interest in the development of the West Indies and in her intercourse with the West Indies.

Its Economic Importance: (*a*) Actual.

There is, however, a reason perhaps of even greater weight, and that is, the immense economic importance of the Colonial Empire. I think it is not always realised how great already is the trade that is being done by that Empire, and how great are the opportunities that it affords both to this country and to the other Dominions. I propose to circulate a certain number of figures* to the Conference and do not wish to weary the Conference with statistics to-day, but I may mention that the total trade of the Colonies last year—and for this purpose I am excluding the immense in and out entrepôt trade of Hong Kong—was over £500,000,000. Moreover, this trade has expanded enormously in recent years. In 1905 the total exports from the United Kingdom to the Colonies amounted to £18,000,000; in 1913 the figure was £47,000,000, and in 1925, £60,000,000; our imports from the same territories were £19,500,000 in 1905, £40,000,000 in 1913, and £81,000,000 in 1925, *i.e.*, a quadruple increase within twenty years, and, even after making all reasonable deductions for change in money values, it is a greater increase of trade proportionately than our trade with any other part of the Empire. If I may give just one small detail by way of illustrating the way that trade

* See Annexes (pp. 143-158).

goes. I came across the other day some figures dealing with the imports of bicycles into Kenya and Uganda, where in recent years the natives have taken to riding bicycles on the little native foot-tracks and by the growth of cotton are able to find the money to buy the bicycles. Four years ago 3,000 bicycles were imported, almost entirely for native use—I have seen the native rider, with no clothing on, charging on his bicycle along the native track. Last year 27,000 bicycles were imported into Kenya and Uganda, and I believe it is now one of the largest markets for the British bicycle trade in the world. Well, these increases show how that trade is rising, and they afford an interesting commentary on the views that used to be held about the importance of our African territories. There was a House of Commons Committee appointed in 1869 to look into the question of what was to be done with those dreadful West African settlements of ours, and I believe the Committee by a substantial majority reported to Parliament that they ought to be abandoned. To-day the great industries in Liverpool and elsewhere which depend upon the imports of those West African Colonies and do an ever-increasing export trade with them would look back with some surprise to the wisdom of their grandfathers. Even as recently as the early '90's, when the question of building the Uganda Railway was discussed, a very large element in Parliament doubted whether such a railway would ever be justified.

(*b*) Potential.

With that past experience we can look with some confidence to the future. There are, moreover, special reasons for doing so. For one thing the Colonial Empire is mostly in the tropics and one of the most striking features of modern industrial development is the marriage of tropical production to the industrial production of the temperate zones. They are essentially complementary regions, and owing to their character and the character of their inhabitants they are likely to remain so. Then, again, this immense territory of 2 million square miles, almost all of it with fertile soil, is capable of an enormously greater degree of development than it possesses to-day. It lacks that development, partly for want of transport and other facilities, partly also because it is very seriously under-populated. The reason for that lies partly in tribal warfare and slavery in the past, but also to a large extent, to-day, in the prevalence of preventible disease. With good government and with a progressive Administration that really tackles the problem of tropical diseases, and with proper sanitary methods, we can look forward to a very rapid increase in population, and therefore to a great expansion of the markets that these territories offer. It will be an extension in a double sense, in that not only will the populations themselves purchase more with their increasing numbers and increasing standard of wants, but also the process of developing those territories, of equipping them with the modern plant of civilisation—railways, bridges, harbours, and all those things—will

mean a very big export trade. I have every confidence in the enormous future development of those territories, more particularly the great territories in East and West Africa, if only we are prepared to devote our energies and capital to that purpose. I notice that in the last few days a number of very eminent business men have issued a lament to the world about the iniquity and the short-sightedness of European tariffs. I have no doubt there is a great deal in their contention, but I am not sure that their appeal is likely to lead to much in the way of results until the whole moral atmosphere of Europe towards its problems is a very different one. Meanwhile, I would like to suggest that there is a way round these tariffs. These countries are only too anxious to receive the products of the tropical world which they cannot produce themselves, and, if we cannot send our manufactured goods to them direct, I think we could find it equally paying from our point of view to send our manufactures to those tropical regions which are so ready to purchase them, and to let them send the surplus of their tropical production to the countries of Europe and to the United States. There is another aspect of this matter which is of no little concern to this country, at any rate at the present moment, and also directly to the Dominions. We have established by dint of great sacrifices the gold standard in this country. The maintenance of that standard very largely depends upon our power to maintain a surplus of our exports over our imports, and in that connection it makes a great difference to us from what sources our imports are drawn. At the present moment, we depend to an enormous extent upon foreign countries, and more particularly upon the United States. More than £200,000,000 worth a year comes from that one great focus of industry alone. Now all our imports from foreign countries tend to lay a strain upon the exchange and so affect the gold standard position. Our imports from West and East Africa, and from most of the other Colonies, do not affect that position at all, because they are all linked up with the sterling exchange. The purchase of goods from West and East Africa or Malaya or the West Indies has no more effect upon the gold standard position than the purchase of goods from Scotland or Somerset. In a measure, though not as fully, that applies also to the trade of the Dominions, which take from us in imports a much greater percentage, in return for their exports, than foreign countries do. That is of very direct material interest to ourselves. But it is also of very considerable importance to the rest of the Empire, because it is only if we can keep up a free balance of our exports over our imports that we shall have money available overseas for contributing our part to the general development of the Empire. Therefore, in that sense this development of the Colonial Empire is of interest to the Dominions. I venture to think that it is also of more direct interest to many of the Dominions which are gradually becoming industrial nations, and in some cases have already entered on the stage of being industrial exporters. Canada, in particular, has all the conditions for the creation of a great manufacturing and exporting industry; but, like this country, her native resources,

infinitely greater when ultimately developed than ours, are the resources of the northern zone, and they need, if I may suggest it, that same complement of trade with the tropics and development of the tropics that we need. To Canada just across the Atlantic, no further from her than from our shores, lies this vast region of West Africa whose development has just begun. I instance that as being the most immediate example of the opportunity for development that is open to the Dominions in that dependent Empire which, though administered by us, ought, I feel, to be regarded, from the economic point of view, as a common heritage of us all to whatever extent each of us as we develop can make use of its opportunities.

Comparison with United States.

Personally, I believe that we in the British Empire have before us a greater opportunity of economic development than has ever yet existed. The greatest example before us at present is that of the United States. There you have a single great block of territory with a very wide range, not only east and west, but north and south, covering the whole range of production from the sub-tropical zone to the northern temperate zone. We have a far greater territory and far more diversified resources, and I am not sure that in an Empire where, instead of a single compact block developed on a single scheme and under a single tariff, you have, as it were, each form of development within its own region, and the whole linked together by the sea, you may not get an even greater economic development, each area being developed in accordance with the character of its peoples and not on a uniform scheme—just as I believe our more diversified, more flexible, constitutional arrangements are preferable to the more rigid structure of a federal Constitution, like that of the United States. I throw that out as a suggestion to the Conference.

Openings in Colonial Services for Candidates from the Dominions.

Finally, there is another reason which I should like to give why I believe that the development of the administration of the Colonial Empire is well worthy of the attention of the Conference. It is a most wonderful piece of work upon which we are engaged. I think it is the most direct and practical contribution that we, the white peoples of the Empire, can make to the general welfare of mankind. Right through, in every part, according to its different conditions, we are, all the time, bringing things forward, lifting people from the more elementary to the higher stages of civilisation, preparing them for a better kind of life as ordinary citizens, preparing them also, by slow degrees, even for the opportunities of a greater measure of self-government. The whole thing is a Trusteeship or a Mandate, though the Mandate is, in the main, not to an International Commission sitting at Geneva, but to what I believe is an even more effective body—the Parliaments and public opinions of this country and of the Empire. Now, in that work, I feel the rest of the Empire should be interested—not only as spectators, but also, I hope, in

increasing measure, as partakers. They are already partaking, through their mandated territories, and in a number of ways. I have not attempted to look closely into the matter, but it is a fact that a great many citizens of the Dominions are already playing a very active part in the life of the Colonies. I believe the tin mines in Nigeria are largely run by Australians. Take a Colony like the Gold Coast; the Governor is a Canadian; the Director of the Geological Survey is an Australian; so is the Director of the Geological Survey in Tanganyika Territory. The General Manager of the Nigerian Railway is a Canadian. We have a good many Canadians and Australians, and, I need scarcely say, citizens of the Irish Free State, in the medical and veterinary services of the Colonies. I recently appointed a new officer in the Colonial Office, a special Adviser on medical questions in the tropics. I took the best man I could find; I learned, afterwards, that he was originally a Canadian. In these ways, without any selection or any conscious effort, a very considerable number of young men from the Dominions have gone into the Colonial Services. We have, in recent years, gone rather further. I was in Canada six years ago in connection with the West Indian Conference; when dining one night, in Toronto, with some friends I was talking about Colonial administration, and they said: "Why do you not get some young Canadians to come and take hold of these opportunities and get the chance of this wonderful work you have been talking about?" I said: "It is quite open to them." They replied: "There is no way in which it can be brought home to our young men at the Universities that there is this opening." I subsequently arranged for the officer who is responsible for the selection of our candidates to visit Canada in order to get in touch with all the University authorities so that they should know our methods of selection and put forward the right type of men. Since then, we have had a small but steady stream of very satisfactory young candidates from Canada, who have entered the West and East African and other Colonial Services.

I need not say that I should be equally anxious to develop similar arrangements with the other Dominions in order to give an opening in that Service to those whose bent and inclination are that way, whether in the administrative or the educational or the medical or agricultural services of the Colonies. I would further say that in so far as there is an advantage in exchange from a smaller and more circumscribed service, in the way of greater promotion and greater experience, I should be equally glad to consider any arrangement that we could make for something in the nature of an occasional exchange between officers working in our territories and those working in the mandated territories administered by the different Dominions.

West Indies.

Having detained you thus far with a general appreciation of what the Colonial Empire may mean to us all, I hope I may be allowed, following the precedent of the last Conference, to take you in a short survey round the different main portions of that Empire. I might

begin, perhaps, with the West Indies first of all, those old historic Colonies which were almost the foundation of the Colonial Empire, and which, in the eighteenth century, were so fiercely disputed between us and our French and Spanish rivals—many of them the scene of great naval encounters, taken and retaken, and the object of the fiercest disputes at Peace Conferences afterwards. That was because in those days the West Indies were highly developed relatively to the rest of the tropical world and were of immense economic importance. There is one West Indian island which we held at one time and which now belongs to France. It belongs to France because at a Peace Treaty France preferred the possession of Guadaloupe to the option which was open to her to keep a few acres of snow—"quelques arpents de neige"—in the shape of Canada. I think that shows that there is no territory of great extent, however small its value may appear at the present moment, but can be of immense importance some day when developed.

Their Isolation.

Those West Indian islands have, during the greater part of the last century, been in a state of stagnation and backwardness. That has been due to a variety of causes. One, of course, is their isolation from each other. They are mostly small islands and, though we think of them collectively, they are separated from each other by great distances. Jamaica is 1,200 miles from the eastern group of islands, and 400 or 500 miles from British Honduras, to the west of it. They have also, in the course of the world's development, become isolated from the main channels of world trade. They were once on the old great sailing route to the Spanish Main: during the last century they have gradually fallen out of the main routes. I think the future may change that. They are to-day in the course of shipping from Europe and from North America to the Panama Canal. As trade between North America, more particularly Canada, and South America develops, they are straight along the line of that development. If airship communication should develop, as I believe it will, it will tend to follow the old sailing routes in order to take advantage of the prevalent winds, and in that case one may find once more that the West Indies are more accessible from here than New York.

West Indian Conference.

A good deal is being done at this moment to deal with those difficulties. The difficulty of mutual isolation is being overcome by the Colonies getting into closer touch with each other. The outstanding feature of their history since this Conference last met has been the meeting in London last summer of a West Indian Conference of all the main Colonies, continental as well as insular, round the Caribbean. They met in London because London, under present shipping conditions, is the most convenient centre for the West Indies. They met for the purpose of considering the establishment, and drafting the constitution, of a standing body to deal with

their common affairs. For the first time in their history these Colonies, entirely on their own initiative and not under any instruction from the Colonial Office, met under the roof of that Parliament from which so many of their assemblies are directly descended, in order to face the problem of how to get together in order to help each other and to be able to deal more effectively in trade and other matters with the outside world. That Conference was a complete success. They unanimously accepted the principle of a standing West Indian Conference, and I may say that their action in that respect pays us the compliment of the fact that they expressly modelled their constitution upon that of the Imperial Conference. If I may quote from their own Report*—"The West Indian Conference is a purely advisory body, with no executive powers, meeting at regular intervals and performing for its constituents functions analogous to those which the Imperial Conference performs for the Empire as a whole." In certain respects, however, they have departed from, and gone beyond, possibly improved upon, their model. This Conference is to meet alternately in London and in the West Indies. I do not know if there is any moral in that for ourselves. It is to have a permanent and travelling Secretariat. Their voting, owing to the entirely different political conditions there, will be not by colonies but by individuals, because it is to be a Conference not purely of Government delegates but of representatives of both Governments and Legislatures, "including many shades of opinion"—if I may quote once more—"assembled in conference together for the purpose of eliciting, by the process of free and unfettered discussion, an expression of the general will of the West Indies on their own affairs." These recommendations of the West Indian Conference have been laid before the Legislatures and Governors of the different Colonies and, if, as I imagine and hope, they are accepted, the first meeting of the new body will be held in Barbados, in a year's time. I think we can all watch with interest and with sympathy this experiment which has paid us the homage of imitation, and which may open a new chapter in the career of those old historic Colonies.

Trade Relations with Canada.

Dealing with the general relations of the West Indies, another important event in their history in recent years has been the Conference on Trade and Shipping which they held with the Government of the Dominion of Canada at Ottawa in 1925. There have been shipping and trade relations, a system of mutual preference, between Canada and the West Indies for a good many years past. Those relations were strengthened and developed by the Conference held between those Colonies and Canada in 1920, but the recent Conference went a good deal further and in it—I have no doubt the Prime Minister of Canada may wish to say something more in detail about the matter—these various Colonies gave a considerably extended preference to the Dominion of Canada under a

* Cmd. 2672.

great many different heads, while Canada has given an increased preference to them on certain things that are of special importance to them, things such as sugar, bananas and cocoa. Newfoundland, I believe, was not actually represented at that Conference, but, from what the Prime Minister of Newfoundland said the other day about his readiness, so far as Newfoundland is concerned, to extend the system of preference within the Empire, I have no doubt he is also taking into consideration the possibilities of whether he can deal with the West Indian situation as well as with the general problem of Imperial Preference. Another part, and from the point of view of the West Indies certainly not the least important part, of the Agreement which was made in 1925 was one for a better steamship service between Canada and the West Indies. That service has not yet actually been put into effect. The full time limit within which it was to be carried out has not yet expired, and the Government of the Dominion has been occupied recently with other more immediately pressing matters. The West Indies are naturally very anxious about the future of their shipping service, and they look in that matter, as indeed in many other matters of their development, with the keenest interest to what Canada is prepared to do in the way of developing mutual trade for the benefit of both sides in this bargain.

West Indian Telegraphic Communications.

I may add that another aspect of West Indian communications —that of telegraphic communications—the deficiencies of which were a serious obstacle to the development of West Indian trade a few years ago, has now been satisfactorily settled. A scheme which was suggested to the Government of Canada at the Economic Conference of 1923 has now been put into operation and has successfully at any rate to a very large extent, solved the difficulties which previously existed. Under a co-operative scheme the cost of operating the cables from Barbados to Turks Island, from Barbados to Trinidad, and from Barbados to British Guiana, and wireless stations in Barbados and other islands, is now met by contributions from His Majesty's Governments, both here and in Canada, and by the various West Indian Colonies in partnership. The system of communication is managed by the Pacific Cable Board and has, I think, proved, in the experience of the Colonies concerned, a reliable and efficient means of communication at lower cost than the system previously in operation. I might mention that in 1924 an Act was passed empowering the Pacific Cable Board, with the approval of the Governments represented on it, to undertake any telegraphic work as agents for the Governments of any part of His Majesty's Dominions. So much for the problem of West Indian isolation.

Imperial College of Tropical Agriculture, Trinidad.

Another factor in their relative backwardness has been that their methods of production have fallen behind those of the rest of the world. The first great step forward in their regeneration

was taken by Mr. Joseph Chamberlain when he established the Imperial Department of Agriculture in the West Indies; this gave a new lead, a new inspiration, to methods of cultivation in the West Indies. I remember being told by the head of a large sugar factory in the West Indies, which was initiated entirely as the result of the work of that Department of Agriculture, that during the war they had paid in Excess Profits Duty £175,000 to the Exchequer here, and had, in that way, one firm alone, more than compensated the taxpayer of this country for the expenditure on that Department. That Department of Agriculture in the West Indies, after twenty years of very valuable work, has been absorbed in the greater project of the Imperial College of Tropical Agriculture in Trinidad, to which I referred this morning. I have already referred to the immense part which I believe it can play in the future development of the tropical Empire. What I might perhaps mention in connection with its administration is that I have recently arranged that all candidates accepted for appointments in the agricultural services of the Colonies should spend at least one year at that College. Similarly, the Empire Cotton Growing Corporation has arranged that the College shall be the training centre for all its officers, and a good many nominees of other Governments are now going there. There are young men from every part of the world attending its courses and, as I said this morning, its ex-students are already beginning to be found in important appointments in every part of the Empire, both public and private appointments.

British Guiana.

There is one part of the West Indian sphere which more than any other has puzzled successive Secretaries of State, that is British Guiana. You have there a great continental territory as large as Great Britain, with every resource, as far as one knows, of soil, minerals under the soil, and climate to make it a rich, prosperous, and developing territory, which, however, has on the whole remained without great development for the last century. One of the difficulties in its development is the fact that its present population is very limited and is practically confined to a narrow strip of sea-board. I have just sent out in the last few days a small Parliamentary Commission to enquire into the possibilities of British Guiana, and to see in what way and by what means its resources can be effectively used. I do not wish to convey the impression that those resources have not been utilised at all. There have been notable developments in some directions. There has been very considerable development in mining for bauxite; a Canadian company under the control of the Northern Aluminium Company of America has been in operation for some time, and a strong British syndicate has also been formed to take part independently in the development of the bauxite of that country. The first-named company, I may say, is now establishing a refinery on a very large scale on the Saguenay River in Canada. Another very important development in British Guiana is that of forestry.

We have now established a trained forest officer at the head of the service there. There are over 70,000 square miles of forest and, at any rate as far as hardwood is concerned, British Guiana supplies some of the finest hardwood in the world, more particularly greenheart, the heaviest and most resisting timber known. I understand one of the results of the appointment of a Conservator of Forests has been the recent visit of an expert from the South African Railways, who I am told—General Hertzog may correct me—recommended the purchase of a quarter of a million sleepers of local timber called mora. In these ways there are great opportunities for development, and I think I should particularly like to appeal to Canada, not so much to the Government of Canada as to the business world of Canada, to look into the great opportunities that are presented there.

British Honduras.

Another mainland territory in that part of the world is British Honduras. Smaller than British Guiana, but even more undeveloped, the only interesting thing I can say about that little Colony in its recent history is that a gentleman, Baron Bliss, recently visited it on his yacht and left the greater part of his fortune, amounting to a good many hundreds of thousands of pounds, in trust for that Colony for beneficial purposes and the development of the Colony. I can only hope more millionaires may be found to help other backward Colonies in the same way.

Falkland Islands. Work of R.R.S. "Discovery."

Now, if I may, I will go down the Atlantic. Closely connected administratively in the Colonial Office with the West Indian Colonies is the little group of British Colonies in the South Atlantic, the Falkland Islands. They are interesting not so much to Canada as to the Southern Dominions because they are intimately concerned in the whole problem of Antarctic Fisheries. The Duke of Devonshire at the last Conference gave some account of the research work which it was proposed to undertake in the ship "Discovery," assisted by the research steamship "William Scoresby." I need not do more than briefly tell you that the "Discovery" left this country over a year ago and, after a short visit to South Africa, spent the greater part of the year in investigations and soundings and charting work in the neighbourhood of the Falklands and South Georgia. The party on board established and worked from eighty-nine stations and carried out some forty-eight deep sea soundings, and are now back in South Africa, where the ship is being refitted while important shore work is going on at Saldanha Bay thanks to the helpful co-operation of the South African authorities. In a short time the "Discovery" will go back along the edge of the southern icepack from opposite South Africa along to the Falklands and carry on its further investigations. Meanwhile a Marine Investigating Station, with a staff of eleven officers, was established in February, 1925, in South Georgia,

and has carried on some very important enquiries. Something like 750 whales have been examined, and among the results of that investigation is the very disquieting fact that a very high proportion of all the whales fished to-day are sexually immature, something like 26 per cent. of the fin whales and as many as 58 per cent. of the blue whales examined were found to be sexually immature. It is obvious that if that continues the southern whale fisheries will very soon come to an end. That whole question of the development and conservation of the Antarctic whale fisheries is of interest not only to the Colonial Administration of the Falklands, but also to New Zealand, which has undertaken a similar responsibility in regard to the Ross Sea Fisheries in the Antarctic, and to Australia and South Africa.

Problems of Tropical Africa.

May I now leave the western side of the Atlantic and go across to Tropical Africa, which constitutes the great main mass of the Colonial Empire, and, indeed, provides the most interesting of its problems? Those problems may be broadly summarised under the four heads of transport, scientific agriculture, public health, and native education. I may have to say something in a moment about the particular transport problems in East Africa and elsewhere, and I have already referred to tropical agriculture more than once to-day, and this morning to the re-opening of the Institute at Amani. I may mention that an Agricultural Conference attended by agricultural officers and specialists, such as entomologists, mycologists, and so on, from most of the Governments, both British and foreign, in East and West Africa, met at Nairobi this year, representatives of the Empire Cotton Growing Corporation also being present. I hope that this and similar conferences will accomplish much in developing scientific agricultural work in Africa.

Public Health.

With regard to public health, that is one of the essential things in the development of Africa. The development of Africa is kept back nowadays no longer by tribal war and slavery, but by heavy mortality, above all child mortality, due to malaria, ankylostomiasis, sleeping sickness, and various forms of venereal disease. Our increasing interest in these matters is reflected in the steadily increasing provision made in the budgets of all the Governments concerned and in the increase in the medical and sanitary staffs employed under all these Governments. One of the greatest obstacles, of course, to all progress in Africa is the tsetse fly, whose ravages extend across the whole Continent from Gambia to Zululand, and no really lasting results can be obtained in many large sections of Africa until we have learned how to cope with, and control, this pest. It is a matter of interest that last year an International Commission was formed under the auspices of the League of Nations to conduct research into this problem of sleeping sickness. The Commission selected as

its head-quarters Entebbe in Uganda, where it is now at work, and its report, which I think will form a substantial contribution to the knowledge of the problem, is eagerly awaited. But I believe that whatever that report may be, however valuable that work, we shall have to carry on ourselves the work of dealing with the tsetse fly on an even larger scale and by more effective methods than those of the present International Commission.

Native Education.

The question of health, native health, in Africa is also intimately linked up with the problem of native education. I do not mean that native education is to be approached from that point of view alone, but undoubtedly you will not get really effective progress in the matter of sanitation and public health until the native is himself convinced of the need for those measures and is willing to co-operate with the Government in carrying them out. A great deal has been done in connection with native education in recent years, and the whole question is being approached from rather a different angle. We were greatly helped in this matter from the United States. The Phelps-Stokes Fund of New York organised two Commissions, one going to West Africa in 1921 and a second to East and South Africa in 1924, to enquire into the whole question of native education. The Reports of those Commissions have been of the very greatest assistance to us in dealing with the problem, because they have come from disinterested and impartial students who represent neither the point of view of the Administrations of the Colonies nor that of settlers eager for labour, nor that, possibly, of missionary opinion; they have gone out with an entirely impartial mind and have produced reports which have been very useful to us, and which give results coinciding very closely with the results of the discussions of the Advisory Committee on Native Education in Tropical Africa which was set up in the Colonial Office by the Duke of Devonshire immediately after the last meeting of the Imperial Conference. Our whole endeavour now is to substitute for a purely literary education, not suited to the needs of the natives, a type of education more adapted to their mental aptitude —a type of education which, while conserving as far as possible all the sane and healthy elements in the fabric of their own social life, will also assist their growth and evolution on natural lines and enable them to absorb more progressive ideas; it aims, above all, at the building up of character on the part of the native, at giving him an understanding of his own environment, at making him useful in his own environment rather than at giving him the kind of education which is really only suitable in the environment of a country like Great Britain.

West Africa.

If I may say something now about the two main parts of Africa, I would like first to touch on West Africa. West Africa has certain features which differentiate it from the rest of Tropical Africa. It

is almost wholly low-lying and its climate is one essentially, and I think permanently, unsuited to European settlement of any kind. The European, therefore, can only come for short periods as an administrator or as a trader, and the main work of development in West Africa must be left to the native himself. Fortunately, the native of West Africa is commercially minded, and if he sees a real business opening he is by no means reluctant to take advantage of it. I will give as an instance the amazing development of the cocoa industry on the Gold Coast, an industry entirely in the hands of the natives, which, beginning less than 20 years ago from nothing, is now the biggest cocoa industry in the world and produces the bulk of the world's cocoa. I think that development, and the similar development of the cotton industry in Uganda, which in many respects reproduces the conditions of West Africa rather than those of the rest of East Africa, shows that, given a prospect of a reasonable financial return, the native of Africa is quite intelligent enough to take advantage of it.

Its Administration.

From the political aspect also the climatic conditions affect the administration of a country like West Africa. Throughout West Africa we have endeavoured as far as possible to govern indirectly, in fact to use, instead of establishing a direct system of British administration, the native States that existed before, the Emirates of Northern Nigeria or the tribal authorities existing in Southern Nigeria and the Gold Coast, to rule the natives as far as possible, and as far as the conditions and standards of civilised government permit, through their own rulers to whom they are accustomed, in accordance with their own ways and their own traditions. Those methods may, perhaps, in some respects not be as advanced as those which would be introduced if we applied European standards directly, but they are much more suited to the natives; they lead to greater contentment, and I think they pave the way by a natural, though slow, transition to a greater measure of native participation in the government of their own affairs than if all existing institutions were wiped out and the whole thing were put under a bureaucratic, though possibly efficient, white administration.

And its Economic Progress.

The economic progress of West Africa in recent years has been remarkable. I will circulate some figures* upon these and other aspects of economical development. The total net trade of the West African Colonies amounted to over 41 million pounds sterling in 1923 and over 55 million last year, and, of course, with development of transport, that trade can be enormously increased. I will not attempt to say anything more about the problems of West African development, but I should like to suggest to members of the Conference that if they can find time

* See Annexe B (p. 157).

during the Conference, and, if not, afterwards, they should read the immensely interesting Reports on both West Africa* and East Africa† which my colleague, Mr. Ormsby-Gore, has presented to me as the result, first of all, of his mission with other Members of Parliament two years ago to East Africa and now as a result of his mission in the present year to West Africa. These Reports are, if I may say so, really fascinating documents and well worth reading *in extenso*, but it would be useless for me to attempt to summarise them in the course of a survey which, as it is, may prove a little long for members of the Conference.

Visit to West Africa of the Prince of Wales.

There is one event in the history of the West African Colonies in the last three years which has been to them of outstanding importance; that is, the visit of His Royal Highness the Prince of Wales last year. That visit aroused everywhere the greatest enthusiasm among all the native populations and among the native chiefs. Everywhere he was received amid scenes of the greatest enthusiasm, splendour, and dignity. Some of these were wonderful assemblies. I believe the great assembly at Kano was attended by over 50,000 chiefs and warriors and representatives of these northern Emirates, more than half of them mounted, all collected in a great West African Durbar. The march past of these chiefs was a scene of extraordinary barbaric splendour, warriors in chain mail handed down, they say, from the days of the Crusades, at any rate made by a tradition which goes back to the Crusades, horses covered with quilted trappings, camel men bearing great oryx-hide shields, dancers, minstrels, jesters, and all the rest of it. That was only one of a great number of palavers, as they call them in Africa—they would be called Durbars in India—which brought these primitive peoples into direct contact with the representative of the Throne. I believe from all the reports I have had from Governors and political officers that the effect of that visit was not only momentary but has been lasting, and has served greatly to strengthen the attachment of these peoples to the conception of a great Empire into which they have come and from which they have already derived enormous benefits.

East Africa.

East Africa is now, since the incorporation of the Tanganyika Territory into the framework of the Empire, a single compact territory extending from Rhodesia to the borders of the Sudan and from the Great Lakes to the Indian Ocean, a territory with characteristics all its own. It is not like West Africa, a country where only the black man can live. Though most of it is tropical it is studded with islands of high ground with a delightful climate where the white man not only can live himself but, as far as experience goes, can have his family and bring up his children.

* Cmd. 2744. † Cmd. 2387.

On the other hand, it is not South Africa; it is not a country which can be described as a white man's country in that sense. Only a very small proportion of the total population can ever be a white population. Thus it stands in some way midway between these two types and calls for a policy of its own—what has been described as a dual policy—a policy which regards both its primary trusteeship of the native inhabitants already there and the fact that the main development of their country must come through development in trade, in civilisation, in health, in the progress of the natives themselves, and which, realising that there is room and space there for the establishment of white communities, is prepared to give these white communities every possible encouragement for their healthy development.

Governors' Conference.

I might say something with regard to some of the results of the Commission which visited East Africa under Mr. Ormsby-Gore's chairmanship and the suggestions which are embodied in his Report.* The first important result was the meeting of a Conference of the Governors of all these Colonies at Nairobi in February of this year and the establishment there again, in Africa, of something in the nature of a Conference system modelled upon the system of our Imperial Conferences. I believe that there again, following our example, without any interference in the separate administrations of the different Colonies with their different characteristics —some mandated territories, some Protectorates, some Colonies— an enormous amount of progress can result from a regular system of deliberation.

Development of Transport.

The Ormsby-Gore Commission laid great emphasis on the importance of developing the transport system of East Africa, and particularly the system of railway transport, and in pursuance of its recommendations His Majesty's Government decided at the end of last year that it would guarantee a loan of £10,000,000 for the development of transport—railways, harbours, and roads—the loans to be raised by the various Governments concerned. In order to ensure that this money would be wisely expended, I appointed a Committee, under the chairmanship of Sir George Schuster, the Financial Member of the Sudan Government, and with the aid of that Committee's Report† I hope to get through Parliament within the next few weeks the necessary Bill guaranteeing these loans. I do not think I need go into the details of the various railway schemes, but they are all aimed, first of all, at developing the areas that are already on the verge of profitable production, more particularly the cotton areas in Uganda, and then at linking up the at present disconnected railway systems of East Africa and at linking them also, eventually, with the railway system of South Africa. As

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* Cmd. 2387. | Cmd. 2701.

regards the trade of East Africa, the total net trade of East Africa in 1923 was over £17,000,000; 1925 shows that it has been increased to nearly £28,000,000. There again we have all the evidence of really progressive development.

Southern Rhodesia.

I might perhaps at this point make some reference to Southern Rhodesia and the territories of the South African High Commission which, though they are under the Dominions Office, are, none the less, for the purpose of this survey perhaps more appropriately dealt with at this point. The High Commission territories continue to make steady progress, and, as in the case of West Africa, the visit of the Prince of Wales last year was the occasion of many demonstrations of enthusiasm on the part of the native population. Southern Rhodesia entered upon its career as a self-governing Colony just as the last Imperial Conference was beginning. Since then it has made very marked progress, its revenue and its trade have expanded, and its population is showing as healthy and satisfactory an increase as its limited total would justify. One of the most important questions which has latterly been engaging the attention of the Southern Rhodesian Government is that of the control of the Rhodesian railway system, a matter which affects not only Southern Rhodesia, but Northern Rhodesia and the Bechuanaland Protectorate. I will not go into the details of the difficulties surrounding that problem; all I need say is that after prolonged discussion this summer a complete understanding was reached between the Southern Rhodesian Ministers and the Directors of the British South Africa Company, an arrangement which, in Sir Charles Coghlan's opinion, not only offers a fair and equitable settlement of the question, but should assist in promoting the prosperity and development of the countries concerned. So far as the Bechuanaland Protectorate is concerned, I have had much pleasure in approving the scheme on the assumption that it will be approved by the legislatures of Southern Rhodesia and Northern Rhodesia.

Ceylon.

From Africa I might now go eastwards. Ceylon has had a new constitution since 1920, a constitution further amended in 1923, under which the unofficial element in the legislature now has a majority. That constitution has worked smoothly, and under it both the general administration and the economic progress of the Colony are going on most satisfactorily. The total value of the exports from Ceylon in 1925 exceeded £31,000,000, as compared with £22,000,000 in 1923. Tea, rubber, coconuts, and all staple products are in a flourishing condition. The railway system is being extended. Work has been begun on a large hydro-electric scheme which will provide adequate power for industrial development, and I might add, on the intellectual side, that the conversion of the Ceylon University College into a full fledged University is receiving active consideration.

Straits Settlements and Malay States.

The Federated Malay States and Singapore are not the least interesting portion of the British Empire. There you have an instance of what I might call indirect government maintained to its fullest extent. These States are still administered, though with the help of British officials, under the authority and control of the native Sultans, and the manner in which they have been brought into the British Empire, conserving their rights and their traditional dignities, has undoubtedly played a great part in that intense loyalty to the British connection which has throughout animated the rulers and peoples of these States. They gave to the British Navy before the war a very generous contribution in the shape of H.M.S. "Malaya." The Prime Minister told you the other day of the generosity with which they have offered to assist and accelerate the establishment of the Naval Base at Singapore. Without detracting in the least from the splendid spirit of that offer, I think one can almost say to-day that Malaya itself is already so important and so wealthy a part of the British Empire that its defence is a matter of great interest to itself as well as to the rest of the Empire. It is intrinsically deserving of defence, besides being a place from which the trade and traffic of the Empire can be protected. With regard to the general prosperity of Malaya, that has been remarkable. Its exports increased from £78,000,000 in 1923 to £150,000,000 in 1925—in fact, its exports are the largest in the world per head of population. That has been in no small measure due to the fact that Malaya is one of the world's largest producers of rubber and of tin.

Restriction of Rubber Exports.

I do not think a review of affairs in Ceylon or Malaya would be complete if I did not mention, at any rate briefly, the policy of restriction of rubber exports from these territories which was initiated on the advice of the late Lord Stevenson four years ago The industry in those two Colonies had fallen into a situation so serious that the whole production was being carried on at a loss, and there was grave danger of a great proportion of the plantations becoming derelict. That would have been disastrous to Malaya, and certainly would not have been good for the rubber consumers of the world, because it would have led to a serious shortage afterwards. The difficulty was met by imposing a system of restriction of output varying with the price; this scheme has, I think, in spite of considerable fluctuations in price, assisted stability and has at any rate saved the industry from the complete disaster which at one moment faced it. That restriction is being maintained under a somewhat modified system, and, I believe, although very much criticised at one time in various quarters, is now being gradually recognised, not only by producers, but by consumers, as being a useful feature in the stabilising of the price; stability, after all, is far more important for productive industry than wide fluctuations which cannot be foreseen and with which industry cannot cope. I may say that the development in Malaya will be greatly assisted by the great hydro-

electric power scheme which is being inaugurated in Perak. It is perhaps also worth mentioning that the Malayan Governments and the local communities have taken advantage of this period of prosperity to show not only their Imperial patriotism, but their wisdom in the endowment of research both by establishing and enlarging a special rubber research institute and by setting up a special scheme of fishery research.

Hong Kong.

From Malaya I pass to Hong Kong, one of the most remarkable examples of what British colonisation has meant in the last two generations. We took it over as a barren rock some seventy years ago. It is, or was until a few months ago, the largest in-and-out shipping port in the world and had built up an immense trade. Its prosperity at the beginning of last year was unexampled. Then there came a sudden check arising from those anti-foreign troubles which swept in varying degrees through China and especially Southern China, to which the Secretary of State for Foreign Affairs referred yesterday. In Canton in particular we have had to deal with a body of strikers which has endeavoured by the weapon of the boycott to intimidate and break Hong Kong altogether. An attempt was made to stop the general life of Hong Kong by a general strike. A most serious situation was created in June of last year when hundreds of thousands of Chinese fled to Canton. But thanks to the prompt measures taken by the Government and the patriotic support not only of the foreign community but of the bulk of the Chinese population of Hong Kong, and thanks, too, to the assistance of the Chinese representatives on the local Council, who maintained their loyalty in face of intimidation, the whole strike was grappled with and dealt with, and the general life of the community was carried on.

Canton Boycott of British Shipping.

The strike failed completely in its object and within a very few months became a thing of the past, and as far as Hong Kong itself was concerned its life during the greater part of the present year has gone on as usual. On the other hand, the trade of Hong Kong has been paralysed by the boycott of British shipping which has been carried on in Canton ever since. But largely due to the fact that Hong Kong has shown that it cannot be coerced this boycott is, I believe, coming to an end. I ought to add that Hong Kong was able to see its way through that crisis thanks to the generous co-operation of other Colonial territories. A loan of three million pounds sterling was promptly guaranteed, as soon as the trouble broke out, by the West African Currency Board and by the Hong Kong and Shanghai Bank. While only a comparatively small portion of the loan has been used, the fact that it was available has enabled Hong Kong to see its way through the crisis and the whole matter affords a very interesting example of how different portions of the Empire can help each other in such times.

Middle East.

I do not think I need say anything special about the Colonies in the Pacific; they have made very satisfactory progress. Before concluding I shall have to say something about the Middle East, that new area of British influence, where we are dealing not with primitive peoples who have never known civilisation but with the oldest homes of civilisation in the world, countries of great natural potential wealth, countries with populations of great natural ability, countries which have been derelict for centuries, and which can only slowly recover from the condition in which they have been left.

Palestine.

I will deal first of all with Palestine. There, as the result of five or six years of steady and impartial administration, there has been a great improvement in the political situation. The Arabs, though still through their political leaders very critical and opposed to the Balfour Declaration and the establishment in Palestine of a Jewish National Home, have come to realise that their fear that we were embarking on a policy of displacing the native population of the country by a horde of Jewish immigrants was without ground. They are realising too that the influx of Jewish capital and Jewish settlers with capital has contributed to the growth and prosperity of the Arab population in equal measure as it has contributed to the growth and prosperity of the Jewish community. It is a remarkable fact that though there has been a large immigration of Jews in Palestine—considerably over 50,000, very nearly doubling the Jewish population existing at the end of the war—there has been an even larger increase of the Arab population due to better economic and sanitary conditions. This has greatly decreased the death-rate, and the increase of Arab population has been actually greater than that of the Jewish population. I hope consequently that the attitude of political non-co-operation—in social and other respects there has been a great deal of friendly co-operation right through—which has hitherto precluded the functioning of representative institutions, will gradually come to an end. The improved state of the finances of the country has enabled the actual charge to the British Exchequer in respect of Palestine to be reduced much more rapidly than was anticipated when the Imperial Conference last met. Palestine to-day no longer receives any grant from the British Exchequer for the purpose of its administration. It is self-supporting, and more than self-supporting. His Majesty's Government still continues to pay for the small detachment of Air Force stationed there and to make a grant jointly with the Palestine Government for the force responsible for the defence of the Trans-Jordan territory, but apart from that the whole of that country asks for no defence on the part of the Imperial Forces. Perfect tranquillity has been preserved alongside of a situation of the gravest unrest in Syria. The position of Palestine is such that it will be able to raise a loan of £4,500,000 at an early date. A considerable part will be spent in repaying to His

Majesty's Government the cost of the railways and other works which Palestine is taking over and in enabling Palestine to improve the equipment of both railways and harbours and generally to develop its economic life. That development has been very marked in recent years. Oranges and tobacco are now grown on a large scale, and side by side with the development of agriculture, which must always be the primary industry of that country, a number of industries have been set up by Jewish settlers, both at Haifa and in the suburbs of Jaffa, and the Zionists at any rate confidently believe that they will establish in Palestine a centre of industrial activity not only for Palestine itself but, as communications between Palestine and the countries beyond are improved, for a considerable area of the Centre and Middle East.

Tribute to Sir Herbert Samuel.

All that development, I should like to say here, owes a great deal to the first High Commissioner of Palestine, Sir Herbert Samuel, who retired from his office last year. His capacity, his immense industry, his absolute impartiality between all sections of the community, and his enthusiasm for the development of the country, entirely changed the face of that little country from what it was under Turkish administration, from the condition in which it was left after the war, to the really progressive, contented, and prosperous little country that tourists visit to-day. I had the privilege of visiting it last year, and was immensely struck by the signs of development in every direction, by the contented look of the population, by the way in which the official world, not only the very small handful of British officials but the native officials too, were throwing themselves into their work, confident in the future of that country. Sir Herbert Samuel was succeeded, at the end of last year, by Field-Marshal Lord Plumer, and I think Palestine is very fortunate in having as its second High Commissioner an officer with so distinguished a record of public service, and of such high administrative ability.

Trans-Jordan.

I do not think I need say more than a word about Trans-Jordan, which, under His Highness the Amir Abdullah, is governed separately from Palestine and forms a territorial link between Palestine and 'Iraq. The chief events in its history since the last Conference have been the inclusion in its administrative area of the Maan Vilayet, to the south of Trans-Jordan, which brings Trans-Jordan down to the Red Sea, and the final settlement of the frontiers between Trans-Jordan and Nejd, the Sultanate of Ibn Saud, which was negotiated by Sir Gilbert Clayton at the end of last year, and will, I trust, put an end to the desert raids which added so much to the burden of administration in Trans-Jordan previously.

'Iraq.

I now come—and it is the last item in my survey—to the Kingdom of 'Iraq. Since the last Conference the political progress of 'Iraq has been very rapid. When the last Conference met elections were proceeding for the Constituent Assembly of 'Iraq. That opened in March, 1924, and the Treaty of Alliance* between this country and 'Iraq was accepted and duly ratified by the Assembly towards the end of that year. It was submitted to the League of Nations as a document giving effect to the provisions of Article 22 of the Covenant, and, consequent upon the sitting of the Constituent Assembly and the passage by it of organic and electoral laws, elections followed for the first Parliament of 'Iraq, which was opened by King Feisal on the 16th July of the present year, and which has worked successfully since.

Negotiations regarding Mosul Frontier.

The one difficult problem which the Duke of Devonshire mentioned in his last survey, and which paralysed progress in 'Iraq, was the question of its unsettled northern frontier. In the Treaty of Lausanne it was stipulated that this frontier should be laid down by friendly arrangement between the British and Turkish Governments within a period of nine months, and, failing such agreement, should be referred to the Council of the League. Negotiations with the Turkish Government proved fruitless. The Turkish Government claimed the whole of the old province of Mosul, something like a third, certainly more than a quarter, of the territory of that State, a territory without which, from the economic as well as from the revenue and defence point of view, that State could really not have carried on its existence. Therefore, with every desire to meet the Turkish Government and to find a friendly accommodation, it was impossible for the British Government, in the position both of alliance and of trusteeship which it had towards 'Iraq, to accept the claim which Turkey put forward. The matter was brought before the Council of the League in September, 1924, and they decided to appoint a Frontier Commission to examine the problem on the spot and report. While that Commission was being appointed and the Council actually in session, Turkey endeavoured to alter the *status quo* by an invasion with armed forces into northern 'Iraq. A further emergency meeting of the Council was called in the following month, and a temporary line, known as the Brussels line, was laid down to be observed by both parties until a final decision was reached. The Commission visited 'Iraq in the early part of 1925, and its report substantially was that the wishes of the inhabitants, and the economic interests of the country, were that the whole of the Mosul Vilayet up to the Brussels line should remain as it has been since the war, part of the territory of 'Iraq. They further expressed the view that this desire on the part of the inhabitants was almost universally coupled

* Cmd. 2370.

with a strong desire that the British influence over the Administration, and the British connection established by treaty relationship, in general terms though not quite accurately referred to as the mandate, should be maintained as long as possible, and they recommended that this connection should be maintained over a period which they did not wish to define precisely but which they thought perhaps might be as long as twenty-five years. The whole matter was taken into consideration by the Council of the League in September of last year. While it was being considered, reports were received of wholesale deportations by the Turks of the Christian population along the northern frontier, and in some instances of violations of the Brussels line. A protest on that subject was addressed to the Council by His Majesty's Government, and at the request of His Majesty's Government the Council of the League sent a further small commission of enquiry, presided over by General Laidoner, a distinguished Esthonian, to that frontier to report on the situation. In December the Council, having before it the Report of the Laidoner Commission as well as the Report of the original Commission on the whole question, and the opinion of The Hague Court on certain legal points referred to it, after full consideration decided that the Brussels line should remain the northern frontier of 'Iraq, subject to the conclusion of a new treaty between Great Britain and 'Iraq, which would ensure the continuance, if necessary for a maximum period of twenty-five years, of the existing relationship between His Majesty's Government and the Government of 'Iraq. A new treaty*, consequent on this decision, was concluded with 'Iraq in January, 1926, and ratified by both the 'Iraq Parliament and the Parliament of this country, and in March of this year the Council of the League accepted the treaty and declared as definitive the frontier which was previously known as the Brussels line. All that now remains is the actual delimitation of that frontier by an Anglo-'Iraq-Turkish Commission. I ought, however, to say that the decision of the League was in the first instance not accepted by the Turkish Government. Subsequently, however, negotiations took place at Angora, to which the Secretary of State for Foreign Affairs has already referred, between the British, the 'Iraq, and the Turkish Governments, by which Turkey recognised the independent status of 'Iraq and subject to one slight modification agreed to accept the frontier laid down by the League. I hope the Delimitation Commission will be able quite shortly to start its work.

Potentialities of 'Iraq.

With that question settled I believe 'Iraq will now enter on an era of prosperous development. It has great natural resources which once made it one of the richest countries of the whole world. Until it can get a larger revenue and stability it will not be in a position to find the capital for those great irrigation works which I believe will one day make it a greater and richer Egypt, but

* Cmd. 2587.

stability will, I think, bring in capital and, if there should prove to be other resources, minerals or oil, in 'Iraq, they will undoubtedly provide revenue which will enable the most important source of development, irrigation, to be taken in hand. A very large and promising oil-field, not in the disputed Mosul area, but in central 'Iraq, on the Persian frontier, has already been definitely located and to some extent opened up by the Anglo-Persian Oil Company, and the development of that ought to be of substantial assistance to the Government of 'Iraq both in general trade and in revenue, while there is always the possibility, which only closer survey and boring can determine, of oil in the northern part of the country.

Tribute to Sir Henry Dobbs and British Officials.

On the political side the co-operation between the British officials, who in the army and in the civil administration are helping the 'Iraq Government, has been one of the closest. The Duke of Devonshire three years ago paid a tribute to the work done by Sir Percy Cox and his sympathetic handling of the people of 'Iraq. I think I can say the same about the work of his successor, Sir Henry Dobbs, and of the officials under him who not only have worked with an amazing enthusiasm for the development of the country which they found in an absolutely derelict state after the war, but have made it clear to the people of 'Iraq themselves, and the officers of the 'Iraq army and the officials of the 'Iraq Government, that they are aiming not at substituting a British for a native administration, but at helping and assisting the native Administration to find its own feet and to do its own work. We are building up in 'Iraq something in the nature of a new element in Imperial relations, a country self-governing on its own lines, but being assisted in finding its feet by the co-operation of a band of enthusiastic British officials who take an immense pride in the fact that they have brought about perfect peace and order and contentment in a country which was in a state of permanent disorder before the war; that they are bringing into that country the beginnings of an educational, sanitary, and health system which was never known before; and that they are laying the foundations on which its material development will take place, and are also helping this people, once a great people, equals in civilisation with the Western world, to renew their own old civilisation and to bring themselves on to a level with that Western civilisation behind which they have fallen in the last six or seven centuries.

I am afraid I have kept the Conference much longer than I originally intended, but, as I said at the beginning, I think this work of development and administration which is being carried out in the Colonial Empire is, both owing to its intrinsic interest as a piece of work, a piece of trusteeship, and on account of its economic importance, well worthy of close consideration by every part of the Empire, and therefore I hope I may be forgiven for having trespassed so long on your patience.

STATEMENT BY THE PRIME MINISTER OF THE COMMONWEALTH OF AUSTRALIA REGARDING NEW GUINEA.

Mr. Bruce: I do not wish to detain the Conference at any length, but I think there are one or two things I should say in regard to the mandate that Australia holds over New Guinea.

Vital Importance to Australia of New Guinea.

It is vital to Australia that this territory of New Guinea should be held by Australia in some way, and in no circumstances should it ever again get into the hands of any foreign Power with the possibility of fortifications being erected there and its being utilised as a base from which operations could be carried on against Australia. Consequently, the Australian people attach the very greatest possible importance to the fact that this mandate should be retained by Australia, and there should be no possibility of any other Power getting into those islands.

Permanent Mandates Commission.

The Mandates Commission is responsible, of course, to the League for the whole question of the manner in which the mandates are being administered. That being the position, I do not think any mandatory power would offer the slightest objection to their requiring the fullest possible information. But they have recently issued a *questionnaire* embracing, I think, 118 questions, which certainly in our view is rather exceeding the necessary functions of the Mandates Commission. It is a question I do not want to say very much about. I only wanted to raise the question for, while Australia has nothing to conceal and is desirous of giving the fullest information as to their administration of the mandated territory, I do think it is a matter for serious discussion as to whether something could not be done to try and prevent *questionnaires* being sent out which deal with matters that fall quite outside the mandate and sphere of the Mandates Commission or the League of Nations.

Propaganda.

The other thing we have got to bear in mind is that there is a great deal of propaganda in regard to these mandated territories, and very considerable efforts are being made to try and show that the mandatory power is not carrying out its obligations in a proper spirit. With regard to Australia, for example, almost every year, just at a convenient and proper time prior to the meeting of the Mandates Commission in Geneva, a newspaper propaganda will be started in some not very reputable organ of the Press, and each year the same sort of charges are made of maltreatment of the natives. We have sent commissions of enquiry out and we have examined the position closely, and there has not been the slightest foundation for the charges that have been made. I am glad to say that in the present year it did not happen and it may be it is going to cease.

Policy pursued in New Guinea.

I do not think I need delay the sitting very long to say anything about the manner in which the Australian Government administers its mandated territory, because voluminous reports are sent in every year to the Mandates Commission. The fullest information is given there, and, while I recognise that, we being part of the British Empire and one of the mandatory powers, a general knowledge would be desired by the Governments of the other parts of the Empire, I do not think that you want me at the present time to go at great length into the policy we are pursuing. I think I can summarise it quite shortly by saying that we are carrying out all the obligations which were imposed upon us under the mandate itself, and even if those obligations were not imposed by the mandate they would obviously be part of the Government's policy in administering the territory. The six obligations placed upon us are the prohibition of the slave trade and forced labour; the prohibition of the supply of spirits and intoxicating beverages to the natives; the control of the traffic in arms and ammunition; the ensuring of liberty of conscience; the non-establishment of military or naval bases or fortifications; and the prohibition of the military training of natives except for purposes of internal police and land defence. In addition to these general lines of policy, the particular lines which the Commonwealth Government is following, and which have been added to the obligation placed upon us under the mandate, are the medical care and treatment of the natives; the preservation of native laws and customs so far as they are not repugnant to our sense of morality; the cultivation of a better understanding of native habits of life and native thought; the protection of the native labourer in his contractual relationship; the inauguration of a system of native agriculture for the cultivation of foodstuffs and economic crops under trained instructors and inspectors; the inauguration of a system of technical and general education of the natives; the participation of the natives to an increasing extent in the administration of the territory; in furtherance of the foregoing, the requirement that appointees to the service shall undergo special training and instruction; and the economic development of the territory.

Public Health.

Those are the particular lines of the policy we are pursuing. The only one I want to say two or three words about is the medical care and treatment of the natives. That is the particular point the Government is concentrating upon because we regard it as being the fundamental thing which we should do as the mandatory power and the authority responsible for the native peoples in the territory. We have established a laboratory in New Guinea. We are also carrying out a great deal of research into native diseases and we have got a system for the training of natives in sanitation and general care of the health, but I think the main thing we have done is to invite all the Governments which have an interest in the Pacific, and responsibilities there, to a conference that is taking place in Melbourne next month, to consider the whole question of the health

of the native races of the Pacific and whether anything can be done to prevent what looks almost inevitable under present conditions, that is, that a great number of these natives will eventually disappear. I would like to have said a great deal more about the question of health, because I think it is one which must concern us all very much. The specific problem of the health of the native is a very, very important one, but I will not add anything to the few words I have said.

Development of Administrative Service.

The other great problem in the administration of a mandated territory is the question of getting the right persons for the administration. In Great Britain, with your long Colonial experience, and the fact that you have had control of native races, you have gradually built up the Civil Service and you have got men who are trained for that particular work, but, when a new country takes over the control and responsibility of a native population, it presents a tremendous problem to them, and we are only beginning to get over it. We have had to start a system of training men for this particular service, getting them quite young and putting them through a regular course of tropical hygiene, and trying to fit them and qualify them for the particular work they have got to do. We are now moving towards a point where I think we will have a satisfactory administration, but if in future the different Governments of the Empire are going to have to assume responsibilities with regard to native races I think it would be a very good thing that we should all learn the lesson which I am sure must have come home to the other Dominions who are administering native populations that there is very great difficulty in getting the right administrator, and before you assume such a responsibility you ought to take steps to ensure you will be able to get the right type of man.

Economic Development.

With regard to economic development, we are trying to bring the natives to the point where they will actually become agriculturalists and produce economic crops, but it is a somewhat difficult task to get their mentality moving towards that point. We have given them certain assistance, we have given them preferential treatment under our own tariff, and we are paying to them certain bounties for the production of tropical products which have got a ready market, and this involves £250,000 for a period of ten years—£25,000 a year. Generally, with regard to this mandated territory, we have now got over our initial troubles. We have got the administration to appoint the personnel who will undertake and successfully shoulder great responsibility, and I believe the whole mandated territory is being run on perfectly sound lines, in a way that is giving credit to Australia and which will carry out the great traditions of British administration of native populations.

STATEMENT BY THE PRIME MINISTER OF NEW ZEALAND REGARDING WESTERN SAMOA.

Mr. Coates: I would like to say a word or two. I may say, in the first place, that my feeling is similar to that expressed by Mr. Bruce. We are, I think, probably in a more fortunate position, for the reason that more or less all our people have direct contact with the Polynesian race; the people of New Zealand know the Polynesians, many of them know their language and their characteristics, and no doubt our responsibility under the mandate is more simple. The reason, I think we can say, is that we have the personnel able quickly to adapt themselves to these people, who are Polynesians. I would like to make some remarks very briefly, and I will, if I may, reduce them to the very minimum.

Administration of Western Samoa.

New Zealand, with the exception of her third interest in the mandate of Nauru, has had only Western Samoa to control under a mandate. We have had no serious difficulties to contend with and it is impossible to compare results of our administration as mandatory with those attained by any other Power. In the first place, New Zealand held the Islands from the beginning of the war under military occupation without resistance, and the succession to government under mandate was little more than a formal transfer of control. In the second place, the Islands are of very small area compared with the mandated possessions of other Powers, the total area of all the Islands being less than 1,200 square miles. In the third place, the native population is of the same race and character as our own Maoris, and we have had 80 years' experience of government of Polynesians in New Zealand and the Cook Islands, and have long been able to estimate the measure of control of tribal affairs which it is safe and wise to entrust to the natives themselves. Again, of the total population of nearly 40,000, less than 500 are pure Europeans and more than 30,000 are pure Samoans. It is obvious that the annual expenditure from New Zealand revenues upon all services of Samoa, though large in proportion to the revenue of Samoa itself, is insignificant in comparison with the cost of the operation of mandates by other Powers. It is true, as the Mandates Commission has reported year by year, that we have been successful in obtaining the confidence of the natives and improving all the conditions of health, education, and trade to an extraordinary extent, but we are not entitled to any special credit for the results attained with so little expenditure and under such favourable circumstances. Certainly no disadvantage to the Samoans is derived from the fact that New Zealand holds the mandate, but it is always possible that the Geneva investigations may prove detrimental, though no harm has so far resulted. Briefly, since New Zealand assumed control, the natives have been granted self-government in relation to their land and customs to an extent immeasurably more than they had

hoped for under German rule. All disaffection of the Europeans and half-castes, which was quite natural at the time of the change of flag, has disappeared. The net native population, which had previously been gradually diminishing, is now annually increasing at the rate of about 1,000 per annum. The two terrible tropical diseases from which practically every Samoan suffered have been nearly eradicated by our insistence on sanitary methods and medical treatment. The most surprising result of the new conditions is that the natives have rapidly increased the production of the staple (copra) for export. The difficulty in Polynesian control is that the natives have not been accustomed to, and will not engage in, regular work. In the Report for the year ending 31st March, 1926, the Administrator includes a chart showing that the production of copra for export by the natives themselves increased from 2,000 tons in the period 1901–3 to 11,700 tons in the year 1925; and the total amount of copra produced from all sources in that year was 15,210 tons, showing that the natives now themselves produce 77 per cent. of the whole quantity of exported copra.

Permanent Mandates Commission.

As the Council of the League of Nations has invited the several Mandatory Powers to express their opinion upon the proposals of the Mandates Commission to examine orally petitioners at Geneva and to administer a long series of interrogatories to each mandatory authority, to be replied to in the annual report, another opportunity will be afforded for united consideration by Britain and the Dominions holding mandates and of expressing a definite and, I hope, combined opinion upon the matter. That follows up very much what Mr. Bruce referred to. It seems to me that what he said in that connection is our own opinion too.

STATEMENT BY THE PRIME MINISTER OF THE UNION OF SOUTH AFRICA REGARDING SOUTH-WEST AFRICA.

General Hertzog: Perhaps I might say a few words. In the first place we make a very full report not only to the Government but to the League of Nations—in fact, I think our report is rather too full, but I will not go into that. As far as the *questionnaire* is concerned, I may say that we too feel that certain questions are asked which I do not think really should be asked, but I do not want to go into that.

Administration of South-West Africa.

As far as the Government of South-West Africa is concerned, the alterations that have been brought in since the last Imperial Conference are probably of some importance in this respect, that at that time there was a Military Government which has been done away with, followed by Government by Proclamation by the Administrator, who had a nominated council of some six or eight.

It must not be forgotten that in South-West Africa we have about 9,000 or 10,000 of the old Germans (men, women, and children), and there are about the same number, exceeding it by about 1,200, of people from the Union, so that altogether there are about 22,000 to 24,000 Europeans in the country. These Europeans were not satisfied with the system of Government by Proclamation through the Administrator, and the result was that after enquiry the Union Parliament passed an Act whereby a limited form of self-government was given to them. Following the line of the Union Act specified subjects were entrusted to them for legislation; other subjects were retained for the Union Government by Proclamation, with the further provision—we did not under the circumstances like simply to have them decide on subjects of great importance by a majority vote—that we said: "If at any time by a majority of two-thirds you decide in favour of legislating upon any reserved subject, that right within certain limits will be extended to you." Well, this has, I am glad to say, given very great satisfaction, such satisfaction that not a single complaint has come in either from the one side or from the other. Mr. Hofmeyr, who had had experience before, was then succeeded by another gentleman, Mr. Werth, who has given every satisfaction to the inhabitants. The country, therefore, is getting on very well.

Native Administration.

As far as the natives are concerned, I am glad to say that no complaints have come to us. We have had to deal with a certain tribe there, not a native but a Hottentot tribe, the Rhehoboths as they call themselves. They claim to be independent, and they were on the point of committing acts of violence, but before they could really do any mischief they were simply rounded up, and were made to obey. Fortunately no bloodshed took place. Since then they have been quite quiet, although not contented. They have been claiming that they form a totally independent State by themselves and are not in any way subject to the laws of the Union Government; in fact, we could not get them to submit in any way. But at any rate quietude has been reached, and, judging from what we hear, will continue. A report is either just out or will be out very shortly as to what their rights were, and I am saying here that the Union Government policy with regard to these natives is that, if they can be brought to govern themselves, by all means let them do so. The intention is to have that territory kept for them as their own territory, and to get them to learn to govern themselves as much as possible.

They drew up a constitution in 1883 which really is quite a remarkable work, but since that time they have never passed a single other law. The report of the Commissioner will be submitted to the League. I need hardly say that their claim cannot be substantiated that they are totally independent of government, and they never were so treated before. However, it was an instruction to Mr. Justice de Villiers to go into the question of what rights

they have, and, although the report is not out, I have good reason to believe that Judge de Villiers has come to the conclusion that there is nothing in their claim. They are quite quiet, and I think that Lord Balfour, or Lord Cecil, will know that they have once or twice appealed to the League of Nations, but, as far as the natives are concerned, I do not think that there is any fault to find, or that the League of Nations thought there was any fault to be found.

Importance of Water Supplies.

It is a very difficult subject. We must not forget that South-West Africa is more than half the size of the Union—a tremendous country. But unfortunately there is no running water in the territory with the exception of the Kunene River in the north. All the water has to be got out of bore holes. I do not think that there are more than twenty natural springs in the whole country. The whole of the water of the country depends upon bore holes, and everyone has to see that there are bore holes made from which to get water for stock, &c. As far as that is concerned I may say that we have about sixty bores operating in the country, and as fast as these can get water over the country the farms are taken up from the Land Board.

Negotiations as to Angola-South-West Africa Boundary.

There is perhaps one point which I may mention here, and that is, that only just a few months ago an old dispute which we had inherited from the time of the Germans has been settled between us and the Portuguese Government, and that was as to the boundaries between Portuguese Angola and South-West Africa. According to the Treaty between the Germans and the Portuguese the northern line was to run from the mouth of the Kunene up to a certain cataract to the south of Humbe. There happened to be two cataracts, the one more to the north than the other. The Germans claimed the more northerly as the cataract intended, the Portuguese the more southerly one. This meant the difference of a strip of country of 7 by 200 miles. To decide this question a commission was appointed by the Union and Portugal of three members on each side. The result of the investigations was that they found that the Portuguese claim was correct.

With regard to the finance of the country, I may say that the country is now in a position to pay its own way, but, unfortunately, more than half of its revenue is derived from the diamond mines. As diamonds are sought after in the market at the present time—and we hope they will continue to be sought after—they will probably be able to pay their way for some years, but, if the value of diamonds should fall, I am afraid the country will not be able to pay its own way without the assistance of the Union Government, which, of course, will always be available.

STATEMENT BY THE PRIME MINISTER OF CANADA REGARDING THE CANADA AND WEST INDIES TRADE AGREEMENT, 1925.

Mr. Mackenzie King: I would approve what Mr. Amery said as to the Canadian Trade Agreement with the West Indies in all particulars. The Agreement, we think, is a very good one, and we have reason to believe that the West Indies also look upon it very favourably. There has been a little delay in bringing about the steamship services in accordance with the arrangements entered into. That is a temporary matter. I think it will be settled within a short time. That is what we hope. We gave increased preferences on a number of articles and the West Indies gave us an increased preference. We think it is going to be mutually beneficial, and I believe that the visit of the West Indian delegates to Canada was a thoroughly good thing both for them and for us. It established a contact both pleasant and profitable. I might say, too, there is considerable pleasure travel between Canada and the West Indies growing up, which I think is going to be helpful; we shall see more of each other.

Mr. Baldwin: That will help your steamship services.

Mr. Mackenzie King: Yes; it will be of mutual help.

Annexes to Statement made by the Secretary of State for the Colonies.

(A.)—WORLD'S PRODUCTION OF CERTAIN STAPLE COMMODITIES.

SUMMARY Table showing the Estimated World's Production (or exportable surplus) of the undermentioned Staple Commodities in a recent year, distinguishing the Production (or exportable surplus) of: (*a*) Foreign Countries and (*b*) British Countries, so far as the particulars are available.

Commodity.	Year.(*a*)	Unit of Quantity.	Total.	Foreign Countries.		Empire Countries.	
			Quantities.	Quantities.	Proportion of Total.	Quantities.	Proportion of Total.
	(Mainly.)				Per cent.		Per cent.
Tea	1925	Lb.	814,727,162	267,400,000	23·8	547,327,162	67·2
Coffee ..	1923–24	Cwt.	26,511,053	25,836,926	97·5	674,127	2·5
Cocoa.. ..	1924	Cwt.	9,885,462	3,876,462	39·2	6,009,000	60·8
Cane sugar ..	1925–26	Tons	16,064,140	11,762,087	73·2	4,302,053	26·8
Beet sugar ..	1925–26	Tons	8,316,174	8,232,559	99·0	83,615	1·0
Cotton ..	1925–26	Centals	131,818,500	105,915,200	80·3	25,903,300	19·7
Sisal	..	Tons	169,110	133,422 (1924)	78·9	35,688 (1925)	21·1
Palm oil ..	..	Tons	181,959	49,435 (1923–24)	27·2	132,524 (1925)	72·8
Palm kernels	..	Tons	484,148	135,444 (1923–24)	28·0	348,404 (1925)	72·0
Copra ..	..	Tons	962,015	519,543 (1923–24)	54·0	442,472 (1924–25)	46·0
Ground-nuts	..	Tons	1,286,558	604,047 (1923–24)	47·0	682,511 (1925)	53·0
Cloves ..	..	Cwt.	260,849	12,336 (1924)	4·7	248,513 (1925)	95·3
Bananas ..	1924	Bunches	65,528,000	53,300,000	81·3	12,228,000	18·7
Pineapples, fresh ..	1924	Tons	57,464	55,200	96·1	2,264	3·9
Pineapples, prepared or preserved ..	1924	Tons	48,146	12,724	26·4	35,422	73·6
Rubber ..	1925	Tons	491,630	221,800	45·1	269,830	54·9
Tobacco ..	1925	Tons	1,332,011	1,307,371	98·1	24,640	1·9
Rice(*b*) ..	1925	Tons	82,532,200	34,851,700	42·2	47,680,500	57·8

(*a*.) The years stated in this column relate to calendar years, *e.g.*, 1925, or to crop years, *e.g.*, 1925–26, and apply to both foreign and Empire countries.

In cases in which no date is entered in this column, figures for the *same* year cannot be given for all countries, or for a majority of the countries, included in the details for a particular commodity. In these cases the latest data available have been given. Thus in columns 5 and 6, for copra, the year stated for foreign countries is to be read as 1923 or 1924, and in the case of Empire countries, 1924 or 1925. For each individual country the year to which the figures relate is stated in the detailed tables.

(*b*.) Chinese production is not included (see p. 156 of attached tables).

TEA (Exports).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Lb.			Lb.
1925	China	111,068,000	1925	British India (a) ...	336,275,878
1925	Japan	27,761,000	1925	Ceylon (a)... ...	209,791,384
1924	Formosa	22,055,000	1925	Union of South Africa	104,119
1925	Dutch East Indies	104,849,000	1924	Nyasaland ...	1,155,781
1924	French Indo-China	1,667,000			
	Total, Foreign Countries ...	267,400,000		Total, Empire Countries ...	547,327,162

World's Total Exports = 814,727,162 lb.

(a) The quantity of tea produced in British India in 1924 amounted to 375,255,874 lb. and in Ceylon in 1921 to 152,466,308 lb. The latter figure represents a crop below the average. Later figures are not at present available.

COFFEE (Production).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Cwt.			Cwt.
1923-24	Columbia ...	2,616,020	1923-24	Aden	136,006
1923-24	Costa Rica ...	358,362(a)	1923-24	Ceylon ...	787
1923-24	Ecuador ...	63,965(a)	1923-24	British India ...	209,181(a)
1923-24	Guadeloupe ...	14,942	1923-24	Federated Malay States	82(a)
1923-24	Guatemala ...	724,171	1923-24	Kenya	144,911
1923-24	Dutch Guiana ...	55,570	1923-24	Uganda ...	40,920(a)
1923-24	Hayti	578,593(a)	1923-24	Sierra Leone ...	1,397
1923-24	Honduras ...	2,564	1923-24	Tanganyika Territory	80,914(a)
1923-24	Mexico	796,982	1923-24	Nyasaland ...	988
1923-24	Nicaragua ...	312,411(a)	1923-24	Australia ...	95
1923-24	Panama ...	4,762	1923-24	British Guiana	4,579
1923-24	Porto Rico ...	214,733	1923-24	Jamaica ...	51,906(a)
1923-24	Dominican Republic ...	43,934(a)	1923-24	Trinidad and Tobago ...	2,361
1923-24	San Salvador ...	1,058,707			
1923-24	Venezuela ...	913,735(a)			
1923-24	Philippine Islands	266(a)			
1923-24	Ivory Coast ...	1,840			
1923-24	Eritrea	108			
1923-24	Brazil	16,908,407			
1923-24	Netherlands East Indies	1,003,056			
1923-24	Belgian Congo ...	3,001			
1923-24	Madagascar ...	118,071			
1923-24	New Caledonia	18,689(a)			
1923-24	New Hebrides...	5,510(a)			
1923-24	French Indo-China	15,851(a)			
1923-24	French Equatorial Africa ...	2,676			
	Total, Foreign Countries ...	25,836,926		Total, Empire Countries ...	674,127

World's Total = 26,511,053 cwt.

(a) Quantities exported, figures of production not being available.

NOTE.—Recent official particulars respecting the relatively small production of Hawaii, Argentina, Paraguay and Angola are not available.

Cocoa (Exportable Surplus).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Cwt.			Cwt.
1924	Columbia	25	1924	Dominica	6,982
	Costa Rica	53,132		Grenada	85,370
	Ecuador	619,147		Jamaica	59,173
	Guadeloupe ...	13,732		St. Lucia	12,161
	French Guiana ...	338		St. Vincent ...	1,177
	Dutch Guiana ...	15,647		Trinidad and Tobago	501,497
	Hayti	32,411		Ceylon	69,332
	Martinique ...	10,482		British Cameroons	63,284
	Nicaragua	1,445		Gold Coast... ...	4,465,320
	Panama	55,358		Nigeria	743,876
1923–24	Porto Rico... ...	49		Uganda	118
1924	Dominican Republic	455,411		Sierra Leone ...	708
	Venezuela	373,893	1925	Fiji Islands ...	2
	Philippine Islands	3			
	French Equatorial Africa	5,077			
	French Ivory Coast	84,606			
	French Cameroons	88,445			
	French Togoland ...	126,571			
	Brazil	1,355,342			
	Dutch East Indies	32,091			
1923	Belgian Congo ...	12,407			
1924	New Hebrides ...	29,870			
	Samoa	20,314			
	St. Thomas and Prince	490,666			
	Total, Foreign Countries ...	3,876,462		Total, Empire Countries ...	6,009,000

Total World's Exportable Surplus from Producing Countries = 9,885,462 cwt.

CANE SUGAR (Production).

(According to information collected by Messrs. Willett and Gray, the well-known sugar statisticians of New York.)

Season.	Foreign Countries.	Quantity.	Season.	Empire Countries.	Quantity.
		Tons.			Tons.
1925-26	United States:		1925-26	British West Indies—	
	Louisiana ...	124,447		Trinidad ...	73,707
	Porto Rico ...	538,330		Barbados ...	45,000
	Hawaiian Islands	689,286		Jamaica ...	57,675
	Virgin Islands ...	7,000		Antigua ...	12,800
	Cuba	4,884,658		St. Kitts ...	13,000
	French West Indies—			Other British West Indies ...	7,500
	Martinique	45,000		Demerara ...	102,000
	Guadeloupe	40,000		British India ...	2,923,000
	San Domingo ...	350,000		Australia ...	522,344
	Hayti	13,500		Fiji Islands ...	90,000
	Mexico	190,282		Mauritius ...	241,220
	Central America:			Natal	213,807
	Guatemala ...	25,000			
	Other Central America ...	62,500			
	Surinam ...	10,000			
	Venezuela ...	19,000			
	Ecuador ...	16,976			
	Peru	265,000			
	Argentina ...	395,733			
	Brazil	650,000			
	Java ...	2,278,900			
	Formosa and Japan	498,460			
	Philippine Islands	425,000			
	Egypt	95,000			
	Réunion ...	59,015			
	Mozambique ...	70,000			
	Spain	9,000			
	Total, Foreign Countries ...	11,762,087		Total, Empire Countries ...	4,302,053

Total World's Production = 16,064,140 tons.

Beet Sugar (Production).

(According to information collected by Messrs. Willett and Gray, the well-known sugar statisticians of New York.)

Season.	Foreign Countries.	Quantity.	Season.	Empire Countries.	Quantity.
		Tons.			Tons.
1925–26	Germany	1,600,000	1925–26	England	51,140
	Czechoslovakia ...	1,520,000		Canada	32,475
	Austria	80,000			
	Hungary	162,000			
	France	749,920			
	Belgium	335,000			
	Holland ...	310,000			
	Russia and Ukraine	1,041,903			
	Poland	590,000			
	Sweden	204,500			
	Denmark	179,998			
	Italy	162,000			
	Spain	243,939			
	Switzerland ...	6,395			
	Bulgaria	38,000			
	Roumania... ...	110,000			
	Other European ...	94,465			
	United States ...	804,439			
	Total, Foreign Countries ...	8,232,559		Total, Empire Countries...	83,615

Total World's Production = 8,316,174 tons.

Raw Cotton (Production).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Centals of 100 lb.			Centals of 100 lb.
1925–26	Europe (4 countries)	103,800	1925–26	Malta	3,100
	Turkey (European and Asiatic) ...	602,500	1925	Cyprus	12,200
	Soviet Russia ...	3,521,000		Antigua ...	100
	Asia—			Barbados ..	4,100
	China	10,103,400		Grenada ...	3,600
	Korea	597,500	1924	St. Vincent ...	5,900
1924–25	Persia	296,500	1925–26	Virgin Islands ...	100
	Other Asia (7 countries) ...	260,100	1925–26	Montserrat ...	2,800
1925–26	America—		1924–25	St. Christopher	1,300
	United States ...	76,975,600	1924–25	Ceylon	1,500
	Mexico	966,700	1925–26	British India ...	24,152,000
	Argentina ...	644,200	1925	Uganda (exports)	785,800
	Brazil	2,875,300	1924–25	Nigeria	139,900
	Peru	924,200	1925–26	Union of South Africa... ...	125,000
Mainly 1925–26	Other America (10 countries) ...	166,900	1925	Rhodesia—	
1925–26	Africa—			Southern ...	22,000
	Egypt	7,786,200		Northern ...	1,000
1924–25 and 1925–26	Other Africa (5 countries) ...	91,300	1924–25	Swaziland ...	1,000
			1925–26	Nyasaland ...	10,000
			1925–26	Tanganyika ...	82,900
			1925–26	Anglo-Egyptian Sudan	509,000
			1925–26	Australia ...	30,000
			1925	'Iraq	10,000
	Total, Foreign Countries ...	105,915,200		Total, Empire Countries ...	25,903,300

World's Production = 131,818,500 centals of 100 lb.

Sisal (Exports).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Tons.			Tons.
1924	Mexico	97,460	1925	Bahamas	2,264
	Guatemala	30		British East Africa—	
	Salvador	445		Tanganyika Territory	18,276
	Cuba	3,389		Kenya Colony ...	14,363
	Philippines ...	728		Nyasaland	785
	Netherlands East Indies—				
	Java	15,432			
	Other possessions	15,938			
	Total, Foreign Countries ...	133,422		Total, Empire Countries ...	35,688

World's Total = 169,110 tons.

Palm Oil (Exports).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
	French West and Equatorial Africa—	Tons.		British West Africa—	Tons.
1924	French Togoland	3,295	1925	Gold Coast ...	1,423
1923	Ivory Coast ...	7,880		Sierra Leone ...	2,988
	Dahomey	13,481		Gambia	—
	French Cameroons	3,044		Nigeria	128,113
	Other Parts ...	1,223			
1920–22 (Av.)	Belgian Congo ...	12,218			
1924	Portuguese West Africa	3,176			
	Netherlands East Indies	5,118			
	Total, Foreign Countries ...	49,435		Total, Empire Countries ...	132,524

Total Exports (Tropical Producing Countries) = 181,959 tons.

Palm Kernels (Exports).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Tons.			Tons.
1920–22 (Av.)	Portuguese West Africa	7,704		British West Africa—	
	Belgian Congo ...	53,730		Gold Coast ...	6,569
	French West and Equatorial Africa—			Gambia	692
1923	Ivory Coast ...	11,809	1925	Sierra Leone ...	63,231
	Dahomey and Dependencies ...	3,637		Nigeria	272,925
	French Guiana ...	9,222		Tanganyika ...	43
	Senegal	2,984		Sudan (a)	4,944
1924	Togoland	12,330			
	Cameroons ...	26,353			
1923	Gaboon	1,586			
	Middle Congo ...	5,464			
	Rest of French Africa	925			
	Total, Foreign Countries .	135,744		Total, Empire Countries ...	348,404

World's Exports = 484,148 tons.

(a) Dom-palm nuts.

Copra (Exports).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity
		Tons.			Tons.
	Netherlands East Indies—			Ceylon	113,686
1924	Java and Madura	58,022		Straits Settlements and Malay States	159,049
1924	Other possessions	280,139		British India ...	103
1923	French Indo-China	12,347		British East Africa—	
1924	Philippines... ...	154,242		Kenya	1,565
1924	French West and Equatorial Africa	796	1925	Tanganyika ...	7,623
	Madagascar ...	945		Zanzibar	17,246
	Panama	4		British West Africa—	
1923	Guadeloupe ...	10		Nigeria	194
	French Oceania ...	10,529		Gold Coast ...	1,324
	New Caledonia ...	2,509		British Honduras ...	302
				Jamaica	1,671
			1924	Trinidad and Tobago	4,449
			1924–25	Other British West India Islands ...	442
			1925	Papua	7,856
			1924	Seychelles	3,184
			1925	Fiji Islands ...	24,133
			1923–24	Gilbert and Ellice Islands	3,716
			1924	Cook, &c., Islands...	778
				Nauru Islands ...	383
			1923–24	New Guinea ...	34,974
			1923	Solomon Islands ...	18,278
			1925	Western Samoa ...	14,519
			1924	Tonga	14,534
			1925	British Guiana ...	8,639
			1923	British North Borneo	3,111
			1925	Sarawak	713
	Total, Foreign Countries ...	519,543		Total, Empire Countries ...	442,472

World's Total = 962,015 tons.

GROUND-NUTS (Exports).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Tons.			Tons.
1924	China	215,940	1925	British India ...	462,799
	Japan	177		Anglo-Egyptian Sudan	11,613
	Netherlands East Indies—			British West Africa—	
	Java and Madura	13,555		Gambia	48,700
	Other Possessions	1,262		Nigeria	127,228
	Egypt	1,990		British East Africa—	
	French West Africa—			Nyasaland ...	108
1923	French Guinea ...	1,544		Kenya	951
1924	Senegal	310,578		Tanganyika ..	9,055
1923	Ivory Coast ...	2	1924	Hong Kong ..	(a) 18,427
	French Sudan ...	2,223		Mauritius	854
	Réunion	9	1925	British Malaya ...	(a) 2,773
1924	United States ...	1,396		Other British Countries (2)	3
	Madagascar	1,222			
	French Indo-China	698			
	Martinique... ...	4			
1923	Dahomey	2			
	French Possessions in India	53,003			
	French Cameroons	251			
	Belgian Congo ...	191			
	Total, Foreign Countries ...	604,047		Total, Empire Countries ...	682,511

World's Exports = 1,286,558 tons.

(a) Total exports (*i.e.*, inclusive of re-exports).

CLOVES (Exports).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Cwt.			Cwt.
1924	Dutch East Indies	1,290	1925	Zanzibar and Pemba	219,211
	Madagascar ...	11,046		British Malaya ...	29,302
	Total, Foreign Countries ...	12,336		Total, Empire Countries ...	248,513

World's Exports = 260,849 cwt.

Bananas (Exports) (Domestic).

Year.	Foreign Countries.	Exports.	Year.	Empire Countries.	Exports.
		Bunches.			Bunches.
1924	Canary Islands ...	3,150,000	1924	British Honduras	256,000
	Honduras (not British)	16,200,000		Jamaica	11,972,000
	Costa Rica... ...	8,100,000			
	Colombia	6,800,000			
	Guatemala... ...	5,550,000			
	Panama	5,200,000			
	Mexico	3,050,000*			
	Cuba	2,250,000			
	Nicaragua	2,850,000			
	Other countries ...	150,000			
	Total, Foreign Countries ...	53,300,000		Total, Empire Countries ...	12,228,000

World's Exports = 65,528,000 bunches.

* Incomplete.

Pineapples, Fresh (Exports).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Tons.			Tons.
1924	Costa Rica	1,700	1923–24	Australia ...	385 (b)
	Cuba	48,600	1924	Union of South Africa ...	1,879 (c)
	Other Central America and Foreign West Indies	1,000			
	United States	1,400			
	Azores and Madeira ...	2,500 (a)			
	Total, Foreign Countries ...	55,200		Total, Empire Countries...	2,264

World's Exports = 57,464 tons.

(a) Estimated. (b) For year ended June 1925—296 tons.
(c) For 1925—2,202 tons.

Pineapples, Prepared or Preserved (Exports).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Tons.			Tons.
1924	United States ...	12,724	1924	British West Indies	89(a)
				Straits Settlements	35,333
	Total, Foreign Countries ...	12,724		Total, Empire Countries ...	35,422

World's Exports = 48,146 tons.

(a) For 1925—14 tons.

Crude Rubber (Exports).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Tons.			Tons.
1925	Dutch East Indies	188,000 (a)	1925	British India ...	10,100
1925	Portuguese Africa	100	1925	British Malaya ...	197,600
1925	Liberia	200	1923	Brunei	370
1925	Belgian Congo ...	425	1925	British North Borneo	5,400
1923	French West and Equatorial Africa	3,500	1925	Sarawak	8,400
1925	French Indo-China	6,300	1925	Ceylon	45,700
1925	Peru	75	1925	Papua	620
1925	Brazil	23,200	1925	Fiji...	60
			1925	Nyasaland	70
			1925	Uganda and Kenya	390
			1925	Nigeria	950
			1925	Gold Coast	120
			1925	Trinidad and Tobago	50
	Total, Foreign Countries ...	221,800		Total, Empire Countries ...	269,830

World's Exports = 491,630 tons.

(a) Dry weight as calculated by the Central Statistical Bureau of the Netherlands East Indies.

Tobacco Unmanufactured (Production).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Tons.			Tons.
1924	Germany ...	21,179	1924–25	Great Britain ...	4
1925	Belgium ...	7,554	1925	Canada	13,067
1925	Bulgaria ..	40,156	1923	Borneo	518
1925	Serb - Croat - Slovene State	11,870	1924	Ceylon	451
1925	France	19,281	1924	Cyprus	2
1925	Greece	57,701	1924–25	Rhodesia—Southern ...	1,076
1925	Hungary ...	16,826	1923–24	Rhodesia—Northern ...	509
1925	Italy	41,237	1923–24	Union of South Africa... ...	5,094
1925	Roumania ...	16,112	1923–24	Australia ...	558
1925	Sweden... ...	772	1925	Nyasaland ...	2,393
1925	Switzerland ...	375	1925	Fiji Islands ...	18
1925	Czechoslovakia	6,768	1925	Palestine ...	727
1925	Soviet Russia ..	91,089	1923	Mauritius ...	13
1925	Turkey	58,929	1923	Swaziland ...	143
1924	Costa Rica ...	304	1924	Jamaica ...	67 (a)
1925	Mexico	3,210			
1924	United States ...	609,397			
1925	Porto Rico ...	5,929			
1925	Korea	10,009			
1924	Japan	59,054			
1924	Philippines ...	42,638			
1925	Siam	8,317			
1924	Great Lebanon	799			
1925	French West Equatorial Africa (mainly the Upper Volta)... ...	3,308			
1925	Algeria ...	26,598			
1925	Tunis	344			
1924	Argentina ...	9,120			
1924	Brazil	58,174			
1923–24	Chile	4,335			
1924	Paraguay ...	11,357			
1925	Dutch East Indies... ...	55,772			
1925	Madagascar ...	8,857			
	Total, Foreign Countries ...	1,307,371		Total, Empire Countries ...	24,640

World's Production = 1,332,011 tons.

No recent official particulars are available as to production in the following cases:—

Spain, Guatemala, Salvador, Formosa, Syria, Peru, Uruguay, Belgian Congo and India.

The acreage under tobacco in India is large (1,025,474 acres in 1923–24), but owing to the large number of small holdings and the enormous variation in the estimated yield per acre, no estimate of the total output is possible.

(a) Domestic Exports.

Rice (Production).

Year.	Foreign Countries.	Quantity.	Year.	Empire Countries.	Quantity.
		Tons.			Tons.
1925	Bulgaria	10,000	1924	British Guiana ...	41,900
1925	Spain	301,100	1924	Borneo	100
1925	Serb-Croat-Slovene State	1,200	1924	Brunei	500
1925	Italy	619,400	1925	Ceylon	250,000
1925	Portugal	15,500	1925	British India ...	46,750,100
1924	Costa Rica ...	3,800	1924	Straits Settlements and Malay States	359,500
1925	United States ...	689,100	1924	Nyasaland	300
1925	Guatemala ...	700	1925	Fiji Islands ...	5,600
1925–26	Dutch Guiana ...	9,800	1924	Trinidad and Tobago	2,500
1925	Mexico	22,600	1925	Sierra Leone ...	270,000
1924	Salvador	9,800			
1925	Korea	2,629,400			
1924	French Possessions in India	20,500			
1925	Formosa	1,146,800			
1925	French Indo-China	5,671,000			
1925	Japan	10,626,000			
1924	Kwang-Tung ...	1,800			
1925	Philippines ...	1,328,100			
1925	Siam	4,869,200			
1924	French West Africa	53,100			
1924–25	Argentina	11,600			
1924–25	Brazil	799,100			
1924–25	Paraguay	2,500			
1923–24	Peru	64,100			
1925–26	Java and Madura...	4,793,200			
1925–26	Madagascar ...	1,023,600			
1925	Egypt	128,700			
	Total, Foreign Countries (excluding China)	34,851,700		Total, Empire Countries ...	47,680,500

World's Production (excluding China) = 82,532,200 tons.

Note.—The quantity of rice produced in China, almost wholly consumed at home, is estimated at between 30 and 40 million tons annually. As very little of the Chinese production becomes available for consumption outside that country, it has been ignored in the present computation.

(B.)—STATISTICS SHOWING THE GROWTH IN TRADE OF THE TROPICAL AFRICAN DEPENDENCIES.

I.—WEST AFRICA.

TOTAL TRADE, 1923–25.

	1923.		1925.	
	Gross Trade.	Net Trade.	Gross Trade.	Net Trade.
	£	£	£	£
Nigeria	23,466,864	21,072,791	33,648,510	31,684,005
Gold Coast	17,408,075	15,271,173	20,672,842	18,606,774
Gambia	1,713,407	1,652,949	1,345,638	1,300,122
Sierra Leone	3,557,206	3,007,259	3,999,096	3,569,230
	46,145,552	41,004,172	59,666,086	55,160,131

NOTE.— Net trade = gross trade *less* bullion and specie, and re-export trade.

II.—EAST AFRICA.

TOTAL TRADE, 1923–25.

	1923.		1925.	
	Gross Trade.	Net Trade.	Gross Trade.	Net Trade.
	£	£	£	£
Kenya and Uganda ...	11,278,289	8,254,275	22,228,380	15,660,258
Northern Rhodesia ...	991,653	929,877	1,750,904	1,667,720
Nyasaland	952,547	872,217	1,194,472	1,134,142
Somaliland	557,585	539,941	573,708*	560,368*
Tanganyika	4,561,623	3,450,702	7,230,406	5,722,726
Zanzibar...	4,223,396	3,412,997	3,863,641	3,132,228
	22,565,093	17,460,009	36,841,511	27,877,442

* Figures for 1924 ; 1925 figures not available.

COTTON.

	1923.		1925.	
	Quantity.	Value.	Quantity.	Value.
	Centals.	£	Centals.	£
Kenya and Uganda ...	382,897	2,093,776	785,849	4,694,359
Tanganyika	32,912	177,710	100,848	540,481
Nyasaland ...	21,825	85 649	22,919	96,245
Northern Rhodesia ...	208	898	1,186	6,276
	437,842	2,358,033	910,802	5,337,361

Coffee.

	1923.		1925.	
	Quantity.	Value.	Quantity.	Value.
	Cwt.	£	Cwt.	£
Kenya and Uganda ...	184,400	620,897	177,141	963,920
Tanganyika	80,937	204,987	120,186	481,055
Nyasaland	822	2,305	182	768
	266,159	828,189	297,509	1,445,743

Sisal.

	1923.		1925.	
	Quantity.	Value.	Quantity.	Value.
	Tons.	£	Tons.	£
Kenya and Uganda ...	8,820	236,044	14,363	531,129
Tanganyika	12,845	367,228	18,276	688,451
	21,665	603,272	32,639	1,219,580

Tobacco.

	1923.		1925.	
	Quantity.	Value.	Quantity.	Value.
	Lb.	£	Lb.	£
Kenya and Uganda ...	3,607	51	9,782	141
Tanganyika	15,697	471	108,245	3,092
Nyasaland	5,158,326	257,998	6,917,439	345,872
Northern Rhodesia ...	974,847	62,999	1,447,676	99,796
	6,152,477	321,519	8,483,142	448,901

APPENDIX IV.

STATEMENTS AS TO DEFENCE, 26th OCTOBER, AND 15th NOVEMBER, 1926.

STATEMENT BY THE PRIME MINISTER OF GREAT BRITAIN.

Foreign Affairs the Basis of Great Britain's Defence Policy.

Mr. Baldwin: We have already heard from the Secretary of State for Foreign Affairs an account of our foreign relations, and have had an interesting discussion on the subject. The dominant note of that statement was that our watch-word is the maintenance of peace. It is only in the last resort, and after every means of preserving peace has been exhausted, that we can contemplate the possibility of war. We might perhaps describe our policy in the words of the philosopher Thomas Hobbes, who speaks of—

> "The first and fundamental law of Nature which is to seek Peace and follow it.
>
> "The second the summe of right of Nature; which is by all means we can to defend ourselves."

Close to the northern entrance of Whitehall Gardens there stands a statue to the late Duke of Devonshire, who was Chairman of the Defence Committee of the Cabinet in the late Lord Salisbury's last administration. Behind the plinth will be found the following motto:—

"CAVENDO TUTUS" ("Safe by taking precautions").

These words might well form the motto of the Committee of Imperial Defence, which is our principal organ for the co-ordination of all activities in the sphere of defence.

The Committee of Imperial Defence.

The Committee of Imperial Defence, whose records date from December, 1902, was brought into existence in its present form by Lord Balfour in 1904. He conceived it as a purely advisory body, as shown by the following words he used in the House of Commons as far back as the 2nd August, 1904:—

> "I think that my Honourable Friend need not fear that the Defence Committee will in any sense trench upon the responsibilities which properly lie, in the first instance, with the Admiralty or the Army Department, and, in the second remove, with the Cabinet as a whole. In truth, I think that one of the great merits of the Defence Committee is that it has no executive authority at all. It has no power to give an order to the humblest soldier in His Majesty's Army or the most powerless sloop under the control of the Admiralty."

That Mr. Balfour recognised the special importance of the advisory status of the Committee from the point of view of the Dominions (or "Self-Governing Colonies" as in those days they were termed) is shown by his very next sentence :—

> "I think that it is especially valuable from a point of view not yet touched upon—namely, the relations between the Defence Committee and those Self-Governing Colonies of the Empire over which no Office in this country has any control at all. I hope that when any problem of defence, which touches them nearly, comes up, and even when they take a closer interest in the problems of Imperial Defence as a whole, we may have the advantage of their assistance in our councils. But I am certain that the Self-Governing Colonies will never allow any representative of theirs to come to the Defence Committee if the Defence Committee, with that addition, has the smallest authority to impose obligations, financial, political, military, or naval, on the Colonies which they represent."

The advisory and consultative character of the Committee of Imperial Defence has been rigidly adhered to by successive Governments throughout all the developments of that organization. I must again quote Mr. Balfour's words :—

> "It is quite true that, so far as the Home Departments are concerned, advice from a Committee which contains the Prime Minister and which practically never meets without having the assistance of the Secretary of State for War, the First Lord of the Admiralty, the Head of the Army Staff, the Head of the Army Intelligence Department, the First Sea Lord, and the Head of the Naval Intelligence Department—it is, I say, practically certain that a Committee so constituted is likely to have its advice taken by the Departments."

Broadly speaking, this is true, but the power of decision has always rested with the Cabinet, and I could, if need be, give instances from the records of successive Governments where the Home Cabinet, reviewing a question from a broader standpoint, has modified or even rejected the recommendations of the Committee of Imperial Defence So far as the Dominions are concerned, as Mr. Balfour laid down twenty-two years ago, the Committee of Imperial Defence has not "the smallest authority to impose obligations, financial, political, military, or naval."

Before proceeding further, therefore, I wish to emphasize as strongly as I can the purely advisory and consultative character of the Committee.

Its Composition.

Now as to membership. The Committee consists, and always has consisted, only of the Prime Minister of this country and any person whom he chooses to invite to attend. In the ordinary course

the instructions to the Secretary are to invite the following Ministers and Officials to attend the meetings :—

The Lord President of the Council.
The Lord Privy Seal.
The Secretary of State for Foreign Affairs.
The Chancellor of the Exchequer.
The Secretary of State for Dominion Affairs.
The Secretary of State for the Colonies.
The Secretary of State for War.
The Secretary of State for India.
The First Lord of the Admiralty.
The Secretary of State for Air.
The Chiefs of Staff of the three Fighting Services.
The Permanent Secretary to the Treasury.

But other Ministers, Officers, Officials or experts of the Home Government, the Dominions, and India, are invited as the occasion offers. This elasticity of organisation has proved of the greatest value and is made use of extensively, particularly in the case of the Sub-Committees to which questions are referred for detailed examination and report. This is proved by the fact that in the year ended the 31st March, 1926, the Committee and its Sub-Committees were attended by no less than 430 different persons, including 19 Ministers of the Crown, 6 representatives of the Overseas Empire, 142 Service Officers, 157 Civil Servants, and 48 outside experts.

It will be seen that this elasticity of membership enables the Dominions and India to take advantage of the facilities of this advisory and consultative Committee to any extent which they may desire. They can refer particular questions for advice—as they have done up to the most recent times : they can be represented to such degree as they may themselves desire by Ministers, Officers, or Officials on the main Committee or on its Sub-Committees, as to a limited extent they have done and are doing. They can accept, modify, or reject its advice.

Connection of the Dominions and India with the Committee.

I will now touch briefly on the question of how far the Dominions and India have used the Committee of Imperial Defence. India, let me say at once, has always been closely associated with the Committee. The Secretary of State is, and from almost the earliest days has been, one of those regularly summoned to its meetings, and the Military Secretary and other officials of the India Office are also frequently present. One of the Assistant Secretaries of the Committee has always been an Officer of the Indian Army. Officers of the Indian Army and Officials of the Indian Government have been associated in many of its large enquiries into questions affecting the defence of India in which the Indian and Home Governments are both concerned.

The first instance of the presence of a Dominion representative was in December, 1903, when Sir Frederick Borden, the Canadian Minister of Militia, attended a meeting to discuss various questions

connected with the defence of Canada. In 1909 the representatives of the Dominions at the Imperial Conference on Defence attended a meeting. In 1911, during the Imperial Conference, representatives of all the Dominions attended a series of very important meetings, to which I referred in my opening speech.

Among the conclusions reached at these meetings were the following :—

> "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."

Considerable effect was given to both these Resolutions before the war.

In 1912, meetings of the Committee were attended by Sir Robert Borden (who had succeeded Sir Wilfrid Laurier as Prime Minister) and a number of his colleagues who had come to England for purposes of consultation.

Between that time and the outbreak of war, meetings were attended in 1913 by Sir James Allen on behalf of New Zealand, and later in the same year by Mr. (now Sir Thomas) White and Mr. Burrell on behalf of Canada, and in 1914 by Sir Edward (now Lord) Morris, representing Newfoundland, and later by Sir George Perley. Just before the outbreak of war, Sir George Perley, a Minister of the Canadian Government without portfolio, had become High Commissioner for Canada, with authority to attend meetings of the Committee of Imperial Defence.

The war, of course, involved considerable changes in our defensive system, and I need only mention that the machinery of the Committee of Imperial Defence, tuned up and intensified, was adapted successively to the purposes of the War Committee, the War Cabinet, and the Imperial War Cabinet.

Since the war the opportunities of personal association of representatives of the Dominions with the Committee of Imperial Defence have not been numerous. Owing, perhaps, to the more frequent meetings of the Imperial Conference, there have been very few, if any, visits from individual Dominion Ministers concerned in Defence matters. At the meetings of the Imperial Conference, however, the question of Imperial Defence has been discussed in the greatest detail, and the material prepared as the basis of those discussions, as well as the technical memoranda on Defence prepared for the use of the British Empire Delegation at the Washington Conference, has been organised by the Committee of Imperial Defence. The Imperial Conferences have, indeed, provided an opportunity for a stocktaking of the work of the Committee.

Apart from the personal attendance of Ministers, however, the association of the Dominions with the Committee since the war has been considerable. For example, several of the Dominions are represented on its Sub-Committee on Reduction and Limitation of Armaments. During the last year or two, one of its Sub-Committees has been engaged on a review of coast defences under post-war conditions. The late Prime Minister of Australia (Mr. Hughes) invited the Committee to advise at the same time on the defences of Australian ports, and other Dominions subsequently invited similar reviews. Detailed reports have been forwarded to Australia and New Zealand. In the case of the Australian ports the Committee had the great advantage of the co-operation of several Australian officers. It is hoped to furnish reports to the other Dominions shortly.

In addition, a considerable number of reports approved by the Committee of Imperial Defence have been forwarded confidentially to the Dominions, and in some cases technical suggestions have been received from them, and adopted.

Sub-Committee Organisation.

I do not propose to detain the Conference with a long description of the organisation of the Committee of Imperial Defence. I have mentioned that much of the detailed work is undertaken by Sub-Committees, of which there are at present about 50.

It is necessary to realise that modern war is no longer a matter solely of navies and armies of professional sailors and soldiers, but one in which all the resources of a nation may have to become engaged. This tendency is fully realised in the leading countries of Europe and in the United States, and the great network of Committees is based on its recognition.

Broadly speaking, then, the work divides itself into two main branches concerned with the co-ordination of the Fighting Services and the ancillary work of the Civilian Departments respectively. The whole of this great field of work is co-ordinated by the Committee of Imperial Defence, with the assistance of a small permanent Secretariat. There are three of the Military Committees (using "Military" in the widest sense of the term) to which I should like to make a passing reference in order to illustrate the working of the system.

Most members of this Conference are probably aware that each of our Service Departments is directed by a Board or Council, presided over by a Minister, with professional members whose duties are distributed as follows:—

The first professional member deals with Staff and Policy;
The second with Personnel; and
The third and fourth (in cases where there is a fourth) with Supply, Construction, and Transport.

The Military side of our system of co-ordination is organised on similar lines. The Committee of Imperial Defence corresponds in

a sense to the Board or Council of a Service Department, with the Prime Minister as President. The Committee of Chiefs of Staff corresponds to the First Professional Member of a Service Council, the Man-Power Committee to the Second, and the Principal Supply Officers' Committee to the Third and Fourth Professional Members.

The Committee of Chiefs of Staff.

The Committee of Chiefs of Staff is at once the newest and most important of these three bodies. In addition to his function as adviser on sea, land, or air policy, as the case may be, the Chief of Staff of each Service has now an individual and collective responsibility, as a member of the Chiefs of Staff Committee, for advising on Defence Policy as a whole—the three constituting, as it were, a Super-Chief of a War Staff in Commission. This function has been emphasised by the issue to each of a Warrant signed by the Prime Minister.

One advantage of this system is that, on strategical problems, the Committee of Imperial Defence now receives collective advice instead of separate and possibly contradictory advice from the three angles of sea, land, and air warfare.

The Chiefs of Staff Committee have recently furnished us with a comprehensive review of our defensive situation as a whole.

The Man-Power and Principal Supply Officers' Committees.

The Man-Power Committee deals with the organisation of our man-power in time of war, while the Principal Supply Officers' Committee, which fills in the field of Supply an advisory and co-ordinating function similar to that of the Chiefs of Staff Committee in Staff questions, has suggested that a discussion of general principles might be useful. Perhaps an opportunity might be found to discuss this question in the Committee of Imperial Defence.

Imperial Defence College.

Before leaving the Military Committees I should like to mention that we have recently decided to establish an Imperial Defence College. The Conference is aware that each Service has its own Staff College and Staff Course, where Officers are trained in Staff duties. These Colleges must continue. The function of the new Imperial Defence College will be the training of a body of Officers, and eventually perhaps of civilian officials, in the broadest aspects of Imperial Strategy, and the occasional examination of current problems of Imperial Defence referred to it by the Chiefs of Staff Committee, in which the supervision of the College for professional purposes will be vested. Vice-Admiral Sir Herbert Richmond has been appointed as the first Commandant, and the first course is to begin in London next January. We are hoping that the Dominions and India will avail themselves of the advantages of this new establishment, from which we hope to provide a

considerable stimulus to the further promotion of team-work between the Services, which has already made great progress.

Resolutions adopted at the Imperial Conference, 1923.

I do not propose to discuss in detail the whole of the important Resolutions on Imperial Defence adopted at the last session of the Imperial Conference. Such principles as the necessity "to provide for the adequate defence of the territories and trade of the several countries comprising the British Empire"; the responsibility of "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"; "the primary responsibility of each portion of the Empire represented at the Conference for its own local defence"; "adequate provision for safeguarding the maritime communications of the Empire . . . . " (including, of course, "the safe passage to the East through the Mediterranean and Red Sea"); "the provision of naval bases and facilities for repair and fuel . . . . "; the "minimum standard of Naval Strength, namely, equality with the naval strength of any foreign Power . . . . "; "the desirability of the development of the Air Forces in the several parts of the Empire . . . . " on co-ordinated lines; the desirability of further limitation of armaments, so far as consistent with "the paramount importance of providing for the safety and integrity of all parts of the Empire"; such principles, I say, are the very bed-rock of our Defence Policy. I will only refer in detail to the Resolutions relating to Singapore and Air Defence.

Singapore.

It will be recalled that the last Imperial Conference took formal note of "the deep interest of the Commonwealth of Australia, the Dominion of New Zealand, and India, in the provision of the 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."

Owing to changes of Government here, some delay occurred in the taking of active steps to develop this Naval Base. On the 4th March, 1925, however, after careful enquiry, the late Lord Curzon was able to announce the policy of the Government in the House of Lords. The gist of this policy was that the sites previously recommended for the aerodrome, seaplane station, and floating dock should be adhered to, and that for the present the programme of work to be undertaken should be limited to what is essential to enable the floating dock to be used after its arrival at Singapore.

Steady progress has been made at Singapore in pursuance of this policy. In the meanwhile we have been carefully considering our next step, and we have recently decided to adopt a reduced scheme, put forward by the Admiralty.

At the same time, careful investigations have been made in regard to the defences required for the Naval Base, and we have approved the plans put forward by the Committee of Chiefs of Staff.

Even after allowing for the reductions in the original scheme proposed by the Admiralty, the burden of this expenditure is very heavy. After the most careful consideration we have come to the conclusion, however, that it is vital to the security of the Empire that this scheme should be proceeded with, because it is essential that the Fleet should have full freedom of movement throughout the British Empire.

As I mentioned in my opening address to this Conference, our ability to pursue this scheme has been immensely facilitated by the contribution by the Federated Malay States of £2,000,000, in five annual instalments, towards the cost of the Singapore Naval Base. I must add that a total sum of £250,000 has been contributed in two instalments by Hong Kong, and a gift of land for the Base by the Straits Settlements.

Nevertheless, a heavy burden of expenditure in this matter still confronts us, which, in existing financial conditions, we cannot contemplate without anxiety. As Lord Beatty, I have no doubt, will show, this development is most urgently needed at the present time from the point of view of Imperial Defence. We would therefore ask those Dominions which are specially interested in the Far East to consider most carefully whether there is any way in which they can co-operate in the development of Singapore, either now or within the next few years. There could be no more valuable contribution to the defence of the Empire as a whole.

Measures for Countering and Mitigating Air Raids.

Another matter to which attention has been directed at recent Imperial Conferences is the danger to which this country, and London in particular, would be exposed in certain contingencies from air attack. I am glad to report that we are less anxious on this matter than we were in 1923. Nevertheless, as the countering or mitigation of such attacks is very difficult and requires immense organisation, in addition to the establishment and development of the Home Defence Air Force, we have been conducting a continuous investigation into the precautions of all kinds to be taken in the event of air raids, on which we have made considerable progress. We have also an Expert Committee enquiring into the question of anti-aircraft research. In addition, we have worked out a scheme of Insurance against Aircraft and Bombardment Risks in the light of war experience.

Insurance against War Risks.

The reference to Insurance leads me to mention also that we have worked out plans, in the light of experience gained in the late war, for the insurance of ships and cargoes against war risks in time of war.*

Trading and Blockade.

The Trading and Blockade Committee is engaged in studying, in the light of war experience, all the methods of economic pressure which in the late war were known under the rather inaccurate term of "Blockade," and is presided over by Lord Cecil, who was Minister of Blockade during the war.

Other Activities.

On the many other activities of the Committee of Imperial Defence I have not time to comment on the present occasion, but the Secretary, Sir Maurice Hankey, will gladly give all possible information to any member of this Conference, and, if desired, I will furnish confidentially to Heads of Delegations reports on the various questions to which I have referred, and on other matters.

The same observation applies to the system which we have adopted for the purpose of securing co-ordination and economy on the administrative side of our defensive system in such matters as Contracts, Stores and Supplies of all kinds, Buildings and Works, the Transport, Medical, Educational, and Chaplains branches, Research, and all services common to the three arms. Great progress has been made in this direction, but it is mainly a matter of domestic concern, and I do not propose to go into details here, though I should be glad to furnish particulars to any member of the Conference who is interested.

After the general discussion on Imperial Defence at this Meeting I would propose that, in accordance with the procedure adopted at previous Conferences, the representatives of the Dominions and India should be invited by the Ministers concerned to attend separate meetings at the Admiralty, War Office, and Air Ministry, with a view to pursuing the question of Imperial Defence in its more technical aspects. The matters which the Admiralty, War Office, and Air Ministry respectively desire to raise can be discussed in detail at these meetings. But there are also some more general questions on which we wish to consult you.

I suggest that, a little later, these questions, which affect all three Services, together with any similar questions which may arise, either out of the discussions to-day or out of the meetings in the Service Departments, might appropriately be considered (as at the Conferences of 1909 and 1911) at a meeting of the Committee of Imperial Defence, where we should all be represented.

Apart from these questions, I hope that, as a part of the general policy of improving our methods of communication and consultation on matters of common interest, we may consider how far we can, in the interest of co-ordination of defence, make further use of the elastic machinery of the Committee of Imperial Defence. So far as we here are concerned, we shall certainly welcome your more frequent association and closer co-operation with the work of the Committee on all matters affecting the Dominions or the general defence of the Empire, to whatever extent and in whatever manner you may consider appropriate.

STATEMENT BY THE PRIME MINISTER OF CANADA.

Appreciation of Statements and of Service Demonstrations.

Mr. Mackenzie King: I desire at the outset of my remarks to express appreciation of the comprehensive and illuminating statements which have been made with respect to each of the three Services, and of the clear indication they give of the efficiency of the organization for defence. I wish also to say a word of real appreciation of what has been done by the Services in arranging the extremely effective demonstrations at Croydon, Portland, and Camberley. They have provided exceptional opportunities of becoming acquainted with the almost revolutionary changes that are being made in the art and practice of war, and emphasise the need of all parts of the Empire keeping abreast of the rapid changes and developments occurring in all three fields.

Defence Organization in Canada.

In 1922 the Canadian Government decided to organize one department to contain the three Services and deal with all questions of defence. The Department of National Defence accordingly came into being in January, 1923. This close association of the Services has been, in the main, productive of efficiency and economy, though a good deal yet remains to be done before the organization can be considered complete.

In the Royal Military College at Kingston Canada possesses a Training School for Officers which I believe is recognized as very efficient. The capacity of the College has recently been increased to 200 Gentleman Cadets. It is proposed that in future officers for all three Services will be drawn chiefly from this source.

Army.

In military matters, the general policy of Canada has been the organization and training of our forces on lines similar to those maintained in Great Britain, with the necessary changes required by local conditions. As a result of the experience gained in the past, and particularly in the Great War, Canada has now an organized military force of considerable size, which should be sufficient for peace-time needs, with certain additions and changes to give a better proportion of arms. As war-time experienced officers and other ranks drop out, new problems as to the period of training arise, and the trend toward the mechanicalization of the Army will make it necessary to consider organization, training, and equipment from this angle. We are now in possession of much more equipment, and of a more suitable description, than ever before, though some of it is obsolescent.

The Royal Canadian Corps of Signals is being expanded and used to provide a Wireless Service in the Yukon and Mackenzie River Valley. The extension of this system to the Hudson's Bay and Hudson's Straits is under consideration. The Royal Canadian Corps of Signals is thus able to perform a service of public utility,

while at the same time obtaining valuable technical and practical training.

The peace establishment of the militia of Canada calls for a strength of, roughly, 130,000 all ranks. At present this force is recruited to approximately 50 per cent. of its strength.

Among the steps taken to ensure that the Canadian forces are trained as closely as possible on the same lines as the British may be mentioned the interchange of officers, and attendance of officers at numerous courses in England, including the Staff College, and exchange of visits between staff officers.

Navy.

The policy on which the naval activities of the Dominion are based at present is one of developing the local defence of the waters in the vicinity of Canadian coasts and the approaches to our ports. Also it is considered that any naval programme should, as far as possible, be one which will admit of the personnel being for the most part, if not entirely, Canadian. There is also in effect a system of co-operation in staff work and an arrangement of periodical service with the Royal Navy by officers and men of the Royal Canadian Navy in order that they may be trained to carry out their duties in all respects on similar lines.

In conformity with the above policy it may be stated that in the last five and a half years the personnel of the permanent Canadian Navy has been transformed from 450 officers and men borrowed or specially engaged from Great Britain, and 50 Canadians, to 40 borrowed ranks and ratings and 460 Canadians. The Royal Canadian Naval Volunteer Reserve has been organized in the last three and a half years, and is up to its full authorized strength of 1,000 officers and men. There is also a Royal Canadian Naval Reserve of 150 officers and men. The naval training centres at Esquimalt and Halifax are efficiently equipped to train the personnel of the permanent and reserve forces. A considerable amount of work has been done by the Naval Service of Canada in giving the periodical training required to be carried out by the Royal Fleet Reserve men of the Royal Navy resident in Canada.

Air Force.

Before and during the Great War, Canada had no Air Force of her own, although 10,000 Canadians served in the Aerial Forces of Great Britain in the war against Germany.

Soon after the Armistice, in 1919, the organization of a Canadian Air Force was commenced, and has proceeded gradually, and on the 1st April, 1923, the Royal Canadian Air Force was established on a regular military basis.

The organization and training of this Force has followed closely that of the Royal Air Force, and very substantial progress has been made. Two training centres and six stations (three temporary, during the summer months) have been established in various parts of the country, so as to carry out the several duties of the Royal Canadian Air Force.

The Royal Canadian Air Force conducts flying courses for students of the different Universities, including the Royal Military College. These courses qualify for appointment to the Royal Canadian Air Force, the Non-permanent Air Force, and the Reserve thereto. By an arrangement just made these qualifications are also accepted for permanent commissions in the Royal Air Force.

Officers of the Royal Canadian Air Force are in attendance at the Air Force Staff College, Andover, and at the Naval Staff College, Greenwich. Others are taking courses at various schools in England.

An exchange of officers has recently been arranged, and liaison visits are also carried out periodically.

In Canada at present the Royal Canadian Air Force devotes a considerable part of its energies in carrying out flying for :—

(*a.*) Other Departments of the Government on duties such as Aerial Survey and Forestry Protection.

(*b.*) Promotion of Civil Aviation in its various branches.

These duties constitute most valuable practical training for the personnel employed on them.

The Royal Canadian Air Force has made commendable advances in the civil side of its work. As I mentioned at a previous session of the Conference, immense areas are being surveyed annually, and millions of acres of valuable forest land protected. The work on the civil side is of such a nature that it provides practical training for the Air Force personnel.

Civil aviation has a direct relation to the creation of a Military Air Force, and serves to create a reserve thereto. By the Air Force Regulations an individual who obtains a Pilot's certificate automatically becomes a Reservist.

STATEMENT BY THE PRIME MINISTER OF THE COMMONWEALTH OF AUSTRALIA.

Appreciation of Statements and Service Demonstrations.

Mr. Bruce: Prime Minister, I should like to associate myself with Mr. Mackenzie King in appreciation of the very full review that was given to the Conference on the 26th October, and of the opportunities we have since had of going into the question of defence in detail as it applies to the Navy, the Army, and the Air Force; also for the three displays we have been privileged to see—the Naval Review, the Air Pageant at Croydon, and the Tank Display. We have all been intensely interested, and what we have seen has been of the utmost possible value to us.

Resolutions of 1923 Conference.

In 1923 we passed certain Resolutions dealing with questions of defence. We then indicated our recognition of the fact that it is necessary to provide for the adequate defence of the territories and the trade routes of the Empire. We also subscribed to the view

that it is an obligation on each one of the various self-governing parts of the Empire primarily to provide for its own defence. We passed Resolutions dealing with the question of the maintenance of what is somewhat loosely referred to as the one-power standard and the provision of naval bases throughout the world. The question of co-ordination and co-operation with regard to the training of our various forces in the different parts of the Empire was dealt with and certain special references were made as to the vital necessity of preserving communications with the East, particularly through the Red Sea and the Suez Canal, and also to the question of Singapore. It seems to me very desirable, now that three years have passed, that one should give some review of what has taken place in one's own Dominion during that period. There are also certain points I desire to deal with in connection with naval defence and the Singapore Base which, of course, is a question of primary importance to Australia. It is of the very greatest possible importance to every part of the Empire, in view of the expanding trade which all parts of the Empire are now enjoying, that the trade routes of the world should be ensured in the event of hostilities breaking out so that our trade will not be dislocated.

Defence Policy of Australia.

I would first like to deal with the position as it is in Australia, and what we have done, particularly in view of the fact that we waited until the 1923 Conference had been held to determine upon our defence policy and to lay down the programme we proposed to carry out. The decisions of the Imperial Conference held in October, 1923, in so far as defence is concerned, coincided with the principles upon which the policy of Australian defence of recent years has been based, the crucial point being that the primary responsibility of each Dominion is to provide for its own local defence.

Ordinary Expenditure on Defence Force.

The ordinary expenditure for the maintenance of our local Defence Force—Naval, Military, and Air—now amounts to approximately £5,000,000 annually. That is the ordinary expenditure.

Developmental Programme.

In addition to this annual expenditure, the Australian Government, after very careful consideration of the question of defence generally, and with the object of establishing a definite defence policy upon a sound basis, approved in July, 1924—that, of course, being after the Imperial Conference of 1923 and after we had had an opportunity of considering the decisions arrived at at that Conference—a developmental programme extending over five years, at a total cost of £5,000,000, not including the capital cost of naval construction. That is an ordinary programme of £5,000,000. In addition, a developmental programme for which £1,000,000 a year

is provided, and in which we are now in the third year, was also inaugurated. That developmental programme has proceeded in the following way:—

The Navy.

The enlistment and training of personnel to provide for the manning of two submarines which will be commissioned towards the close of 1926–27, and the subsequent commissioning of two new cruisers and one seaplane carrier.

The filling of one 8,000-ton oil tank at Darwin, and the training of an additional number of Naval Reserve Trainees.

Military.

On the military side, the developmental expenditure includes the purchase of equipment, guns, ammunition, &c., to complete the requirements of the Field Force; the provision of storage and magazine facilities, and additional training for the Citizen Forces generally.

The position in Australia with regard to munitions is that we are going forward, as I will show in a few minutes, trying to bring ourselves to the furthest possible point of providing for our own requirements over a very considerable period. In order to reach that point, it is essential that we should build up a munitions supply, so that should hostilities at any time break out we have at least got the necessary munitions to cover our existing military establishments, and part of this £1,000,000 a year is being employed to add something each year so that at the end of the five years we shall have reached the point we have set ourselves to reach, of being able to meet any immediate emergency which might arise.

Air Force.

In the Air Force the additional money which comes out of the £1,000,000 special expenditure is for building and works generally, to provide additional personnel and equipment, and for the training of the additional personnel for the establishment of new squadrons to be formed next year. Civil aviation, which links with military aviation through the necessity of providing air bases, landing grounds, and other requirements throughout the whole of the Continent, is being dealt with by air route subsidies. In addition, we are doing a great deal of work in connection with the preparation of landing grounds and other requirements and also the establishment of aeroplane clubs.

On the Munitions Supply Branch, which deals, of course, with the work we are doing in Australia towards the establishment of our own munitions supplies, additional machinery and plant are being installed for the manufacture of munitions and also for the maintenance of nucleus munition factories which we are building up under a continuous programme.

Special Expenditure on Naval Construction and Aircraft Equipment.

In addition to the £5,000,000 for developmental purposes, the following special appropriations have been made since the 1st July, 1924, and all these are really part of the five years' programme we then laid down, to try and reach a certain point at the end of the five years' period :—

£5,500,000 for naval construction which includes—

Two 10,000-ton cruisers, building at Glasgow, to be commissioned in 1928.

Two ocean-going submarines, building at Vickers, to be commissioned in 1927.

A seaplane carrier of 6,000 tons, building at Sydney, to be commissioned in 1928.

£500,000 for the purchase of arms, armament, &c., and the survey of the Great Barrier Reef.

£250,000 for the purchase of aircraft equipment, provision of Air Force accommodation, &c.

Summary of Expenditure.

The summary of all those figures is that during the present five years, of which this is the third year, we are spending—

£25,000,000 for ordinary maintenance.
£5,000,000 for developmental purposes.
£6,250,000 for naval construction and aircraft equipment,
making a total of

£36,250,000

This is an average of £7¼ millions per annum, or an annual expenditure of 24*s*. per head of the population throughout the five-year period. For the current year the appropriation is over £8 millions and the average cost is 27*s*. 2*d*. per head.

Defence Organization in Australia.

The guiding principle on which all our defence preparations are based, whether for the Sea, the Land, or the Air Force, is uniformity in every respect—organization, methods of training, equipment, &c.—with the fighting services of Great Britain, in order that in time of emergency we may dovetail into any formation with which our forces may be needed to co-operate.

Close co-operation exists between the Home and Australian Services. Australian liaison officers are attached to the Admiralty, War Office, and Air Ministry, and a free exchange of information takes place. Every possible assistance is given to our officers so that we may be kept up to date, and valuable help is given in connection with the purchase and inspection of stores.

The organisation in our Royal Australian Navy needs no comment—it is similar to the organization existing in the Royal Navy.

The ships of the Royal Australian Navy *in commission* consist of 3 Cruisers, 3 Destroyers, 3 Sloops, and 1 Repair Ship. *In reserve* there are 1 Cruiser, 1 Flotilla Leader, 8 Destroyers, and 1 Sloop.

The principle of interchange of cruisers has been established, and was carried out in 1925 and 1926. I would like to say a special word of appreciation of the assistance that the Admiralty has given in connection with our exchange of cruisers. One of them came back round the world with Sir Frederick Field's Special Service Squadron, and I am certain that the opportunity it has given to our personnel of obtaining training is of incalculable benefit; it also has had the effect of stimulating a much greater interest in the Navy generally, and has unquestionably assisted us in our recruiting for our Naval personnel.

Two Australian cruisers will probably visit England early in 1928 to turn over their crews to the two new 10,000-ton cruisers "Australia" and "Canberra," while H.M.S. "Renown" will be in Australian waters during 1927.

Our Land Forces are organised strictly on the Divisional system followed by the British Army. Likewise, the War Establishments of the British Army have been accepted *without modification* as the War Establishments of the Australian Army.

The Royal Australian Air Force during the current year will attain a strength of 1,200 officers and men. It is organized on precisely similar lines to the Royal Air Force, and its development will eventually provide for the necessary co-operation squadrons for the fleet and for the army, fighter, bombing, and reconnaissance squadrons, besides the ordinary training schools and experimental institutions.

The question of the co-relation of certain branches which are common to the three fighting services, such as medical, intelligence, and supply branches, is under investigation, and the matter will be considered by the Australian Government at an early date.

Training.

(a.) Navy.

The training for our Navy is based on the traditions of the Royal Navy.

The supply of officers is provided for by the Royal Australian Naval College, where the conditions and education are similar to those at the Royal Naval College.

After completion of the College Course midshipmen are drafted to ships of the Royal Navy for a period of two years; other junior officers serve their period of training in the Royal Navy, and in all the Royal Naval training establishments, and a free interchange of Royal Naval and Australian officers exists. For the present, and for some years to come, until the Australian officers have become

sufficiently senior—those, of course, are officers we are training in our own Training College at Jarvis Bay—we are dependent on Royal Navy officers to command our ships and fill other senior appointments, although at present, and for the first time, a Commodore of the Royal Australian Navy, formerly a Royal Navy officer, commands our squadron.

The present strength of the permanent sea-going Force is 5,000 men, of whom 10 per cent. are on loan from the Royal Navy. In 1913, when the Royal Australian Navy was established, over 70 per cent. were borrowed from the Royal Navy. We certainly regard that as an extraordinarily successful advance, having progressed from the point in 1913 where we were dependent on the Royal Navy for 70 per cent. of our personnel to the present time, when we are only supplied with 10 per cent.

Recruiting for the Australian Navy presents few difficulties, and it is anticipated that the call on the Royal Navy will be still further reduced.

(b.) Army.

In the military forces our efforts in training are mainly centred on the production and training of leaders and staff officers, both for the higher formations and commands, as well as for the individual leaders of men. When we laid down this programme at the beginning of 1924, we were naturally very conditioned by the expenditure that would be incurred, and we came to the conclusion that the two lessons of the last war that had to be learned were that it was essential to have an adequate supply of trained staff officers and to have either the munitions or the facilities for producing munitions on a modern basis, and consequently on the training side of the Army we concentrated more on the creation of the necessary staffs to handle a very large body of men, which we believe could be recruited at any time should necessity arise, rather than on a great expenditure upon the specialized training of the individual men.

In this respect, too, we insist on *uniformity* with the methods of training adopted by the British Army. In order that our staffs may become acquainted with these methods every officer of the Permanent Forces is sent abroad, either to England or to India, for a period of one or two years. For some time past we have thus sent abroad from 20 to 25 officers annually. An important innovation in this regard has just been arranged with the Army Council, who have agreed to accept one of our senior Permanent Force officers—Colonel Foster—for six months during next year's training season in command of the 2nd Regular Cavalry Brigade. I would like to add that we are very appreciative of the way in which the Secretary of State for War has met us with regard to that question, because we think it is essential that some of our officers should have the opportunity of holding senior commands during actual training operations here for the experience which they would gain. Similarly, a few weeks ago, in the effort to secure

co-ordination in methods of training of the forces of the Empire, the Indian Government requested the loan of one of our Permanent Staff Officers, Major Solby, for a period of three years as an Instructor at the Staff College, Quetta. We also regularly maintain the system of exchange of our staff officers with those of England and India.

Another innovation during the past two years has been the attachment from time to time for a few weeks to units of the British Army of a number of our Citizen Force officers when on a visit to this country. The attachment has generally been made to a Regular Regiment with which their own Citizen Force Regiment is affiliated, and much benefit is expected to result from the experience gained in such an association of Australian Citizen Force officers with the officers and men of the Regular Army. It is hoped to extend the facilities for attachments of this description in future.

In all the arrangements for the training of our officers in this country and in India, the War Office and the Commander-in-Chief in India have always received our suggestions with the best of goodwill, and we heartily appreciate the efforts they have made to assist us in co-ordinating our methods of training with theirs.

(c.) Air Force.

The training policy of our Air Force follows that of the Royal Air Force. Pilots for the Permanent, Short Service, and Citizen Forces are given the full flying course at the Flying School. Co-operation exercises are carried out with Naval units as and when required. A flight of Flying Boats is at present engaged in the Naval Hydrographic survey of the Great Barrier Reef. Army co-operation is provided at the annual training camps of Artillery and Infantry units, and from time to time when opportunity arises.

In addition to the ordinary peace training, the Air Force carries out a considerable amount of survey and photographic work for the Navy, Army, Government and Municipal Departments. No attempt has been made so far to operate air routes for civil purposes with Service units.

As arranged at the last Imperial Conference, an exchange of officers was instituted and is now in operation. Officers of the Australian Air Force are sent to England to the Air Staff College and other establishments. This year there are six officers under instruction in this country.

The Commonwealth Government has approved of the formation of Aeroplane Clubs with the object of building up a reserve of pilots and airmen and to encourage aviation in Australia generally. Several clubs are in operation and others are under consideration.

Pacific Islands Flight.

At the present time two of our officers are engaged in a flight which includes the East Coast of Australia, New Guinea, Solomon Islands, New Hebrides, New Caledonia, Fiji, and Samoa.

The objects of the flight are a survey of bases for war and commercial aviation purposes, to test the suitability of seaplanes for operation in those waters, and the collection of data of flying conditions generally. I think our action in having sent those two officers down there at least shows that we would be quite sympathetic to the suggestion which the Secretary of State for Air put forward of the possibility of sending an Australian Squadron to Singapore in the event of a contemplated flight taking place there.

Universal Service.

With regard to the conditions of universal service in Australia, the Australian Defence Act provides that in time of war all male inhabitants are subject to compulsory service in the Citizen Forces, but this liability does not extend to service beyond the limits of the Commonwealth unless they voluntarily agree so to serve.

Similarly, in time of peace the universal obligation in respect of *training* in the Naval, Military, and Air Forces is also the law of Australia. For financial reasons, however, during the past four years the law has been slightly modified in its application. It was found to be very expensive to provide facilities for its enforcement in all the country towns and the remote scattered districts of the vast Continent, and the numbers affected and results obtained were not commensurate with the expenditure incurred. It was decided therefore to withdraw from these distant localities and to confine the obligation only to the youths in the capital cities and larger centres, where the numbers available were quite sufficient to maintain the nucleus organization. For the time being, also, the period of compulsory service has been reduced from seven to three years, but voluntary enrolment and continuance of service is permitted and availed of to a reasonably satisfactory extent, in the case of all ranks for cavalry units and in the case of non-commissioned officers for all other arms. The expenditure, if you have a universal training system in the country, is very great indeed, and we deliberately reduced the period and the numbers because of the expenditure and because we believed that it was more valuable to use the funds available in ensuring that we had an adequate supply of staff officers rather than in concentrating entirely upon the individual men.

Equipment.

Naval equipment is on a similar basis to that of the Royal Navy, and the usual complement of reserve stores is always available.

Sydney is the main base for the Australian Fleet, and all docking and refits are carried out there at the Government dockyard.

The New South Wales Government are about to build a floating dock capable of docking a 10,000-ton cruiser. Towards the cost of this the Commonwealth Government are contributing a subsidy. The basis of the subsidy is that the dock is to be a floating dock which we can requisition at any time and tow to any part of Australia and utilise it. That is the basis of the subsidy, and I believe it will be

extremely valuable to have in Australia a floating dock capable of accommodating a 10,000-ton cruiser and capable of being taken to any part of Australia should necessity arise.

The development of Darwin as a subsidiary naval base has been under consideration, and I discussed the value of it with the Naval Officers at the Admiralty when we had an opportunity of discussing these questions with them.

Arrangements are being made for the provision of oil tanks at this port.

In regard to equipment for our Field Army, we are fairly satisfactorily placed, except in the case of some of the auxiliary troops. The deficiencies in these, however, are being gradually overcome in the development programme.

We aim at standardization with British Army patterns in every description of equipment.

At present we have on order with the War Office, for early delivery next year, equipment to the value of approximately one million pounds, including a number of tanks, anti-aircraft artillery, gun ammunition, anti-gas respirators, and a quantity of mechanical transport.

With regard to the provision of equipment and munitions, we are still dependent to some extent for supplies from this country, but this is being rapidly overcome, and we look to become self-supporting in the near future. For rifles, bayonets, and small arms ammunition our factories are already capable of meeting our requirements almost to any extent. For the manufacture of field artillery and machine guns and of gun ammunition the whole of the factory buildings are either completed or in course of erection, and most of the machinery has been installed. It is expected that we shall be in a position to commence manufacture at an early date. With regard to munitions generally, the principle we are working upon is to try and ensure, should the necessity ever arise, the organization and complete co-operation of the whole of the manufacturing and industrial plant in the country, all, of course, being based on the experience of the war. With regard to things which are not manufactured commercially in the country, we are gradually building up a series of factories where they could be produced and organizing them on a nucleus basis with just as much personnel as would be necessary to allow of an immediate expansion taking place.

Orders are being placed for new aircraft and engines, and the whole of our service air units will be re-equipped with the most modern types in the course of the next three years.

Our Air Experimental Section has undertaken the manufacture of aircraft on a limited scale and several firms have engaged in re-conditioning aircraft, engines, and minor spare parts. Two civil aircraft firms are engaged in the local assembly of aircraft from parts which have been imported. There is every indication that local firms have gained sufficient experience to be in a position to commence manufacture of aircraft as soon as there are sufficient orders to justify the outlay required to undertake the work.

Landing grounds are being established on strategical air routes in addition to those prepared for civil aviation purposes. There are 184 aerodromes and landing grounds already acquired and maintained.

Common Concern of all parts of the Empire in Defence.

There is also the question of sea routes for trade, and I suggest that the question of naval defence is not one that is of primary interest, or I should say not of interest only, to Dominions situated as New Zealand and Australia are, far away in the Pacific, but that it affects every one of them because the overseas trade must be maintained. Anyone who has a knowledge of all the figures showing the volume of the seaborne trade of the different parts of the Empire would come to the conclusion that, if that seaborne trade were interfered with, certainly our economic life, and possibly the whole of our national life, would be destroyed. Consequently, in Australia we take the strongest view that it is the whole Empire that is concerned in this problem, and that we all ought to play a reasonable part according to our population and resources.

We make a further point fairly definitely, that Britain herself has much greater responsibility than anybody. She has so much greater volume of trade that under any circumstances she would have to bear a greater proportion than any of us and a considerably larger *per capita* contribution towards naval expenditure. But the view of Australia to-day is that this question of naval defence, particularly the protection of the trade routes of the Empire, is one in which we are all equally concerned, and that something should be done to try and ensure that the burden is a little more equally divided. I have got all the figures here showing exactly what the defence expenditure of the Empire is for 1924–25 and 1925–26. They are as follows :—

Expenditure on Defence by Great Britain, Canada, Australia, New Zealand, and South Africa.

NOTE.—Except in the case of New Zealand and South Africa, Air Force figures include Civil Aviation.

Country.	Year.	Arm of Service.	Amount Appropriated.	Population.	Rate *per Capita* of Population.	Total *per Capita*.
			£		*s.* *d.*	*s.* *d.*
Great Britain	1924–25	Navy .. .	55,800,000	47,250,000	23 7	48 10
		Army	45,000,000		19 0	
		Air Force	14,763,000		6 3	
	1925–26	Navy	60,500,000		25 7	51 1
		Army	44,500,000		18 10	
		Air Force	15,800,000		6 8	
Canada..	1924–25	Navy	291,666	8,800,000	0 8	5 8
		Army	1,877,520*		4 3	
		Air Force	325,208		0 9	
	1925–26	Navy	291,666		0 8	5 10
		Army	1,877,292*		4 3	
		Air Force	391,844		0 11	
Australia	1924–25	Navy	4,681,000	6,000,000	15 7	25 8
		Army	1,813,990		6 1	
		Air Force	552,408		1 10	
		Other branches, including Munitions Supply Branch	656,914		2 2	
	1925–26	Navy	5,143,265		17 2	27 2
		Army	1,553,715		5 2	
		Air Force	811,449		2 8	
		Other branches, including Munitions Supply Branch	644,276		2 2	
New Zealand	1924–25	Navy	333,835	1,320,300	5 1	11 5
		Army	377,189		5 9	
		Air Force	40,365		0 7	
		Other services ..	2,618		..	
	1925–26	Navy	444,215		6 9	12 11
		Army	380,509		5 9	
		Air Force	29,856		0 5	
		Other services ..	2,510		..	
South Africa	1924–25	Navy	68,765	7,150,000	0 2	2 9
		Army	703,784		2 0	
		Air Force	100,877		0 3	
		Other services ..	108,317		0 4	
	1925–26	Navy	67,893		0 2	2 6
		Army	635 566		1 9	
		Air Force .. .	93,875		0 3	
		Other services ..	114,023		0 4	

* Includes £87,500 for Munitions Establishments.

Britain, of course, is bearing a greater proportion *per capita*. The actual figure for Britain for 1925–26, taking the three Services,

is 51*s*. 1*d*., and that for Australia is 27*s*. 2*d*., and it runs down to the point of 2*s*. 6*d*. per head. Well, I do not press the point more than that. I put those figures in because I think they are of some interest, but the only point I would make is that this is a question in which we are all vitally interested, and I think we are all under an obligation to make the best efforts we can to bear our respective shares, particularly as we have secured for ourselves in the Empire a position of equality of status. I suggest that an equality of status carries with it some responsibility to share the common burden of defence, as a set-off against the great advantages we have received in recent years from our connection with the Empire.

Singapore Base.

The only other subject I wanted to say anything about is Singapore. We in Australia have not in any way altered the views I expressed three years ago. At that Conference we went exhaustively into the question whether Singapore was the right spot for a naval base for the Far East. We in Australia were quite satisfied that it was essential that there should be in the East a base where the British Navy could be quartered in the event of any trouble arising in the Pacific, for the purpose both of protecting the territories of the Empire and also of ensuring the keeping open of the trade routes, and our final decision was that Singapore was the place. At the 1923 Conference, I pointed out that we had not then determined upon our defence policy, but that it was essential that we should do so, and I made it quite clear that we would be quite prepared sympathetically to consider the question of contributing towards the establishment of the Singapore Base. After the Conference had been held, and after the principle of the establishment of the Base at Singapore had been subscribed to, the British Government changed and a different policy was adopted, and it was announced quite definitely that Britain did not propose to proceed with the building of the Base at Singapore. We could delay no longer; we had to go forward in the altered circumstances and determine what our defence programme should be for the next few years. We laid down that five years' programme to which I have referred, possibly at some considerable length. I want to make quite clear the position we now find ourselves in in relation to Singapore. Under that programme of 1924, based upon the circumstances as they then were when Singapore was dropped, we went to the furthest limit that financially we could with regard to ensuring our own defence and our contribution towards the general defence of the Empire. As that programme involved the figures which I have given—a figure actually of £36,250,000 over a period of five years—it is very gravely doubtful whether we can now do anything further. I can only say, therefore, that Australia believes that the Singapore Base is absolutely essential, and, while I could not for one second suggest that Australia make any contribution towards its construction in view of the commitments remaining under this five years' programme, I can promise that our position with

regard to Singapore will be discussed in the Commonwealth Parliament after my return, and it will be for Parliament to come to any decision it may think fit.

Limitation of Armaments.

While I have dwelt at some length on the defence expenditure we are making, I want it to be clearly understood that Australia still subscribes to the principle that every effort should be made to bring about a limitation of armaments, and we will be prepared to support any effort which will assist to bring about the removal of the terrific burden which falls upon all countries, subject always to the provision that such reduction in armaments has due regard to our circumstances, and the necessity of providing adequate defence to the territories of the British Empire, and the protection of the world's trade routes.

STATEMENT BY THE PRIME MINISTER OF NEW ZEALAND.

Appreciation of Statements and of Service Demonstrations.

Mr. Coates: I understand that a formal Resolution will be submitted later, and I propose to confine my remarks particularly to the Resolutions of 1923. Before entering upon this subject, however, I should like, with other Prime Ministers, to express my appreciation of the very frank and lucid manner in which the different branches of the Service have placed the position before us. It has been of immense value to me, and undoubtedly will be of great assistance to me and to my Government in considering the problem of defence. The demonstrations that we have witnessed have been exceedingly valuable and interesting. The Naval display will live long in my memory, and the Air display was very striking and has impressed me greatly. The importance of the Air arm is definite. The demonstration at Camberley was intensely interesting, and from an immediate and practical point of view it opened up certain aspects which certainly, as far as I am concerned, did not appeal to me before. It seemed to me that the Army have been applying scientifically and practically in every possible way all the knowledge that they can obtain in providing machinery which can move them about quickly and with a reliability that is most striking. There may be certain people who criticise the Government, and particularly the Army, in respect of the amount of money they spend, but I think we can regard the matter in this light, that at the moment the Army are a clearing-house of many inventions, and I am not sure but that they have been able to demonstrate a number of vehicles and machines that will be of real use in practice, not only from a military point of view, but also civilly and commercially. At any rate, they put these machines through a theoretical test and a practical test, and I can imagine a number of the vehicles that we saw at Camberley being very useful in many oversea countries, and particularly in New Zealand, in putting men and materials well ahead of heavy construction. You can readily understand that with

hydro-electric work, road work, irrigation, and so forth, in a difficult country, the cost of roading in the initial stages is almost prohibitive. Many of the machines we saw could, I believe, be adapted to-day for pioneering work—for getting your material, your men, and everything ahead. I only say this because it seems to me that the taxpayer, if he could think over it, would find he is getting a most valuable asset in the work that the Army are doing, apart altogether from defence. It is evident also that old methods are going; the principle is the same, but the old methods are passing; and not only in the Army, but in the Air Force and in the Navy—and they are all closely allied—they are progressive and up-to-date, and it is encouraging to see that they are keeping abreast of the times. I need say no more in this connection, except to express my personal appreciation of the frankness with which these matters have been placed before us—nothing has been kept back as far as I can see—and of the interest and value of the information and demonstrations.

Principles to govern Defence Policy of Empire.

To revert now to the Resolutions of 1923, I do not think that the principles have been altered, and I consider that the policy should be the same. I agree, of course, with Mr. Bruce that several of us were thrown into a difficult state of mind, to say the least of it, when it was decided that certain alterations in policy should be made—I admit not by the present Administration. That did make it very difficult for us.

Although we are told that the horizon looks peaceful at present, and although great strides have been made towards reducing the possibility of war and limiting armaments, the millennium has not yet been reached, and defence measures are as necessary as ever for our territories and our trade.

The importance of the protection of our trade routes in time of war is brought home, particularly to New Zealand, by reason of our geographical position. Paralysis of shipping movements owing to hostile cruisers or paucity of steamers to lift our produce and bring in our necessities, due to attrition by submarines or other causes, is ever present in our minds.

The bitter experiences in this respect in the Great War have left vivid recollections for most of us. It should also be remembered that our Empire consists of widely scattered territories. Thousands of miles of ocean separate its constituent parts. In this respect it differs vastly from other great Powers, whose forces, both military and naval, are conveniently grouped closely together and can act quickly and unitedly, either for offence or for defence, when the occasion arises for serious action. In our case it is essential that we should have a number of bases, particularly for our Navy, in order that any vulnerable portions of our trade routes, as well as our territory, may be secure from enemy attack.

I think I am voicing the opinion of most people in New Zealand, and I know it is shared by many in England itself, that, while we all would like to do what we can to promote the cause of world peace, until absolute guarantees are forthcoming from other world Powers

it is not safe to enter upon a policy of further reduction of armaments beyond what is necessary to hold our own against any other nation. We must, in fact, be ever ready for any potential enemy.

Protection of Trade Routes.

It is to be remembered that, while the reduction or limitation of armaments contemplated by the League of Nations or elsewhere, and the economies which have been effected, tend to lessen the extent of protection to our commerce, we are daily developing our territories and increasing our trade and seaborne commerce.

To ensure this protection it seems we need two things—more cruisers, and a base to ensure sea supremacy in the East.

Singapore Base.

Concerning the Naval Base at Singapore, it might be urged that India, Australia, and New Zealand are more affected than other portions of the Empire, even although supremacy at sea really touches them alike. I agree with Mr. Bruce that it is very hard to separate the different parts of the Empire. After all, our Empire is built up principally by seaborne trade, and, if one or two portions of the Empire are affected by any dispute, then automatically it must involve those who at the moment may not be so vitally concerned. I think we are obliged to consider that view of the matter.

Could not the burden of construction of the necessary ships be borne in greater proportion by those Dominions who do not consider themselves so vitally concerned in Singapore? As I understand it, the policy of developing Singapore as a Naval Base is approved, and the work is to be continued at considerable cost. That being so, and on the principle that he who gives at once gives twice, it seems important that offers of assistance from the Dominions and India should soon be made.

Defence Policy of New Zealand.

(a.) Navy.

In so far as New Zealand is concerned, the necessity of sufficient cruisers and a base for operations in the East which can command the trade routes of the Pacific and Indian Oceans is fully appreciated in the Dominion, and the policy of provision of these can be thoroughly endorsed. That was shown at the last Conference, when Mr. Massey announced New Zealand's contribution towards the Singapore Base. It is not practical politics at any rate at the present time for New Zealand to build cruisers, but it is her intention to continue her policy of developing her own Division of the Royal Navy, and to maintain cruisers of modern and suitable type, thus relieving the burden of the Mother Country as regards seagoing vessels kept in commission.

I have had an opportunity of discussing in detail the Admiralty proposals regarding the Singapore Base, and the question of New Zealand making a definite annual contribution in this respect will be submitted for the consideration of the New Zealand Government at an early date.

As the cruisers to be taken over by New Zealand increase in size, the provision of suitable docking and other facilities for their proper and efficient maintenance in our waters becomes imperative.

On these lines, therefore, I consider that the New Zealand Government will be prepared to increase their share of the burden which Great Britain has to bear to enable our sea supremacy in any particular quarter to become more efficient, and the details regarding carrying this into effect are now under discussion with the Admiralty.

(b.) Army.

So far as military policy is concerned, it is our intention to proceed on the present lines, that is, in full agreement with the proposals of the Committee of Imperial Defence as regards homogeneity of organization and material, making use of the training establishments in this country and in India—and, in fact, in any other Dominion with which we can co-operate—and frequent correspondence with the War Office, all tending towards closer co-operation.

(c.) Air Force.

Concerning Air policy, here again New Zealand is anxious to continue her development on lines which are co-operative with Great Britain and possibly with Australia, but any commercial development which we may be able to effect must of necessity be slow, and with due regard to what takes place in other parts of the Empire, as we are at the end of a long line and over 1,000 miles of stormy weather and sea separate our centres of population from Australian cities.

Regarding the development of the fighting Air Service, once more I feel that our geographical position to a great extent governs our policy, though co-operation by the Air arm with the military and naval forces of the Dominion, whether for local defences or for overseas expeditionary work, is always kept in view.

Though this small effort may not amount to much, we do not lose sight of the importance to the Empire of attaining and maintaining Air supremacy as a corollary to the principles we have learned in the past of the influence of sea power upon the history of our Empire and of the world.

STATEMENT BY THE MINISTER OF FINANCE, UNION OF SOUTH AFRICA.

Appreciation of Statements and Service Demonstrations.

Mr. Havenga: I should like to associate myself with what the Prime Ministers have said with regard to the keen appreciation which we feel for the manner in which the Naval, Military, and Air Authorities have placed at our disposal all the information with regard to defence matters, and also in regard to the interesting and admirable displays we have witnessed of these various Services.

Defence Policy of the Union.

I would also like, just shortly, to put before the Conference the general defence position as far as the Union is concerned. The underlying principles of our Defence Act of 1912, as amended by the 1922 Act, may be briefly summarized as follows:—

(*a.*) The Union Defence Forces are organized for the defence of the Union in any part of South Africa, whether within or outside the Union.

(*b.*) Every citizen of the Union is liable between his 17th and 60th year to render, in time of war, personal service in defence of the Union.

(*c.*) All citizens between the ages of 17 and 21 are liable to undergo a four years' course of peace training for military service. Up to 50 per cent. of their number (unless Parliament provides for the training of a larger number of such citizens) are liable and required to enter on a course of peace training in the Active Citizen Force. All citizens on attaining the age of 21 who have not been entered for peace training in the Active Citizen Force are to be posted for modified training in Defence Rifle Associations.

(*d.*) After expiry of their four years' peace training, citizens are to be transferred to the Reserve—Class A in the case of those who have served as members of the Coast Garrison and Active Citizen Forces, and Class B in the case of others. They are to continue in these classes to the age of 45, and thereafter become, up to the age of 60, members of the National Reserve.

Our Defence Rifle Associations comprise men of all ages. Owing to their scattered nature, it is not possible to afford training facilities other than musketry and occasional short camps of exercise or wapenskeu. A commencement is being made this year to establish, in a number of selected commandos, a training squadron (which will eventually be 200 strong in each commando) in which the young citizens in those commando areas will receive training which will, it is believed, in time greatly increase the military efficiency of the commandos in which they exist.

Defence of Cape Peninsula and of Simonstown Naval Base.

Up to 1921 the defence of the Cape Peninsula, including that of the Simonstown Naval Base, was the responsibility of the Imperial Government, and the British troops stationed there and at other stations in the Union were available for use in the case of any internal war emergency. After the outbreak of the Great War, the Union Government undertook the whole responsibility for the safety of South Africa, including the Cape Peninsula defences. With the exception of the command staff and a few details, the garrison of British troops was temporarily, as it was then intended, withdrawn. After the war, the question of the entire or partial

resumption of the defence responsibilities previously discharged by the British Government was the subject of negotiation between the British and Union Governments. The decision was then reached that the Union Government should undertake the whole responsibility for the defence of the Union, including the defence of the Naval Base at Simonstown. The British Government handed over to the Union those defences, together with a large quantity of war material and stores, as well as the landed and other property. Approved coast defences are maintained at Table Bay and at the Naval Base at Simons Bay, and the question of making Durban an adequately defended port is under consideration. Since then we have constructed a Graving Dock at Durban capable of taking anything but the largest type of battle-cruiser. This is, of course, in addition to the Royal Naval Dockyard at Simonstown.

The Union defence arrangements, therefore, may be described as aiming at—

(*a.*) Maintaining a quickly mobilizable citizen army capable of dealing with any war emergency that need be contemplated within our borders and with any danger which need to-day be apprehended on any land border.
(*b.*) Discharging the responsibilities we have assumed for our coast defence and that of the Naval Base; and
(*c.*) Affording military training to as many young citizens as our finances permit, so that we may have as large a trained reserve as possible in the case of a major war emergency.

With regard to general organization for war, the policy of the Union Government has been to keep its military organization, so far as its resources permit, in harmony with that adopted by the British Government, and this policy will be continued.

In this connection, I wish, however, to point out that *under our law no citizen can be compelled to render personal war service outside South Africa.*

Union's part in Empire Defence.

The extent of our immediate or ultimate participation would therefore depend on :—

(*a.*) Our National interest in the war being so great that, when the emergency arises, special legislation amending the law in this respect will be acceptable to the country, or
(*b.*) On the popular interest being great enough to ensure, as in the last war, a great number of volunteers.

It may be taken as certain that, if the circumstances were such that the Union desired to participate in such a war, public opinion would be such that there would be no difficulty in obtaining for external service, by volunteering, an infantry brigade, and that further effort would be forthcoming if the situation developed.

From this you will see that we are not in a position to enter into any undertaking without Parliamentary sanction.

On the understanding that nothing will be agreed to which would prejudice the freedom of the Union's decision as to its participation in any particular eventuality, our military advisers have been instructed to discuss all the necessary detail of organization, &c., with the War Office and Air Ministry officials.

While it may be contended that our present expenditure on naval and coast defence works is inadequate in view of our geographical position and the protection we enjoy, the responsibilities we have already assumed must be borne in mind and the fact that these will probably involve heavy capital expenditure in the near future.

Generally speaking, it is submitted that in the present stage of our development the policy which will best serve the interests of the Union as well as of the British Commonwealth is, while discharging the responsibilities we have already assumed in the matter of coast defence, to devote our available financial resources to the training and development of our Air and Land Forces.

It is our Air and Land Forces which from the South African standpoint are most important to us to-day. And, in case of a war in which the Union is participating, it is with these that we shall be able to render most effective assistance.

Air Force.

This brings me to the Air Arm. Our policy is to maintain an Air Force in South Africa primarily for internal security, ready to act instantly as a striking force and to hold and restrict any serious disturbance of the peace during the period that the Citizen Forces of the country are being mobilized and brought into action. It is concentrated at Pretoria, and its mobility is ensured by aerodromes and landing grounds throughout South Africa. One squadron can operate at any point in the Union within one day. In accordance with the decision of a previous Imperial Conference, it is organized and trained on the same lines as the Royal Air Force, thus ensuring easy co-operation with the rest of the Air Forces of the Empire. In connection with the demonstration flights from Cairo to Cape Town, to which reference was made in the Committee on Imperial Air Communications, our advisers have worked out with the Air Ministry most of the details of the flights and have arranged that the Royal Air Force machines which will fly from Cairo next year will combine with our Air Force in the programme of Active Citizen Training at our annual camps at Potchefstroom and Cape Town in the beginning of April next.

This small measure of co-operation represents a beginning of the closer Air co-operation to which we are looking forward. The South African Government are extremely grateful for the invaluable assistance received from the Royal Air Force, who have unstintedly placed the results of their researches and the labours of their training and organization staffs at our disposal.

Coastal Defence.

Finally I come to a question which we feel is of especial interest to us. I have already mentioned the responsibilities we have undertaken in regard to our coastal defence and the fact that we may in this connection be faced with heavy capital expenditure in the near future. We realise and accept the views held that, where expenditure does not matter, the ideal method of coastal defence is a combination of aircraft and fixed defences. It does not appear possible, without weakening either branch to the point of ineffectiveness, to bring about this ideal combination in South Africa and at the same time keep the expenditure within our resources.

When reviewing the policy of South African coastal defence, there are, however, some very important local considerations which may be of great advantage to our South African defence system as a whole. We feel that the present strength of our Air Force is a very bare insurance cover. The employment therefore of aircraft on coastal defence would enormously enhance the strength of our Air Force, as such coastal aircraft could be utilized equally well for military operations inland in any purely local emergency.

Suggested Review by Committee of Imperial Defence of policy of South African Coastal Defence.

I should like, therefore, to take this opportunity of putting forward a suggestion in the following concrete form: That the Committee of Imperial Defence may be asked to review the policy of South African coastal defence, and, on the assumption that in the near future it will be necessary to re-arm some of the South African coastal defences and perhaps to increase the defences at certain ports, and in view of the probable nature and scale of attack against South Africa, to consider whether aircraft could not be more efficiently and economically employed for that purpose; further, to take into special consideration the enormously enhanced internal security which this increase in the strength of the South African Air Force would give, and the additional advantages of (i) coastal reconnaissance including convoy work and anti-submarine patrols; (ii) Air co-operation with the African Squadron, Royal Navy, in gunnery and strategic exercises and increased co-operation with Army coastal units; (iii) possible employment on coastal and fishery survey.*

STATEMENT BY THE PRIME MINISTER OF NEWFOUNDLAND.

Newfoundland's Contribution of Men to the Royal Navy.

Mr. Monroe: Men are the only considerable direct contribution which Newfoundland can make to Empire Defence, under her existing financial conditions. Her men for serving in the land forces possess, perhaps, no virtues not common to English-speaking

* This proposal was accepted by the Prime Minister of Great Britain, on behalf of the Committee of Imperial Defence.

peoples, but experience in the Great War has amply proven, to those who should know best, that her sea-going men have qualities that especially fit them for difficult and important operations at sea. It has been admitted that in conditions that existed very frequently in the North Sea the fishermen of Newfoundland who had been trained in the Royal Naval Reserve had a fitness for rough sea work and for mine laying peculiarly their own. Their lives spent very often in a small boat fishing, and in boat work in connection with sailing vessels, had given them a fearlessness and skill such as only a comparatively small number in the Empire can attain to. It was at one time thought, and even said, that for such men the Navy had no particular need, but this belief was found to be utterly false when the test of service came.

Early in the present century a branch of the Royal Naval Reserve was established in Newfoundland, with a training ship located in the harbour of St. John's, and the training and discipline which were thus afforded had a very valuable effect when the trying time came.

Training of Naval Reservists in Newfoundland.

Newfoundland lost more men at sea in the Great War than the other Dominions put together, but after the war financial considerations caused the Admiralty to withdraw the training ship from St. John's and to abandon the training of Reservists. Newfoundland contributed only a small portion of the cost, and is, unfortunately, not now in a position to offer a much larger contribution, but she is willing to continue to do her share in the work which proved so valuable, and she urges that training at St. John's should be renewed. The Reserve is not needed for her particular defence, and would not be used for that purpose alone or even, in any very striking way, be valuable for her especial purposes. She feels, however, that in offering her men she is tendering a really valuable contribution to the defence of the whole Empire, and not for any selfish considerations. When the Great War began there was not in Newfoundland any regular military organisation of any kind. It was regarded at the outset as improbable that under these circumstances any large number of men would volunteer for the war but to the gratification of the Dominion her youth sprang to arms, with the enthusiasm so universal throughout the Empire; several thousands volunteered and many of them made the supreme sacrifice during service.

Newfoundland's part in Empire Defence.

Newfoundland still has no regular military organisation, and the formation of one has so far not been seriously considered, but her population includes officers, non-commissioned officers and men who have seen service on the battlefield, and who could be made the nucleus of an organisation which would keep alive the patriotic spirit, and train and discipline a force which in time of emergency would prove of value to the Empire. There are in the Colony a

number of voluntary cadet organisations which give a degree of training and discipline to the youth, and from which many would graduate into any senior military organisation which might exist. Here again it must be said that a local military force would not be necessary, and probably not very valuable directly for any purpose confined to Newfoundland itself, but it might be of some advantage within the Colony in any time of turmoil. The chief value, however, would be to the Empire as a whole, in giving opportunities for the training of men who could be used in any part of the Empire in time of need. Such a force, if created, should be enlisted for service within and without the Colony, and, if assistance could be given from without for the organisation and maintenance, Newfoundland might herself be willing to contribute to it. I speak of this suggestively only because it is a subject which has not been considered by my Government, and could not be so considered until some detail has been worked out in co-operation with the military authorities of this Kingdom. I do, however, speak of the Royal Naval Reserve with authority and conviction. The matter has already been brought to the attention of the Dominions Office and the Admiralty, and I may earnestly hope that as a result the Royal Naval Reserve will be re-established at St. John's at a very early date. I would finally like to impress upon you my feeling that indirectly the establishment of naval and military organisations in Newfoundland would have a good political effect outside its boundaries. Our people work not only at home but in the mines and the fisheries of the adjoining Canadian Provinces. In these they meet with a population amongst whom the loyalty and enthusiasm so universal with Newfoundlanders cannot but have a good and widespread effect. Newfoundland is wholly Imperial in her sentiments. Her ties of affection, and even her prejudices, bind her to the British Empire in no weak or common way. She is less affected by influences of countries outside the Empire than any other part of North America. Anything which can closely bind her and keep alive her historical connection with Great Britain and Ireland cannot but prove of great and enduring value.

In conclusion I might mention that we have recently constructed at St. John's, at a cost of two-and-a-half million dollars, a concrete dock, 575 feet long, capable of taking care of ships of 20,000 tons.

STATEMENT BY THE MAHARAJA OF BURDWAN.

Maharaja of Burdwan: I just wish to say a few words. India, of course, subscribes to the general wish for disarmament, but she must not fail to make adequate provision for her own local defence. The burdens involved in making such provision unfortunately render it impossible for India to contribute to the establishment of the Naval Base at Singapore. We are fully cognisant of, and have accepted, the necessity of maintaining uniformity of training methods and equipment throughout the Empire, so far as our special problems permit, and I was very glad to hear Mr. Bruce's testimony to the close relations between India and Australia in this respect. We have been very interested in the equipment shown at the aerial

and military demonstrations arranged for us, particularly in the cross-country motor vehicles for transport purposes. These vehicles offer a possible solution to one of our greatest military problems, namely, the maintenance of our armies in the undeveloped countries over which they may have to operate. I have no doubt also that the Indian Government will co-operate in every possible way with the development of air routes, which is greatly to their own interest.

APPENDIX V.

(A.)—STATEMENTS REGARDING IMPERIAL AIR COMMUNICATIONS, 28th OCTOBER, 1926.

STATEMENT BY THE SECRETARY OF STATE FOR AIR.

Sir Samuel Hoare: The subject for discussion is the question of Imperial air communications. I propose, with the approval of the Conference, to deal with it from the civil as distinct from the military point of view. I would, however, desire to point out at the very beginning of my remarks that the civil and military aspects are inextricably connected and that the development of Imperial air lines, whether by aeroplane or airship, is a vital factor in the problem of Empire defence. I confine myself this morning to the civil side of the question, for the sole reason that the Chief of the Air Staff will develop the military side of it at the meeting that is to be held upon air defence at the Air Ministry on Tuesday next.

Need for improved Empire Communications.

I start by stating two broad propositions that I believe will be accepted without argument or even discussion. Firstly, the Empire is in urgent need of better communications. Secondly, if the communications are to be improved, a sustained and united effort will be required.

At the very moment when better communications are urgently needed, improvements in sea and land transport are being made almost prohibitive by their increased cost. The Prime Ministers of Australia and New Zealand have still to spend over 60 days each upon the journey that they make to and from the Imperial Conference, and, unless a sustained effort is now made to introduce new methods and to apply the results of invention and discovery, they are likely to continue to take over 60 days for many Conferences to come. It is because the history of the development of transport is one long record of doubts and delays and difficulties that I venture to emphasise at the opening of my remarks the

importance of a resolute insistence upon the need for new and improved methods. Let us take warning from the events of a little more than a century ago, when upon the eve of the great railway development a well-known author in the "Edinburgh Review" wrote: "What can be more palpably absurd and ridiculous than the prospect held out of locomotives travelling twice as fast as stage coaches," and demanded that "Parliament shall in all railways where sanctioned limit the speed to 8 or 9 miles an hour," and when the use of steamships was officially discouraged "as calculated to strike a fatal blow at the naval supremacy of the Empire."

I am here to-day to press upon your attention a new method of transport that, although it has only been organised for 7 years, is one of the most effective instruments for stopping the waste of time that is now weakening the vitality and retarding the development of Empire intercourse.

Progress of Civil Air Transport.

We have now reached a turning point, a most important turning point, in the development of airways and air communications. If we look back over the 23 years of flight, indeed, if we only look back as far as the last Imperial Conference in 1923, we must be struck by the speed and the extent of the progress that has already been made. You will see in the comprehensive memorandum* entitled "The Approach Towards a System of Imperial Air Communications" that I have circulated a picture of civil air transport as it is to-day. You will note that wider and wider use is being made of it. Since the last Conference the mileage covered by the regular air routes of the world has more than doubled. You will note the technical improvement that has been made with machines, engines, wireless, and meteorology. Machines have become more powerful, more dependable, and, as I think the members of the Conference who made flights at Croydon last Saturday will admit, more comfortable.

As to safety, what better record could there be than the 5 million miles flown by British services for 4 fatal accidents, and the million miles flown in Australia for a single fatal accident?

Let me remind you in comparison with this record that the Press in 1845 commented with grim irony that "the largest item in railway returns bids fair to be the list of the killed," and even 7 years later, in 1852, declared that "railway accidents are the staple of our newspaper reading."

What better proof could there be of the regularity of the services than the fact that to-day freight insurance premiums per £100 are by air less than half the premiums charged for surface transport? What more conspicuous illustration could there be of the practicability of Empire air routes than the successive journeys of Sir Alan Cobham, and the series of long-distance flights carried out by units of the British and Australian Air Forces?

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* Published in Non-Parliamentary Publication, December, 1926.

Rapid Advance now possible in the Development of Civil Aviation.

These results seem to me to show that after years of research and experiment and adventure we have reached a definite stage in the development of flying, from which we can in the near future make progress altogether out of proportion to anything that has been achieved during the last few years. There is to-day no technical or operational reason why by aeroplane or airship London should not be brought within a fortnight of the farthest cities and territories of the Empire. There is no technical reason why the journey to Canada should not be reduced to 2½ days, the journey to India 5 days, to Cape Town 6 days, to Australia 11 days, to New Zealand 13 days. These claims I can, of course, support by detailed and expert evidence at the Imperial Air Communications Sub-Committee meeting this afternoon. This morning I do nothing more than state them for the purpose of illustrating to the Conference the power of the new instrument that is now within our reach.

Having, then, stated these propositions, let me suggest to the Conference certain ways in which we can make fuller use of this new instrument in the near future. If I speak mainly of British policy and British services it is not because I do not fully appreciate the remarkable progress that has been made with the air routes in Australia, or with air survey work in Canada. I deal chiefly with British routes and British policy because I am for the moment taking London as the terminus of the principal Empire air routes.

Hitherto, whilst certain European services have been safely and punctually operated for several years, there has been no civil air service plying between one part of the Empire and another. In the Middle East an air route between Egypt and 'Iraq has been regularly flown by military machines, carrying mails and official passengers, for 5 years. The route, 866 miles in length, has been methodically equipped with landing grounds and refuelling stations, and over it for 5 years have passed mails and official passengers in as many hours as it would have taken them days by pre-war transport. It was over this route that the Secretary of State for the Colonies and I made our journey to 'Iraq 18 months ago, and it was by means of air transport that we were able to visit in the space of the short Parliamentary Easter recess almost every important point from Cairo to the Anglo-Persian oil-fields.

An Empire Air Route to the Far East and Australia.

You will see in my memorandum that we now propose to substitute in place of this military service a regular civil line, for the carriage of freight and passengers, not only between Cairo and Baghdad but between Cairo and Karachi. My wife and I propose to make the opening journey on this route at the end of the year, and already time-tables have been issued and passages booked for the subsequent flights. The service will in itself be of great interest, for it will enable us to test the demand for the saving of 7 or 8 days in the journey between England and India. Since there is as yet

no air route between England and Egypt, a passenger will go by land and sea to Cairo or Gaza, and there change into one of the new three-engined aeroplanes. But the essential importance of the route greatly transcends the saving of 7 or 8 days that will be made in the journey between England and India. Its real significance lies in the fact that it is the first section of the great Empire air route to the Far East. It is for us to consider whether the other sections could not be completed and a through air route created of incalculable importance for both military and civil communications. I do not wish at this stage to overburden the Conference with details. The Sub-Committee upon Imperial Air Communications will have an opportunity of fully investigating the possibility of the project that I am now discussing. May I, however, in passing, offer certain suggestions for carrying this proposal into effect that the representatives of the Dominions may desire to consider at their leisure?

Would it be possible for the Government of India to consider the question of extending the service across India from Karachi to Bombay and Calcutta? Would it be possible for the Government of Burma to consider the possibility of carrying it a stage further, to Rangoon? Might it not then be practicable to link with the civil line experimental flights of the Air Force flying boats that it is intended to station in the Far East, and might they not again join up with occasional service flights of the Royal Australian Air Force from Australia? I do not expect answers to these questions at a moment's notice. I do, however, hope that we shall be able to consider them in some detail at the Sub-Committee. If in the not remote future links can be inserted in some such way as I have suggested, a long chain of great tensile power will have been forged across the Empire's framework.

An Empire Route through Africa by way of Egypt.

So also with Africa. Just as there must be an Empire air route to the Far East stretching to Australia and New Zealand, so there must be an Empire air route from London to the Cape with branches diverging to the West African Dependencies. Here again a beginning, I admit a small beginning, is being made during the next few months. An enterprising pioneer, with the help of the Governments of Kenya, Uganda, and the Sudan, has organised an experimental service covering 1,400 miles between Khartoum and Kisumu. As the route follows the course of the White Nile the machines will be hydroplanes. If this service is successful, from 10 days to a fortnight will be saved in the journey between Khartoum and Uganda, and 8 days between Khartoum and East Africa. Why should not the northern and southern links be forged in this African chain, and a through aeroplane service run at least experimentally between Egypt and Cape Town? This would mean the addition of the northern link between Egypt and Khartoum and the southern link between Kisumu and Cape Town. I am prepared to say that we will attempt in the course of the training programme of the Royal Air Force to arrange for a certain number of flights,

carrying mails and official passengers, to link up with the civil machines at Khartoum. Would it be possible for the South African Government to consider whether the South African Air Force could not make a certain number of flights linking up with the route in Uganda?

The first great African flight was brilliantly carried out by a famous South African pilot, whom we welcome here this morning. Whilst it would be impertinent for me to press unduly the South African Government, I hope that I may be allowed to say how greatly we should value the co-operation of the South African Air Force in the pioneer work of organising the route that has already been rendered illustrious by the flights of Sir Pierre Van Ryneveld, Sir Alan Cobham, and Wing-Commander Pulford.

In the meanwhile we in Great Britain should be interesting ourselves in forging the link between London and Egypt. Already we have made considerable progress with the development of flying boats that will be suitable for the passage of the Mediterranean, and attention is being constantly given to the difficulties that have hitherto blocked the way to an England–Egypt service.

Co-operation of Dominion Governments needed.

You will see from what I have just said that I am proposing for your consideration the creation of these two long-distance air routes, the first to the Far East and Australia and the second to Cape Town, upon what I will call a mosaic plan. We are all too hard up for any one of us to undertake the heavy cost of an air route to Singapore or an air route to Cape Town. If, then, we are to form these routes, we must each of us insert our particular stone in the design. I have suggested a way in which we might each take our share and in which, what is no less important, military and civil aviation might co-operate at least for the pioneer work. If the Royal Air Force undertakes a certain number of service flights in conjunction with the civil lines, and the Governments of South Africa and Australia allow their Air Forces to co-operate with us, not only shall we be obtaining valuable military training for our service units, but we shall also be making possible the experimental transport of mails and passengers over a large section of the British Empire. My proposal, as you see, involves no subsidy, it involves nothing more than co-operation between one Government and another and between military and civil flying. If a certain number of pioneer flights can be successfully carried out in this way, I am certain that the formation of regular civil lines will follow as inevitably as the Cairo–Karachi service has followed the military mail across the desert.

There is another very important field where we need the co-operation of the Governments of the Dominions and the Dependencies in whatever part of the world they may be situated. If these routes are to be created and safely maintained, it is essential that landing grounds should be formed at the proper intervals, and that these landing grounds should be kept in good order. I cannot too strongly emphasise this need for good landing grounds kept

in proper condition. After each of his great flights Sir Alan Cobham has declared that good landing grounds are a first condition of success. Will the Governments of the Empire, whether of the Dominions or Dependencies, take their share in providing suitable landing grounds upon the great Empire routes and in keeping them in good order? I propose at the Sub-Committee to go further into this question and to provide the members with a list of the principal landing grounds required upon the great Empire air routes, with a view to seeing whether each Government could not undertake the responsibility of keeping in order those within its territory.

Opportunities for Development of Branch and Internal Aeroplane Services.

I have now dealt in outline with the two main aeroplane routes, the route to the Far East and the route to Cape Town. Whilst I have purposely concentrated my attention on these two great trunk lines, I do not wish it to be thought there are not wide opportunities for starting branch and internal lines. Australia has already pointed the way by her successful development of at least 3 long-distance regular services. There are great opportunities for air communication in the West Indies; judging from Belgian experience in the Congo almost incredible saving of time can be achieved by internal air lines in Africa; whilst nearer at home with a comparatively short service the Irish Free State could link Ireland with the great air routes of the Empire and the world.

Airships for Long-Distance Non-stop Journeys.

I pass, however, without further comment upon the Empire aeroplane routes, to the Empire airship routes, and to a field of research, experiment and trial that we have been extensively exploring since the last Imperial Conference. Certain of the Delegates to whom this field of flying development may be less familiar than the field of the aeroplane may harbour in their minds two grave doubts about the machine that is lighter than air. Why, they may ask themselves or me, should the Empire require both airship and aeroplane routes, and how can airships be ever immune from the catastrophes that destroyed the R.38, the Dixmude, and the Shenandoah? Let me try in a sentence or two to give the answer to both these questions.

As to the first, airships will carry out the long-distance non-stop air journeys of the future. The two airships that we are building should, with a normal load of freight and 100 passengers, be able to fly without refuelling in good weather a distance of some 4,000 miles. The airship, being of great size and practically silent, will be much more comfortable than the aeroplane for long-distance journeys. How comfortable it can be made is illustrated by a model that I have had erected for the Sub-Committee at the Air Ministry. The representatives at the Conference will find that accommodation is being planned for 100 passengers, promenade decks, outside cabins, and ample smoking and dining rooms. The

aeroplane and the airship are really complementary to each other, and it is necessary, in my view, to organise both aeroplane and airship lines, the long-distance aeroplane lines being invaluable for short-stage traffic and for strategic as well as civil purposes, and being particularly needed at the present time when our airship programme is still in an experimental stage.

Possible Dangers to Airships provided against.

Then there is the objection, and a very serious objection, raised on the ground of danger. There is the danger inherent in so large and fragile a structure; there is the danger of storms of unexpected and incredible ferocity; there is the danger of conflagration in a ship composed of highly inflammable material. How can dangers such as these be ever surmounted? I would like the Conference or the Committee to examine my experts as fully as possible upon all these points. I need not tell you that, being a very cautious person myself, I have examined them again and again upon them. They and I are very far from being reckless optimists. Indeed, our attitude towards this great problem has been well described by a well-known Cambridge scientist as an attitude of "healthy cold feet." What I would say without fear of contradiction is that great progress has been made on both the theoretical and practical side during the last two years, and that we can claim to have made the fullest possible use of scientific theory, of full-scale and model experiment, of the testing of materials, and, by no means least important, of the study of meteorology. We believe that we have discovered many of the weaknesses and surmounted many of the difficulties that occasioned the failures in the past. I will give you two or three instances of what I mean. The structure of both the airships that are being built will be incomparably stronger in the matter of material than the structure of any airship that has been built in the past. I hope that the members of the Conference will find time to visit our construction shed at Cardington, where they will see for themselves the great advance that has been made in both design and material over anything that has been previously attempted. As to weather, the pages of my memorandum describe in great detail the intensive study that the Meteorological Department has made of the conditions of the air over these shores and on the route to India. You will find on pages 18 and the following a series of most interesting maps showing the scale and detail to which the study of weather conditions has been carried. Accurate climate and weather reports are quite essential to the development of airship routes, and not only from the point of view of safety. For it should be remembered that, whilst from the point of view of safety it is essential that the airship should be able to avoid storms by means of weather warnings, it is no less necessary in the interests of speed and economy that the airship should make the fullest possible use of the prevailing winds upon the various routes.

There is another way in which the danger of sudden wind currents has been met. Representatives of the Conference will see at Cardington the newest type of mooring mast. The mooring mast is a post-war invention of great importance from the fact that it enables the airship to be easily moored without the risk involved of pulling a structure 700-ft. long into a shed.

Then again, we have tried to meet the danger of conflagration. The airship that is being built at Cardington will be equipped not with petrol but with heavy oil engines. This change shows a great advance in the way of safety, and particularly in the case of airships operating in tropical climates.

Mooring Masts and Meteorological Services in Overseas Countries for Demonstration Flights.

In all these directions, then, we have made a serious and scientific effort to avail ourselves of the lessons of the past, and to avoid the dangers that have hitherto been so formidable. Slowly but surely our programme has been developing. In a year's time the two great airships should be completed. It is then proposed to carry out adequate home trials and subsequently to fly at least one of the airships regularly to and from India for a full period of trial in tropical conditions. When these trials are completed, it is hoped, if the Dominions so desire, to make demonstration flights to the capitals of the Empire. The details of this programme I hope to discuss fully at the Sub-Committee. To-day I desire only to emphasise one very important feature of it. If the demonstration flights are to take place to Australia and New Zealand, to Canada and South Africa, the co-operation of the Dominion Governments is essential. We cannot fly the two airships to the Dominions even for demonstration flights unless two conditions are satisfied. Firstly, there must be mooring masts to which the airships can be attached at the end of their journey. Secondly, there must be meteorological data upon which the choice of dates for the flight can be based, and a meteorological organisation for keeping the airship supplied with the necessary weather intelligence. These two conditions are vital to the programme, and, what is more, they are very urgent. Although the expense need not be heavy, the provision of masts and meteorological organisations takes a considerable time to complete. I am advised that this provision will take as long as two years to carry into effect. You will at once see the bearing of this fact. If the programme of demonstration flights is to be carried out without delay, the orders for the mooring masts ought to be given immediately and arrangements made without delay for the meteorological organisations. I have with me the estimates of cost for the masts and meteorology, and I am prepared to discuss them either at the Conference or at the Committee, according as is more convenient. I will now only say that the provision of both masts and meteorology does not involve any very large sums—the masts and their equipment may cost £70,000 apiece, and meteorology should not entail more than a relatively

insignificant expenditure. I much hope, therefore, that the Dominions concerned will examine as sympathetically as they can my request that they should, by ordering without delay the masts and by organising the necessary meteorological services, enable us to carry out without check or hindrance a series of demonstration flights that may mean a revolution in the means of Empire communications.

Commercial Airship Lines with the Dominions—Imperial Air Conference suggested.

There is a further and no less important side of airship development that I desire to discuss in detail at the Committee —the question of developing this stage of airship experiment into the further stage of commercial airship operation. I wish to see a commercial airship line started at the earliest possible moment between Great Britain and the various Dominions. When it can be started and how it can be started are questions that I suggest that we should discuss at the Committee. It may be that we shall find that the question must be kept under the closest attention during the remainder of the experimental period, and that further conferences are necessary between the Dominions and ourselves before the normal date of the next Imperial Conference. Will it be possible to hold some time between now and the next Imperial Conference an Imperial Air Conference at some suitable centre in the Empire, where we could discuss the quick developments that are constantly taking place and, in particular, give our attention to the question of forming a commercial company or companies for operating airship lines? I am most anxious that we should not lose any opportunity for starting these lines. At present we are ahead of any other nation in the development of airships, and we have the chance of founding within the Empire an airship industry and the first airship lines. Let us hope that an experiment that means so much to the life of the Empire will prove successful, and let us lose no opportunity for co-operation in starting the airship lines.

The Aeroplane as an Instrument of Peace and Imperial Unity.

There then, I fear at very great length, is a picture of the Empire air route programme upon which I ask for your advice and co-operation. I do not believe that I am either a fanatic or a visionary in asking your support for these schemes. If they prove successful they may give a physical unity to the Empire that it has never possessed before. Hitherto the invention of flying has brought more harm than good to the Empire and to the world. The aeroplane, the symbol of the terrible methods of modern warfare, has made these shores for the first time for centuries vulnerable to foreign attack. It has added to the budget of national expenditure, it has complicated almost every problem of defence. Let us try to redress this balance by insisting that the aeroplane

shall be used not only for the purposes of destruction but also for the objects of peace and goodwill. Hitherto the air has been the scene of glorious though terrible conflicts; it has been the background from which death and destruction have been hurled upon camps and cities. The purest of the elements was not intended for the destruction of civilisation by high explosive or poison gas. The invention of the flying machine, which the pioneers of successive centuries strove to achieve, was meant for something better than an instrument of concentrated frightfulness. With the horror of the last war in our memories and the limitless terrors of any future war in our minds, let us make the air a highway of peace, and the aeroplane an instrument, not for severing nations and destroying civilised life, but for making closer and more constant the unity of Imperial thought, Imperial intercourse, and Imperial ideals.

STATEMENT BY THE PRIME MINISTER OF CANADA.

Co-operation of Canada in Air Communication Schemes.

Mr. Mackenzie King: Prime Minister, we have, I think, been thrilled, if I may use that word, by the survey that has been given us by the Secretary of State for Air of the Air Communication programme of the Empire. It is difficult to find words wherewith adequately to describe it; it was certainly fascinating, one would be inclined to use the word "romantic" if one did not know how practical the Secretary of State for Air is. I think I may say it is prophetic. It certainly suggests a solution of many of the problems of communication between different parts of the Empire to which hitherto distance has presented formidable barriers. Following the comprehensive survey of the Secretary of State for Air, I rather hesitate to say anything about what Canada has been seeking to do by way of developing its Air Service in co-operation with other parts of the Empire, but it might be of interest to say a few words on what has thus far been attempted. May I, first, say in regard to the specific request which the Secretary of State for Air has made that the Canadian Government will only too readily co-operate with the British Government in the way he has suggested, by immediately taking steps to see that mooring masts to secure the landing places for airships in Canada are erected; also that the work of meteorological organisation is commenced forthwith.

Progress of Civil Aviation in Canada.

Canada is assisting civil aviation by doing pioneer work; by establishing air harbours and aerodromes; by training civilian pilots; by design and manufacture of new types of machines, and by the training of mechanics in technical schools.

The extent to which Canada has carried out civil aviation work is reflected in the memoranda supplied for the use of this

Conference, where considerable prominence is given to the Aerial Survey and Forestry Protection work carried out in the Dominion.

Canada is well supplied with railways. Thus far, therefore, aerial transportation in Canada has been confined to the remoter districts where there is little or no traffic. Each year a certain number of passengers have been successfully carried, chiefly police, prospectors, mining engineers, forest rangers, explorers, Indian agents making treaty payments, &c. These have been conveyed in a few hours across undeveloped country where the only other means of transportation was by canoe or on foot, involving journeys of weeks.

In other directions civil aviation in Canada has reached a comparatively advanced stage.

Air Survey Work.

Air survey work has been developed to a greater extent probably than by any other nation, and a great deal of mapping of undeveloped and unexplored country has been accomplished, or is in the programme for future work.

Aerial photography has been greatly developed and the visits to Canada of Colonel Winterbotham, of the Geographical Section, General Staff, War Office, and Colonel Ryder, of the Aerial Survey Company, have helped to bring about close co-operation between Canada and the other parts of the Empire, to the mutual benefit of all concerned. Our aerial survey work is assisting in the development of the new mining areas in different parts of Canada. When the Red Lake district was opened up in the spring of this year maps were available for the whole area for the use of the pioneers coming in. This would have been absolutely impossible but for the aerial surveys carried out by the Royal Canadian Air Force and the Topographical Branch, Department of the Interior.

Aerial photography has also revolutionised the method of timber cruising—determining the character of the timber in any area. It is easy to detect the different types of timber from an aerial photograph, and a far more detailed knowledge may be thus obtained of the character of a forest area than by the earlier methods and in a fraction of the time.

Another main duty of the Aerial Services of Canada, Dominion and Provincial, is Forestry Protection. In no part of the world has it reached such a state of efficiency as in Canada. Daily patrols of the forest areas are carried out, reports sent by wireless telegraphy and telephony immediately a fire is spotted, and fire fighting personnel and equipment carried to the scene. In this connection, the use of wireless telegraphy and telephony both ways—from the aeroplane to the station and from the station to the aeroplane—has been brought to a high state of perfection.

Research work has been carried out, by a Committee under Colonel Tory as Chairman, as the result of the last Imperial Conference, and a certain amount of research work in aerial dynamics has been accomplished at Toronto University.

Canadian representatives are now in daily touch with those in charge of civil aviation and with companies undertaking aerial surveys in the British Isles and other parts of the Empire.

We have effected an arrangement with the Air Ministry whereby we will interchange with them a Civil Aviation Officer so that Great Britain and Canada will each be able to benefit by the experience and work of the other.

We have developed machines specially suited to Canadian conditions, both seaplanes and aeroplanes being manufactured in considerable numbers. Generally, all possible encouragement is being given to the manufacture of aircraft.

Other channels into which civil aviation in Canada has been directed are :—

The investigation of rust diseases in wheat in the Prairie Provinces, and the method of transmission of the spores.
Fisheries Protection Service.
Prevention of smuggling.

The following are some statistics relating to the year 1926 :—

56 million acres of forest patrolled on fire duties.
227 fires spotted.
224 fires suppressed.
8,335 square miles of vertical survey carried out.
40,000 square miles of oblique survey carried out.

It may be claimed that aviation has a great future before it in Canada in the development of the unsettled parts of the country. It will be useful, for instance, in the near future in opening up the country in the northern part of Saskatchewan, where a great National Park is projected.

Perhaps it may be said, without any idea of boasting, that Canadians have a special aptitude for flying, as borne out by the fact that 10,000 were engaged in flying duties in the Royal Air Force during the late war, and among them were some of the most notable pilots.

As civil aviation has a direct relation to the creation of a Military Air Force and serves to create a reserve thereto, in this field Canada may be in a position to lend very great assistance in Imperial Defence. By the Air Force Regulations an individual who obtains a pilot's certificate automatically becomes a Reservist.

Regulations have been prepared governing the formation of an Air Force Reserve and outlining the organisation of an Aviation Association with branches in each Province.

Finally, when it is desired to extend an airship service to Canada the Canadian Government will be ready to consider methods of co-operation, as for example, as I have already mentioned, by the establishment of air bases. Possibly Canada will also be able to assist by the provision of helium gas, which can be extracted in the Dominion.

STATEMENT BY THE PRIME MINISTER OF THE COMMONWEALTH OF AUSTRALIA.

Establishment of Air Routes a Solution of the Problem of Empire Communications.

Mr. Bruce: Prime Minister, I am sure we have all listened with very great interest to the statement that has been made by the Secretary of State for Air this morning, which certainly holds out prospects of a solution of one of the greatest problems we have been faced with in the Empire, that is, the reduction of the period necessary for the conveyance of mails and of passengers from one part of the Empire to another. I quite agree with him that where we are on the brink of such a tremendous development as this we must not allow our minds to get into the same state as those of our forefathers when an accelerated means of transport was offered to them in the railways which had just been opened up. Remember the experience we have had of the flight of the Smith Brothers to Australia, and particularly the flight of Parer and MacIntosh, which, I think, has never received sufficient recognition. Those two boys set out to travel round the world; they had no proper preparation made; they had a single-engine machine which I understand was more or less tied together with string; and yet they travelled 12,000 miles and landed safely. And now we have the final journey which was undertaken so recently by Sir Alan Cobham. While those flights are only individual efforts, I am certainly optimistic enough to believe that what can be done as a pioneer adventure will be followed definitely by the establishment of air routes and means of communication for both passengers and mails.

Co-operation of Australia promised.

It is only necessary to look at what has been done and the distances that are being flown regularly at the present time to understand the practicability of the ideas for further development which the Secretary of State put forward. His idea was that there should be an air service from Karachi to Bombay, and then across from Bombay to Calcutta and down to Singapore and on to Australia. It does not seem to me that the difficulties are insuperable in the way of accomplishing that. There is one great stretch which you have now in contemplation, to turn into a regular commercial service the flights made by service machines from Egypt to 'Iraq, 886 miles. In Australia we have one regular service of 1,442 miles, which goes both ways every week and has never had an accident at all save one prior to the opening-up of the commercial service, so that I do not think there is anything impossible in establishing such a means of communication with Australia. If India and Burma will co-operate in the way that has been suggested, we most certainly would be prepared to consider the question of doing our part by way of experimental flights with the British Squadron which I understand it is contemplated to send

out. Such flights would, of course, have a very valuable training aspect in addition to the useful work that would be done in ascertaining the possibility of establishing a commercial air route down from Singapore to Australia. All those questions I imagine will be rather more fully thrashed out when we come to discuss the matter in a Sub-Committee.

Air Routes operating in Australia.

The only point on which I would say a word is in connection with the services that have been established in Australia, because I think they point to the fact that commercial flying is now established on a practical basis and that you can cover great distances with very great advantage. The Secretary of State referred to the fact that both Mr. Coates and I have sixty days of travelling to and from the Imperial Conferences. On the present occasion I was able to do 500 miles by aeroplane on the basis really of hiring a taxi. That is all it is regarded as in Australia now, and by that means we saved a four-days' railway journey across the Continent. There is another flight we should remember in connection with Australia and that is the flight of the Italian, Pinedo, who came to Australia and then went right on up to Japan and came back to Italy without any misadventure at all. With regard to these routes in Australia, it is now quite a common and accepted thing to go by air if you have a journey to do over any of these long distances. The routes that are actually open are from Perth to Derby in Western Australia, which is a distance of 1,442 miles right round the coast of Western Australia. That service makes the trip both ways every week. It is quite a regular thing for travellers to go by air to the north of Australia. The Western Australian Service carried during the first month of its operation 577 letters. This total has now been increased to about 25,000 per month. On the other side of the Continent there is a route in Queensland from Charleville to Camooweal which extends for over 825 miles over which there is a weekly service in each direction. When I was in Queensland last time we saved a tremendous amount of time by merely using the ordinary regular commercial service. There is another route operating now which goes from Adelaide to Cootamundra, a distance of 578 miles, over which a service is maintained weekly in each direction. There are connections from Broken Hill to Mildura which is 189 miles and from Melborne to Hay which is 233 miles. Over both these routes a service is run twice weekly in each direction. The total of those regular routes which are running commercial services is 3,267 miles. It is contemplated to go progressively on and link up those various routes. There is another contemplated to go out into the Northern Territory from Camooweal into the region of the Daly Waters and conceivably work across to Wyndham, which is a proposed extension of the Derby route. We would then have a continuous connection right round from Perth to Charleville in Queensland, which is the terminus of the Queensland route at present. These services would run through sparsely populated

districts which in many cases are without railway communication. Those which are already in existence have proved of inestimable value to settlers in the outback, by carrying mails and light freight, and by conveying medical aid or transporting sick and injured to hospital. There are other routes contemplated to connect Hay with Charleville and also connecting Charleville with the coast and Brisbane and conceivably working down to Sydney. There is also another route running up north from Cloncurry on the Queensland route, which will connect up to the base of the Gulf of Carpentaria at Normanton. All these routes are actually to-day in contemplation as things that will be done within the next few years and things which it is essential to do in order to open up the country properly and get the necessary means of communication. That will involve, of course, thousands of miles being flown every year in Australia in addition to what is being done to-day.

One further contemplated air service of considerable importance to Empire development would operate on the trans-continental route between Perth and Adelaide. The idea would be to cover this distance within 24 hours, including night flying over the central section where the conditions for such work are ideal owing to the flat country, the clear air, and the perfectly straight 300 miles of railway line which would serve as a guide to pilots. If this service were instituted, large savings in time could be made in the carriage of overseas mails to the Eastern States. English letters could be delivered in Adelaide and Sydney 3 days, and in Melbourne 4 days, earlier than at present. Replies from Adelaide and Melbourne would be enabled to catch a mail earlier than at present. The present basis is that with the routes now opened up the aggregate distance the services cover is 3,267 miles, and actually 7,378 miles are being flown every week, 383,000 miles a year, by direct commercial service—not merely a service carrying mails but a service carrying passengers, which is used as an ordinary means of communication.

I point to those facts because I think they show that this thing has progressed far from the stage of being an experiment. It is an accepted means of communication now in that country where we are faced with vast distances. Equally it must be accepted as being a means of communication and connecting up of the Empire and bringing us all closer together. Moreover, my Government believes that commercial aviation will afford us that reserve of personnel and machines which in an emergency would be necessary to our fighting forces.

Provision of Landing Grounds in Australia.

There is, of course, a tremendous amount of work to be done in the direction which the Secretary of State has pointed out. Landing grounds are the essential thing. You must have proper landing grounds or your service will never be able to operate successfully. There is a great deal of work being done in Australia. The Government is going ahead in the provision of landing grounds, and one interesting fact is that the Controller of Civil Aviation

who went to Port Darwin to meet Sir Alan Cobham when he was journeying to Australia went up on one route where there were complete landing grounds provided and came back by another route, not using the same landing grounds on his northern and southern journeys, so that there is a considerable amount of that preparatory work already done. In all, 133 landing grounds have been acquired or leased and prepared for civil aviation purposes. There are also 11 private licensed aerodromes in use. I can assure the Secretary of State that, if we get towards the point of its being practical to continue the service right from Britain to Australia, there will be no difficulties at all once we get to Australia with regard to landing grounds.

Value of Internal Air Services in Australia.

The basis on which our present services are running is that the Government subsidises them and provides the landing grounds to which I have referred. The Companies themselves provide hangar accommodation and workshops and the other requisites.

The subsidy which we pay at present varies between 3*s*. 3*d*. and 4*s*. a mile, and I think it will be necessary to keep somewhere on that basis for a time at all events. The services rendered are of such a character that it is quite worth the while of the Commonwealth Government to pay the subsidy to ensure that these routes are being operated and the services provided. Quite apart from the mails, the carrying of passengers, and the other services they render there is the extraordinary effect it has on the outback country in facilitating settlement. With this new means of transport the settler knows that, should any serious accident occur or a case of illness arise, a doctor can come out by aeroplane in a few hours where previously it was a matter of days, if not weeks, to get any assistance. These aeroplanes are provided with stretcher accommodation so that you can send out and bring in anyone who is seriously ill or injured by quite the best method of transportation because of its smoothness as compared with road transport or rail transport.

Air Survey Work now in progress in Australia.

The work in connection with flying is one that involves a tremendous amount of continuous effort to try and get the fullest utility from it. Several flights have been made in Australia which in some respects are rather remarkable, and I might perhaps refer to them. Wing-Commander Goble, who is at present the Flying Officer from Australia acting as Liaison Officer with the Royal Air Force in Great Britain, made a flight of 8,000 miles round the coast of Australia making a general survey, and the work which he did was of the greatest possible value. A general survey of the interior covering 7,000 miles was made by Colonel Brinsmead recently, and at the present moment Group Captain Williams, the Controller of Civil Aviation, is making a flight from Melbourne to New Guinea and the South Pacific and back. The estimated

distance of that flight is 14,000 miles. The flight is being made, of course, for the purpose of ascertaining suitable places for the establishment of seaplane and aeroplane bases and generally gathering data with regard to the climatic conditions for flying and the possibilities of the establishment of air bases in that area. The interesting fact, I think, is that the flight which he is now carrying out and which is being undertaken in the ordinary course of his duties as an Air Officer in the Australian Air Force is covering a distance somewhat in excess of the journey which Sir Alan Cobham took when he proceeded to Australia and when the eyes of the whole world were upon that flight as being an amazing thing. It all points to the fact that it is being progressively recognised that these flights can be made and that there is nothing extraordinary in the attempt to obtain the information you require with regard to any area by means of an aeroplane flight.

A remarkable flight has taken place in Australia during the last two or three weeks, when a flight was made from Longreach, which is in Queensland, to Melbourne, a distance of 1,100 miles; it was carried out by an officer of the Civil Aviation Branch, and the period which he occupied in the flight was 10 hours 10 minutes, giving an average speed of 108 miles an hour. The only comparable one I know of is the one Sir Alan Cobham made when he flew from London to Tangier, occupying 12 hours at practically the same speed.

With all these flights being carried out, the fact that, generally speaking, the public in Australia do not contemplate it as anything in the nature of an adventure to go on a 1,400 miles flight, because they have to get from one place to another, indicates that civil aviation has now passed completely out of the experimental stage, and I can see no possible reason why it should not be practicable to lay out the necessary landing grounds and make the necessary arrangements so that we can have an air route running from Great Britain to Australia and similarly, of course, to South Africa.

Light Aeroplane Flying Clubs.

The Government in Australia believe so much in the future of flying there that we are doing everything in our power to foster it. We are encouraging the formation of light aeroplane flying clubs, and there are three operating already, with a small subsidy for each pilot that they train. Four or five more will be equipped at an early date. All these things are of absorbing interest in themselves, and I think they also show that organised flying is a practical and definite possibility.

Provision of Mooring Masts and Meteorological Data.

I can assure the Secretary of State for Air that we will be only too pleased to do anything in our power to co-operate for an aeroplane service between Australia and Great Britain. When we come to the other side of the picture that we saw, we are, of course, more on an experimental basis.

In the case of the airship itself, it is very difficult for anybody to say whether, in fact, all that is suggested can be accomplished, but we will no doubt get a great deal of information from the Sub-Committee in regard to that later, and consequently there is no necessity for me to address myself to it at the moment. I can only say, so far as Australia is concerned, that probably we, possibly together with New Zealand, would benefit most if what is now hoped can in fact be realised, and we would be only too pleased to co-operate, but at the moment I must frankly say my knowledge in regard to airships is so limited and my views are so undefined that I could not say how far we would be prepared to go. However, the matter is one of such extraordinary importance to us that I think I can go so far as to say that, if it can be shown that there are reasonable possibilities of airships being perfected sufficiently to do the journey with safety, we would take the risk of a mooring mast and certainly take the necessary steps to get the meteorological information that is desired. I certainly hope that all that is contemplated can be achieved by means of the airship, because, while the aeroplane will be a practical means of communication, it cannot possibly be so comfortable or so attractive to the ordinary traveller desiring to get from Australia to Britain or from Britain to Australia rapidly as the modern airship is going to be with all the luxuries the Secretary of State suggests will be provided in it.

Experiments in Aircraft Construction in Australia.

In conclusion, and referring again for a moment to what is being done in Australia, I may say that, while no civil company in the Commonwealth has commenced the complete design and manufacture of aircraft, we have had some successful experiments with a machine not only of Australian construction but of Australian design. This is the Widgeon Flying Boat, designed by Squadron-Leader L. J. Wackett, of the Royal Australian Air Force, and manufactured under his supervision at the Air Force experimental station at Randwick. The trials of the Widgeon gave satisfactory results, and were of considerable interest as demonstrating the suitability of local timber for air construction purposes. The only other point is with regard to a seaplane which has been designed and developed in Australia, and we believe it is going to be of very practical use and would be extremely suitable, for example, for a service from the Mainland to Tasmania and the establishment of more rapid means of communication there.

STATEMENT BY THE PRIME MINISTER OF NEW ZEALAND.

Mr. Coates: I do not think I need take up very much time, but I would like to say how interesting it has been to listen to the Secretary of State for Air and to contemplate the very vivid picture that he has painted this morning. I liked the note of

confidence that he sounded, no doubt based upon his own practical experience and the experience of the technical and practical men who are interested in the work that he has in front of him, which gave me entire confidence in the prospect that he holds out.

Development of Civil Aviation in New Zealand.

Now, Sir, I do not know that it is necessary for me to say much more about what has happened in New Zealand, because air development in New Zealand is very small. A certain amount of aviation on a commercial basis has been carried on by way of assistance to a private company, and many flights have been carried out, but we cannot say that the experience has been altogether satisfactory. In the meantime, we are devoting our attention entirely to surveys, collecting data, and arranging for landing grounds. We have completed preparations for setting out on a campaign to encourage and induce private enterprise to become interested in civil aviation. I am only stating a fact when I say that, so far as New Zealand is concerned, the people there have not the "flying sense," mainly for the reason that they have not had the opportunity of obtaining it.

Co-operation of New Zealand in any practicable Airship Scheme.

New Zealand is a small community, entirely surrounded by sea, with a gap of 1,200 miles between New Zealand and Australia, and, if a line can be established with Australia, that will immediately give New Zealand an objective at which to aim. With regard to the erection of an airship mast, I am not going to deal with the airship side of it, but I am intensely interested, and so is New Zealand. I would certainly like to know more about it before I could say definitely whether New Zealand would become committed to the expenditure involved in the erection of a mast. I do not wish unduly to stress the cost—that I do not think would trouble us, provided we have some feeling of certainty that the service is practicable, first of all in regard to the operation of the scheme, and then again in regard to the regularity of services. Those are the two points that really concern us at the moment. I have quite an open mind about the whole matter. We are quite willing to join in any practicable scheme under which we can co-operate on the lines suggested by the Secretary of State for Air. But I do want to say that we have to be fairly certain of its practicability before we can give any definite undertaking.

STATEMENT BY THE MINISTER OF FINANCE, UNION OF SOUTH AFRICA.

Progress of Aviation in South Africa.

Mr. Havenga: Prime Minister, South Africa has so far considered the question of civil aviation mainly from its value in relation to the creation of a reserve for our Air Force. We do not doubt, however, that, when our country is developed further and

there is public interest, there will be opportunities for commercial air transport in South Africa, more especially in view of the great distances which separate our principal centres from each other and the conditions which are very favourable for air transport. In order to stimulate public interest, some time ago the Government ran a demonstration air mail service for 3½ months between Cape Town and Durban with Air Force machines and pilots. During the whole of that period the service was run with what we may call 100 per cent. efficiency; it was very regular and public confidence was no doubt established in the reliability of air transport. At present, owing to our limited resources, we are leaving this question to private enterprise. All that the Government is able to do at present is to promise a modest subsidy for the running of any reasonable air scheme in the Union.

Co-operation of South Africa in Imperial Air Scheme.

Now with regard to the question raised by the Air Minister in connection with the Imperial air scheme, I can say that, so far as the Union Government is concerned, we shall be very glad to co-operate and do whatever we can. I do not think it will be possible for us to make ourselves responsible for the running of any scheme right up to Uganda outside our own borders; we shall certainly be prepared to maintain the service inside the Union, and as far as the sending of a few experimental flights of our Air Force is concerned I think that could possibly be arranged. We have a number of landing grounds in South Africa—about 70, and our Air Force regularly co-operates with our ordinary Defence Force in connection with the training of that force. I may say that the distance between Cape Town and Johannesburg, 1,000 miles, is repeatedly being flown by our Air Force Officers in a day. As far as providing meteorological data is concerned, we have a very efficient department in South Africa for the collection of such data, and the extra information that is required by the Air Minister here could no doubt very easily be obtained. As far as the question of providing a mooring mast is concerned, the Government will carefully consider that. I may say we did not know the expense would be as much as the figure quoted by the Air Minister, but that is a matter which the Government will have to consider in due course.

STATEMENT BY THE MINISTER FOR INDUSTRY AND COMMERCE, IRISH FREE STATE.

Position in regard to Aviation in the Irish Free State.

Mr. McGilligan: The admirable survey made by the Secretary of State for Air as to the present position of aviation, and the expression of his hopes with regard to the future, had an interest which was quite peculiar and exceptional to me. Aviation in the Irish Free State has been developed so far only on the defence side. On that side it has developed quite efficiently, but, so far as the civil side is concerned, that has been left to private enterprise, and

private enterprise has not made any advance whatever. A recent reorganisation of work in connection with Government Departments has left me with the control of civil aviation in so far as Government intervention is at any point required. At the moment what we are engaged upon is simply the overhauling of the Air Orders and Regulations so as to bring them fully up-to-date and so as to comply with all that is implied by our adherence to the International Air Convention. That being the case, I can merely say that I look forward with special interest to what the Secretary of State for Air has to put before us this afternoon when we approach the details he has spoken of. In particular, I shall be glad to learn his view of the part which the Irish Free State may play as a link in Empire communication.

The Free State and an "All Red" Route from Canada.

In that connection I may be allowed to refer to a project once widely canvassed but not so much spoken of now, the idea of the "all red" route from Canada to the western coast of Ireland, and we have hopes of finding that the advantage of our geographical position, previously spoken of with regard to shipping, will now be specially considered in relation to air communications. I have no contribution to offer as to what is being done in the Free State at the moment on this matter of civil aviation, but I can assure the Secretary of State that, if there is any way in which we can co-operate with him to our mutual advantage in forming a link in Empire communications, that co-operation will willingly be given.

STATEMENT BY THE PRIME MINISTER OF NEWFOUNDLAND.

Mr. Monroe: It is a little difficult to say at this time to what extent we can co-operate with this programme for Empire air services. I cannot see how we can justifiably place an immediate order for a mooring mast costing £70,000. Newfoundland is geographically so placed that it might appear we had a usefulness as a sort of stepping stone between Europe and the North American Continent, but, if airships capable of carrying 100 passengers can fly to Canada in two and a half days without refuelling, our usefulness in this respect would seem rather to disappear. If there is anything that Newfoundland can possibly do in the way of establishing a landing service or of being in a minor way useful to the establishment of this service, it would be our great desire to help.

STATEMENT BY LORD WINTERTON ON BEHALF OF THE INDIAN DELEGATION.

The Place of India in Empire Air Communications.

Lord Winterton: I need not stress the importance of air communication between India and other parts of the Empire.

India has a far larger population than all the rest of the Empire combined; she is the largest individual customer of Great Britain; since direct rail communication between India and Great Britain is ruled out, in the present state of the world, for many years to come, perhaps for all time, the air affords the only alternative to supplementing and extending the present traffic by sea in persons and goods.

There can be no doubt that India is destined to play a prominent part in the development of air communications between Empire countries. Any service between Europe and the Far East or Australia will on its way have to cross India, and it is reasonable to anticipate that the junction of these two routes, which will almost inevitably be upon Indian soil, will ultimately figure as one of the most vital points in the Empire chain.

The Participation of India in Imperial Air Services—the Egypt–Karachi Route.

It was not to be expected that a comparatively poor country like India could make rapid progress in the early years of the science of aviation, especially as it is far removed from the countries where the pioneer work has been done. India is, of course, not a beginner in the matter. The Royal Air Force has a strong contingent in the country, well provided with aerodromes at strategic points and all necessary equipment which have incidentally been of high value to pioneers of world flight. In addition, aerodromes intended solely or primarily for civil purposes have been constructed at Calcutta and Allahabad, and land has been acquired and emergency landing grounds are being got ready in other places. Now that the British Government have entered into the contract with Imperial Airways, Ltd., for the Egypt–Karachi service, an era of more rapid development in India is one of the certainties of the near future. I may say with reference to that service that I, like the Secretary of State for Air, have some personal knowledge of the first part of the route from Cairo to Baghdad, but, whereas he traversed it in an aeroplane, I, in carrying out my duties during the war, traversed it upon a camel, which in those days was the only alternative means of transport, and I think the same is true to-day because a lack of water, and mountainous dunes of shifting sand, rule out alike the horse and mechanical transport; no one who has had experience of both means of transport can fail to be fascinated by the romantic contrast between the two, or would not wish to eliminate the camel for the aeroplane.

Now I return to the preparations which have been made in India in connection with this service. It is expected that within 6 months the aerodromes at Karachi will be in working order and that this will be followed by important developments in the matter of internal air routes. With this prospect in view, the whole question of the future of civil aviation in India has been recently under review by the Indian Air Board which has laid before the Government of India an important memorandum outlining proposals for future

action. It is unnecessary for me on the present occasion to go into the details of these proposals, if only because there has not been time for them to be considered finally by the Secretary of State. I should, however, be failing in my duty to the Imperial Conference if I did not explain frankly what is in contemplation. The view of the Indian Air Board—which has a wide measure of influential support in India—is that the Government of India is now in a position to take, and should take, an active part in the development of air routes touching India. They propose that the Government should take steps to establish a claim to be consulted at all stages on the terms of any contract for an air service in which India is interested, whenever a subsidy or other special assistance is proposed by His Majesty's Government or a Dominion Government. They go further and urge that the Government of India should claim a right to participate as a principal in the contract, with a right to insist on the inclusion of such provisions as may be necessary to promote India's interests, taking their share—on condition, of course, that this claim is admitted—in the financial liabilities of the contract.

Further, the Air Board suggest that in future all aerodromes, hangars, quarters, go-downs, telegraph and meteorological apparatus, and other necessary equipment should be paid for by the Government of India and should become their property.

Internal Air Routes in India.

While the development of internal lines of route in future is not a matter of such direct interest to this Conference, I should like to say that the Indian Air Board have recommended a systematic survey of the main probable air routes in India, giving specially early attention in the first instance to the Calcutta–Rangoon route, and also the provision of terminal stations, especially at Calcutta, Rangoon, and Bombay. I should be prepared to go into that matter more fully at the Sub-Committee this afternoon, though I am not ready to announce any definite decision of the Secretary of State and Government of India in the matter. With the establishment of the Egypt–Karachi service, the development of internal air routes from Karachi is merely a matter of time.

In view of these large impending developments it has been decided to appoint a Director of Civil Aviation, who will shortly take over his duties.

It is fully realised in India that the adoption of the policy I have outlined would mean expenditure from public revenues on a considerable scale, for which there would be no immediate monetary return, and that the pace at which effect could be given to the policy must depend on financial considerations. I have every hope, however, that sufficient funds can be made available to enable real progress to be made in all directions in which the need for advance has made itself urgently felt. I need hardly add that the Secretary of State fully appreciates the importance of making progress as rapidly as possible, though, as I have already said, the proposals

of the Indian Air Board, which I have outlined, have only just reached the India Office and there has not yet been time for the Secretary of State to consider them fully.

In conclusion, I need only say that in considering these proposals the Secretary of State will derive very great assistance from the valuable information that has been made available at this Conference.

STATEMENT BY THE SECRETARY OF STATE FOR THE COLONIES.

Mr. Amery: I do not think I need detain the Conference at any length after the admirable survey of the Secretary of State, which has to a considerable extent already covered what is in contemplation for the Colonial Empire. He has dealt fully with the new Cairo–Karachi route which is to traverse 'Iraq and bring what was one of the most inaccessible parts of the world into the very middle of the highway of traffic. The effect that that will have upon its development, upon the introduction of capital, and so on, is obvious, and may make all the difference to the speedy recovery of what I said the other day was a country of wonderful possibilities, both natural and human, which has, however, fallen into neglect and decay during centuries.

Development of Air Routes in African and West Indian Colonies.

With regard to East Africa, the experimental route from the Sudan to the edge of Kenya at Kisumu is the outcome of negotiations between a private company and the East African Governments and the Sudan Government. I have every confidence that, if that experimental service should prove to be a success, the East African Governments generally will consider a further extension of the service southwards, and so be in a position to link up with Northern and Southern Rhodesia, and so with the Union. I think that, from the point of view of the establishing of white civilisation as a guiding influence over the whole of East Africa, it is very important that that region should be in close contact both with England one way and with the white civilisation rooted in the native soil in the south. It may interest General Hertzog to know that there are a considerable number of Boer settlers quite close to Kisumu, where these aeroplanes will be arriving at the beginning of the year, and I imagine the time will not be so far distant when the Voortrekker of the future will naturally step on to his aeroplane, rather than into an ox-waggon, to find a new farm for himself.

There are two other main Empire routes in the Colonial sphere which will be of importance. One of these is a route connecting Nigeria with the Sudan. The Air Service has already conducted a very successful flight from the Sudan to Nigeria and back again.

The problem of linking the West Indian Islands by some cheap and speedy method of transport makes an enquiry into the use of the aeroplane, or perhaps the seaplane, for West Indian

purposes a matter of considerable importance. Apart from the main importance in the way of communications linking up these various scattered Dependencies with this country and with the Dominions, there is the importance of internal development. I must say that nothing impressed me more at Croydon the other day than to see Mrs. Elliot Lynn pushing along her little Moth aeroplane, fixing its wings, and flying off. In a country like East Africa, where the white population is so scattered, this sort of thing will make life much more easy, make communications for business and other purposes possible, and also make it easier for the white man who works in a tropical environment to fly up in a few hours to his bungalow, say, on the Mau plateau. It may create a tremendous economic revolution in the possibility of the development of Africa.

Use of Aeroplanes for Agricultural and Survey purposes.

There are also other things of extraordinary interest which I notice suggested at the end of this volume.* I see that aeroplanes are already being used for spraying cotton-fields. That suggests that the greatest of all obstacles to civilisation and progress in Africa, the tsetse fly, might conceivably be some day dealt with by this method. And, of course, there are all the various things like general survey, forest survey, and fishery survey, with regard to which the aeroplane may help enormously.

The Aeroplane and Archæological Investigation.

There is one aspect that has not been mentioned in this very interesting volume* circulated by the Secretary of State, which I hope is not beneath the notice of the Conference, and that is the importance the aeroplane can have in archæology. Nothing impressed me more in the thousands of miles that we flew over 'Iraq than the way in which the past history of the country was revealed from above in a manner which could never be realised from the ground, the dim outlines of long-forgotten cities, their roads and squares and general arrangement, and I believe a great deal could be done from the point of view of archæological investigation. It is, of course, the fact that an old sacrificial way to Stonehenge was first discovered by the Air Service two or three years ago, and I believe Lord Winterton will confirm me when I say that some of these very remarkable archæological discoveries in Sind, which show an intimate connection between pre-historic civilisation in Western India and Mesopotamia, were first detected from the air. I hope I may be pardoned if I suggest that this is a thing at any rate not unworthy of the notice of an Empire which is interested in other besides purely material things.

Possibilities of the Airship in Empire Development.

As regards the airship, I do not wish to say much. I have always been a convinced believer in the immense possibilities of the airship, not only from the point of view of regular night and

* See footnote on p. 193.

day traffic over long distances and its infinitely greater carrying power than that of the aeroplane, but from the point of view that the airship is going to play a great part in altering the whole internal social structure of the Empire. The whole question of the business development of the more distant parts of the Empire will be fundamentally altered if the business man can spare the time within a month to run to Australia or New Zealand, see a proposition for himself fully, and come back with his report. The men who could spare the month are, of course, a hundred times as numerous as the men who could spare five or six months. It will affect, I think, the whole question of Empire settlement. I do not mean that the ordinary settler would go out by airship, he would continue going by the cheaper method of the migrant ship, but the fact that he could exchange letters with home much more rapidly, and could, if he desired for any reason to do so, or when he had earned money, come home quickly, is going to make an immense difference in the whole outlook towards the problem of leaving this country to settle in some other part of the Empire.

I might add one other thing that was suggested to me by what Mr. Monroe said. I think it is quite possible that our idea of the shortest routes from one part of the Empire to another may be very much modified by the use of the airship which is indifferent to the distribution of sea and land, and naturally either follows the great circle routes across the world or modifies those routes in accordance with prevailing winds. It is perfectly possible that Newfoundland may not be on the handiest airship line between this country and Canada. There may some day develop, following that wonderful expedition of Amundsen's, a quite normal airship route from England to the north-west of Canada over the Polar Seas. Lord Grey always used to say that his mission in life was to dispel the legend that there was a frozen north in Canada, and the time may come when the Peace River and the MacKenzie River regions may be developed and may be in close and direct airship communication with this country.

I do not wish to adventure too far on the paths of romance, but I do feel very strongly that the airship is going to be an immensely potent factor in all our arrangements, even in the possibilities of Conference arrangements for the future, and that it does, therefore, deserve the keenest study approached with that cautious spirit to which the Secretary of State referred . . . .

Mr. Coates: In our time?

Mr. Amery: In our time. . . . . approached in a cautious spirit at each step, but also with the belief that if we can surmount the practical difficulties there is something immensely worth doing in all this.

Canada suggested as the Venue of the Imperial Air Conference.

Mr. Mackenzie King: Might I add that the Secretary of State for Air made mention of a possible Imperial Air Conference being

held in the near future? On behalf of Canada, I would like to say at once that it would be a source of great pride if it could be held in the Dominion.

Sir Samuel Hoare: I should like to thank the Conference for the very kind way in which they have listened to what I have said, and for the very great interest they have displayed in co-operating on the general lines of the schemes I have sketched. I quite realise that they will all of them desire to satisfy themselves in far greater detail upon the technical points raised in the discussion, but it is a matter of great satisfaction and gratitude to me that they should have given so sympathetic attention to what I have ventured to say this morning.

(B.)—REPORT OF IMPERIAL AIR COMMUNICATIONS SPECIAL SUB-COMMITTEE.

(See Section XVI of Cmd. 2768.)

In pursuance of a decision taken at the opening Meeting of the Imperial Conference on the 19th October, 1926, a Special Sub-Committee was set up to consider the subject of Imperial Air Communications and to report to the Conference thereon.

The Sub-Committee was constituted as follows:—

Great Britain.

The Right Hon. Sir Samuel Hoare, Bart., C.M.G., M.P., Secretary of State for Air (*Chairman*).

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

Air Vice-Marshal Sir W. G. H. Salmond, K.C.B., K.C.M.G., D.S.O., Air Ministry.

Air Vice-Marshal Sir W. Sefton-Brancker, K.C.B., A.F.C., Air Ministry.

Mr. G. G. Whiskard, C.B., Dominions Office.

Brig.-General F. H. Williamson, C.B., C.B.E., General Post Office.

Mr. H. E. Fass, O.B.E., Treasury.

Canada.

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 Naval Service.

Commonwealth of Australia.

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

Union of South Africa.

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

Sir WILLIAM HOY, K.C.B., General Manager of Railways.

Colonel Sir PIERRE VAN RYNEVELD, K.B.E., D.S.O., Director of Air Services.

Newfoundland.

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

New Zealand.

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

Irish Free State.

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

India.

The Right Hon. EARL WINTERTON, M.P., Parliamentary Under-Secretary of State for India.

The MAHARAJA OF BURDWAN, G.C.I.E., K.C.S.I., I.O.M.

Colonies and Protectorates.

Sir JOHN E. SHUCKBURGH, K.C.M.G., C.B., Assistant Under-Secretary of State.

Mr. F. G. L. BERTRAM, C.B.E. (Air Ministry)
Mr. L. G. S. REYNOLDS, O.B.E. (Air Ministry)
Mr. J. S. HUNTER (New Zealand Delegation)
} *Joint Secretaries.*

The Sub-Committee heard evidence from various experts of the Air Ministry in London in regard to certain matters discussed, including the technical aspects of airship development and the meteorological organisation required for the purpose of experimental flights with a view to the subsequent operation of regular airship services.

The Sub-Committee, having reviewed the present state of air communications in the Empire in the light of the comprehensive information supplied to the Imperial Conference by the Secretary of State for Air, have considered what concrete steps can be taken to further the development of Imperial air services in the immediate future; and, as a result of their deliberations, submit the following **Report**:—

I. The Sub-Committee are convinced that the development of Imperial air communications, both by airship and aeroplane, is of

sufficient importance to merit the early and continuous attention of the Governments of the several parts of the Empire.

II. Accordingly, the Sub-Committee recommend 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 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—

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.

III. Finally, the Sub-Committee are of opinion that the present system of communicating information in regard to civil aeronautics should be continued and recommend that, with a view to ensuring still closer co-ordination throughout the Empire, exchanges should be effected from time to time between the Civil Aviation officials of Great Britain and the Dominions and India so far as limitations of staff and local considerations permit.

Signed on behalf of the Sub-Committee,
SAMUEL HOARE, *Chairman.*

17*th November*, 1926.

APPENDIX VI.

REPORT OF COMMITTEE REGARDING QUESTIONS CONNECTED WITH THE PERMANENT MANDATES COMMISSION OF THE LEAGUE OF NATIONS.

(*See Section IX of Cmd.* 2768.)

AT their Meeting on the 21st October, 1926, the Imperial Conference appointed a Committee to consider questions connected with the work of the Permanent Mandates Commission of the League of Nations. The composition of this Committee was settled as follows:—

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

Great Britain.	*Commonwealth of Australia.*
The Right Hon. L. S. Amery, M.P., Secretary of State for Dominion Affairs and for the Colonies.	The Right Hon. S. M. Bruce, M.C., M.P., Prime Minister.
New Zealand.	*Union of South Africa.*
The Right Hon. J. G. Coates, M.C., M.P., Prime Minister.	General the Hon. J. B. M. Hertzog, M.L.A., Prime Minister.

The Hon. A. M. G. Cadogan, C.M.G. (Foreign Office).
Mr. T. I. K. Lloyd (Colonial Office).
Mr. D. Steyn, Delegation of the Union of South Africa.
} *Joint Secretaries to the Committee.*

The Committee submit the following Report :—

The Committee representative of the Mandatory Governments of the Empire, appointed by the Conference to examine the questions raised in the letter from the Secretary-General of the League of Nations dated the 17th September, have had under consideration the memorandum prepared for the Imperial Conference. (See Annexe I.)

The Committee have examined this memorandum and the documents to which it relates and find themselves agreed upon the observations and proposals contained in the memorandum.

They have further had before them the draft of the reply which His Majesty's Government in Great Britain propose to make to the Secretary-General of the League, and have expressed their approval of it. (For copy of the letter sent to the Secretary-General, see Annexe II.)*

Signed on behalf of the Committee :

AUSTEN CHAMBERLAIN, *Chairman.*

29*th October*, 1926.

ANNEXE I.

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

MEMORANDUM PREPARED FOR THE IMPERIAL CONFERENCE.

CERTAIN questions have recently arisen in connection with the work of the Permanent Mandates Commission of the League of Nations. These relate to—

(I.) Petitions to the League of Nations concerning mandated territories.

(II.) List of questions to replace the *questionnaires* for B and C mandated territories.

An account of the manner in which these questions have been raised and of the present views of His Majesty's Government as to the attitude to be adopted towards them is given below. The issues raised appear of such importance as to call for concerted action by the Mandatory Governments of the Empire, and it seems desirable, therefore, that, before a definite decision is taken, the matter should be discussed at the Imperial Conference.

At its last meeting the Permanent Mandates Commission expressed a desire for a ruling in regard to the hearing of petitioners. Members of the Commission, it was said, had sometimes found it impossible to form a definite opinion as to whether a petition was

* Also printed in Cmd. 2767.

well-founded or not, and the Commission had therefore discussed, but without formulating any definite proposal, the possibility and advisability of inviting petitioners to make a statement before the Commission. At the same meeting the Commission approved, and recommended to the Council for adoption, a new, and much enlarged, *questionnaire* in place of that approved five years ago, to serve as a basis for the annual reports on "B" and "C" mandated territories. The new *questionnaire* is reproduced in Appendix (A).

Both these proposals raise immediately the question of the true relative position of the Mandatory Governments in a mandated territory, on the one hand, and the Mandates Commission, which examines their reports, and the Council, which takes action as guardian under the terms of the Covenant, on the other hand.

The purpose of the mandatory system and the duties thereby devolving respectively upon the Mandatory Governments and the League are set forth in Article 22 of the Covenant. It is there stated that the well-being and development of inhabitants of mandated territories are a sacred trust of civilisation, and that the best method of achieving this object is "that the tutelage of such peoples should be entrusted to advanced nations, who by reason of their resources, their experience or their geographical position can best undertake this responsibility, and who are willing to accept it, and that this tutelage should be exercised by them as Mandatories on behalf of the League."

After laying down this general principle, the Covenant proceeds to distinguish between the three different classes of territories which have been allotted under A, B, and C mandates respectively. In regard to B mandates, the Covenant says (paragraph 5 of Article 22) that "the Mandatory must be responsible for the administration of the territory under conditions which will guarantee freedom of conscience and religion," subject to certain considerations. Territories under C mandates "can best be administered under the laws of the Mandatory as integral portions of its territory, subject to the safeguards above mentioned" (paragraph 6 of Article 22).

Finally, "the Mandatory shall render to the Council an annual report in reference to the territory committed to its charge," and "a permanent Commission shall be constituted to receive and examine the annual reports of the Mandatories and to advise the Council on all matters *relating to the observance of the mandates.*"

In his report to the Council in August, 1920, the Belgian Delegate (M. Hymans), who acted as *rapporteur*, suggested that, in the case of B mandates, "the Mandatory Power will enjoy, in my judgment, a full exercise of sovereignty, in so far as such exercise is consistent with the carrying out of the obligations imposed by paragraphs 5 and 6 (of Article 22 of the Covenant). In paragraph 6, which deals with C mandates, the scope of these obligations is, perhaps, narrower than in paragraph 5, thus allowing the Mandatory Power more nearly to assimilate the mandated territory to its own."

It is true that in the same report M. Hymans, dealing with the

question of annual reports, said: "The annual report should certainly include a statement as to the whole moral and material situation of the peoples under the mandate." It is in the light of this purpose and of the terms of the Covenant itself that we should read M. Hymans's further statement that the "Council should examine the question of the whole administration." It must be borne in mind that the object of the reports is to satisfy the Council as to the "moral and material situation" of the inhabitants. The Council is not called upon to check and examine every minute detail of administration, nor can it have the means to discharge such a Herculean task. Its duty is to see that the administration of the mandated territories is conducted generally in accordance with the ideas enunciated in Article 22 of the Covenant. If it should find or have reason to suppose that these ideals were not being realised, it would have the right to pursue enquiries in detail and make recommendations for the remedy of any particular abuses that might be revealed. But in the ordinary course the Council is not a ratifying body to which the Mandatory Government must submit regularly details of every one of its activities. M. Hymans seems to have realised this when he observed, in the same report from which a quotation has been made above, that "the Council will obviously have to display extreme prudence, so that the exercise of its rights of control should not provoke any justifiable complaints, and thus increase the difficulties of the task undertaken by the Mandatory Power."

Both the proposals now put forward by the Mandates Commission seem to be based on a misconception of the duties and responsibilities of the Commission and the Council in this respect. But they err in different directions. The theory that petitioners should have a means of making their grievance known is perfectly correct: the Commission's suggestion that a hearing should be given to the petitioners is an incorrect and probably dangerous application of the theory. The implication, in the new *questionnaire*, that the Commission should claim to check and investigate every activity of the Mandatory Power, is wrong even in theory, and the *questionnaire*, therefore, cannot be accepted as it stands.

1. As regards the hearing of petitioners, the Council of the League has approved, and the Mandatory Powers have accepted, rules of procedure for dealing with petitions to the League concerning mandated territories. Under those rules, petitions from inhabitants of mandated territories must be submitted through the Mandatory Power concerned, which is thus given an opportunity for comment, and petitions from persons who are not inhabitants of mandated territories are communicated by the Permanent Mandates Commission to the Mandatory Power concerned, which is asked to furnish its comments within six months. The petitions and the comments thereon of the Mandatory Power are then considered by the Mandates Commission and replies are returned to the Mandatory Power or direct. In the latter case, a copy of the reply is sent to the Mandatory Power for its information.

The question of hearing petitioners was considered at the September session of the Council, when M. Unden—the *Rapporteur* to the Council—suggested that the Mandates Commission should be authorised to submit draft rules for the hearing of petitioners, but deferred the drafting of a formal resolution to this effect until he had heard the views of his colleagues on the Council. In the course of the discussion which followed, Sir Austen Chamberlain took the line that it would be unwise, imprudent, and even dangerous, for the Council to come to a decision until it had before it the observations of the various Mandatory Governments on the suggestion made by the Mandates Commission. He pointed out that a procedure suitable for one class of mandates would not be equally well adapted for another class. The French, Belgian, New Zealand, South African, and Japanese representatives supported Sir Austen Chamberlain, and the Council finally adopted the following Resolution :—

> "The Council instructs the Secretary-General to request the Mandatory Powers to inform the Council of their views on the questions raised in the report of the Permanent Mandates Commission with regard to the hearing of petitioners in certain cases."

The view of His Majesty's Government is that there are very grave objections to the grant of any form of audience by an advisory Commission of the League to petitioners who either are themselves inhabitants of a territory administered by His Majesty's Government under mandate, or are petitioning on behalf of inhabitants of such territories.

It is not clear why the Mandates Commission should be unable to form a definite opinion on the sole basis of written documents as to whether certain petitions are well founded or not. No such difficulty has been experienced in the Colonial Office, although every individual in the oversea territories administered under the direction of the Secretary of State for the Colonies has the right of petitioning him on any question through the Officer Administering the Government of the territory in which he resides. This right of petition is constantly exercised by both individuals and communities, but, although the petitions received by the Secretary of State, coming as they do from every quarter of the world, cover the widest possible range, it has never been found necessary to grant audiences to petitioners either for the purpose of considering their petitions or for the purpose of elucidating the matters with which any petition deals.

Moreover, it would appear that in any case in which, after examination of a written petition, the Mandates Commission forms the opinion that it is unable to make a definite recommendation to the Council there are only two courses of action which the Commission can properly adopt, namely :—

(1.) It should either request the Mandatory Power concerned to furnish or to obtain from the petitioners further

information on the points on which the Commission is in doubt; or

(2.) It should report to the Council that it is unable to make a definite recommendation and should ask the Council for instructions as to its further action. It would then be for the Council to decide what steps should be taken to obtain the further information necessary to enable the Commission to deal with the petition.

The Council of the League, when taking this decision, would not be embarrassed by any formal rules of procedure, and it would thus be open to that body to adopt, in regard to any petitions raising difficult problems, whatever procedure seemed to it to be best suited to the circumstances of the case. The arrangement would have the further advantage that, in formulating the procedure to be followed, regard would be paid to the class of the mandated territory from which the petition emanated or to which it refers. As was pointed out by Sir Austen Chamberlain at the meeting of the Council, a procedure suitable for one class of mandate might not be equally well adapted for another.

Finally, it would appear to be more in accord with the constitution of the League of Nations and with Article 22 of the Covenant of the League that the Council itself, being the organ of the League to which the annual reports on mandated territories are addressed, should decide what action is to be taken in regard to petitions on which the Commission requires further information.

2. The proposed *questionnaire* includes questions that the Mandatory Power could not undertake to answer. It is true that the Commission specifically states that it does not ask that its questions should be necessarily reproduced in the reports. It does not therefore seem to be contemplated that each question must necessarily be answered explicitly and in detail. But to leave certain questions unanswered would almost certainly lead to misunderstanding. Certain detailed criticisms of the list of questions are contained in Appendix (B).

The document containing the list of questions was submitted for approval to the recent session of the Council when Sir Austen Chamberlain, after consultation with the New Zealand and South African representatives, protested against the revised *questionnaire*. He said that "he saw great objection prima facie to the adoption of so detailed and so extensive a *questionnaire*, and he would beg that it should be submitted to the various Mandatory Governments for their consideration and comment before the Council took any decision upon it."

The representatives on the Council of other Mandatory Powers associated themselves with Sir Austen Chamberlain's views, and the Council adopted the following Resolution :—

"The Council instructs the Secretary-General to communicate copies of the list of questions to the Mandatory Powers

with the request that they forward for the information of the Council, if possible before the 1st December, 1926, any observations which they may desire to make on the subject."

In point of fact, reports on British mandated territories have always given a general review of the administration, and this has generally been so complete as to cover all the various departments of administration enumerated in the general headings of the *questionnaire*, and His Majesty's Government would therefore propose, when communicating their views to the Secretary-General of the League of Nations, to state that they agree that the various headings contained in the new list of questions are subjects on which information should be given in the annual reports, and reference to past reports on territories administered by His Majesty's Government under mandate will show that such information has, in fact, been given. It is the intention of His Majesty's Government to continue this practice, but they feel that any attempt to define precisely the points which should be dealt with would militate against the value of the reports. They trust, therefore, that the Council will not approve the adoption of the detailed list of questions, but will merely approve the subject heads. If in the case of any report on a territory administered by His Majesty's Government under mandate any points arise on which further information is desired, His Majesty's Government will, of course, be happy to supply it to the best of their power.

October, 1926.

Appendix (A).

B and C Mandates.

List of Questions which the Permanent Mandates Commission desires should be dealt with in the Annual Reports of the Mandatory Powers.

The attached document replaces the former *questionnaires* for B and C mandated territories (documents C.396 and 397, 1921). It has been drawn up with a view to facilitating the preparation of the annual reports which, under the terms of Article 22 of the Covenant, Mandatory Powers are required to furnish to the Council with regard to the territories for which they are responsible.

The document indicates, in the form of questions, the principal points upon which the Permanent Mandates Commission desires that information should be given in the annual reports.

Without asking that its questions should be necessarily reproduced in the reports, the Commission considers it desirable that the reports should be drawn up in accordance with the general plan of the *questionnaire*.

(A.)—*Status of the Territory.*

1. Is there any organic law in which the Mandatory Power has laid down and defined the status of the mandated territory? Please forward such changes as have been made in this organic law.

2. To what extent is the territory financially and administratively autonomous?

(B.)—*Status of the Native Inhabitants of the Territory.*

3. Has a special national status been granted to the native inhabitants? If so, what is the legal or current term used to describe this special status?

4. Do natives of the territory enjoy the same guarantees as regards the protection of their persons and property in the territory of the Mandatory Power and in its colonies, protectorates and dependencies as the native inhabitants of each or any of the latter? If not, what treatment do they receive in this respect?

(C.)—*International Relations.*

5. What international treaties or conventions (general or special) apply to the territory?

6. How fully has effect been given, as a consequence of the stipulations of the Mandate, to the principle of economic equality for all Members of the League of Nations?

(D.)—*General Administration.*

7. To what extent have legislative and executive powers been delegated to the chief Administrative Officer of the territory?

8. Does the chief Administrative Officer exercise these powers with the assistance of legislative, executive, or advisory councils? If so, what are the powers of these councils? How are they constituted and do they include unofficial members and native members?

9. What are the different Government departments? How are they organised?

10. Into what administrative districts is the country divided? How are they organised?

11. How many officials are there?

How are they divided between the central administration, technical services (agriculture, public health, public works, &c.) and district administrations?

What is their origin and their nationality?

What are the conditions required for appointment?

What is the status of the officials? Are they entitled to a pension? Are advantages reserved to officials with a knowledge of the native languages?

12. Do natives take part in the general administration and, if so, to what extent? Are any posts in the public service open to natives? Have any councils of native notables been created?

18. Are there any native communities organised under native rulers and recognised by the Government? What degree of autonomy do they possess and what are their relations with the Administration? Do village councils exist?

(E.)—*Public Finance.*

14. Please forward the detailed budget of revenue and expenditure for the current fiscal year, and a similar statement for the last completed year of account.

Please attach a comparative table of the total revenue and expenditure, section by section, for each of the past five years.

15. Has the territory a public debt? If so, attach figures for the last five years.

16. Has the ordinary and extraordinary expenditure been covered by budgetary revenue or in some other way—either by public loans, or by advances or free grants by the Mandatory Government?

In the latter cases, state the conditions of the financial transactions involved.

17. Please give the annual and total amounts of advances and grants-in-aid by the Mandatory Power to the mandated territory.

(F.)—*Direct Taxes.*

18. What direct taxes—such as capitation, or income, or land taxes—are imposed—

(*a.*) On natives?
(*b.*) On non-natives?

19. Are the native direct taxes paid individually or collectively? Are they applicable to all natives without distinction or only to able-bodied male adults? Is the rate of taxation the same throughout the territory or does it vary in different districts? Can a native pay in kind or only in money?

20. Is compulsory labour exacted in default of the payment of taxes in cash or kind? If so, on what basis is the equivalent calculated?

21. What methods are employed to assess and collect the native taxes?

22. Is any portion of this tax handed over to the native chiefs or communities? Are chiefs salaried by the administration?

23. Are the native chiefs allowed to exact tribute or other levies in cash or in kind or in labour? If so, is this tribute in addition to the Government taxes?

(G.)—*Indirect Taxes.*

24. What is the tariff of import and export duties? Are transit and statistical duties charged?

25. Are there any indirect taxes in force other than import, export, and transit duties?

26. Does the territory form part of a Customs union with neighbouring colonies and dependencies of the Mandatory Power? If so, how are the Customs receipts and expenses divided?

27. Are the products of the mandated territory given preferential treatment when imported into the territory of the Mandatory Power, its colonies or dependencies, or do they pay the same duties as similar products from foreign countries?

(H.)—*Trade Statistics.*

28. Please forward comparative statistics concerning the general and special trade of the territory, showing both imports and exports for the past five years. (Please indicate the amount of imports and exports of Government material and stores.)

(I.)—*Judicial Organisation.*

29. Please give a description of the judicial organisation, both civil and criminal.

30. How are the courts and tribunals of the various instances constituted?

31. Do they recognise native customary law, and, if so, in what cases and under what conditions?

32. Are natives entitled to officiate in the courts and tribunals; for example, as assessors or members of the jury?

33. Does the judicial organisation include tribunals exclusively composed of natives? Are these tribunals under direct or indirect control of the Mandatory Power? What powers do they exercise? Can they inflict punishments for which the law makes no provision? How are their sentences carried out?

34. Does the law inflict the penalties of corporal punishment, forced residence and deportation? If so, under what conditions and limitations?

35. Does the penitentiary system obviate the necessity of sending prisoners long distances for confinement?

(J.)—*Police.*

36. Is there any police force apart from the armed forces proper? If so, what is its strength?

37. Are the police concentrated in centres under direct European (Japanese) authority or distributed in detachments in the villages under native subalterns only?

(K.)—*Defence of the Territory.*

38. Are any military forces maintained for the defence of the territory?

If so, how are they recruited, organised and armed? What is the period of service? What proportion of Europeans or Japanese do they include? What is their strength? Is it provided that

discharged soldiers are called up as reservists in case of an emergency?

39. If the territory has no armed forces of its own, what are the arrangements for its defence?

40. If military expenditure and expenditure on the police are included under the same item of the budget, please indicate separately the expenditure on each.

(L.)—*Arms and Ammunition.*

41. What measures have been adopted to control the importation of arms and ammunition?

42. What number of arms and quantity of ammunition of the different categories have been imported during the year, and what approximately is the number of such arms and the quantity of ammunition in the country?

43. Is the importation (with or without restrictions) allowed of "trade guns" (flint locks) and "trade powder" for self-defence, or for the protection of crops against wild animals, or for any other harmless purpose?

(M.)—*Social, Moral and Material Condition of the Natives.*

44. What, generally speaking, are the measures adopted to promote the moral, social and material welfare of the natives?

As an indication, please state approximately the total revenue derived from the natives by taxation and the total amount of the expenditure on their welfare (education, public health, &c.).

45. Is the native population divided into distinct social castes? If so, does the law recognise these distinctions and the privileges which may be attached thereto by native tradition and custom?

46. Does the slave trade or slave dealing exist in any form? If so, what measures are taken for their suppression and what has been the success of these measures?

47. Does slavery still exist, and, if so, in what form—

(*a.*) In Moslem districts?
(*b.*) In other districts?

Can a slave be emancipated under native customary law?

48. What measures are being taken to suppress slavery? What have been the results of these measures?

49. Do any of the following practices exist in the territory:—

Acquisition of women by purchase disguised as payment of dowry or of presents to parents?
Purchase of children under the guise of adoption?
Pledging of individuals as security for debt?
Slavery for debts?
Are these practices penalised by law?

50. What is the status of free slaves, especially women and children, in the native social organisation?

51. What is the social status of women? In particular, are polygamy and concubinage universal or prevalent? Are they recognised by law?

52. Can a native move about freely throughout the entire territory? Are there any regulations in regard to such movement? Is vagrancy a penal offence? If so, how is it defined?

(N.)—*Conditions and Regulation of Labour.*

53. Have measures been taken in accordance with Part XIII of the Treaty of Versailles to ensure the application of conventions or recommendations of the International Labour Conference?

Please indicate such local circumstances, if any, as render these provisions inapplicable or ineffective.

54. Does the local supply of labour, in quantity, physical powers of resistance, and aptitude for industrial and agricultural work conducted on modern lines appear to indicate that it is adequate, as far as can be foreseen, for the economic development of the territory?

Or does the Government consider it possible that sooner or later a proper care for the preservation and development of the native races may make it necessary to restrict for a time the establishment of new enterprises or the extension of existing enterprises and to spread over a longer term of years the execution of such large public works as are not of immediate and urgent necessity?

55. Are there any laws and regulations regarding labour, particularly concerning—

Labour contracts and penalties to which employers and employed are liable in the case of their breach?

Rates of wages and methods of payments?

Hours of work?

Disciplinary powers possessed by employers?

Housing and sanitary conditions in the camps or villages of workers?

Inspection of factories, workshops and yards?

Medical inspection before and on completion of employment; medical assistance to workers?

Compensation in the event of accident, disease or incapacity arising out of, and in the course of, employment?

Insurance against sickness, old age or unemployment?

56. Do labourers present themselves freely in sufficient numbers to satisfy the local demand for labour? Or has recruiting to be carried out in native centres more or less distant to make good shortage of labour?

57. Does the Administration recruit labour for the service of the Administrations of other territories or for private employers? If so, under what conditions and safeguards?

58. Are private recruiting organisations or agents of employers permitted to recruit labour within the territory for service in the territory itself at a distance from the place of recruiting or in another country? If so, under what conditions and safeguards?

59. Please give a table showing the number of workers of each sex recruited (*a*) for Government work, (*b*) for private enterprise.

60. Indicate the nature of the work for which recruiting has taken place during the year (*e.g.*, mines, porterage, agriculture, construction of railways, roads, &c.). Give, where possible, mortality and morbidity statistics among the workers.

61. Does the existing law provide for compulsory labour for essential public works and services?

What authority is competent to decide what are public works and services the essential nature of which justifies recourse to compulsory labour?

What payment is made to the workers?

May such compulsory labour be commuted for a money payment?

Are all classes of the population liable to such labour?

For what period can this labour be exacted?

62. How is the recruiting and supervision of compulsory labour organised?

63. Are any workers recruited from outside the territory? If so, by whom and under what conditions?

64. Are the contracts of such workers signed before departure from their native country? Give a specimen contract.

65. Is there any special officer charged with the duty of looking after those workers on arrival, allocating them to employers, seeing that the employer fulfils his obligations through the period of contract, and arranging for their repatriation or re-engagement?

66. Are they segregated, in camps, compounds or otherwise? What are the regulations in this matter? Has their presence in the territory given rise to any trouble with the native inhabitants?

67. Are these workers encouraged to bring their wives with them, and do they do so? Are they allowed to settle in the territory if they so wish?

68. Give the nationality of imported workers, the numbers of new arrivals, repatriations, deaths, and the total present at the end of the year (men and women).

69. Are there any trade unions in the territory? If so, have these unions put forward any protests or demands?

(O.)—*Liberty of Conscience and Worship.*

70. Is freedom of exercise of all forms of worship and religious instruction ensured?

71. Has it been considered necessary, in the interest of public order and morality, to impose restrictions on the free exercise of worship or to enact regulations on the subject?

72. Are there any restrictions on missionaries, who are nationals of States not Members of the League of Nations?

(P.)—*Education.**

73. State the general policy and principles adopted in regard to the education of the natives. How do the methods in use

* Questions 73 to 84 refer only to the education of natives.

illustrate the application of the different characteristics of these principles?

74. Please give a brief analysis of the education budget indicating the amounts allocated respectively to—

Government schools,
Non-Government schools,
Inspection of educational institutions.

75. Is official authorisation necessary for opening non-Government educational institutions? If so, under what conditions is such authorisation granted?

76. Are non-Government educational institutions subject to a compulsory official inspection, and, if so, how is it carried out?

77. What conditions are attached to any grants-in-aid made to non-Government schools? On what basis are the grants made?

78. Please give a table showing the number of boys' schools of the different grades in the following categories:—

Government schools;
Non-Government schools subsidised by the Government;
Non-Government schools not subsidised.

State the numbers enrolled and the average attendance in each category of schools.

79. Please give the same information regarding girls' schools.

80. Is any vocational training, or instruction in agriculture, or domestic science given in the territory?

81. Are there any normal classes or training institutions for the education of native teachers?

82. Give some general indication of the curricula in each class of school mentioned above.

Do they include the teaching of a European or Japanese language, and, if so, how far does this teaching go?

Does the curriculum in Government schools include religious instruction (compulsory or optional)?

83. What language is used as a medium of instruction?

84. What are the numbers of the teaching staff (Government and non-Government, certificated and uncertificated)? How are they distributed among the different categories of schools?

85. Are there any schools for non-natives?

(Q.)—*Alcohol, Spirits and Drugs.*

86. Are the natives much addicted to the use of alcohol and spirits?

87. What is the accepted definition of the terms "liquor traffic" and "trade spirits"?

88. Have legal measures concerning the liquor traffic been enacted to give effect to the Mandates and the Convention of St. Germain of the 10th September, 1919?

89. Is there any licensing system for the sale of imported alcoholic liquors?

90. What are the import duties on (*a*) spirituous liquors, (*b*) wines, (*c*) beer and other fermented beverages? Has any limit of strength of (*b*) and (*c*) been adopted? Are the duties higher or lower than those in the neighbouring countries?

91. What are the quantities of each class imported each year for the last five years, and what are the principal countries of origin?

92. What steps are taken to prevent smuggling and the illicit traffic in imported alcohol and spirits?

93. Is the process of distillation known to the natives? Have any measures been taken to restrict (*a*) the manufacture, (*b*) the sale, (*c*) the consumption of intoxicants manufactured by the natives?

94. Is any encouragement given to communities or associations which, for religious or other reasons, are trying to suppress the use of these intoxicants?

95. Is the population of the territory addicted to the use of drugs (including hashish and hemp)? If so, what measures are in force to prohibit or regulate their use?

(R.)—*Public Health.*

96. What health organisation is in charge of research work and the prevention, control and treatment of disease? State the work done by this organisation and the results observed.

97. Does this organisation train natives as medical and sanitary assistants, or women as midwives and as nurses? What is the method adopted?

98. How many doctors, both official and private, are there in the territory? Has official and private action as regards sanitation and preventive and curative medicine been co-ordinated?

99. What progress has been made in inducing the natives, especially the chiefs, to adopt sanitary reforms in the towns and villages?

100. What endemic or epidemic diseases have been responsible for the greatest mortality? Are there statistics regarding the morbidity and death-rate attributable to these diseases? If no general statistics exist, please supply any which have been compiled for certain centres or certain specified areas.

101. Give any other information of importance from the epidemiological point of view, particularly as regards the spread of dangerous diseases, such as sleeping-sickness, &c., which are not covered by the preceding question.

102. Does the health organisation deal with the supervision of prostitution? What is the position with regard to prostitution?

(S.)—*Land Tenure.*

103. Is the Government's policy directed towards the exploitation of the arable land by the establishment of large agricultural undertakings under foreign management or by the development of the system of native small-holdings?

104. What are the various classes of property which, in view of their nature, origin or use, constitute the domain of the territory?

Under what item of the local budget do the revenues of this domain appear, or, in the case of the sale of such property, the sum realised?

Under what items of the local budget do the costs of exploiting such domain appear?

Are the recruiting and employment of the labour required for the exploitation of this domain regulated by the common law?

105. Does the law provide a definition of the term "vacant lands"? What authority is competent to decide whether land is vacant?

Does the law recognise the rights of use and enjoyment that may be exercised by the natives in the "vacant lands" (the right of gathering produce, cutting of wood, grazing, hunting, fishing, &c.)?

106. Has the Mandatory Power acquired on its own account (and not in its capacity as Mandatory) any property or rights whatsoever in the territory? If so, what property or rights?

On what basis does the State's proprietary title rest?

Is this property subject to the same dues and charges as the property of private individuals?

Is the State subject to the ordinary regulations regarding the recruiting and employment of the labour needed for the exploitation of these lands?

How is the revenue of these lands employed?

107. What is the system of land registration in force?

Is it applicable to land owned or occupied by natives?

Is there a land registry department?

108. What is the native system of land tenure? Is it uniform through the territory? Have the natives any notion of the right of individual property?

Does the law recognise the right of natives to hold property as individuals?

109. Do the authorities exercise control over land transactions with a view to safeguarding the customary rights of the natives on such land?

What is the maximum term of land-leases to non-natives?

Does the law reserve land for the natives or native communities, from which they cannot be dispossessed for the benefit of non-natives?

110. Have the native chiefs the power of dispossessing existing occupiers and of granting the land to third parties? If so, have the persons dispossessed the right of appeal to the authorities?

111. What is the (approximate) proportion in the whole territory of—

Native land,
State land,
Land leased or sold to non-natives (including any property of the Mandatory Power referred to in Section 106)?

112. What are the regulations with regard to expropriation for reasons of public utility? How is the compensation determined?

(T.)—*Forests.*

113. State the main provisions of the forest law (if any). Does it provide for the protection of forests and for afforestation of cleared or waste lands?

(U.)—*Mines.*

114. Is any legislation in force with regard to mines? What are the main provisions? If there is no special legislation on this subject, does the State claim the ownership of the sub-soil?

115. What mineral resources (*a*) are known to exist, (*b*) have been leased, (*c*) are actually exploited by the State or privately?

(V.)—*Population.*

116. What is the population of the territory in natives, coloured persons other than natives, Asiatics, Europeans and Americans? Are the figures supplied the result of a census or are they merely an estimate?

117. Please supply, if possible, quinquennial or decennial comparative statistics of the population.

118. Is there any considerable emigration from, or immigration into, the territory? If so, what are the causes?

What are the countries of destination or origin of emigrants and immigrants respectively?

Appendix (B).

Detailed Criticisms of List of Questions proposed by the Permanent Mandates Commission.

The adoption of so lengthy a list of questions as that now proposed by the Mandates Commission could not fail to have the result that important general questions of policy and administration would be obscured by a mass of detail. It is evident that, if the questions in the list proposed by the Mandates Commission are to be properly answered, the reports must be substantially enlarged. Thus, the first part of *Question* 82 (General Indication of Curricula of Schools) and *Question* 107 (System of Land Registration), would, if they are to be effectively answered, require a detailed discussion covering several pages of each report.

Further criticisms of a general character are :—

(*a*.) The functions of the Mandates Commission, as laid down in Article 22 of the Covenant of the League of Nations, are to receive and examine the annual reports of the Mandatories and to advise the Council on all matters

relating to the observance of the mandates. The list of questions reveals a tendency on the part of the Mandates Commission to go beyond these functions and to encroach on the sphere of the Mandatory Government, thus lessening the authority of those who are directly responsible for the administration of the territories concerned. For example, *Question* 37 (Distribution of the Police) can only be regarded as carrying the idea of detailed investigation into the internal organisation of the administration beyond the point necessary for the Mandates Commission to ensure that the terms of the mandate are being carried out. *Question* 11 (Number of Officials employed in mandated territories, their division between the various services, their origin and nationality, the conditions of their appointment and their status) relates to matters which seem to be entirely outside the competence of an advisory organ of the League. *Question* 27 (asking whether preferential treatment is given to the products of the mandated territory on importation into the territory of the Mandatory Power or its dependencies) relates to a matter which does not affect the mandate in any way, but is entirely a domestic arrangement of the Mandatory Power or its dependencies.

(*b.*) Certain questions are so framed as either to encourage protests against the administration of mandated territories (*e.g.*, *Question* 69, asking whether trade unions in the mandated territory have put forward any protests or demands) or to give the impression that it is the wish of the Council of the League that European institutions should be imposed on the mandated territories (*e.g.*, *Question* 32, which asks whether natives of the mandated territory are entitled to officiate as members of a jury or as assessors). Such questions would inevitably render more difficult the already onerous task of the Mandatory Powers.

(*c.*) Many of the questions relate to matters which should be dealt with once only, and not in each annual report. In fact, many such questions have been completely answered in reports already submitted on British mandated territories. Moreover, it should not be necessary to repeat in any report figures given in previous reports. (See, for example, *Question* 28, where the Mandates Commission asks for trade figures for the past four years which are available in previous reports.)

(*d.*) It appears that several of the questions which the Mandates Commission proposes should be answered in respect of all B and C mandated territories have reference only to one such territory, or, at most, to one group of territories. For example, *Question* 88, so far as it relates to the Liquor Traffic Convention of Saint-Germain, applies only to certain of the African mandated territories.

The following criticisms are offered on points of detail. The list is not intended to be exhaustive :—

Question 39 (Defence arrangements).—It is an invariable international custom that defence schemes are not communicated to the public.

Question 44 (Revenue from taxation of natives and expenditure on their welfare).—In the case of revenue derived from certain sources, *e.g.*, Customs Dues, the proportion derived from natives of the territory is not possible of ascertainment. The whole question, which implies that certain items of revenue should be earmarked for defraying particular forms of expenditure, is likely to give rise to serious misapprehension in the native mind.

Questions 47, 48 *and* 49 (Slavery).—These questions appear to be designed to provide the Mandates Commission with detailed information which has been furnished to the Slavery Commission of the League, and there is a danger of the duplication of reports. A similar criticism applies to other questions, *e.g.*, *Question* 95, enquiring as to the measures in force to prohibit or regulate the use of drugs, which is a matter within the competence of the Opium Advisory Committee of the League. It would seem sufficient if the present practice were continued of giving in the annual reports on mandated territories general information on these questions without entering into the details asked for in the proposed list of questions.

Question 73.—The second part of this question is not understood.

Questions 103–115 (Enquiries about legislation in force on certain subjects).—Copies of legislation enacted in or applied to territories administered by His Majesty's Government under mandate are forwarded to each member of the Mandates Commission, and previous reports in many cases have contained detailed replies to the points raised in these questions. It is considered that it should not be necessary either to give a detailed account of legislation of which copies have been furnished to the Commission, or to recapitulate information on such questions as land tenure, forest, land and mining legislation, which has been given in detail in earlier reports.

October, 1926.

ANNEXE II.

Letter from the Foreign Office to the Secretary-General, League of Nations.

Sir, *Foreign Office, November* 8, 1926.

His Majesty's Government have given their serious attention to the contents of your letter of the 17th September, and they desire me to express their appreciation of the courtesy shown by

the Council in affording them an opportunity of expressing their views.

3. Before replying to these enquiries, His Majesty's Government have thought it well to consult with His Majesty's Governments in the Commonwealth of Australia, the Dominion of New Zealand and the Union of South Africa, which as mandatories of different territories are equally interested with His Majesty's Government here in the questions raised by them.

3. In order properly to appreciate the issues at stake it seems to these Governments necessary to examine shortly the theory and purpose of mandates and to form a clear idea of the mandatory principle.

4. The purpose of the mandatory system and the duties thereby devolving respectively upon the Mandatory Governments and the League are set forth in Article 22 of the Covenant. It is there stated that the well-being and development of inhabitants of mandated territories are a sacred trust of civilisation, and that the best method of achieving this object is "that the tutelage of such peoples should be entrusted to advanced nations who by reason of their resources, their experience or their geographical position can best undertake this responsibility, and who are willing to accept it, and that this tutelage should be exercised by them as Mandatories on behalf of the League."

5. After laying down this general principle, the Covenant proceeds to distinguish between the three different classes of territories which have been allotted under A, B and C mandates respectively. In regard to B mandates, the Covenant says (paragraph 5 of Article 22) that "the Mandatory must be responsible for the administration of the territory under conditions which will guarantee freedom of conscience and religion," subject to certain considerations. Territories under C mandates "can best be administered under the laws of the Mandatory as integral portions of its territory, subject to the safeguards above mentioned" (paragraph 6 of Article 22).

6. Finally, "the Mandatory shall render to the Council an annual report in reference to the territory committed to its charge," and "a permanent Commission shall be constituted to receive and examine the annual reports of the Mandatories and to advise the Council on all matters *relating to the observance of the mandates.*"

7. In his report to the Council in August, 1920, the Belgian Delegate (M. Hymans), who acted as *rapporteur*, suggested that, in the case of B mandates, "the Mandatory Power will enjoy, in my judgment, a full exercise of sovereignty, in so far as such exercise is consistent with the carrying out of the obligations imposed by paragraphs 5 and 6 (of Article 22 of the Covenant). In paragraph 6, which deals with C mandates, the scope of these obligations is perhaps narrower than in paragraph 5, thus allowing the Mandatory Power more nearly to assimilate the mandated territory to its own."

8. It must here be noted that the actual Mandates subsequently approved by the Council for certain of the B territories assimilate

them closely in this respect to territories in Class C. Thus, Article 9 of the British Mandate for the Cameroons, after providing (as in Article 8 of the Mandate for East Africa) that the Mandatory shall have full powers of administration and legislation, runs as follows :—

> "This area shall be administered in accordance with the laws of the Mandatory as an integral part of his territory and subject to the above provisions,"

and the same Article reappears in the British Mandate for Togoland.

9. In dealing with the question of annual reports, M. Hymans further said "the annual report should certainly include a statement as to the whole moral and material situation of the peoples under the mandate." It is in the light of this purpose and of the terms of the Covenant itself that we should read M. Hymans's further statement that "the Council should examine the question of the whole administration." The object of the reports is to satisfy the Council as to the "moral and material situation" of the inhabitants, but clearly the Council is not called upon either by itself or through the Commission to check and examine every detail of administration, nor can it have the means to discharge such a Herculean task. Its duty is to see that the administration of the mandated territories is conducted generally in accordance with the ideas enunciated in Article 22 of the Covenant. If it should have reason to suppose that these ideals were not being realised, it would naturally pursue its enquiries in such detail as might be found necessary to ascertain the facts, and would make such recommendations as it thought proper for remedying any particular abuses that might be revealed. But there is nothing to lead to the conclusion that it was ever intended that the Mandatory Government should be called upon to submit annually for confirmation or criticism by the Council or the Commission all the details of its administrative and legislative activities. On the contrary, M. Hymans plainly excluded the idea of such a procedure when he observed, in the same report from which these quotations have been made, that "the Council will obviously have to display extreme prudence, so that the exercise of its rights of control should not provoke any justifiable complaints, and thus increase the difficulties of the task undertaken by the Mandatory Power."

10. In the light of these considerations the Mandatory Governments of the British Empire feel that both the proposals now put forward by the Mandates Commission are based on a misconception of the duties and responsibilities of the Commission and the Council. The theory that petitioners should have a means of making their grievances known is perfectly correct; but the Commission's suggestion that a hearing should be given to the petitioners is, they submit, an incorrect and dangerous application of the theory. The implication, in the new list of questions, that the Commission should claim to check and investigate every activity of the Mandatory Power, is unnecessary for the purpose for which the Mandatory system was established and irreconcilable with the

principles laid down by M. Hymans and accepted by the Council for its execution.

11. The view of His Majesty's Government is that there are the gravest objections to the grant of any form of audience by an advisory Commission of the League to petitioners who either are themselves inhabitants of a territory administered by His Majesty's Government under mandate, or are petitioning on behalf of inhabitants of such territories.

12. It is not clear why the Mandates Commission should be unable to form a definite opinion on the sole basis of written documents as to whether certain petitions are well founded or not. No such difficulty has been experienced in the Colonial Office although every individual in the oversea territories administered under the direction of the Secretary of State for the Colonies has the right of petitioning him on any question through the Officer Administering the Government of the territory in which he resides. This right of petition is constantly exercised by both individuals and communities but, although the petitions received by the Secretary of State, coming as they do from every quarter of the world, cover the widest possible range, it has never been found necessary to grant audiences to petitioners either for the purpose of considering their petitions or for the purpose of elucidating the matters with which any petition deals.

13. Moreover, it would appear that in any case in which, after examination of a written petition, the Mandates Commission finds itself unable to make a definite recommendation to the Council, its proper course would be to request the Mandatory Power concerned to furnish or to obtain from the petitioners such further information as it requires on the points on which it is in doubt. His Majesty's Government are confident that the Mandatory would always be ready to reply fully to such an enquiry. If contrary to all expectation the information were not forthcoming the Commission would doubtless report the circumstances to the Council and the Council itself, being the organ of the League to which the annual reports on mandated territories are addressed, would decide what action was to be taken.

14. Guided by the same principles His Majesty's Government submit that the list of questions, comprising as it does over 230 questions extending to every detail of government and administration, far exceeds what is necessary to the Commission or what is compatible with the intentions of the Covenant and the rules approved by the Council. Among them are questions relating to points on which according to British practice, itself the result of an unequalled experience in many different countries and conditions, the home Government would not think it wise to interfere with a colonial administration. The Mandatory Governments of the British Empire and His Majesty's Government among them have shown themselves anxious at all times to afford to the Commission all the information that is material to the discharge of its responsible duties but they submit that this purpose would be amply secured for the future if the list of questions were limited to

its subject headings and the extreme minutiæ of the sub-headings were omitted.

15. In submitting these observations for the consideration of the Council, His Majesty's Government desire to repeat the assurance given by the British representative when the subject was first discussed; that they fully appreciate the care, attention and devotion which the Mandates Commission has brought to the discharge of its task, and that they trust that the Commission will not see in these observations any unfriendly or depreciatory intention. His Majesty's Government note that the Commission itself does not ask that these questions should necessarily be reproduced in the Mandatories' reports and that it makes no recommendation on the subject of the auditions of petitioners in person. They trust, therefore, that the solution which they here propose will be found equally acceptable to the Council and satisfactory to the Commission itself.

I have, &c.
G. H. VILLIERS
(on behalf of the Secretary of State for Foreign Affairs).

APPENDIX VII.

REPORT OF NATIONALITY COMMITTEE.

(See Section XIII of Cmd. 2768.)

In pursuance of a decision taken at the opening Meeting of the Imperial Conference on the 19th October, 1926, a Committee was set up to consider certain questions connected with Nationality. The composition of this Committee was settled as follows:—

The Right Hon. Sir William Joynson-Hicks, Bart., M.P., Secretary of State for Home Affairs *(Chairman)*.

Great Britain.

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

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

Sir John Pedder, K.B.E., C.B., Home Office.

Mr. O. F. Dowson, O.B.E., Home Office.

Canada.

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

Mr. T. Mulvey, K.C., Under-Secretary of State.

Mr. F. C. Blair, Assistant Deputy Minister, Department of Immigration and Colonisation.

Commonwealth of Australia.
The Hon. J. G. LATHAM, C.M.G., K.C., M.P., Attorney-General.

Union of South Africa.
Mr. J. S. SMIT, High Commissioner in London.

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

New Zealand.
The Right Hon. Sir FRANCIS BELL, G.C.M.G., K.C., M.L.C., Minister without Portfolio.

Irish Free State.
Mr. KEVIN O'HIGGINS, T.D., Minister of Justice.

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

Mr. T. Hutson, Home Office, and Mr. Jean Désy, Canadian Delegation, were appointed Joint Secretaries to the Committee.

The Committee submit the following Report :—

The Committee have had under consideration the following questions :—

1. A revised draft of a Nationality Bill* to give effect to the recommendations of the Imperial Conference, 1923, for the amendment of the British Nationality and Status of Aliens Act, 1914.

   The Committee agreed unanimously to recommend that the Conference should adopt a Resolution approving the provisions contained in the Bill presented to them.
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.
3. The amendment of section 12 (1) of the British Nationality and Status of Aliens Act, 1914, for the purpose of removing certain doubts as to its interpretation.
4. A proposal to the effect that British subjects by naturalization during residence abroad should be required to register annually at a British Consulate.
5. Certain proposals set out in detail in Resolution 5 below for the amendment of certain provisions of the British Nationality and Status of Aliens Act, 1914, relating to the revocation of certificates of naturalization.

The Committee agreed unanimously to recommend that the Conference should adopt Resolutions approving the amendments proposed under headings 2, 3, 4 and 5 above.

The Committee further had under consideration the important subject of the Nationality of Married Women, to which attention has been specially directed by Women's Organisations throughout

* See Annexe.

the Empire. The existing principle of the law as laid down in the British Nationality and Status of Aliens Act, 1914, section 10, is that the wife of a British subject shall be deemed to be a British subject, and the wife of an alien shall be deemed to be an alien. It was proposed that the law should be altered in order to embody the principle that a British woman should not lose or be deemed to lose her nationality by the mere act of marriage with an alien, but it should be open to her to make a declaration of alienage.

In the course of discussions at the meetings of the Committee it appeared that there was considerable divergence of opinion on this subject. The principal ground upon which the proposal was supported was that a woman should not, any more than a man, be deprived of her nationality as the result of marriage, and thus become in her own country subject to the disabilities of an alien. It was further argued that the present legal position was not logical and consistent, inasmuch as even under the present law British women marrying nationals of certain countries, *e.g.*, the United States of America, ceased thereupon to have any nationality at all.

On the other hand it was urged that certain serious disadvantages to women might arise from the proposed change. Of these, probably the most serious was the increase in the number of cases of dual nationality. If a British woman, on marriage to an alien, had the right to retain her British nationality she would, if she exercised that right, become a dual national in the great majority of cases, *i.e.*, she would, under the law of her husband's country, possess also his nationality. The position of a woman in such circumstances would be likely to give rise to serious embarrassment to the woman herself. When resident in her husband's country her British nationality would as a rule bring her no advantage. For all practical purposes she would be regarded and treated as a national of that country, and His Majesty's representatives would usually be unable to accord her the benefits of protection. Such a situation might be a source of international friction. Difficulties of this nature would be accentuated in the event of war involving either or both of the countries of which the husband and wife are nationals. Concern was also expressed as to the possible effects upon family relations resulting from the possession of different nationality by husband and wife.

Notwithstanding the difficulties indicated above, many members of the Committee were in favour of a change in the law which would provide for the British woman an opportunity of retaining her British nationality. Others, however, were averse from such a change. Certain representatives would have been prepared to accept an amendment of the law providing that a woman who is a British subject should upon marriage to an alien become an alien except that, where by the law of her husband's country she does not acquire his nationality upon marriage, she should retain her nationality until the date of her acquisition of her husband's nationality or until six months after the expiration of the minimum period within which, under the law of her husband's country, she might acquire such nationality, whichever might be the earlier.

The Committee were, however, unanimous in appreciating the very great importance of maintaining uniformity throughout the various parts of the Empire in the law of British Nationality, and they were of opinion that the possible effects of any departure from uniformity in this matter demanded serious consideration. In this connection they understand that the Inter-Imperial Relations Committee of the Conference have recommended that a conference of experts shall be held as soon as possible to enquire into and report, *inter alia*, on the relations between the legislative powers of the Parliament at Westminster and the Parliaments of the Dominions. They further understand that there is some possibility that an attempt may be made to regulate the questions of dual nationality and no nationality by international agreement as a consequence of the deliberations of the Committee on the Progressive Codification of International Law appointed last year by the League of Nations. In these circumstances they think it best to refrain from making any definite recommendation on the subject of the nationality of married women pending the report of the Conference of Experts. They suggest that as soon as that report is available His Majesty's Government in Great Britain should communicate with the other Governments of the Empire concerned with a view to the further consideration of the subject in the light of that report.

The Committee also considered the question whether the existing principle that the wife of a British subject shall be deemed to be a British subject should be maintained. On this question the Committee were unanimously of opinion that the principle should be maintained, subject, at most, to an amendment giving power—in the case of a woman who has acquired British nationality by marriage—to enable the appropriate authority to deprive her of that nationality if he thinks it for the public good to do so. Such a provision would make it possible to deal with cases, which not infrequently occur, where an alien woman endeavours to evade legislation relating to undesirable aliens by going through a form of marriage with a British subject. No recommendation to this effect has, however, been made, since the Committee think that the subject of the nationality of married women is one which should be considered as a whole.

The Committee therefore recommend the following Resolutions for adoption by the Conference :—

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 (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 naturalization shall be under an obligation to register annually at a British Consulate while resident in a foreign country."

5. *Revocation of certificates of naturalization.*

"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 naturalization granted or deemed to be granted in the following cases:—

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

(2.) A person who has acquired British nationality by residence with a parent in the United Kingdom pursuant to section 10 (5) of the Naturalization Act, 1870, or by inclusion of his name, during his minority, in a certificate of naturalization 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."

Signed on behalf of the Committee,
W. JOYNSON-HICKS, *Chairman.*

17*th November*, 1926.

ANNEXE.

A.D. 1926.

Draft of a Bill to provide for the Extension of the British Nationality and Status of Aliens Act, 1914, to certain Mandated Territories and Protectorates and to amend that Act as respects the Naturalisation of Women Married to Aliens and living apart from their Husbands.

BE it enacted by the King'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 :—

Extension of Part II to certain protectorates and mandated territories.

1.—(1.) At the end of section eight of the British Nationality and Status of Aliens Act, 1914 (hereinafter referred to as the principal Act) the following sub-section shall be added :—

" (3.) His Majesty may by Order in Council extend this Part of this Act to any of the territories specified in the Fourth Schedule to this Act and, on and after the date on which any such Order comes into operation, residence (whether before or after that date) in any territory to which the Order applies shall for the purposes of this Part of this Act be treated as if it were residence in His Majesty's dominions, and an intention to reside in such territory, as if it were an intention to reside in those dominions.

" An Order in Council under this sub-section may make such modifications of this Act in its application to any such territory as may be necessary—

(*a*) for enabling powers, which under this section are exercisable in a British Possession by the Governor or a person acting under his authority, to be exercised in the territory by an officer or department specified in the Order; and

(*b*) for adapting to the conditions of government in the territory the provisions of this section;

and generally for carrying the Order into effect."

(2.) At the end of section 9 of the principal Act the following sub-section shall be added :—

" (5.) Where a mandate on behalf of the League of Nations which has been accepted by His Majesty is exercised by the Government of any Dominion specified in the first column of the Fifth Schedule to this Act in respect of any territory specified in the second column of that Schedule, then, if the Legislature of any such Dominion has adopted this Part of this Act it may provide that the said Part shall, subject to any necessary modifications or adaptations, extend to the territory in respect of which the Government of that Dominion exercises a mandate as if the territory formed part of that Dominion."

Where before the passing of this Act the Legislature of any such Dominion has passed an Act making such provision as aforesaid, the Act and any certificate of naturalisation granted in pursuance thereof shall have the like effect as if this Act had been in force at the time when the Act was passed.

(3.) The following schedules shall be added at the end of the Third Schedule to the principal Act :—

" FOURTH SCHEDULE.

Bechuanaland Protectorate Gambia Protectorate Kenya Protectorate Nigeria Protectorate Northern Rhodesia Northern Territories of the Gold Coast Nyasaland Protectorate Sierra Leone Protectorate Somaliland Protectorate British Solomon Islands Protectorate Swaziland Uganda Protectorate	British Protectorates.
Tanganyika Territory The British Cameroons The British Sphere of Togoland [Nauru]	Territories in respect of which a mandate on behalf of the League of Nations has been accepted by His Majesty.

FIFTH SCHEDULE.

Territories in respect of which a Mandate on behalf of the League of Nations, accepted by His Majesty, is exercised by Dominions.

Dominion.	Territory.
Commonwealth of Australia ...	New Guinea.
New Zealand	Western Samoa.
Union of South Africa	South-West Africa."

Grant of certificate of naturalisation to wife living apart from alien husband.

2. At the end of section ten of the principal Act (which relates to the national status of married women) there shall be added the words " and provided that, where the wife of an alien who was a British subject previously to her marriage to the alien is living apart from her husband in such circumstances that the separation may, in the opinion of the Secretary of State, be presumed to be permanent, the Secretary of State may, if he thinks fit, grant her a certificate of naturalisation as if the marriage had been dissolved."

Short title and citation.

3.—(1.) This Act may be cited as the British Nationality and Status of Aliens Act, 1926, and the British Nationality and Status of Aliens Acts, 1914 to 1922, and this Act may be cited together as the British Nationality and Status of Aliens Acts, 1914 to 1926.

(2.) Every enactment and word which is directed by this Act to be [substituted for or] added to any portion of the principal Act, shall form part of the principal Act, in the place assigned to it by this Act; and the principal Act, and all Acts, including this Act, which refer thereto shall, after the commencement of this Act, be construed as if the said enactment or word had been enacted in the principal Act in the place so assigned [and, where it is substituted for another enactment or word, had been enacted in lieu of that enactment or word].

(3.) A copy of the principal Act, with the amendments [whether] by way of [substitution], addition, [or omission], required by this Act, shall be prepared and certified by the Clerk of the Parliaments and deposited with the Rolls of Parliament, and His Majesty's printer shall print, in accordance with the copy so certified, all copies of the principal Act which are printed after the commencement of this Act."

APPENDIX VIII

NOTE OF PROCEEDINGS AT DEPUTATION FROM THE EMPIRE PRESS UNION TO THE COMMITTEE ON IMPERIAL COMMUNICATIONS (OTHER THAN AIR COMMUNICATIONS), 19th NOVEMBER, 1926.

The following were present:

The Right Hon. L. S. AMERY, M.P., Secretary of State for Dominion Affairs and the Colonies (*in the Chair*).

Great Britain.

The Right Hon. Sir PHILIP CUNLIFFE-LISTER, K.B.E., M.C., M.P., President of the Board of Trade.

The Right Hon. Sir WILLIAM MITCHELL-THOMSON, Bart., K.B.E., M.P., Postmaster-General.

Sir CHARLES HIPWOOD, K.B.E., C.B., Principal Assistant Secretary, Mercantile Marine Department, Board of Trade.

Mr. F. PHILLIPS, Assistant Secretary, Treasury.

Canada.

Lt.-Col. J. REID HYDE, C.B.E., Secretary to the Delegation.

Commonwealth of Australia.

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

Mr. A. G. MANNING, M.P.

New Zealand.

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

Union of South Africa.

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

Irish Free State.

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

Newfoundland.

The Hon. Sir PATRICK MCGRATH, K.B.E., M.L.C.

India.

Mr. E. J. TURNER, C.B.E., Assistant Secretary, India Office.

Colonies and Protectorates.

Mr. O. G. R. WILLIAMS, Assistant Secretary, Colonial Office.

Deputation from The Empire Press Union:

The VISCOUNT BURNHAM, C.H., LL.D. (President of the Union).

Mr. H. BAILEY (British United Press).

Mr. TAYLOR DARBYSHIRE (Australian Press Association, Limited).

Sir ROBERT DONALD, G.B.E., LL.D. (Vice-Chairman of Council).

Sir RODERICK JONES, K.B.E. (Reuters, Limited).

Mr. N. R. KERNEY (Argus South African Newspapers, Limited).

Mr. C. R. C. NIXON (*The Statesman* (Calcutta)).

Sir STANLEY REED, K.B.E., LL.D. (*The Times of India*).

Mr. F. CROSBIE ROLES (*The Englishman* (Calcutta), *The Times of Ceylon* (Colombo), Honorary Secretary of the Union).

Mr. H. E. TURNER (Secretary of the Union).

Lord Burnham: I know your time is valuable and therefore I will be as brief as I can. I have the honour to-day to present to you a delegation which represents The Empire Press Union, not only at home but in the overseas Dominions and Colonies. I think you are aware that we have autonomous branches in every one of the Dominions, in India, and also in the Colonies. I do not propose to go over this Memorandum,* because I imagine that it has come to your attention and that you have read it and are acquainted with it. To-day I am going to call upon those who can deal shortly with specific points raised in it, and I daresay that at the conclusion of our proceedings you will tell me how far you wish our proceedings to be made public. That is for your decision. May I say with regard to the Memorandum that it embodies and explains some of the Resolutions that were passed at the Third Imperial Press Conference, held in Melbourne in October last year, and in some cases—in fact in most cases—it repeats and emphasises the Resolutions that were adopted in 1920, at the Second Imperial Press Conference held at Ottawa? I now beg to call upon Sir Robert Donald.

Sir Robert Donald: I am desired to supplement the statement in the Memorandam regarding wireless and to say something about the relation of wireless to cables. With regard to the engineering and technical side of wireless, the Post Office has done its work exceptionally well. The Rugby station can bear comparison with any super station in the world, in regard both to technical equipment and to efficiency of working. The beam stations, as they are taken over by the Post Office, will be also under capable management as regards the engineering and technical side. While the first beam station between England and Canada has started off

* See Annexe (p. 258).

well it must not be assumed that the short-wave system will work equally well in all directions, at any rate not at once. Transmission between England and Australia is not expected to present difficulties and will give a good seven hours' service out of the twenty-four hours. There may be greater difficulties in carrying on the beam service between England and South Africa and between England and India, but experiments will, no doubt, overcome all the obstacles although delay in starting these services may cause some disappointment.

The Press and the public are more directly concerned with the commercial management of wireless in this country and want to be satisfied that it is organised on sound business lines. In the first place, the Rugby station should not be regarded as a commercial enterprise but as a national necessity. It is required for the Admiralty, for the War Office, for shipping, for propaganda, for the transmission of news to all parts of the Empire, but, in view of the development of the short-wave beam wireless, it is likely that Rugby will involve a heavy loss. There will also be competition in broadcasting from radio as regards the dissemination of news. It is therefore desirable that Rugby should be excluded from the commercial accounts of the wireless activities of the Post Office. A wireless station of world range is necessary for the State and is as indispensable for the Navy as part of its fighting equipment. The loss on wireless for the year ending March, 1925, was £53,358.

Another matter of internal management is that at present cables and wireless are under the same department of the Post Office. This system will not provoke that active competition between cables and wireless communications which is inevitable and will become more intense. If the cable communications throughout the Empire had been cheap and adequate the Empire Wireless Chain would have been thought of more as a supplementary than as an alternative service. In Australia, New Zealand, South Africa, and India, wireless has been looked forward to in order to add to existing facilities at lower rates so that intercourse between various parts of the Empire could be increased.

The policy of The Empire Press Union has always been that the charge for wireless Press messages should be two-thirds of the current rate for cables. That proposition has been put forward in every scheme for Empire wireless submitted by the Marconi Company and has been accepted by the Government and the Press as a fair basis. But the wireless rates must be regulated by the current cable rates. Unless this policy is adopted, as there is likely to be a great reduction in cable rates soon, we might find that wireless would be equally, if not more expensive than cables. In regard to the Canadian station, the Post Office has not accepted the two-thirds basis. Wireless to Canada is charged for at the same rate as cables, with the result that wireless is only receiving a comparatively small share of the business. Unless the Post Office pushes wireless the Dominions will not receive the service which they have been waiting many years to get.

In the Memorandum submitted by The Empire Press Union it is suggested that the London representatives of the Dominion Press should be invited to act in an advisory capacity on the Board of Management of each beam station. If this suggestion could be carried out representation would not be confined to the Press. It is the object of Australia, for instance, to see that the beam station carries all possible traffic which it can and be an effective competitor to the cables. Obviously it is in the interest of the Post Office to have all the assistance it can in gathering traffic for the home ends of the wireless stations. It is understood that two-thirds of the revenue will go to the transmitting stations and one-third to the receiving stations, so that any organisation which can push business in this country to any of the Dominions should be welcomed by the Post Office. It is feared that while the Post Office has a very general interest in developing the beam stations it cannot concentrate attention on any particular station. Australia, for instance, might wish to put on travellers or to advertise for wireless business, which the Post Office would not feel justified in doing, and it certainly could not do it for one station unless it did it for all. That is why the suggestion has been made for participation, not in the management of the stations but in helping to gather in traffic.

The relationship between wireless and cables is an important factor. If I interpret the views of the Dominions aright the relationship should be competitive, and if I am correct in judging the policy of the Post Office it should be co-operative.

While there has been an unexpected revolution in short-wave wireless there has also been a vast improvement in cable communication. The Western Union has now been operating for a month its loaded cable between London and New York. There are five channels at work each carrying simultaneously 250 letters a minute. Three more are to be added so that there will be a transmission of 2,000 letters per minute simultaneously, or an equivalent to 400 words a minute compared to about 30 words by the ordinary cable. Although the loaded cable does not operate in duplex, it switches over automatically from one direction to another. The capital cost of laying down a loaded cable is probably about 10 per cent. more than the cost of an ordinary cable, but its capacity is increased ten-fold at least. The Pacific Cable Board will soon be operating its loaded cable across the Pacific, and it is understood that before many years the Eastern Telegraph Company will also have loaded cables to Australia and South Africa. The question is how the Post Office is to meet this new competition. Its two cables across the Atlantic are now obsolete. Although I understand they could carry more business, can they carry more business as cheaply as their competitor without involving a heavy loss? Last year the loss on cables for 1925 was £34,628, after contributing £13,800 towards interest. I am informed that there is likely to be a serious cut in cable rates before long. Therefore it seems to me that the Post Office has two problems to face. Will its cables be used to compete with the loaded cables, and is its wireless going to be used to compete with its own as well as with other cables? There are

serious questions of management and it is upon their solution that the success of the wireless in fulfilling its Empire mission will depend.

Lord Burnham: I now beg to call upon Sir Roderick Jones.

Sir Roderick Jones: I was in Canada a few weeks ago on my way back to this country and while there I went once again very closely into the question of getting British carried news, as apart from American carried news, into Canada. At the present time, as most of you know, the greater part of the world news that is published in Canada comes through American channels and from American sources. The reason is this. Although the greater pool of world news exists in London, there is a very large pool of world news in New York, and it is infinitely cheaper to carry news of all kinds from New York to Canada and distribute it amongst the Canadian papers than it is to get the same news or similar world news direct from London. Obviously in the Imperial interest it is much more desirable that all world news for Canada should, as far as possible, come from English sources and through English channels. I have nothing to say against the American news that goes into Canada except that it is provided and springs from American correspondents and it is intended for American consumption. That news necessarily cannot have the same complexion or the same tendency as news provided by British correspondents and conveyed through British channels. Well now, the Canadian newspapers as a body are faced with this economic problem. They would infinitely prefer to get all their world news, or most of it at all events, from English sources and through English channels. They cannot do it except by paying seven cents per word for news which they can get for a fraction of a cent per word from American sources. What I am requested to present is that a reduction should be made in the Press rate between this country and Canada, not in favour of any particular group of papers or of any agency, but that a general Press rate should be granted which would enable British and Canadian correspondents in this country to send a larger volume of world news from this country to Canada, which would result in a reduction of similar matter from American sources. The Imperial results would be so great in themselves and are so obvious that I do not need to use any argument at all. The actual financial burden imposed upon the Treasury by granting a substantial reduction probably would be not more than £10,000 a year. That seems to most of us to be a very small sum indeed to pay, or to sacrifice, if it had to be as much as that, it seems to be a small sum to have to pay or sacrifice in order to bring about a radical change in the class of news that is distributed all over Canada.

Sir Stanley Reed: If I may take up your time for one moment, I rather doubt whether the realities of the position of India with regard to news services are generally appreciated. Here we have a population of 319,000,000 of people, and for all practical purposes world news for these people is a vital necessity, but those newspapers that do exist have not the services such as the other Empire papers

have, and, therefore, the necessity for a cheap cable service is vital not only to the newspaper, but, I venture to say, to the State. In a country like that we cannot unduly summarize Imperial news without making it somewhat misleading. With fourteen days for the mail, the mail cannot correct any error that may have been made, and in any event no mail correction is disseminated. This country is practically in the hands of one cable company, the Eastern Cable Company; although there is the Indo Service, that has only been re-established since the war, and we have to take whatever terms the Eastern Cable Company offers. The one cable service is frequently overloaded with Government news. I am not here to say that the Government news is cabled incessantly, but a very large proportion of the capacity of this one service is monopolized by the Government for its own purposes. Theoretically we have a fairly cheap cable rate—4*d.* a word—but 4*d.* a word is impossible in the conditions we have outlined if we are to have an accurate and fairly complete presentation of Empire news, and the rate is more normally a plus rate owing to the delay which occurs, and the newspapers have to send a considerable amount of their matter at the ordinary rates of 1*s.* 8*d.* a word, and the special matter at 5*s.* a word. We have been waiting since 1909, when we first brought this matter to the attention of the Government, for the installation of a wireless service which could act as an effective supplement to this limited cable service. The wireless service can only serve the needs of India if the rates are low. We do press for the fulfilment of the pledge or undertaking given that the wireless rates should not be more than two-thirds of the cable Press rates, whatever they may be. No rate can meet the needs of the Empire in relation to this matter which is higher than 1*d.* a word, and that is the object at which we all aim. The idea is to create a large new traffic which will keep India fully in touch and also accurately in touch with the progress of the Empire, and also enable the Empire to know the peculiar conditions of India. I have no more to say except one word. We do attach very great importance to the matter touched upon in the latter part of the Memorandum, and that is the postal circulation. We find it is the picture which tells the story and the lesson, and that means it helps the paper, and, at the present time, the postal rates are prohibitive.

Mr. F. Crosbie Roles: Mr. Secretary, my words will be few as are the words that are transmitted. Postal rates, of course, are designed to cover distance, and the short equal to the long, in the charges. Beyond Singapore it is anything but so. For instance, to Hong Kong the rate is 10*d.* a word from Australia, and even to Singapore from Australia is 10*d.*, whereas, to the Dutch Indies it is 5*d.* a word. That is a serious anomaly, and I think the Far East would well repay special attention from that point of view.

Mr. Taylor Darbyshire: There are only one or two points I am going to mention. I associate myself fully with what has been

said with regard to cable transmission and the reduction of cable rates. The question of landing charges has always been a frightening thing for us in Australia, and we in Australia particularly, and I think in other parts of the Empire, do urge most earnestly that landing charges which are no part really of the transmission charges should be materially reduced if we are to compete with or to have our cable sent at a length which will really allow the opinions and the news of the Empire to be disseminated. One other point is that we in Australia are in the transition stage now. We hope that before Mr. Bruce goes back to Australia he will be able to send a message by beam wireless; it has been suggested that he should do so, and we think it is possible. Consequently, we do not know exactly what is going to be the development in the next six months, but if beam wireless is to be successful, as it appears to have been in Canada, we could send a great deal of Press matter over the wireless. I suggest for departmental consideration that it might be possible for the newspapers to be allotted for their use a certain hour in the day when ordinary commercial and Government traffic is least; I do not suggest that we should be confined to that hour or hours, but that it should be put aside as the Canadians now do with deferred press matter. If a certain amount of time is set aside it might lead to the cheapening of rates for transmission generally.

Lord Burnham: That concludes our case. I only wish to say in conclusion that The Empire Press Union is so organized that, besides having its Council always available, it has also in London a Committee of Overseas Correspondents representing, of course, the Dominion Press, but also to some extent the Colonial Press, which offers its services for consultation and advice in any way that you might think useful. This organisation is always at your disposal.

Mr. Amery: As a certain number of technical questions have been brought up, perhaps it would be convenient for the Postmaster-General to say something.

Sir William Mitchell-Thomson: Some of the questions raised are the subject of private negotiations and I should prefer not to make a statement at this stage.

Mr. Bruce: I do not want to say anything beyond the fact that, being so far from the world's centres as we are in Australia, the question of efficient communication at the cheapest possible rates for the Press is one which interests us vitally and naturally we are at the present time giving considerable attention to this new method of wireless communication and the position with regard to Australian beam stations which are nearing completion. Beyond that, and beyond saying that with a great number of principles enunciated in this present Memorandum I have expressed my sympathies repeatedly, it is really unnecessary for me to add anything. The questions raised in connection with landing charges and the terminal rate, so far as they concern Australia, are at the

present moment under investigation. The position, of course, with regard to the cable company is that we have been charging a flat rate on all messages coming in irrespective of whether any services are rendered by the Post Office or not. We have the same flat rate for a message which comes in at a terminal point and is transmitted over a land line and for one which a company takes and has delivered by its own servants. Under an arrangement with the beam station that principle has been abandoned, and now they pay at the urgent rate for all messages that we transmit over the Post Office lines, but, with regard to messages which never come over our land lines, there are no charges made. Obviously an anomalous position is created when you have one lot of traffic coming in with a uniform flat rate levied and another which is charged with full rate only on messages despatched. That question is under the consideration of the Commonwealth Government and they, no doubt, will shortly be in a position to make some announcement about it. On the question of wireless, in the Agreement which we entered into with the Amalgamated Wireless Company, there are six different headings for the different types of traffic, and the maximum rates are prescribed. For instance, the full rate is two shillings, where it had been three shillings. The idea is that the wireless rates should, as a maximum, be not more than two-thirds of the existing rate. Whether that is to be achieved in practice—do not be enthusiastic or optimistic about it—I do not know. But that was the principle we had in mind with regard to these messages, and I think there is an encouraging feature in that it is extremely probable that we will have to do something of the kind irrespective of what the cable company see fit to do. There is really nothing further for me to say except that I am in entire sympathy with anything which makes for better communications, reduced rates, and the supply of a greater volume of news to the Dominions and from the Dominions to Great Britain. That is probably one of the most vital things to be done, if we are going to keep that close contact between the Dominions and Great Britain which our circumstances render so essential.

Mr. Amery: As one of the original members of the Empire Press Conference of 1909, I greatly welcome this meeting of the Imperial Conference of the Fourth Estate with the Imperial Conference of the Third Estate. I still have the liveliest recollection of the spirit that was shown in that first Press Conference which, I believe, has lived right through subsequent Press Conferences. I certainly would be the last person to under-value the enormous help that a body like The Empire Press Union, with all its branches throughout the Empire, can give to a better understanding and a better co-operation between the different communities of the Empire. Therefore I naturally approach all the suggestions you have put forward for making Press communication cheaper and more effective with every sympathy. I cannot, of course, commit the Postmaster-General but as a well-wisher I can commend your suggestions to his consideration. I know

quite well the enormous difference it makes getting cheap rates in wireless and cable and no less the enormous difference that it would make by cheap newspaper packets. I quite agree with what I think Sir Stanley Reed said about the enormous importance of the picture, and I think also of the advertisement that the picture carries along with it. These illustrated papers carry an immense bulk of advertising, and, if the Postmaster-General could see his way to help in that manner, I certainly can assure him that a great general indirect advantage will flow, some of which may flow into the revenue of the Post Office. Anyhow, we are very glad to have met you, and I can assure you that your representations will be carefully considered in a sympathetic spirit.

Lord Burnham: On behalf of the Deputation I should like to say that we are very much obliged for the kindness of your reception and for the courtesy of your hearing. Might I just suggest that I hardly think that the Dominions Office or the Colonial Office have in the past taken perhaps all the advantage that they might have done of the machinery which we have at hand, but I live in hope that there will be closer co-operation in the future.

Mr. Amery: If we have failed we must remedy our errors.

(The Deputation then withdrew.)

ANNEXE.

Memorandum by The Empire Press Union on Empire Communications as affecting the Transmission and Distribution of News and Other Matter for Publication in the Newspaper and Periodical Press.

General Observations.

The Empire Press Union begs to submit this Memorandum for consideration by the Communications Committee of the Imperial Conference. It expresses the views of The Empire Press Union on the subject of facilities throughout the Empire for the transmission and distribution of news and Press matter of Home, Dominion, or Colonial origin.

It is felt to be unnecessary, in addressing members of the Imperial Conference, to emphasise the importance of maintaining throughout the Empire the best facilities that are possible for the distribution and publication of news and intelligence. It is for the furtherance of that object that the proprietors of all the principal newspapers, and of the news agencies, at home and overseas, are combined in membership of The Empire Press Union.

Speed, and also cost of transmission, of Press messages are the two vital factors. Speed of transmission must be considered in relation to the facilities enjoyed by foreign Press competitors. Especially within the British Empire the British record and

interpretation of world events should be available with the least possible delay, and this applies not only to telegraphed messages, but to more full descriptive matter, special articles and editorial comment, which has hitherto been transmitted by steamship mail, but will, it is hoped, be sent in the future largely by air mail services.

The cost of transmission necessarily affects the volume of matter telegraphed and also the possibility of misunderstanding resulting from abbreviation. Cost of transmission is the principal factor determining the amount of Empire news published in what may be termed the lesser oversea newspapers, especially those in the Colonies. By syndication methods even the lesser newspapers of the Dominions (as in the United Kingdom) are enabled to publish much more than they could possibly afford to obtain individually, but the remoter Colonial journals have great difficulty in keeping the isolated communities they serve well informed of current events. Cable rates are such that these newspapers tend naturally to publish a preponderance of news from adjacent foreign countries. It is submitted that the Colonial Press, as distinct from that of the great Dominions, has special claims for consideration by reason of the pioneer character of its readers and their susceptibility to foreign influences in the absence of full and authoritative British news.

A free flow of news and interchange of opinions throughout the Empire depends upon the help of all its Governments, and The Empire Press Union feels that the present Imperial Conference affords a great opportunity of bringing this subject to the minds of the assembled Prime Ministers, and trusts that, apart from the specific suggestions submitted below, its general appeal for help in the provision of the best possible facilities for Empire news distribution will be considered whenever and wherever occasion may arise.

Wireless Telegraphy.

Wireless Telegraphy was regarded from the first by The Empire Press Union as an invention of profound importance, a new channel of communication affording (so it was hoped) a prospect of much closer union of thought between the scattered communities of the Empire. That it has, so far, in spite of rapid scientific improvements, had no such result does not dissuade the Union from the belief that, soundly organised upon a comprehensive Empire scale, Wireless Telegraphy will eventually bring the Empire into closer communion.

Wireless Rates.

If the newspaper Press is to play the large part it might do in utilising and, therefore, in developing, this new channel of communication the essential thing is that "wireless" shall afford a reasonable and practical alternative to submarine cables for the transmission of news. Conditioned as it still is by considerable uncertainty of transmission, and the necessity of relaying on the longer distances, much lower transmission rates are essential to make

Wireless Telegraphy a real competitor or even auxiliary of the cables for the passage of news matter.

It was understood by The Empire Press Union that at the outset the intention was to fix wireless charges at not more than two-thirds of the corresponding cable rates. It is doubtful whether, in view of the handicaps referred to above, this would prove a sufficient inducement to the Press to utilise Wireless Telegraphy to any great extent, and one may suppose the same to apply to other commercial users. It now appears that even the "two-thirds" principle is to be departed from, and that wireless Press messages between the United Kingdom and Australia will cost more than two-thirds of the corresponding cable rates, being based upon a former scale of cable charges, since reduced.

Beam Services and Press Messages.

The Canadian "beam" service now being in operation, the hope is entertained that the long delay in establishing a system of Imperial Wireless Telegraph services is almost at an end. The Empire Press Union takes this opportunity of reminding the Conference that the "beam" service to South Africa is not yet in operation, after a delay of over twelve months.

Administration of Home Stations.—A Suggestion.

Touching the use of the "beam" services for Press messages, The Empire Press Union desires to submit the following suggestion concerning the administration of the stations in the United Kingdom: In order to facilitate the best possible employment of whatever facilities the "beam" services will offer for Press messages, it is suggested that selected London representatives of the Dominions Press should be invited to act in an advisory capacity to the board of management. It is believed that by this method the requirements of the overseas newspapers will be met so far as may be possible in relation to other exigencies of the wireless service.

Hours for Cheaper Transmission.

In this connection the Deputation beg to enquire whether there is at present any intention by the General Post Office to fix specific periods daily during which Press messages may be transmitted at reduced rates.

TERMINAL CHARGES.

The Empire Press Union desires also to refer to the "terminal charges" imposed by certain Governments within the Empire upon Press messages telegraphed from oversea. These charges are not made solely to cover the cost of handling by the Governments concerned. In most cases they are in the nature of taxes levied upon all classes of incoming messages, *pro rata* according to the number of words, whether handled by the State or not.

As applied to incoming Press messages these charges are reminiscent of the "stamp duties" formerly payable in England upon all copies of newspapers sold, and not unsuitably termed "taxes on knowledge."

The "terminal charges" are, it is understood, fixed at the discretion of the individual Governments concerned, but the fact that special consideration is already felt to be due in the case of Press messages is shown by a mutual undertaking by all extra-European Governments, under the International Telegraph Agreement, to charge not more than half the full terminal tax upon Press matter. At present the "terminal charge" for all messages at Press rates received in Australia (whether "ordinary" Press or "deferred" Press) is one halfpenny per word; in South Africa it is a farthing per word; in India one-third of a penny. In the United Kingdom the full "terminal charge" is one penny per word for ordinary traffic, with a reduction for Press matter proportionate to the Press rate reduction. The "terminal charge" is, however, made in the United Kingdom only upon messages actually handled by the Post Office, and it is in the nature of payment for services rendered.

The Union desires to urge upon members of the Imperial Conference the undesirability, in the public interest, of any method of collecting revenue which definitely restricts the inflow of news and information. Without professing, as a body, any opinion upon tariff policies, the Union submits that the fixing of a tariff barrier against incoming news, information, and ideas from the outside world, especially when destined for publication, can have nothing whatever to recommend it, particularly in the case of countries isolated geographically. It is a policy, oriental in character, calculated to add mental to geographical insularity.

Representations by the Press Overseas.

It is desired to submit, in addition to the general observations at the beginning of this Memorandum laying stress upon the importance of cheap and rapid transmission of Press messages by cables and wireless telegraphy, certain representations made to the Union by members in India and the East.

India and Ceylon.

With regard to Press communications with India and Ceylon, it is desired to emphasise the special need for cheap and rapid transmission facilities. In no other country in the Empire is it more important for British news to receive widespread publicity. Two cable companies—the Eastern Telegraph Company and the Indo-China Telegraph Company—at present serve India, but the latter company has only recently recommenced operations following cessation during the war, and for all practical purposes the Press of India still has to rely upon the Eastern Telegraph Company's cable. Very often this means of communication so far as the Press is concerned is considerably handicapped by the Government

monopolising the available lines. It may be assumed that the Government does not fill the lines with unimportant communications, but, nevertheless, the Press has to suffer very grave inconvenience, and is unable at times to publish promptly news of great public importance.

The Press rate to India is 4*d.* per word. Newspapers in India cannot as yet command the large circulations claimed by the bulk of the leading newspapers in the Dominions, and this rate is not economic if the true interests of the public are to be served. Representations to the cable company have hitherto been without result and, as there is so much delay with Press messages, the Press in India is often forced to use the full rate of 1*s.* 8*d.* per word, and, not infrequently, the "urgent" rate of 5*s.* per word. It can well be imagined how deplorable this is from the economic standpoint for a newspaper which strives to maintain a first-class standard.

The newspapers are looking forward to the advent of radio facilities in the hope that competition will force the hand of those controlling the cables. India has been promised a wireless rate not in excess of two-thirds of the rate charged for cabled Press messages. It is hoped that the Indian Government, in co-operation with the authorities at home, will see that the scale for Press messages is fixed not higher than two-thirds of the current Press rates.

Intermediate Cable Charges.

Certain anomalies exist in regard to intermediate cable charges. For example, the cost of relaying Press messages from Colombo to stations such as Penang, Singapore, and Hong Kong, is greater than the cost of telegraphing from London to Colombo. The cost of telegraphing from Australia to Singapore and Hong Kong is 10*d.* per word, whereas from Australia to the Dutch Indies it is only 5*d.* per word. While this Memorandum deals primarily with the subject of communications from the Press point of view, it is urged that cable rates throughout the Empire should be carefully reviewed with a view to disposing of such inconsistencies.

The Far East.

The present crisis in China has drawn attention to the almost prohibitive barrier presented by the Press cable rates between England and the Far East. In the case of messages to and from Japan the Press rate is 1*s.* 1*d.* per word.

Postal Circulation of British Periodicals.

The Empire Press Union endorses, and begs to draw the attention of the members of the Imperial Conference to, the following Resolution adopted by the Third Imperial Press Conference, held in Melbourne last year :—

> "This Conference reaffirms the principle that Postal rates within the Empire for newspapers and periodicals should not exceed the lowest rates in force between any foreign country and any part of the Empire."

In urging that all possible steps should be taken to assist the oversea circulation of Empire-produced periodicals in competition with those of, say, the United States of America, the Union has regard especially to the trade interests involved. This is essentially an advertising matter, and as such is of incalculable importance, apart altogether from any question of sentiment.

Air Communications.

It is understood that the subject of Air Communications is not within the terms of reference of the Committee of the Imperial Conference to which this Memorandum is addressed. Should this be the case it is requested that the following observations may be brought to the notice of the appropriate body.

The Empire Press Union looks to the development of air communications within the Empire as an important factor of Empire unity, from the point of view of Press communications alone. The interchange of information and ideas through the medium of the Press is at present dependent principally upon the facilities afforded by telegraphic systems. The volume of such interchange is determined in great measure by the cost of transmission and the quality and clarity of matter passing is also necessarily affected thereby. A good deal of "copy" is sent by mail, largely of a descriptive and commentary nature, and its value in clearly explaining the points of view and amplifying telegraphed reports can hardly be exaggerated. But this mailed "copy" is not able to play its full part. The difference in time between the briefer telegraphed report and the full and considered description and comment by mail is too great. The "news" element has often been destroyed in the interim and the original telegraphed report with all the handicap of its brevity has to stand as the only record.

The Empire Press Union looks to the coming air mail as a means of changing this situation to a large extent, but it is desired to urge upon the Governments of the Empire concerned the desirability of securing the concession of specially low rates for the conveyance of newspaper "copy." From the point of view of the principal newspapers of all countries of the Empire possibly the ordinary commercial charge would be low enough, but here it is desired to call attention to the Press of the small isolated communities which may come within reach of the air routes. The dropping of mailed "copy" at charges such newspapers could pay might make all the difference in keeping these pioneer settlements abreast of current events and lessening their isolation.

3rd November, 1926.

APPENDIX IX.

QUESTIONS CONNECTED WITH THE PACIFIC CABLE.

(See Section XV of Cmd. 2768.)

THE following are the details of the arrangement reached between representatives of the partner Governments (Great Britain, Canada, Australia, and New Zealand) regarding the Pacific Cable undertaking :—

1. The representation of His Majesty's Government in Great Britain to be reduced from three to two, the Board thus (subject to paragraph 2) to consist of seven members.

2. The Chairman of the Board no longer to be appointed solely by His Majesty's Government in Great Britain and the following procedure to be adopted :—

The Board may appoint such person and on such terms as may be agreed upon between the partner Governments (who may, but need not be, one of the members appointed by a partner Government) to be Chairman of the Board; the term of office shall be a term not exceeding three years, but may from time to time be extended by the Board with the consent of the partner Governments. If the person appointed Chairman is not a member of the Board, the Board will by such appointment be increased to eight members, the contingency of equal voting being met by the provision that the Chairman should have a casting vote.

3. The partner Governments agree that, should any difference of opinion arise as to the person to be appointed Chairman, the question shall be settled by a majority vote, the number of votes to be exercised by each Government being fixed on the basis of the partnership proportionate ratio.

4. The Board to have power to appoint one of its members as Deputy Chairman to act in the absence of the Chairman, and any member of the Board to have power in the event of his absence to appoint a substitute to act on his behalf with full power as a member of the Board.

5. Provision to be made for payment to the Chairman and members of the Board as follows:—

(i.) There shall be paid to the Chairman of the Board if and so long as he is not a person who holds any office of profit under the Crown such salary not exceeding £1,000 a year as the Board may determine:

Provided that, if the partner Governments unanimously so agree, the salary paid to him may exceed £1,000 a year.

(ii.) There shall be paid to every member of the Board who does not hold any office of profit under the Crown such salary not exceeding £300 a year as the Board may determine.

The provisions of (i) above are not to deprive the Board of the power to pay the Chairman a reasonable travelling allowance, and, if

necessary, compensation if occasion arises for him to make a special tour for some particular purpose.

6. The Board, out of its annual net profits, to place to reserve each year, beginning with the financial year 1927–28, either 10 per cent. of such net profits or £10,000, whichever sum is the greater, or the whole of such profits, if they do not exceed £10,000, to be added to the amount standing to the credit of the reserve fund on the 31st March, 1927. The Board to have power, subject to the unanimous consent of the partner Governments, to make larger appropriations to reserve than are provided for above.

It is understood that the reserve fund may be used for the purpose of meeting—

(i.) The cost of repairing breakages in the cable and similar unforeseen expenditure;

(ii.) Subject to the unanimous consent of the partner Governments:

(*a.*) Any annual deficits on the working of the cable.

(*b.*) The cost of further extensions of the system.

7. As regards disposal of surpluses, the following procedure to be adopted:—

(*a.*) For the two financial years after the 1st April, 1927, all surpluses remaining after meeting expenses, including reserve provision as indicated above, to be divided as profits accruing to the partner Governments in the agreed proportions.

(*b.*) After the said two years all such surpluses to be divided into two equal parts, one part to be paid to His Majesty's Government in Great Britain in repayment of outstanding capital, the other part to be divided as profits accruing to the partner Governments; this arrangement to remain in force until the outstanding capital is repaid to His Majesty's Government in Great Britain, after which all such surpluses to be divided as profits accruing to the partner Governments.

8. Arrangements to be made for the audit of the Board's accounts to be conducted, on the termination of the appointment of the present auditor in two or three years' time, either by the Comptroller and Auditor-General of Great Britain or by a commercial firm of Auditors as the partner Governments may decide.

9. The principles governing the relations between the Board and the partner Governments should be that the Board should have complete freedom and responsibility in conducting its regular business, and in all questions of ordinary management of the existing cables, including rates; but that any proposals for material extensions or other large new capital expenditure or any proposal involving changes in the statutory position of the Board should be referred to the partner Governments.

10. His Majesty's Government in Great Britain to take steps as soon as practicable for the introduction of the legislation necessary to carry out the above understanding and to consolidate previous

statutes so far as they will remain in force. The other partner Governments to consider whether concurrent legislation on their part is desirable.

23rd November, 1926.

APPENDIX X.

(A.)—REPORT OF OVERSEA SETTLEMENT SPECIAL SUB-COMMITTEE.

(*See Section XVII of Cmd.* 2768.)

In pursuance of a decision taken at the opening Meeting of the Imperial Conference on the 19th October, 1926, a Special Sub-Committee was set up to consider Oversea Settlement (including Training and Social Insurance) and to report to the Conference thereon.

The Sub-Committee was constituted as follows :—

Great Britain.

The Earl of Clarendon, Under-Secretary of State for Dominion Affairs, and Chairman, Oversea Settlement Committee (*Chairman*).

Mr. T. C. Macnaghten, C.M.G., C.B.E., Vice-Chairman, Oversea Settlement Committee.

Mr. L. Cuthbertson, Treasury.

Mr. A. C. C. Parkinson, O.B.E., Dominions Office.

Mr. C. W. G. Eady, Ministry of Labour.

Mr. J. A. N. Barlow, C.B.E., Ministry of Labour.

Mr. C. Nathan, Ministry of Agriculture and Fisheries.

Mr. G. S. W. Epps, C.B.E., Deputy Government Actuary.

Sir W. S. Kinnear, K.B.E., Ministry of Health.

Sir Robert Greig, Scottish Board of Agriculture.

Major-General Lord Lovat, K.T., K.C.M.G., K.C.V.O., C.B., D.S.O., Chairman, Forestry Commission.

Mr. R. L. Robinson, O.B.E., Forestry Commissioner.

Canada.

The Hon. Vincent Massey, Minister-designate at Washington.

Mr. F. C. Blair, Assistant Deputy Minister, Department of Immigration and Colonisation.

Mr. J. Bruce Walker, Director of European Emigration.

Commonwealth of Australia.

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

Mr. H. F. FARRANDS, Secretary, Commonwealth Immigration Office.

Mr. M. L. SHEPHERD, I.S.O., Acting Director of Migration and Settlement.

Union of South Africa.

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

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

Newfoundland.

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

New Zealand.

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

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

Irish Free State.

Mr. J. J. HEARNE, Assistant Parliamentary Draughtsman.

Southern Rhodesia.

Sir FRANCIS J. NEWTON, K.C.M.G., C.V.O., High Commissioner in London.

Mr. G. F. Plant, Oversea Settlement Department, Mr. W. Garnett, Oversea Settlement Department, and Major M. Allen, Migration and Settlement Offices, Australia House, were appointed as Joint Secretaries to the Sub-Committee.

The Sub-Committee beg to submit the following Report:—

I.—INTRODUCTION.

1. The last occasion on which the policy of State-aided Empire settlement was officially considered in conference with representatives of His Majesty's Dominions was at the Imperial Economic Conference held in October and November, 1923.* On that occasion, as at the present Conference, a special Committee was appointed to consider problems connected with oversea settlement within the Empire. On the receipt of the Committee's Report, the Imperial Economic Conference adopted the following Resolutions:—

> "This Imperial Economic Conference approves the Report of the Committee appointed to consider questions relating to oversea settlement. The Conference endorses the recommendations of the Committee and notes with satisfaction the arrangements as recorded in the Report which have been arrived at, or are in contemplation, with a view to improving the facilities for settlement within the Empire."
>
> "The Conference takes this opportunity of reaffirming its sense of the importance of the policy of oversea settlement to the well-being of the Empire."

* See p. 13 of the Record of the Proceedings of the Imperial Economic Conference, 1923, Cmd. 2009.

2. At the Imperial Economic Conference the objects of the policy of Empire settlement were defined as "a redistribution of the white population of the Empire in the best interests of the Empire as a whole." The present Sub-Committee accept this definition, and, following the above-quoted Resolution, again reaffirm this policy. They believe it to be one of increasing value and increasing importance to the whole British Empire, and they therefore recommend that the Governments of those parts of the British Commonwealth which are suitable or adaptable to British settlement should persevere in their efforts to ensure continued co-operation in this policy and its enlargement.

3. At the same time, the Sub-Committee are satisfied that it is impossible to effect the desired redistribution of population by means of mass movements, and they desire especially to dissociate themselves from the idea that the mere transfer of large numbers of people from Great Britain to the open spaces of the Dominions would afford a solution of the problem of oversea settlement. They are convinced 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.

4. None the less, the Sub-Committee recognise the importance of accelerating the distribution of population, and they are convinced that, by co-operation between the Governments of the Empire, existing conditions can be so moulded as to make it possible to facilitate and stimulate the outward flow of population from the Mother Country to the general advantage of the whole British Commonwealth.

5. The Committee appointed by the Imperial Economic Conference in 1923 pointed out that the results obtained at that date, *i.e.*, some eighteen months after the passing by the Parliament in London of the Empire Settlement Act, 1922, seemed incommensurate with the needs of the situation, both in Great Britain and in the Dominions, more especially so in Australia and Canada. They recognised, however, that the rate at which any redistribution of population can take place must be governed by the rate at which the Dominions can satisfactorily absorb new settlers.

6. The results directly obtained in the first three calendar years since the passing of the Empire Settlement Act are as follows: The number of settlers assisted to proceed from Great Britain to other parts of the Empire was, in 1923, 36,195; in 1924, 40,757; and in 1925, 39,548. Thus the annual volume of State-aided settlement in each of these three years showed little alteration, although it must be remembered that migration to Australia and New Zealand was adversely affected by shipping delays during and after the month of August, 1925. But the statistics in the Annexe* to this Report, which compare the movement from Great Britain during the earlier months of 1925 and 1926 to Canada, Australia and New Zealand, encourage the expectation of a substantial increase in the total volume of migration during the present year, and an increase of over

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* Page 286.

50 per cent. in the case of persons assisted under the Empire Settlement Act.

7. At the meetings of the present Sub-Committee held on the 22nd and the 25th October the Chairman made two statements in which he briefly reviewed the situation. He referred to the figures quoted in the Annexe as indicating that the policy of oversea settlement was now making definite progress. He referred to certain important events during the last three years, especially to the Canadian 3,000 Families Scheme signed in August, 1924, by Mr. W. Lunn, on behalf of the Government of which the Right Hon. Ramsay MacDonald was Prime Minister, and by the Hon. Mr. Robb, on behalf of the Government of Canada. He alluded to the new Migration Agreement with the Government of the Commonwealth of Australia, initiated by Mr. Lunn and signed by the present Secretary of State for Dominion Affairs in April, 1925, and invited attention to the progress of the remarkable experiment in colonisation in Western Australia, a Report on which (Cmd. 2673) was published in June of the present year. He referred to the decision of the Commonwealth Government to set up a Development and Migration Commission, and welcomed the presence at the Conference of the Chairman of that Commission, as evidence of the determination of the Commonwealth Government to make the new Agreement a powerful instrument in the settlement of Australia. The Act constituting the Commission establishes a Commission of four members, responsible to the Commonwealth Government, to analyse the economic situation of Australia; to assist in the co-ordination of its developmental activities; to endeavour to preserve touch between the Governments of the Commonwealth and of the States and the various Governmental bodies engaged in development; to point the way for specific schemes of growth; and to advise the Commonwealth Government as to the allocation of loan moneys to be devoted to development or migration. A statement* setting out the aims and objects of this Commission has been submitted to the Conference and considered by the Sub-Committee.

8. The Chairman went on to say that he and the Vice-Chairman of the Oversea Settlement Committee had recently returned from a three months' visit to Canada full of hope as to the possibilities of oversea settlement in that Dominion. He spoke of the steady increase in the movement of settlers to Australia and New Zealand. He pointed out that His Majesty's Government in Great Britain had not sought to promote oversea settlement as a remedy for the immediate unemployment in Great Britain, but as a means of distributing population in the manner most conducive to the development of the resources, wealth, trade and security of the whole British Commonwealth.

9. In the course of subsequent discussion the Sub-Committee have examined the obstacles to a more rapid distribution of the white population, and find themselves in complete agreement upon this subject. They recognise that the distribution of population is most rapid at times of general prosperity, when capital is available and opportunities for employment are abundant.

10. They recognise that whilst the bulk of the population of

* See Memorandum on pp. 287–290.

Great Britain, especially the younger generation, is for the most part urban, the settlement policy of the Dominions must, for various reasons, be chiefly based upon their need of agricultural development and agricultural settlement. These circumstances necessarily restrict, at least temporarily, the number of persons in Great Britain who can be regarded as qualifying for assistance under the Empire Settlement Act. At the same time, not only will adequate development of agriculture overseas strengthen the general economic position in the Dominions, but from it must follow the growth of secondary industries and the increase of purchasing power, thus conducing in due course to an increased flow of population from Great Britain.

11. The present difficult financial conditions and the financial limitations necessarily placed on any large extension of the programme of assisted migration were recognised on all sides as applicable to all Governments, but subject to these limitations, co-operative measures involving financial commitments have been explored as far as possible.

12. The Sub-Committee have been greatly impressed with the important bearing upon Empire settlement and development of the work of the Conference in connection with economics and research. On the side of economics, it is clear that a successful policy of oversea settlement must be accompanied by the provision of adequate marketing facilities for the settlers' produce. The Sub-Committee trust that all possible steps will be taken to stimulate the demand for Empire products, not only within the countries of the Empire, but also in the markets of the rest of the world.

13. The development of the natural resources of the Dominions which the Research Sub-Committee* have been considering has obviously an important bearing upon the increase in the capacity of the Dominions to absorb new settlers.

14. Agricultural development overseas is materially dependent upon the growth of the co-operative spirit in the formation of associations for rural credit, the marketing of produce, &c. Considerable progress in this direction has already been made, and the Sub-Committee commend to the careful consideration of the Dominion Governments the desirability of further stimulating co-operative effort amongst producers.

15. The attention of the Sub-Committee was drawn to the fact that the proportion of male to female migrants is, from the point of view of some of the Dominions, unsatisfactory. Special consideration therefore has been given to increasing the number of families who may be absorbed overseas and also the number of single young women to whom assisted passages can be given with proper supervision and aftercare.

16. Throughout the discussion the aim has been to place on a sound foundation a long-term policy, and with this in mind attention has been called to the changes in the vital statistics of Great Britain due mainly to special conditions operating during and after the war. From these statistics it is to be inferred that the numbers of juveniles and young men and women in Great Britain available for settlement overseas will tend to decrease from the present level. It was agreed that the significance of these changes should not be overrated, but it was felt that their bearing upon the problem must not be overlooked.

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* The Report of the Research Sub-Committee is printed on pp. 299–320.

17. It was agreed that the parts of the Empire which are specially interested in oversea settlement are Canada, Australia, New Zealand and Southern Rhodesia. The representative of the Government of the Union of South Africa intimated that his Government adhered to the view expressed by their representatives in the Resolution regarding Empire Settlement adopted by the Conference of Prime Ministers in 1921 (Cmd. 1474), viz., "that the limited field for white labour in South Africa precludes co-operation by the Union Government on the lines contemplated by the other Dominions." Similar considerations make it impossible for the Government of Southern Rhodesia to co-operate except in the case of women and of persons possessing capital. The representatives of the Governments of Newfoundland and the Irish Free State also intimated that conditions in their territories precluded co-operation on their part.

18. The Sub-Committee decided that whilst the general principle of co-operation in the policy of oversea settlement commended itself equally to all the Governments interested, the policy must be viewed from different aspects in relation to the Governments of each of the parts of the Empire specially concerned with migration, viz., Canada, Australia, New Zealand, and Southern Rhodesia. It was therefore decided to appoint unit Committees of the main Sub-Committee comprising the representatives of the country in question and representatives of His Majesty's Government in Great Britain to discuss the problem in its relation to each of these countries. A separate unit Committee was also appointed to consider the standardisation of social insurance schemes throughout the Empire. At these unit Committees the Sub-Committee had the benefit of the assistance and advice of unofficial members of the Oversea Settlement Committee, including women members.

19. The following recommendations and observations, which it has been found convenient to group according to subjects, rather than according to countries, are the outcome of the work of these unit Committees.

II.—MIGRATION ARRANGEMENTS.

(A.)—Selection and Recruiting

20. The Sub-Committee have been impressed by the importance of making arrangements to improve and accelerate the process of selection and to stimulate recruiting. Attention has been especially called to the adverse effect caused in some cases by the inability of some applicants to provide the fee for the medical examination, and the reluctance of others to spend money which will be wasted in the event of the medical examination being unfavourable. Moreover, the present practice under which the examination is performed by private medical practitioners who are not always familiar with the requirements of the Dominion authorities has in some cases proved unsatisfactory.

21. With these considerations in view, the Canadian authorities have decided to establish in Great Britain a Canadian Medical Service, under which the medical examination of prospective settlers will be

carefully systematised and conducted free of charge. The Australian authorities are carefully reviewing the whole position, and it is expected that alterations and improvements will in due course be inaugurated.

22. One of the difficulties of the Australian authorities in connection with the recruiting of settlers is due to the fact that whilst, by agreement between the Commonwealth and the States, arrangements for selection and recruiting are in the hands of the Commonwealth authorities, the number of assisted settlers is dependent upon requisitions received from the State Governments. Owing to varying seasonal conditions the State requisitions fluctuate considerably from time to time with consequent discouragement to intending applicants and disorganisation of the recruiting machinery and the shipping arrangements. The reorganisation of the system of State requisitions so as to avoid as far as possible variations in the demands for settlers is, however, receiving the careful consideration of the Development and Migration Commission.

23. The Sub-Committee have considered the possibility of arranging for the grant of free railway fares to the port of embarkation in Great Britain to all assisted settlers. In the case of Australia and New Zealand this concession is already being made where the migrants reside more than a certain distance from the port or are in really necessitous circumstances, the cost being borne by His Majesty's Government in Great Britain and set off against similar expenditure incurred by the Dominion Governments on behalf of the migrants after their arrival overseas. This arrangement is not applicable in the case of Canada as no equivalent contribution is made by the Canadian Government towards rail fares in that Dominion, but the possibility of meeting this difficulty is receiving further consideration. In some cases at present the railway fares to the port of embarkation of an assisted migrant family to Canada amount to more than their reduced ocean passages.

24. The standards of physique, &c., with which applicants for assisted passages to Australia are required to comply have been the subject of some comment and with a view to making the position clear and preventing misunderstandings the Australian authorities are considering the desirability of issuing a statement on the whole question.

(B.)—Nomination.

25. The nomination system, under which assisted passages are granted to persons who can be guaranteed employment and a home on arrival by private residents overseas, continues to be an important channel of assisted migration.

26. The Sub-Committee are of opinion that the development of this system should be encouraged by all possible means. It is based on the principle that the successful settler is the best recruiter of new settlers. In the case of settlers nominated by friends or relatives, the placing in employment and the subsequent welfare of the settlers is the responsibility of the nominator.

27. The Sub-Committee consider it desirable also to continue to encourage collective nomination, *i.e.*, nomination by Churches and groups or societies in favour of persons recruited by kindred organisations in Great Britain.

(C.)—Passages.

Canada.

28. It has been agreed to renew for a period of two years, with certain amendments which, it is hoped, will facilitate the work of the voluntary societies, the Canadian Assisted Passage Agreement which came into operation on the 1st January, 1926. Under this Agreement, men and their dependents proceeding to take up agricultural work, and women household workers, are granted passages at a reduced rate varying according to the final destination in Canada, with free passages for children up to 17 years of age. The Agreement has been attended with most satisfactory results. The number of assisted migrants who proceeded to Canada during 1925 was 8,803, and during the first nine months of 1926 the number was 18,943.

Australia.

29. The Assisted Passage Agreement between His Majesty's Governments in Great Britain and in the Commonwealth of Australia at present provides for a passage at the rate of £11 for women accepted as domestic workers. The Australian representatives have agreed to recommend that this joint assistance be extended so as to provide that in future such women shall be granted free passages. It is hoped that this concession will serve to stimulate the migration of women to Australia. The question of further increasing the extent of Government assistance towards the cost of passages is being investigated by the Development and Migration Commission, which will, in due course, submit its report to the Commonwealth Government.

New Zealand.

30. Further reductions have been agreed upon in the rates of assisted passages to New Zealand, as a result of which all approved boys and girls under 19 years of age and all approved single women between 19 and 40 years of age will receive free passages. All other approved migrants will be granted passages for £11.

Southern Rhodesia.

31. The representative of Southern Rhodesia indicated that his Government might be prepared to co-operate with His Majesty's Government in Great Britain in a scheme for the grant of assisted passages to approved women proceeding to Southern Rhodesia. The Sub-Committee consider that such an arrangement would have a very beneficial effect on British settlement in that Colony.

(D.)—Reception and Welfare.

32. The improvement of the arrangements for the reception and welfare of migrants, particularly in the case of women and juveniles, continues to receive the careful attention of the oversea Governments. Further reference is made to this question in the subsequent paragraphs dealing with juveniles and women.

Canada.

33. The Department of Immigration and Colonisation undertake all arrangements for the reception and aftercare of migrants. In addition certain welfare work is undertaken by recognised private organisations. For instance, juvenile migration is in the hands of Juvenile Migration Societies, which are subject to the direction, and the children themselves to the supervision, of the Department of Immigration. There are also special schemes for boys arranged with the Ontario Government and the Government of the Province of Alberta. All household workers must proceed under the auspices either of the Department of Immigration or of a recognised voluntary organisation which has assumed responsibility for their welfare.

Australia.

34. The arrangements for the reception and welfare of newcomers are in the hands of the State Governments in close co-operation with the numerous voluntary associations interested in this work. The Development and Migration Commission proposes to consider the reorganisation and co-ordination of aftercare work in Australia. Much useful work in this direction is already being done by the New Settlers' League with which are associated other voluntary organisations.

35. The establishment, where necessary, of reception depots for new settlers in each State is provided for in the Migration and Development Agreement with the Commonwealth of Australia.

New Zealand.

36. The bulk of the migration to New Zealand consists of persons nominated by friends or relatives, who generally meet them on arrival and take charge of them. All other settlers are cared for on arrival by the Government Immigration Officers.

(E.)—Family Settlement.

37. The Sub-Committee regard family settlement as the ideal form of migration and they have devoted special attention to the possibility of increasing the facilities for the settlement of families overseas.

Canada.

38. The 3,000 Families Scheme is proving so conspicuously successful that it has been decided to enter into a further scheme for the settlement of suitable families on Crown Lands and on privately-owned lands in Canada. These proposals are referred to in Section III: Land Settlement.

Australia.

39. Apart from nomination and the Western Australian Group Settlement Scheme, recruiting for which is at present being carried on to a limited extent only, the openings for families in Australia

are restricted owing to the lack of housing accommodation on farms. Any increase in family migration must to a considerable extent therefore depend upon the provision of rural housing, and upon an increase in the general absorptive capacity of Australia for new settlers. These matters are referred to later in this Report.

(F.)—Juveniles.

40. The Sub-Committee are agreed as to the desirability of a large increase in juvenile migration from Great Britain to the Dominions. For this class of migrant there are practically unlimited openings overseas under schemes which afford satisfactory guarantees for the welfare of the migrant. The Assisted Passage Schemes have been framed to give every encouragement to juvenile migration. In the case of Canada, juveniles between 14 and 17 years of age are granted free passages; in the case of Australia, children under 12 years proceed free, juveniles up to 17 at a reduced rate of £5 10*s.*, and between 17 and 19 years of age for £11; in the case of New Zealand, it is proposed that free passages should in future be granted to all juveniles under 19 years of age.

41. In all the Dominions the various voluntary organisations continue to do valuable work in connection with boy migration.

42. An important aspect of juvenile migration is the provision of some inducement to young men to remain on the land in the shape of facilities for the acquisition of farms. This subject is dealt with in Section III (D) below.

Canada.

43. The Sub-Committee desire to draw attention to the scheme arranged with the Government of Ontario under which a Training Farm (Vimy Ridge) has been provided for the reception and placing out with farmers of boys from Great Britain and to commend to the consideration of the Governments of the other Provinces of Canada the advantages of co-operating with His Majesty's Government in Great Britain and the Dominion Government in the establishment of similar schemes.

44. The British Immigration and Colonisation Association has made a successful start in the work of placing boys on farms in Ontario and the eastern townships of Quebec. The Association has been promised financial assistance by His Majesty's Government in Great Britain and the Dominion Government.

45. The Canadian authorities have undertaken to explore the possibilities of the Big Brother Movement which has been established in Australia (see below) and to consider whether a similar organisation could usefully be established in Canada.

Australia.

46. For some time it has been the practice of the Government of New South Wales, when introducing boys under the Dreadnought Farm Training Scheme, to arrange for a proportion of these youths to be given a preliminary course of agricultural training on a Government Training Farm before being placed out with private

farmers and for a proportion to be sent direct to private farmers. The Sub-Committee have noted with interest that the New South Wales Government have now decided that all Dreadnought lads shall receive the benefit of the preliminary training course before being sent to employment on private farms.

47. The Sub-Committee have also noted with satisfaction the progress which is being made in Australia by the Big Brother Movement, the object of which is to enrol responsible men in Australia who are prepared to take a brotherly interest in juvenile migrants from Great Britain. As stated above, the possibility of extending this movement to Canada is to be considered.

48. The Australian authorities contemplate a more active campaign with a view to stimulating the migration of Public School boys.

New Zealand.

49. Satisfactory progress has been made with the schemes for the settlement of boys in New Zealand, including the scheme for the training of Public School boys with private farmers.

(G.)—Women and Girls.

50. The Sub-Committee have borne in mind throughout their discussions the importance of an increase in the number of women migrants, and they are of opinion that considerable progress has been made towards that end.

51. In the first place, as has already been stated, the Australian representatives have agreed to recommend the grant of free passages to women proceeding to Australia for household work; all approved single women between 19 and 40 years of age proceeding to New Zealand will receive free passages; and reduced passages at the basic rate are granted to women household workers proceeding to Canada.

52. In Section IV—Training, reference is made to the decision of the Australian representatives to recommend financial co-operation with His Majesty's Government in a domestic training scheme in Great Britain for women for domestic employment in Australia. This scheme should have the effect of increasing the numbers of women proceeding to Australia for household work.

53. It is considered necessary that permanent women conductresses be appointed on board ship for parties of single or unaccompanied women migrants at the joint expense of His Majesty's Governments in Great Britain and in the Commonwealth of Australia. Subject to the settlement of the necessary details this arrangement will be put into operation at an early date. The system is already in operation in the case of vessels carrying such women migrants to New Zealand and is reported to have worked satisfactorily. Conductresses have for some years been established on all passenger steamers carrying women migrants to Canada.

54. The employment of women officers in connection with the arrangements for the selection and interviewing of women, and for their placing and aftercare after arrival overseas, is regarded as most desirable, and, where action on these lines has not already been taken,

the Sub-Committee would commend the matter to the careful consideration of the Oversea Governments.

55. Women officers have for some years been employed in the recruitment, selection, and examination in Great Britain of household workers for Canada. Women migrants are met on arrival in Canada by women officers of the Department of Immigration, who travel with the women on the trains as conductresses.

56. At the present moment the principal openings for women overseas are in household work. The Sub-Committee are interested to learn that a certain number of educated women have been placed satisfactorily in Australia. They recommend that the possibility of finding further openings for women should be carefully explored. There are few openings in agriculture except for women of a special type who have some capital. Such women might find an opening in certain Dominions in poultry farming and fruit growing. In other directions, however, investigations may prove that there is a possibility of increasing the capacity of the Dominions to absorb additional women settlers.

III.—LAND SETTLEMENT.

(A.)—Schemes.

Canada.

57. There is general agreement that, in view of the conspicuous success of the 3,000 Families Scheme, it is most desirable that this form of settlement should become a permanent feature of the joint oversea settlement policy of His Majesty's Governments in Great Britain and Canada. The improved farms in the possession of the Canadian Government which are available for settlement are now approaching exhaustion, and the Dominion Government are not prepared to incur any considerable expenditure on the purchase of new farms. It is proposed that an experimental scheme for the settlement of families upon undeveloped Crown Lands, Provincial and Federal, should be attempted. As the work of developing these areas would be of a pioneering character, the families would have to be specially selected. It is proposed that families (with some children of working age) should be settled in groups of 25 to 30 within reasonable distance of a railway. The land would be handed over to the settlers at a nominal charge. Advances would be made by the Dominion Government in the form of development loans against improvements effected, and by His Majesty's Government in Great Britain for stock and equipment and for the erection of simple housing accommodation. The administration and supervision of the settlements would be in the hands of the Department of Immigration and Colonisation and would follow generally the lines of the 3,000 Families Scheme. The concurrence of the Canadian representatives in this scheme is conditional upon the passing of the necessary egislation for the grant of colonisation loans.

58. It is also considered that an endeavour should be made to bring private owners of unoccupied farm lands in Canada to a recognition of the advantages of co-operation with His Majesty's Governments in Great Britain and Canada in securing settlers and

placing them upon their lands. For this purpose it is desirable that the two Governments should agree upon a joint policy with regard to the settlement of privately owned land and should frame a basis of co-operation in order that the Dominion Government may be in a position to offer definite terms to any owners who are prepared to co-operate with the two Governments in the settlement of their land. One of the lines along which co-operation might be possible would be that the owner should first place his land at the disposal of the Dominion Government for the purposes of family settlement somewhat on the principle of the 3,000 Families Scheme. The owner might also give any other assistance possible in the circumstances and the Dominion Government would act as trustee for the owner until such time as the land had been satisfactorily settled. The Dominion Government would undertake settlement aftercare, and would assess the price at which the land was to be handed over to the settler. His Majesty's Government in Great Britain would make the necessary advances for stock and equipment. Any effort to inflate land values would of course react disastrously on land settlement and, conversely, any readiness on the part of private owners to participate in such an arrangement would ensure the co-operation of both Governments and would result, it is believed, in a large movement of families from Great Britain to the Dominion.

59. The Sub-Committee therefore recommend that His Majesty's Governments in Great Britain and Canada should make every endeavour to give effect to both the above suggestions.

Australia.

60. Under the Migration and Settlement Agreement of 1925 between His Majesty's Governments in Great Britain and the Commonwealth of Australia the two Governments have agreed jointly to make available to the State Governments at a low rate of interest a sum of £34,000,000 for expenditure on approved schemes of development and settlement. Certain modifications in this Agreement have been agreed upon, and are being discussed in detail with a view to submission to the State Governments for approval. Certain schemes of land settlement and development under the Agreement have already been sanctioned, and it is anticipated that the appointment of the Development and Migration Commission by the Commonwealth Government, accompanied by the modifications above referred to, will result in a considerable acceleration of settlement and development in the various States.

61. The whole question of the liabilities of persons who are settled under land settlement schemes has received the careful consideration of the Sub-Committee. It is, however, impossible for the Commonwealth Government to make any concessions in this matter to settlers from Great Britain which are not also granted to Australians settled on the land. The Sub-Committee understand that careful investigation will be made by the Development and Migration Commission to ensure that all schemes approved under the Agreement shall afford reasonable prospects of success.

New Zealand.

62. The Sub-Committee recommend that a definite scheme of assistance for settlers should be prepared to supplement the existing legislation in New Zealand under which, by virtue of the provisions of the State Advances Act and the Rural Advances Act, settlers may receive advances for the purpose of taking up land in the Dominion, and, by virtue of the Land Legislation, may purchase Government land by a system of deferred payments. Under the scheme now proposed, His Majesty's Government in Great Britain would supplement the capital of new settlers in order to enable them more easily to start on their own account after they have gained experience by working for wages. It is proposed that the scheme should provide for assistance for 1,000 families, spread over a period of four years. The head of the family should be required to have at least two years' experience of farming in New Zealand and savings or personal capital amounting to £250. The assistance to be granted by His Majesty's Government in Great Britain should not on the average exceed £200 per family. It is intended that the scheme should apply not only where the settler purchases the land privately with the help of a Government advance, but also where the settler takes land directly from the Government.

(B.)—Group Settlement.

63. The Report* of the Committee on Oversea Settlement appointed by the Imperial Economic Conference in 1923 stated that it had been agreed that experiments should be undertaken with a view to the adoption in other suitable parts of the Empire of a system of group settlements on the lines of that established in Western Australia, and that groups of families should be selected from Great Britain with some common ties. Little has been done in this direction since 1923, but the Sub-Committee desire to support that recommendation in view of the progress of the Group Settlement Scheme in Western Australia up to date. The Sub-Committee are of opinion, however, that group settlement must depend for its success to a large extent upon the leadership of the group, and that an important feature is the organisation of the settlers for the discussion of their difficulties and requirements. Moreover, generally speaking, it is felt that the experiment of selecting groups from the same area in Great Britain has not proved superior to other methods of selection.

(C.)—Afforestation.

64. The Sub-Committee are aware that the subject of afforestation has been considered by another Sub-Committee appointed by the Conference, and that the view has been expressed that, in certain favourable circumstances, afforestation would be a valuable adjunct to land settlement schemes. The Sub-Committee concur in this view, and trust that the question of arranging schemes of afforestation under the Empire Settlement Act may receive the careful consideration of the various Oversea Governments.†

* See pp. 136–150 of Cmd. 2009.

† See para. 6 of the Report of the Forestry Special Sub-Committee, p. 321.

(D.)—INDUCEMENTS TO SETTLERS TO REMAIN UPON THE LAND.

65. The Sub-Committee have already drawn attention to the importance of providing some inducement to settlers to remain on the land overseas, in order to counteract the drift to the cities.

66. The Sub-Committee accordingly recommend that His Majesty's Governments in Great Britain and in each of the Dominions should co-operate in providing facilities for assisting suitable settlers from Great Britain to acquire farms of their own, provided that they have gained the necessary local experience and are in a position to make a deposit in respect of the purchase price of a farm.

IV.—TRAINING.

67. The Sub-Committee have given consideration to the question of providing facilities for training in Great Britain for land work as a means of preparation for farm life, and so enabling the Dominions to secure larger numbers of settlers from Great Britain. Both the Canadian and Australian authorities have expressed their general approval of the arrangements made in connection with training at the experimental centres already established. They hope that these centres will be continued, and if possible extended, and suggest that variations should be tried in regard to length of course, curriculum, and the class of men selected for training.

68. The general opinion of the Dominion representatives is 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. They are prepared to follow up the subsequent career of trained and of untrained settlers with a view to enabling a comparative estimate to be formed, not only of the value of training generally, but of the success of the varied systems of training which they hope will be tried.

69. With regard to the question of the cost of training in Great Britain, the representatives of the Dominion Governments cannot see their way at present to recommend direct financial contributions. At the same time, the representatives of Canada and Australia have both expressed their willingness to consider the question of providing instructors, implements and equipment for the existing centres, and of affording the same facilities in connection with any other centres which may be established in the future.

70. As regards the domestic training of women, the view of the Canadian representatives is that the situation in regard to the supply of domestic help in Canada is not at present such as to justify the cost of a training scheme. In the case of New Zealand, only experienced domestic workers are accepted without nomination under the assisted passage scheme.

71. The Australian representatives, however, have agreed to recommend contributions towards the cost of a domestic training scheme for women who have not had an opportunity of acquiring domestic experience, subject to agreed safeguards against contributing to the cost in respect of women who do not proceed overseas after they have completed the course and have been offered

an assisted passage. A detailed scheme has been drafted and will be forwarded to Australia for consideration.

72. As regards the training of women in agricultural pursuits, the view of the Dominion representatives is that the openings for women on the land overseas are not such as would justify expenditure upon this form of training.

73. The Sub-Committee concur in the view that anything in the nature of a complete training in agriculture can only be given overseas, and they feel that, in connection with the settlement of persons from Great Britain on the land overseas, the most successful results will be achieved if the necessary training in local conditions is given overseas before the settlers are placed upon farms.

V.—GENERAL.

(A.)—Amenities of Life in Rural Areas.

74. The Sub-Committee consider that anything which can be done to improve the amenities of life in the rural areas overseas will have a favourable effect on migration and will serve to counteract the drift from rural areas to the cities. They, therefore, suggest that the authorities responsible for the increase of settlement in the Dominions should give all possible encouragement and study to the increase of the amenities of life in rural areas.

(B.)—Increase in the Absorptive Capacity of the Dominions.

75. The view has often been expressed that the lack of more rapid progress in connection with the redistribution of population is in large measure attributable to the limitations which the Dominion Governments have found it necessary to impose upon the grant of assisted passages. Such passages are at present restricted to families going overseas under an approved land settlement scheme, to nominated persons, to single men and boys who intend to work on farms and to single women and girls going out to household work. The Sub-Committee are of opinion that enquiries might usefully be set on foot in the Dominions, if adequate information is not already available, with a view to ascertaining how far additional opportunities can be found for an increasing number of settlers from Great Britain, not only in connection with agricultural employment but also in industry and in other directions.

76. Such enquiries, which would presumably throw light on the requirements of the labour market, the possibilities of employment in industry, the extent of such unemployment problems as may exist, and the possibility of trade expansion overseas, should afford a solid basis for determining how far it is possible to accelerate the present rate of absorption of British settlers. The number of skilled British workers who proceed every year from Great Britain to countries outside the Empire points to the desirability of interesting manufacturers in the Dominions in the employment of British workers in order that these skilled men may, if possible, be kept within the Empire.

(C.)—Rural Housing.

77. The encouragement of the extension of rural housing in Australia is regarded as one of the first steps towards an increase of the absorptive capacity of the Commonwealth. This subject has been discussed between the representatives of His Majesty's Governments in Great Britain and the Commonwealth of Australia, and proposals for affording joint financial assistance in connection with rural housing will be considered in detail by the Development and Migration Commission in consultation with the authorities in the various States.

(D.)—Rural Credits.

78. The question of some modification in the system of rural credits at present in operation in Australia is engaging the attention of the Development and Migration Commission and, with a view to definite suggestions being submitted for the consideration of the Commonwealth Government, a special Committee composed of representatives of Great Britain and Australia and of co-operative organisations is making further enquiries on the subject.

(E.)—Voluntary Societies.

79. The Sub-Committee are agreed that it is desirable in principle to utilize and encourage religious and other bodies engaged in migration and that co-operation with such bodies is to be recommended.

(F.)—Oversea Settlement of British Soldiers on Discharge from the Army in India.

80. The Sub-Committee took note of a special point raised by the Indian Delegation, viz., the provision of facilities for the selection of suitable settlers for the Dominions from amongst the 10,000 time-expired British soldiers passing to the Reserve from India annually, and the desirability of making arrangements to enable those selected to proceed direct from India to the Dominions, at or near the expiration of their Army service in India.

VI.—STANDARDISATION OF SOCIAL INSURANCE SCHEMES THROUGHOUT THE EMPIRE.

81. The opinion of the Interdepartmental Committee appointed in 1925 by the Secretary of State for Dominion Affairs* to consider the effect of social insurance schemes on migration was that the standardisation of such schemes throughout the Empire was desirable in order to preserve to those who go from one part of the Empire to another the sense of security induced by systems affording protection against incapacity, death or old age. The Sub-Committee

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* See Cmd. 2608.

concur in this opinion, not only on account of its bearing on the welfare of the individual migrant, but also because uniformity in social insurance would be a valuable aid to free movement within the Empire.

82. The social insurance schemes of the different parts of the Empire are so diverse in nature and scope that it is natural in the first instance to consider whether the protection afforded to a migrant by schemes in operation in the country of his origin could be continued by his retention as a participant in those schemes after his departure. Reference is invited, however, in this connection to paragraph 24 of the Interdepartmental Committee's Report,* which indicates the impossibility of retaining settlers in the Dominions either as contributors to, or beneficiaries under, the contributory schemes of Great Britain.

83. The alternative is a reciprocity scheme whereby each part of the Empire would admit settlers from other parts of the Empire into its social insurance system on terms more favourable than those accorded to non-British migrants. Such a plan can only be devised in relation to social insurance systems which have more or less in common certain features which will serve as the basis for the assessment of the mutual concessions. This consideration severely limits the extent to which reciprocity can be applied to the diverse systems at present in force. Australia and South Africa are at present considering the extension of their social insurance provisions, and if, in drafting legislation to bring new schemes into being, these Dominions could have regard to schemes in existence elsewhere, an advance will have been made towards uniformity, and it may be found possible to adopt reciprocal arrangements on the lines contemplated by Section 33 of the Widows', Orphans' and Old Age Contributory Pensions Act. This provides that, where schemes of health insurance and pensions substantially corresponding to those of Great Britain are established in any Dominion, arrangements may be made whereby periods of insurance, contributions paid, and residence, in one of the two countries shall, for the purpose of qualification for pensions in the other country, be treated as if they had been periods of insurance, contributions paid, and residence, in that other country, and whereby pensions payable by one country shall be payable to persons whilst resident in the other country, the operation of the arrangement being accompanied by such financial adjustments as may be found necessary.

84. In addition, the development of health insurance schemes in the Dominions might render possible the application of the provision regarding reciprocity contained in Section 44 of the National Health Insurance Act 1924. In present circumstances, however, it appears that reciprocal arrangements are only practicable in the case of old age pensions schemes which exist, or appear to be under contemplation, in most of the Dominions.

85. The Australian and New Zealand systems of old age pensions have a general resemblance to each other, and, in a lesser degree, to the systems of Great Britain. The Commission investigating the

* Cmd. 2608.

subject in South Africa has not yet reported. A scheme for Canada is under consideration, but owing to the constitutional relationship between the Federal Government and the Provinces it is possible that the scheme would operate only in certain parts of Canada. In these circumstances, any discussion of the possible participation of this Dominion in reciprocal arrangements would be premature. With regard to the Irish Free State, geographical considerations, coupled with the fact that the State has already in force most of the social legislation of Great Britain, suggest that exploration of the possibility of complete reciprocity with Great Britain might conveniently precede any attempt to include this Dominion in a general Empire scheme.

86. In these circumstances, the Sub-Committee have confined their attention to the possibility of co-ordinating in some measure the old age pension schemes of Great Britain, Australia and New Zealand. In this connection, the Sub-Committee have noted the suggestions of the Interdepartmental Committee that the period of residence required to qualify for a pension should be of the same length in every country where an old age pension scheme is in existence, and that residence in one such country should be treated as equivalent to residence in any other such country. The qualifying periods differ very widely in the three countries concerned, and it is regretted that it has not been found possible to agree on any uniform period. Moreover, the adoption of the second suggestion is only regarded as practicable if accompanied by financial adjustments to lessen the disparities in the additional cost in which each country would be involved; for the number of migrants from, for instance, Great Britain to Australia or New Zealand who would be likely to be affected by the proposal appears to be much more than the number proceeding in the opposite direction, and the effect of any reciprocal arrangements might well be to increase this difference.

87. It has not, however, been found possible to work out the details of the basis upon which the necessary financial transactions between the countries should be effected. No adjustment would, of course, be required in the case of persons who migrate early in life, but as regards the older migrant, it is suggested that the proportion of the cost of pension borne by the country from which he has departed should depend upon his age at migration, the whole cost being borne if he was actually in receipt of pension before his departure. Under any such arrangement, a person who attained pensionable age after migration would be subject to the conditions as to annual means in force in the country in which he had settled; and when his title to pension had been established, the country in which he had previously resided would, upon proof of such residence, be debited with the due proportion of the capitalised value of the pension. The determination of the pensionable age and the amount of pension to be paid is, however, rendered extremely difficult by the variations in the schemes of the three countries in these respects. For example, in the case of a person who migrated to a country where the rate of pension was higher than in the country of his origin, difficulties would arise in connection with the existence in the same country of schemes of pensions at different standard rates. Further, the possibility of migration merely to qualify for a higher

rate of pension cannot be ignored. It is felt, therefore, that little progress can be made in devising a financial basis for reciprocity until the matter has been further considered by the Governments concerned.

88. The Sub-Committee fully appreciate the existence of difficulties, but in view of the advantages of uniformity and the desirability of promoting the general aim of co-ordination in social insurance schemes, such as health insurance, and widows' and orphans' and old age pensions, throughout the Empire, they recommend to the Governments of the different parts of the Empire that if and when any legislation is prepared for the introduction of new, or for the amendment of existing, schemes, it should be drafted on lines which will assist to the greatest possible extent in the establishment of reciprocity between the different parts of the Empire. The Sub-Committee further recommend that, as a first step towards this end, the Governments of those parts of the Empire where schemes of old age pensions which have a general resemblance to each other are now or may in future be in operation should endeavour to arrive at a scheme, by reciprocity or otherwise (including a method of contribution from the country of origin to the country of settlement), for preserving or ameliorating the position of migrants in regard to old age pensions.

VII.—INTERCHANGE OF TEACHERS.

89. The Sub-Committee have also been asked to consider the question of the reciprocal recognition for the purposes of superannuation of the service of teachers who migrate from their own country to another part of the Empire. It is understood that a recent enactment in Great Britain (the Teachers (Superannuation) Act, 1925), not only completely safeguards for a period not exceeding four years the superannuation rights of a teacher who leaves England and Wales for service elsewhere in the Empire (by permitting him to pay superannuation contributions to the Exchequer during the period), but also empowers the Board of Education to make schemes for giving effect to reciprocal arrangements made with other parts of the Empire. The possibility of making such arrangements is dependent on the existence in the Dominions of statutory schemes of superannuation for teachers, and of powers thereunder permitting reciprocity.

90. The Sub-Committee are impressed by the desirability of securing reciprocity in this matter. It is understood that the question how far it may be possible to make arrangements such as are contemplated in the Act referred to above will receive a large measure of attention at the Imperial Education Conference next year in connection with the subject of the interchange of teachers, which will be on the Agenda of that Conference. The Sub-Committee regard this subject as of great importance, and they hope that the Dominions will be fully represented at the Conference. So far as it may be found possible to establish such arrangements, it is evident that they would materially assist the free movement of teachers within the Empire, which in the opinion of the Sub-Committee should be encouraged.

VIII.—RESOLUTION.

91. The Sub-Committee recommend, for the consideration of the Imperial Conference, the adoption of the following Resolution :—

"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.* 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 settlers are most needed for development and general security, and where they will find the greatest opportunities."

Signed on behalf of the Committee,

CLARENDON, *Chairman.*

16*th November*, 1926.

ANNEXE.

—	Outward Movement of British Migrants for 6 Months ending June 30, 1925 and 1926. (Board of Trade Return.)		Assisted under Empire Settlement Act, 1922, for 6 Months ending June 30, 1925 and 1926.		Percentage of Total Outward Movement Assisted under Act.		Assisted under Empire Settlement Act, 1922 for 9 Months ending September 30, 1925 and 1926.	
	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.
Australia ...	17,979	21,630	11,987	16,422	67	76	17,621	25,362
Canada ...	22,346	29,460	5,898	13,487	26	46	7,880	18,943
New Zealand	5,912	7,207	4,384	5,354	74	74	6,523	8,388
	46,237	58,297	22,269	35,263	48	60	32,024	52,693

* Cmd. 1474.

(B.)—MEMORANDUM BY THE CHAIRMAN OF THE DEVELOPMENT AND MIGRATION COMMISSION, COMMONWEALTH OF AUSTRALIA, REGARDING THE CONSTITUTION AND FUNCTIONS OF THE COMMISSION.

THE Development and Migration Commission was constituted by an Act of the Parliament of the Commonwealth of Australia in July, 1926. The members of the Commission are: Mr. H. W. Gepp, late General Manager of the Electrolytic Zinc Company of Australasia, as Chairman; Mr. C. S. Nathan, C.B.E., Chairman of Directors of Atkins, Ltd., Perth, Western Australia, as Vice-Chairman; Hon. J. Gunn, the recently resigned head of the Labour Government of South Australia; and Mr. E. P. Fleming, lately Under-Secretary for Lands in New South Wales.

The functions of the Commission are as follows:—

1. To consider matters in relation to the development of the resources of the Commonwealth of Australia, whether by co-operation between the Commonwealth Government and the Governments of the several States, or otherwise.
2. To investigate the condition and development of existing industries, whether primary or secondary, in Australia, and the possibility of establishing new industries in Australia.
3. To conduct negotiations whether within or beyond Australia for the establishment of new industries in the Commonwealth and the development of existing industries therein.
4. To report and recommend to the Commonwealth Government upon matters included in 1 to 3.
5. To examine and investigate any undertaking or scheme proposed to be carried out under the Migration Agreement between His Majesty's Government and the Government of the Commonwealth of Australia, and to report to the Commonwealth Government on the merits of any such undertaking or scheme. In this connection the Commonwealth Government is not bound to accept an undertaking or scheme which the Commission may recommend, but on the other hand no scheme which the Commission vetoes can be financed with the loan money to be made available under the Agreement above referred to, except on a direct Resolution passed by both Houses of the Commonwealth Parliament.
6. To submit on its own account for the consideration of the Commonwealth Government or of the Government of a State any undertaking or scheme in relation to oversea settlement which appears to be to the advantage of Australia.
7. To control the whole of the Commonwealth Migration staff both in Australia and in Great Britain.
8. To carry out such other functions as may be prescribed.

The dominating factor in the matter of populating Australia is the absorptive power of that country. This power has well defined limits which can be enlarged only by the provision of financial assistance from overseas. It may appear surprising that a country of such vast potential wealth should need such assistance to finance its population policies, but insufficient stress has been laid upon the fact that Australia's present rate of increase in population, including the yearly gain by oversea migration of about 40,000, is unsurpassed anywhere in the world, and corresponds closely to the average rate of growth which has obtained ever since 1860. Australia is approaching nearer and nearer to the point where she can finance her normal development from her own resources, but I suggest there is nothing remarkable in her need of financial assistance if the normal rate of growth is to be appreciably increased.

Realising that no Cabinet could possibly undertake the close examination of proposed developmental schemes, the Government of the Commonwealth of Australia created the Development and Migration Commission to investigate and advise it as to the soundness, from the points of view both of finance and of increased population, of all loan expenditure schemes propounded by the Governments of the States under the Migration Agreement.

The Commission is charged with the attempt to co-ordinate the whole of the developmental activities of Australia. In this regard it must act as the liaison body between the Commonwealth Government and the various State Governments. It must seek to shape itself as the national clearing-house for all ideas and schemes bearing upon economic development. As indicated in the list of functions set out herein, the Commission, in addition to reporting upon schemes proposed by the State Governments, can itself suggest other schemes conducive to the development of Australia or of any particular State.

The view of the Commonwealth Government is that the creation of the Commission is an effective answer to the legitimate attacks sometimes made in Australia on the idea of haphazard and uncontrolled migration from overseas. It is a plain and practical recognition that migration is governed by economic facts—facts which are not unmodifiable, but which demand close study and full understanding if they are to be bent to the national will. It is, furthermore, a recognition that policies of social amelioration will fall under their own weight unless they are based upon genuine national efficiency. Regulation in the social sphere implies and demands organisation in the economic sphere, and some such work as that which the Commission hopes to carry out is now seen to be necessary if a "White" Australia and a safeguarded national standard of living are to continue as practical policies. The work of the Commission therefore has two aspects—distinguishable in the abstract, if not in the concrete. One is concerned with Australian development as an Australian national problem; the other touches the need for a more rapid increase in Australia's population and is therefore Imperial as well as national. Under both heads the idea of development takes precedence of migration. Australia demands

more hands to operate it, and more brains to direct it. The ideal agency for increasing population is in the nature of a suction pump rather than a force pump. No migration can succeed which is not natural in the sense of being moved to its destination by economic circumstances. A fact, however, which is overlooked is that the circumstances which produce healthy transfers of population are not beyond our control. They can be created by forethought and wise planning. It is artificial preparation for a natural movement of population which the Commission is appointed to direct.

The Commission proposes to arrange for an economic survey of the whole of the present resources of Australia. Despite an official statistical organisation which I believe to be unsurpassed in any country in the world, there are great gaps in our knowledge of our own economic situation. We are ignorant of the extent to which any unemployment is caused by the seasonal character of so many Australian trades and occupations, and the degree to which it is affected by migration. It is proposed that the unemployment survey shall be one of the earliest parts of our economic stocktaking to be undertaken, and it should certainly prove the key to much of the remainder of the enquiry. But there are other matters to be dealt with, not perhaps directly related to employment and unemployment. We know little, for instance, in a systematic way about the commercial relationships between the various industries which we are seeking to foster. We know a trifle more, perhaps, but certainly not enough, about our mineral and agricultural resources. We know scarcely anything about any special causes which may underlie the cycles of business depression which overtake Australia from time to time.

The Commission has no intention of ever attempting to be an economic dictatorship. It desires to remain in the closest touch with the work, not only of everybody which is dealing with development or overseas settlement, but with the thoughts and ideas of every individual Australian who gives any thought to the problems of his country. The Commission certainly does not wish to work alone; it seeks the fullest co-operation, and will gladly co-operate with others. Here I may say it will be able to depend upon the valuable work already done by the Commonwealth Royal Commission on National Insurance. It will be able to rely upon the Commonwealth Department of Markets, while in special enquiries the Bureau of Census and Statistics should prove of immense assistance. When it has to occupy itself with research, it will have a call upon the newly created Council of Scientific and Industrial Research of Australia, which in all the many matters covered by its title, will be a partner and ally. When it comes to the economics of secondary industry, it meets the Tariff Board.

Amongst the matters with which the Commission proposes to deal are the dried fruits industry—its production problems, and its relation to its overseas markets; the resources of Tasmania and the best means of developing them (in conjunction with the Government of Tasmania and the Council of Scientific and Industrial Research); the fisheries of Australia and the possibilities of turning fish into a

cheap and regular article of diet; the present problems and future possibilities of the gold-mining industry; the tobacco-growing industry and the question of rural housing. These are only some of the questions which confront the Commission, but I suggest that they show the immensity of the task which it is called upon to fulfil.

It is inevitable that a good deal should depend upon the results of the first few years' work. At the same time the Commission has no desire to sacrifice the more remote and far-reaching achievements to the more immediate and spectacular. It must seek to hold the balance true. And I believe that, as time goes on, it will be able to combine steady progress towards the realisation of our larger aims with the production of a due measure of immediate and tangible achievement.

Savoy Hotel, W.C.,
17th November, 1926.

APPENDIX XI.

REPORT OF WORKMEN'S COMPENSATION SPECIAL SUB-COMMITTEE.

(See Section XVIII of Cmd. 2768.)

In pursuance of a decision taken at the opening Meeting of the Imperial Conference on the 19th October, 1926, a Special Sub-Committee was set up to consider certain questions relating to Workmen's Compensation, and to report to the Conference thereon.

The Sub-Committee was constituted as follows :—

Great Britain.	*Canada.*
The Right Hon. Sir William Joynson-Hicks, Bart., M.P., Secretary of State for Home Affairs (*Chairman*).	Mr. S. A. Cudmore, Technical Adviser.
Mr. R. R. Bannatyne, C.B., Home Office.	
Mr. W. R. L. Trickett, Treasury.	
Mr. J. E. Stephenson, Dominions Office.	
Mr. G. E. Baker, C.B.E., Board of Trade.	
Hon. A. E. A. Napier, C.B., Lord Chancellor's Department.	
Miss A. C. Franklin, Oversea Settlement Department.	

Commonwealth of Australia.

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

Union of South Africa.

Sir WILLIAM HOY, K.C.B., General Manager of Railways.

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

Newfoundland.

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

New Zealand.

The Right Hon. Sir FRANCIS BELL, G.C.M.G., K.C., M.L.C., Minister without Portfolio.

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

Irish Free State.

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

Mr. J. J. HEARNE, Assistant Parliamentary Draughtsman.

India.

Mr. J. C. WALTON, M.C., India Office.

Colonies and Protectorates.

Mr. H. G. BUSHE, Colonial Office.

Mr. C. M. Knowles, Home Office, was appointed Secretary to the Sub-Committee.

The Sub-Committee beg to make the following Report:—

1. The subject has been considered under two heads, namely, (I) the present position in regard to the Resolutions* of the Imperial Economic Conference of 1923 concerning Workmen's Compensation, and (II) the question of reciprocal arrangements as between the different parts of the Empire for the administration of money awarded for compensation.

(I.)

2. The Sub-Committee have reconsidered in the light of existing legislation and of the Draft Convention† adopted at the International Labour Conference at Geneva in 1925 the Resolutions adopted by the Imperial Economic Conference of 1923.

3. With regard to *Resolution I* of the Conference of 1923, dealing with the position of non-residents under Workmen's Compensation Acts, the Sub-Committee find that the laws of the various parts of the Empire conform generally to the principle of that Resolution, 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.

* See pp. 25–26 of the Record of the Proceedings of the Imperial Economic Conference, 1923, Cmd. 2009.

† For text of the Draft Convention see pp. 295–298.

4. So far as the Sub-Committee can ascertain, the rule is subject only to the following qualifications :—

(*a.*) In New Zealand, Queensland, and some of the Canadian Provinces compensation to non-resident dependants (in New Brunswick compensation to a workman or his dependants) is conditional on reciprocity.

(*b.*) In certain of the Canadian Provinces the amount of the compensation payable to non-resident dependants is limited either to such amount as would be payable under the law of the country in which they are residing or as will maintain the dependants "in a like degree of comfort as dependants of the same class residing in Canada."

(*c.*) In Alberta, in the case of an injury to a workman after two years from his arrival in Canada it is conclusively presumed that he has no dependants other than father and mother, save such dependants as are resident in Canada.

5. There appears to be nothing in the statutes in force in any other part of the Empire to deprive a workman or his dependants of compensation on the ground of non-residence.

6. The Sub-Committee recognise that it is still possible that cases may arise where, by reason of the application of the principle of reciprocity, compensation ceases on change of residence from one part of the Empire to another as in the case where a workman removes from the place where the accident happened to a part of the Empire where no Workmen's Compensation Law is in existence. But they believe such cases to be so few as to be of no practical importance.

7. The Sub-Committee have noted with satisfaction that Quebec, which previously imposed stringent restrictions, has repealed them in an Act passed this year.

8. As to *Resolution II* of the 1923 Conference respecting seamen serving on ships registered within the several parts of the Empire, it does not appear to the Sub-Committee that the laws of any of the Provinces of Canada provide for the payment of compensation to seamen serving on sea-going ships, except subject to conditions as to the seaman's residing in the Province or as to the contract with his employer having been made within the Province.

9. The Statutes of New Zealand, the Union of South Africa, and India, like the legislation in force in Great Britain, apply to accidents on ships registered in those respective countries wherever the ship may be at the time.

10. The Acts of the Australian States apply only to accidents happening within the territorial waters of the State, but the Commonwealth Act applies to accidents happening to seamen on Australian-registered ships not only in Australian waters, but also when engaged in trade with other countries.

11. It appears to the Sub-Committee that it may be open to the Dominion Government of Canada to deal with the matter on lines similar to those adopted by the Australian Commonwealth.

12. *Resolution III* of the 1923 Conference, which refers to the rights of aliens, has been considered by the Sub-Committee in the light of the Draft Convention* and Draft Recommendation† on Equality of Treatment for National and Foreign Workers as regards Workmen's Compensation for Accidents, which were adopted by the International Labour Conference at Geneva in 1925.

13. The Resolution of the Imperial Economic Conference of 1923 suggested legislation based on 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."

14. By the terms of the Draft Convention, which has now been ratified in respect of Great Britain and Northern Ireland and of the Union of South Africa, each member of the International Labour Organisation ratifying the Convention undertakes to grant to the nationals of any other ratifying member "the same treatment in respect of workmen's compensation as it grants to its own nationals," without reference to any question whether the benefits accorded by the two legislations are in fact of equivalent value.

15. The Sub-Committee find that the general practice throughout the Empire is not to discriminate against alien workers as such, and that where discrimination occurs it is usually based on non-residence irrespective of nationality.

16. The Sub-Committee have come to the conclusion that the adoption by all parts of the Empire of a common policy based on the Draft Convention would conduce to the removal of certain disabilities still imposed under the workmen's compensation laws of certain foreign countries on British subjects residing in those countries and on their dependants. They accordingly suggest that all the Governments concerned should be invited to consider the desirability of giving effect to the principle of the Draft Convention in their workmen's compensation legislation.

(II.)

17. As to the question whether it is desirable in proper cases to facilitate the transfer of workmen's compensation monies between the different parts of the Empire, the Sub-Committee find 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, and that legislation would accordingly be necessary in each case for the purpose of giving effect to the proposal.

18. The Sub-Committee are of opinion that such legislation should be recommended to the various Governments, and while the details of such legislation must be a matter entirely for the legisla-

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* For text of the Draft Convention see pp. 295–298.

† For text of the Draft Recommendation see pp. 298–299.

ture concerned, they suggest that it might most conveniently take the form of giving power to the appropriate authority in each jurisdiction to make Rules for carrying out the object in question.

19. The Sub-Committee contemplate that such Rules would give the tribunal awarding compensation power to decide whether the transfer to another jurisdiction of the whole or any part of such compensation is desirable, and that when such transfer is effected, the compensation money should be administered by the authority to which such transfer is made in accordance with the directions (if any) accompanying the transfer, and otherwise, in accordance with the practice of the transferee. The further details of such Rules would have to be worked out by the respective Governments entering into such arrangements with one another.

20. Paragraph 1 (iv) of the Order of His Majesty in Council of the 1st June, 1926 (S.R. & O., 1926, No. 581) relating to the Anglo-Danish (Workmen's Compensation) Convention may be referred to as indicating the nature of the suggested statutory provisions. The paragraph in question is in the following terms :—

> "The power of making Rules under the Acts shall include a power to make such Rules as may be necessary for the purpose of carrying the said Convention or this order into effect. Such Rules may include provisions authorising a County Court (*a*) to order the transfer to the appropriate Danish Authority of any compensation due under the Acts for the benefit of any British or Danish workman or dependants of such workman resident in Denmark, and (*b*) to receive and administer any compensation awarded under the Danish Accident Insurance Law for the benefit of any British or Danish workman or dependants of such workman resident in Great Britain or Northern Ireland."

21. It may be pointed out that the necessity for such arrangements as have been suggested will arise mainly if not exclusively in case of death where the compensation is payable to the dependants of the deceased workman. In these cases the compensation as a rule takes the form of a lump sum, and even where, as under the Ontario Statute, the compensation in case of death normally takes the form of a periodic payment, provision is usually made to authorise commutation for a lump sum in the event of the dependants residing abroad.

22. As regards periodic payments made to the injured workmen in non-fatal cases, there already exists in several parts of the Empire a well-established practice whereby in the event of the workman going abroad the compensation payments continue to be remitted direct to the workman himself, and there appears to be no need for any alteration of this practice.

23. The Sub-Committee are, however, of opinion that it is desirable that special arrangements should be made to facilitate the transfer of workmen's compensation monies as between the different parts of the Empire in the cases where no provision at present exists.

(III.)

24. The Workmen's Compensation Sub-Committee recommend that the Imperial Conference should adopt Resolutions on the following lines :—

Resolution I.

"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."

Resolution II.

"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."

Signed on behalf of the Sub-Committee.
W. JOYNSON-HICKS, *Chairman.*

16*th November*, 1926.

Draft Convention concerning Equality of Treatment for National and Foreign Workers as regards Workmen's Compensation for Accidents, adopted by the International Labour Conference at its Seventh Session, 19th May–10th June, 1925.

The General Conference of the International Labour Organisation of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Seventh Session on the 19th May, 1925, and

Having decided upon the adoption of certain proposals with regard to the equality of treatment for national and foreign workers as regards workmen's compensation for accidents, the second item in the Agenda of the Session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts, this 5th day of June of the year 1925, the following Draft Convention for ratification by the Members of the International Labour Organisation, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace :

ARTICLE 1.

Each Member of the International Labour Organisation which ratifies this Convention undertakes to grant to the nationals of any other Member which shall have ratified the Convention, who suffer personal injury due to industrial accidents happening in its territory, or to their dependants, the same treatment in respect of workmen's compensation as it grants to its own nationals.

This equality of treatment shall be guaranteed to foreign workers and their dependants without any condition as to residence. With regard to the payments which a Member or its nationals would have to make outside that Member's territory in the application of this principle, the measures to be adopted shall be regulated, if necessary, by special arrangements between the Members concerned.

ARTICLE 2.

Special agreements may be made between the Members concerned to provide that compensation for industrial accidents happening to workers whilst temporarily or intermittently employed in the territory of one Member on behalf of an undertaking situated in the territory of another Member shall be governed by the laws and regulations of the latter Member.

ARTICLE 3.

The Members which ratify this Convention and which do not already possess a system, whether by insurance or otherwise, of workmen's compensation for industrial accidents agree to institute such a system within a period of three years from the date of their ratification.

ARTICLE 4.

The Members which ratify this Convention further undertake to afford each other mutual assistance with a view to facilitating the application of the Convention and the execution of their respective laws and regulations on workmen's compensation and to inform the International Labour Office, which shall inform the other Members concerned, of any modifications in the laws and regulations in force on workmen's compensation.

ARTICLE 5.

The formal ratifications of this Convention under the conditions set forth in Part XIII of the Treaty of Versailles and in the corresponding Parts of the other Treaties of Peace shall be communicated to the Secretary-General of the League of Nations for registration.

ARTICLE 6.

This Convention shall come into force at the date on which the ratifications of two Members of the International Labour Organisation have been registered by the Secretary-General.

It shall be binding only upon those Members whose ratifications have been registered with the Secretariat.

Thereafter, the Convention shall come into force for any Member at the date on which its ratification has been registered with the Secretariat.

ARTICLE 7.

As soon as the ratifications of two Members of the International Labour Organisation have been registered with the Secretariat, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organisation. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organisation.

ARTICLE 8.

Subject to the provisions of Article 6, each Member which ratifies this Convention agrees to bring the provisions of Articles 1, 2, 3 and 4 into operation not later than the 1st January, 1927, and to take such action as may be necessary to make these provisions effective.

ARTICLE 9.

Each Member of the International Labour Organisation which ratifies this Convention engages to apply it to its colonies, possessions and protectorates in accordance with the provisions of Article 421 of the Treaty of Versailles and of the corresponding Articles of the other Treaties of Peace.

ARTICLE 10.

A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the Secretariat.

ARTICLE 11.

At least once in ten years, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision or modification.

ARTICLE 12.

The French and English texts of this Convention shall both be authentic.

Recommendation concerning Equality of Treatment for National and Foreign Workers as regards Workmen's Compensation for Accidents, adopted by the International Labour Conference at its Seventh Session, 19th May–10th June, 1925.

The General Conference of the International Labour Organisation of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Seventh Session on the 19th May, 1925, and

Having decided upon the adoption of certain proposals with regard to the equality of treatment for national and foreign workers as regards workmen's compensation for accidents, the second item in the Agenda of the Session, and

Having determined that these proposals shall take the form of a recommendation,

adopts, this 5th day of June of the year 1925, the following Recommendation, to be submitted to the Members of the International Labour Organisation for consideration with a view to effect being given to it by national legislation or otherwise, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace :

I.

In order to facilitate the application of the Convention concerning equality of treatment for national and foreign workers as regards workmen's compensation for accidents the Conference recommends that :—

(*a.*) When a person to whom compensation is due under the laws and regulations of one Member resides in the territory of another Member, the necessary measures be taken to facilitate the payment of such compensation and to ensure the observance of the conditions governing such payment laid down by the said laws and regulations ;

(*b.*) In case of dispute concerning the non-payment, cessation of payment, or reduction of the compensation due to a person residing elsewhere than in the territory of the Member where his claim to compensation originated, facilities be afforded for taking proceedings in the competent courts of law in such territory without requiring the attendance of the person concerned ;

(c.) Any advantage in respect of exemption from duties and taxes, free issue of official documents or other privileges granted by the law of any Member for purposes connected with workmen's compensation, be extended under the same conditions to the nationals of the other Members which shall have ratified the afore-mentioned Convention.

II.

The Conference recommends that, where in any country there exists no system, whether by insurance or otherwise, of workmen's compensation for industrial accidents, the Government shall, pending the institution of such a system, afford facilities to alien workers enabling them to benefit by the laws and regulations on workmen's compensation in their own countries.

APPENDIX XII.

REPORT OF RESEARCH SPECIAL SUB-COMMITTEE.

(See Section XIX of Cmd. 2768.)

In pursuance of a decision taken at the opening Meeting of the Imperial Conference on the 19th October, 1926, a Special Sub-Committee was set up to consider the subject of Research (including agricultural research and statements as to the Imperial Institute, the Empire Cotton Growing Corporation and the Empire Marketing Board).

The Sub-Committee was constituted as follows :—

Great Britain.

The Right Hon. the Earl of Balfour, K.G., O.M., F.R.S., Lord President of the Council *(Chairman)*.

The Right Hon. Lord Bledisloe, K.B.E., Parliamentary Secretary, Ministry of Agriculture and Fisheries *(Chairman for Agricultural Research)*.

Major W. E. Elliot, M.C., M.P., Under-Secretary of State for Scotland, Empire Marketing Board.

Sir H. Frank Heath, K.C.B., Secretary, Department of Scientific and Industrial Research.

Canada.

Dr. J. H. Grisdale, Deputy Minister of Agriculture.

Mr. W. A. Wilson, Office of High Commissioner.

Great Britain—(contd.).

Mr. H. T. TIZARD, F.R.S., Department of Scientific and Industrial Research.

Dr. C. R. YOUNG, O.B.E., Department of Scientific and Industrial Research.

Mr. C. L. STOCKS, Treasury.

Mr. M. F. HEADLAM, C.B., Treasury.

Mr. H. E. DALE, C.B., Ministry of Agriculture and Fisheries.

Mr. P. W. L. ASHLEY, C.B., Board of Trade.

Mr. A. C. C. PARKINSON, O.B.E., Dominions Office.

Mr. J. E. STEPHENSON, Dominions Office.

Mr. H. E. WIMPERIS, O.B.E., Air Ministry.

Sir W. H. CLARK, K.C.S.I., C.M.G., Comptroller-General, Department of Overseas Trade.

Lieut.-General Sir WILLIAM FURSE, K.C.B., D.S.O., Director, Imperial Institute.

Sir ROBERT GREIG, Chairman, Board of Agriculture for Scotland.

Major-General LORD LOVAT, K.T., K.C.M.G., K.C.V.O., C.B., D.S.O., Chairman, Forestry Commission.

Mr. R. L. ROBINSON, O.B.E., Forestry Commissioner.

Sir WALTER M. FLETCHER, K.B.E., F.R.S., Secretary, Medical Research Council.

Lieut.-Colonel Sir DAVID PRAIN, C.M.G., C.I.E., F.R.S., Development Commission.

Sir ERNEST RUTHERFORD, O.M., President of the Royal Society.

Sir JAMES CURRIE, K.B.E., C.M.G., Empire Cotton Growing Corporation.

Commonwealth of Australia.

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

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

Union of South Africa.

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

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

Newfoundland.

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

India.

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.

New Zealand.

Dr. R. J. TILLYARD, F.R.S., Cawthron Institute.

Irish Free State.

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

Southern Rhodesia.

Sir FRANCIS J. NEWTON, K.C.M.G., C.V.O., High Commissioner in London.

Colonies and Protectorates.

The Hon. W. G. A. ORMSBY-GORE, M.P., Parliamentary Under-Secretary of State.

Sir GILBERT E. A. GRINDLE, K.C.M.G., C.B., Deputy Under-Secretary of State.

Mr. J. F. N. GREEN, Colonial Office.

INTRODUCTION.

(By the Right. Hon. the Earl of Balfour, K.G., O.M., F.R.S., Lord President of the Council and Chairman of the Research Special Sub-Committee.)

The material well-being of mankind may be diminished by many causes—*e.g.*, international wars, domestic disorder, industrial disputes—but (if individual effort remain on the average unchanged) there are only two causes which can increase it—namely, better natural sources of supply, and better methods of turning these sources to account. If we are to rely (as we increasingly must) on the second of these causes of economic progress, it is to applied science that we must turn for aid.

But, granting this to be true, how, it may be asked, does the fact concern the Imperial Conference?

It concerns the Imperial Conference because we are here touching on interests that are more than regional. The Empire includes States and territories of the most varied economic capacity;

possessing every gradation of climate and soil, every species of mineral wealth, subject in parts to special diseases with which only science can hope to deal; enjoying in parts unique natural advantages which only science can fully develop. It possesses distinguished investigators in every branch of research. It has therefore everything to gain from full scientific co-operation, yet we can hardly flatter ourselves that we practise this, either within Great Britain or throughout the Empire. Here, surely, we find ourselves face to face with a situation in which the free discussions of the Conference may give us priceless aid.

But what, it may be asked, can such discussions really accomplish? Doubtless the relations between science, industry, and departmental administration are far from easy; but would they not become wholly impossible if even the faintest attempt were made to improve them through any form of Imperial control? They certainly would; and it is not in this direction that better co-operation is to be looked for.

Again, can we suppose that either money or organisation can increase the supply of original scientific genius, or direct it, when found, into utilitarian channels? It is plainly impossible. Genius cannot be made to order, nor discovered by rule. The best we can do is to provide fitting opportunities for its exercise when we are fortunate enough to find it.

These may seem to be discouraging reflections; yet I am convinced that much may be accomplished if we are not too ambitious. To make the position clear let me roughly sketch the four stages into which we may ideally divide the re-actions of science on particular industries.

They begin with the fundamental discoveries in pure science on which all subsequent progress depends. These have commonly been made with no thought of any useful application, and are due to the love of knowledge alone.

The second stage is reached when it occurs to some man of science that these fundamental discoveries may be employed in the solution of a practical problem which has been engaging his attention.

The third stage (which is closely associated with the second) consists in exploring the full significance and value of this conjecture by means of small scale experiments, while

The fourth consists in the application of the knowledge thus obtained to the business of economic production.

Such in bare outline seems to be the normal movement from fundamental discoveries to the most advanced enterprises of the agriculturist and the manufacturer. In historic fact it is often a very long and very elaborate journey, filled with dramatic complications, sometimes even with dramatic tragedies. About these we are not concerned; for it is on the two middle stages of the process that the efforts of organised research are chiefly concentrated; and we may almost say that their principal aim is to shorten and cheapen the passage which separates pure scientific theory from pure industrial practice.

There are at this moment in different parts of the Empire a large and increasing number of Institutions devoted to this purpose, and the work they are individually doing is admirable in quality, and as large in quantity as their financial resources permit.

How then is it possible for the Conference to assist? It cannot give money; it cannot impose a policy. The greatest service it can render (and it may be no small one) is to encourage those States of the Empire which are interested in research to consider sympathetically the suggestions contained in this Report. Those who do so will probably agree with the conclusion I have already ventured to indicate. Let us cultivate easy intercourse, and full co-operation will follow. Investigators in the same intellectual field, though far separated in space, will work as partners. Overlapping, and all the intellectual waste that so often accompanies overlapping, will be greatly diminished; and considered judgments about the gaps in our knowledge which most urgently require to be filled will follow as of course.

On these and cognate subjects full information is supplied in the accompanying Report.

A. J. B.

The Sub-Committee have been assisted by the advice of other experts on particular matters under consideration.

Mr. E. Barnard, D.S.O., Department of Scientific and Industrial Research, and Mr. F. J. du Toit, Union of South Africa, were appointed Joint Secretaries to the Sub-Committee.

The Sub-Committee have concluded their deliberations and beg to make the following Report:—

Part I.—ORGANISATION.

1. The opportunity for consultation which the meetings of the Sub-Committee have afforded has convinced them of its value, and they have learnt with pleasure that means to secure further consultation between the official organisations for research in Great Britain are under investigation. The Sub-Committee hope that arrangements will be made to communicate the means devised in Great Britain for this purpose to the other parts of the Empire, and that the respective Governments will reciprocate by communicating to His Majesty's Government in Great Britain full information on any steps they may be taking in this direction.

2. There is a consensus of opinion that the co-operation of the various parts of the Empire in scientific work in the fields of entomology, mycology and tropical medicine has been greatly helped by the Imperial Bureaux for these subjects. There can be no doubt that there is room for an extension of this method of co-operation, and it appears to the Sub-Committee that further bureaux of a similar kind might well be established in other sciences as the need for them is realised and the constituent parts of the Empire agree to their establishment. But although examples of possible new

bureaux might be mentioned, it is clear that the most suitable occasion for expert consideration of the need in any particular case, and the means of filling it, would be the periodical special conferences representing the Empire which are either already arranged, such as those for Forestry and Agriculture, or that may be arranged in future, such as a Fisheries Conference which, it is understood, is being considered by the Ministry of Agriculture and Fisheries in London.

3. It will be observed that the existing Bureaux are confined to strictly limited fields of scientific work, placing themselves at the service of all the practical arts concerned—whether agriculture, forestry, horticulture, medicine, mining or manufacturing industry. The basis is pure science, the application general. A large part of the success of these Bureaux has been due to their ability to sift the information that reaches them. This appears to be due partly to the relatively narrow field of science engaged, partly to the fact that the number of workers in each field is limited, and partly to the fact that the heads of the Bureaux are men of scientific standing who know most of the workers personally and can deal effectively with the range of special knowledge involved.

4. On the other hand, the need was expressed, and is accepted by the Sub-Committee, of some machinery in close touch with existing organisations which would communicate scientific and technical information to those concerned anywhere throughout the Empire with a particular practical art—agriculture, forestry, medicine, horticulture, mining or manufacturing industry. The basis in this case would be not a particular science, but a particular art, drawing help from the whole range of science. It has been suggested that organisations on this basis should be established as a means of promoting the exchange of scientific and technical information bearing on the various arts concerned.

5. If organisations of this kind were established, their actual operations would obviously be conditioned by the existence or otherwise of corresponding organisations elsewhere, and it must also be remembered that the work proposed for these organisations is analogous to that already being done in some measure by the Imperial Institute, which disseminates scientific and technical information, and which, in accordance with the Recommendation of the Imperial Economic Conference in 1923, is intended to become in an increasing degree a clearing-house for such data.

6. It might well be that the establishment of these organisations would lead naturally to the creation of further specialised bureaux; in the meantime, they should not trench upon the fields covered by the existing Bureaux, though they would obviously work in close co-operation with them.

7. Besides the proposed Forestry organisation,* which would be of this character, it has been suggested that similar organisations should be established in agriculture; this suggestion, no doubt,

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* See para. 7 of the Report of the Forestry Special Sub-Committee, printed on p. 323, referring to the suggested Imperial Forestry Bureau.

will be explored at the Imperial Agricultural Research Conference proposed to be held in 1927. But the possibilities do not stop at agriculture.

8. The Sub-Committee are of opinion that, as indicated in paragraph 2, the periodical special conferences would afford the most convenient opportunities of considering the desirability of creating particular organisations of either kind. The Sub-Committee desire to make it clear that it is not necessarily to be assumed that any organisation intended to serve the whole Empire, as do the existing Bureaux, should be situated in Great Britain. In some cases it would probably be more suitable that it should be located in some other part of the Empire; for instance, it is suggested that if it were decided to establish such an organisation for veterinary science, it might appropriately be set up in South Africa.

9. Hitherto this Report has dealt with machinery for the communication of scientific and technical results by scientific bureaux or by the wider organisations described in paragraphs 4–6. The following paragraphs deal with the problem of linking up Government research organisations in different parts of the Empire, so as to enable direct communication to be established between bodies engaged in similar work. It is most desirable that all those organisations in the different parts of the Empire engaged in similar branches of research should freely and directly inter-communicate on all topics of common interest. Among matters of common interest are included not merely particular researches contemplated or in progress, but the gaps in present knowledge which appear most worthy of immediate attention.

10. In recent years large State-provided funds have been devoted to research work and its application in particular utilitarian fields. Thus, in Great Britain large sums are found by the Government to assist primary scientific work and to organise enquiries upon a secondary plane within the broad fields respectively of agriculture and fisheries, in their exploitation of both animal and plant life; of medicine, including the preservation and right use of the human body in all conditions; and of the applications of science to industry. The organisation responsible for each of these great departments of work is in no case a bureaucracy of lay officials, but is, to greater or less degree, under the control of appropriate scientific men of the country.

11. Each organisation has to draw upon not one science, but all the sciences in so far as they can contribute to the particular utilitarian objects in view. It is obvious that three organisations of this kind, side by side, must gain in efficiency and avoid waste and overlapping by continual exchange of information, by consultation about projects and by occasional joint action. Such co-operation is in actual practice as between the chief officers of the three organisations, and it is naturally and inevitably facilitated by the continual intercourse between scientific men, as such, upon whose advice or work the organisations depend. It was given express official sanction and direction by His Majesty's Government

in Great Britain in 1920, when they ordered the establishment of a Standing Conference of representatives of the Development Commission (for Agriculture and Fisheries), the Medical Research Council and the Department of Scientific and Industrial Research to meet once a quarter. These meetings have been regularly held, and one of the Secretaries of the Royal Society is always invited to be present.

12. In the experience of these three Departments, an urgent need has been found for machinery for direct communication between any one of these Departments and the corresponding department or organisation in any other part of the Empire. In the field of pure research, a research organisation in Great Britain may gain valuable help by learning early of some research work overseas. Wide difference of climate, soil, or other conditions may make an enquiry undertaken for some local utilitarian object interesting from some quite unexpected point of view to a research department elsewhere, perhaps working in a quite different field. The by-products of one investigation may be the starting-point of a quite different and valuable investigation, easy elsewhere, but not easy at the place of origin. Among many other instances, the work on miners' phthisis, carried out in South Africa, and on goitre among sheep, in New Zealand, had very great interest for medical research in Great Britain. The work done on the uses of minor metals under the Department of Scientific and Industrial Research in London is important to those parts of the Empire where deposits of these metals exist. One of the results of investigations carried out on fish by-products indicates that a good glue can be obtained from fish skins. This discovery may prove to be of great importance to a Dominion engaged in the fishing industry, such as Newfoundland. The Sub-Committee were made aware of many instances of this kind.

13. It was made clear, too, that though much valuable interchange of information has taken place by one channel or another, scientific or official, the present machinery is imperfect. Experience has shown, for instance, that correspondence, as at present conducted, often fails to meet the need for rapidity, which is sometimes urgent, and sometimes fails to reach the best objective because of some gap or misunderstanding. In Great Britain, each official representative of one of the Research Departments has a properly-instructed "opposite number," with whom he communicates, in each of the other Departments. It would be a great gain if the official representative of each organisation throughout the Empire responsible for one of the broad fields of research work, *e.g.*, in agriculture, forestry, horticulture, medicine, mining or manufacturing industry, could have designated to him "opposite numbers" in other parts of the Empire with whom he could communicate directly.

14. At the same time, and in addition to this suggested machinery, it would greatly facilitate communication if each part of the Empire arranged, as and when possible, to nominate a representative to take part in the quarterly Standing Conference

described in paragraph 11. This would allow of rapid verbal communication, and would assist the accuracy, both of objective and content, of the correspondence between the several organisations.

15. The Sub-Committee believe that the proposals made in this Part of their Report are of the greatest importance, and they suggest that the Imperial Conference should consider a Resolution, framed on the following lines :—

"The Conference, impressed by the need of—

(1) An active prosecution of research in all fields of applied science;

(2) The fullest practicable co-operation between the organisations respectively responsible for agricultural, fisheries, forestry, medical, and industrial research;

(3) The quick and orderly exchange of the results of research between the various Governments and research establishments of the Empire;

(4) The fullest possible discussion of problems of common interest;

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

Part II.—MAN-POWER.

16. This Part of the Report is divided into three sections :—

Section I analyses the present position of recruitment and calls attention to the shortage which exists in certain directions.

Section II discusses the type of recruit required, and the training he should be given.

Section III deals with the principal reasons for the existing shortage and suggests remedial measures.

17. It is necessary throughout this Part of the Report to draw a distinction between men who are to work in their home country, wherever that may be, and those who will leave home to work overseas. The distinction is particularly important where a man brought up in a temperate climate is called on to work under tropical conditions. There are special deterrents to recruitment for overseas services, and special counter-attractions must be provided; but there are always special inducements to men of the right character, and provided suitable conditions of service are offered, the right men will come forward. Special qualities are often needed in the recruit and his training may have to differ, to some extent, from that of men who will work at home.

Section I.—*The Present Position.*

18. The evidence before the Sub-Committee shows that there is a serious shortage of suitable candidates for most branches of

scientific services supported by Governments. Serious as this shortage now is, it will become more serious as the development of the less advanced portions of the Empire proceeds, for these areas cannot be properly developed without the aid of adequate and highly trained scientific staffs. It may be noted, as an example, that the demand over the years 1919–24 for specialist and scientific officers for duty in the agricultural departments of the Colonies and Protectorates was double that for the period 1909–14, or treble, if officers are included who are trained in scientific agriculture and required for those duties of administration and inspection without which the fruits of research cannot be economically applied. It seems clear that this increase was not due to abnormal factors arising out of the war, because the average demand for specialist officers in 1925 and 1926 has been equally high. In view of the rapid development which must be expected in such countries, the rate of increase in their demand for scientific staff is likely, if anything, to be accelerated. In these circumstances it is considered that prompt and effective measures must be taken to stimulate recruitment.

Section II.—*The Recruit and his Training.*

19. A scientific officer must possess first-rate intellectual ability, a sound knowledge of his subject and, wherever possible, that *flair* for investigation which, while it eludes definition, is indispensable to the accomplishment of all distinguished work in research. It is also important that members of any Government service should possess those qualities of character which both command respect and enable them to work smoothly with their colleagues.

20. Where an officer brought up in a temperate climate is to be employed in the tropics, special weight should be given to qualities of character, temperament, and physique. Experience shows that tropical conditions of life expose men to stresses which do not operate to the same extent in a temperate climate. It is not merely a matter of rejecting the medically unfit. It is also necessary to make every effort to select men whose temperament, tastes and habits will help them to keep fit.

21. The Sub-Committee recommend, therefore, that in recruiting for the scientific services the method of choice should be that of personal selection, combined with whatever test of intellectual ability or technical knowledge may seem appropriate.

22. Without going into the training of the recruit in detail the Sub-Committee wish to emphasise the following points, to which great importance is attached :—

(*a.*) The first requisite in a candidate for scientific service is a thorough grounding in science in its broadest aspects. It is only on the basis of such a training as is or should be given by a well conceived honours course in science at a university that a super-structure of specialised training can, as a rule, be soundly built.

The Sub-Committee welcome the increasing importance which universities are attaching to research, and the

tendency to emphasise the essential connection between higher teaching and research work.

(*b.*) Specialised study necessary for scientific officers should be mainly of a post-graduate nature.

(*c.*) In accordance with the usual practice of universities, such specialised study should be taken under men who are themselves engaged in research in the fields concerned.

23. In concluding this section the Sub-Committee express emphatically the opinion that every effort should be made to attract candidates of the highest class, and to equip them with the best possible training. To employ men of inferior calibre will result in waste of opportunity, time, and money.

Section III.—*Reasons for Shortage of Men and Suggested Remedies.*

24. A distinction must be drawn between the shortage of men between, say, 26 and 35 years of age, who would normally be filling intermediate posts, and the shortage of recruits. The former is due to casualties in the war and to the long break which it caused in the normal output of the universities. It is, therefore, a temporary evil, and, provided that an adequate supply of recruits can be ensured, will in time automatically cease. Its effects will, however, be felt for some time yet, and they emphasise the need for assisted post-graduate training, which is discussed below (paragraph 35).

25. The shortage of recruits is a more complex matter, but the Sub-Committee consider that the principal reasons for it are :—

(*a.*) The wholly inadequate appreciation of the importance and value of scientific research on the part of the public, of the Press, and even of Governments themselves.

(*b.*) The uncertainty in the minds of men embarking on a university course as to the amount, interest, and continuity of the employment which will be available in their branch of science when they have completed their studies.

(*c.*) The increasing demand by private employers for scientific men with a university training. This creates a temporary difficulty, but will in the long run prove beneficial, by increasing the number of openings available and inducing Governments to make their services attractive.

(*d.*) In certain cases, the lack of flexibility in the examination requirements of professional bodies which limits the discretion of students to modify their courses in order to qualify for special employment, as, for instance, in regard to veterinary science in Great Britain.

(*e.*) The lack of knowledge shown by educational institutions and parents of the increasing number of careers available, particularly in services overseas, in the various branches of science. The Sub-Committee call attention here to the unduly small number of young men who are studying the

biological sciences, other than medicine, and attribute it to ignorance on the part of educational institutions and parents of the careers now open to men with these qualifications.

(*f.*) The ignorance of the special attractions which service overseas offers, such as the host of new and interesting scientific problems that awaits solution, the greater responsibilities which attach to junior posts, and the open-air life.

26. It is the considered opinion of the Sub-Committee that the basic remedy is the adoption of a settled policy in regard to the application of research to development in the various parts of the Empire. Granted such a policy, many difficulties will be removed; continuity of work will be ensured, confidence will be established, and educational institutions will feel free to encourage students to take up appropriate lines of training and parents will be more ready to incur the necessary expense.

27. It may be urged that, owing to financial stringency, it is unwise to embark on such a policy. The Sub-Committee do not agree; on the contrary, they consider that the poorer a country is the greater its need to develop and employ its scientific resources to the fullest extent. This is particularly true for the Empire with its enormous potential resources which cannot be fully developed without the aid of science. Germany, in the 19th century, provided a classic instance of the way in which a comparatively poor country can, by the organised application of scientific research, immensely increase its wealth and power and rapidly overhaul neighbouring nations possessed of greater natural advantages.

28. The conditions offered by Government service must be such as to attract the best men and offer them good avenues for promotion either in the service or elsewhere. Status and recognition must be considered, as well as material conditions.

29. Salaries should be sufficient to enable men to meet the normal requirements of life and of their position at each stage of their career. At the start they must be enough to command independence. The incremental scale should then rise sufficiently sharply to allow a man to marry at a reasonably early age. It must be remembered that, owing to the length of their training, many scientific officers enter the service at a later age than their contemporaries in other kinds of work. The scale must rise high enough to ensure that men who do good service, but who do not secure exceptional positions, should be able to educate their children and retire on an adequate pension. And, perhaps most important of all, there must be a sufficient number of posts carrying a high salary and responsible duties to attract ambitious men who are conscious of possessing unusual powers.

30. While it is very desirable that, in suitable cases, research officers should obtain high administrative appointments, it is important that the interests of men who remain on the research

side should be safeguarded by the provision, in their own sphere, of rewards comparable as to pay, status, and recognition.

31. It is particularly important that officers should be relieved of financial and similar worries and be set free to concentrate on their work. This consideration applies with special force to tropical services.

32. Material conditions apart, care must be taken to see that scientific officers should be accorded the status, *vis-à-vis* their colleagues in other branches of the public service, to which their value entitles them. It is also important that men who have done valuable work abroad should have full consideration for good appointments in their own country; otherwise the popularity of overseas services will be affected by the fear that those who enter them may suffer in comparison with men of, perhaps, less ability who stay at home and run less risk of being forgotten. There is especial need of a more effective linking between the various scientific services so that good work done by men in all parts of the Empire may be brought to notice.

33. The importance to Research Institutions of having on their staffs men with experience of different parts of the Empire can hardly be exaggerated. It is, therefore, important to provide for the free interchange of both recruits in training and officers. There is far from enough interchange of officers between different services. The principal difficulties arise from the variety of pension schemes and terms of service in force. The Sub-Committee strongly urge all Governments to adopt a liberal attitude towards the seconding of men for long periods, and to take all possible steps to facilitate interchange and transfer.

34. The Sub-Committee attach importance to the provision of facilities for study leave to enable officers to keep in touch with the latest developments in their branch of science. The Sub-Committee also recommend that picked officers should be given every facility to hold travelling fellowships for study, on the spot, of the highest developments of work in particular fields.

35. To meet the special exigencies of post-war conditions, several Government services offer Probationerships or Scholarships to selected men. A Probationer is selected after he has taken his degree, and is promised an appointment on the satisfactory conclusion of a prescribed course of post-graduate training. Scholarships are given for the same purpose and at a similar stage of education, but do not carry a definite promise of employment.

36. The Sub-Committee are of opinion that both methods are useful as a temporary measure, and that, indeed, without them it would be impossible to meet existing demands. It cannot, however, be too clearly stated that in the long run the Government services in question, like other Government services, must rely for recruits on their own intrinsic attractions; special inducements offered at an early stage to tempt young men into a profession cannot make up for inherent deficiencies in the prospects which that profession can provide in salary, pension, status, and opportunities.

37. Scholarships or Probationerships will probably always be necessary to encourage men to train for a few services where there are practically no adequate rewards outside Government service, and also where highly specialised training is required for services in which few openings are available.

38. These systems have several advantages from the point of view both of the State and of the recruit and his parents. So far as the State is concerned, they have been found to attract a better field of candidates than was the case without them. They make it possible to secure promising men who are too young for immediate appointment, especially to tropical services, before they go into other employment. They enable a far more complete test to be applied to candidates before final appointment, and fit officers to give better service during the early part of their career. It may reasonably be expected that in these ways much of the money spent on Scholarships and Probationerships will, in reality, be recouped.

39. The Scholarship system creates a pool from which vacancies can be filled as they occur, and the serious obstacle to recruitment previously caused by fluctuations in the demand is largely offset by the fact that a fixed number of attractive Scholarships can be counted on annually over a period of years.

40. From the point of view of the recruit and his parents, a Scholarship provides the former with an extended education at a reduced expense, thereby giving time for additional scientific training before specialisation, and subsequently an opportunity of specialised work under research workers of standing.

41. It is the opinion of the Sub-Committee that, given a settled policy and attractive conditions of service, the educational centres will adapt themselves to produce the men required. But they will not do so—and much money can easily be wasted over improved salaries and scholarship schemes—unless possible recruits, their parents, and their instructors are made fully aware of the careers available in the scientific services. The Sub-Committee therefore attach great importance to the organisation of the right kind of publicity.

42. Government Departments in many parts of the Empire have made great efforts to circulate appropriate information, particularly in the universities; but it is clear that they have not yet achieved their object, and the Sub-Committee recommend further developments on the following lines. In the first place, there is no comprehensive publication from which parents can obtain full information as to the openings available in all services and the qualifications required. If an official publication of this kind could be issued and brought periodically up to date, it should prove of considerable value. Secondly, in many parts of the Empire greater efforts should be made to reach the principal schools as well as the universities.

43. Many university institutions already have Appointments Boards or Committees, and at a few schools, it is believed, successful attempts are made, either by the head master or by some master specially deputed for the purpose, to advise boys about their careers.

The Sub-Committee think, however, that in general a good deal could still be done, both in some universities and in many schools, to improve the arrangements which now exist for directing the attention of young people to suitable openings and vacancies. It is unnecessary to stress the advantage to all concerned of a single recognised channel in a university or school through which information concerning Government scientific services can be distributed and enquiries made.

44. Finally, the Sub-Committee call attention to the great part the Press can play in bringing home to the public the importance of science to the Empire and the careers which it offers, thus encouraging parents and others concerned to enquire into the openings for men of scientific attainments, and the best means of preparing for such posts.

45. The Sub-Committee believe that the proposals made in this Part of their Report are of the greatest importance, and they suggest that the Imperial Conference should consider a Resolution framed on the following lines :—

> "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."

Part III.—IMPERIAL AGRICULTURAL RESEARCH CONFERENCE, 1927.

46. The Sub-Committee have considered the proposal for an Imperial Agricultural Research Conference in 1927, and warmly support it.

47. As regards the scope and purpose of the proposed Conference, the Sub-Committee make the following recommendations :—

(*a.*) That, in addition to those already invited, the Government of the Sudan and the Empire Cotton Growing Corporation should be invited to send representatives;

(*b.*) That the Conference should open on Tuesday, the 4th October, 1927;

(*c.*) That Governments should be at liberty to send persons of outstanding position in agricultural research as well as Government employees;

(*d.*) That the main purpose of the Conference should be to work out methods of co-operation in the various branches of agricultural research (including farm economics);

(*e.*) That Governments participating should be invited to prepare preliminary statements of facts and figures bearing on the special problems in which they were interested;

(*f.*) That the Ministry of Agriculture and Fisheries in London should be responsible for organising the Conference on the lines previously arranged.

48. The Sub-Committee suggest that the Imperial Conference should consider a Resolution framed on the following lines :—

"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."

Part IV.—OTHER MATTERS.

(A.)—*Imperial Bureaux of Entomology and Mycology.*

49. The Sub-Committee have considered a statement by Dr. G. A. K. Marshall, C.M.G., F.R.S., Director of the Imperial Bureau of Entomology, on Agricultural Entomology within the Empire. The Sub-Committee are glad to have this opportunity of recording their appreciation of the admirable work performed by the Bureau, which they consider to be deserving of the fullest possible support from the Governments of all parts of the Empire.

50. The Sub-Committee are greatly impressed with the far-reaching importance of entomology in its economic aspect, and are strongly in favour of extended entomological work throughout the Empire.

51. The Sub-Committee note with satisfaction that the Empire Marketing Board has made a grant to the Imperial Bureau of Entomology of a capital sum of £15,000 for buildings, and an annual subvention of £4,000 for five years of upkeep, to provide for the establishment of a laboratory for the breeding of beneficial parasites. The Sub-Committee appreciate, however, the difficulty of obtaining highly-trained staff unless continuity of policy can be assured, and the further difficulty that without a permanent organisation the Director of the Bureau cannot work out this suggestion for the formation of a "pool" of men who can be made available for special temporary entomological investigations or undertakings in the Dominions and Colonies. The Sub-Committee hope that these aspects of the problem will be borne in mind by the Governments concerned.

52. Though the Sub-Committee received no statement on the Imperial Bureau of Mycology, many tributes, with which they entirely concur, were made, in the course of their discussions, to the valuable work it is doing for the Empire.

53. The Sub-Committee recommend that the Imperial Conference should adopt a Resolution on the following lines :—

> "The Conference records its appreciation of the valuable work of the Imperial Bureaux 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."

(B.)—*Empire Cotton Growing Corporation.*

54. A memorandum* submitted to the Imperial Conference by the Empire Cotton Growing Corporation shows that, in spite of falling prices, there has been a steady increase in the Empire cotton crops during each of the past three years, and the magnitude of the development may be judged from the fact that the crop for the season 1925–26 is estimated to be four times that for the season 1921–22. In the opinion of the Sub-Committee, this is the best criterion of the success which is attending the part played by the Corporation, in co-operation with the Administrative and Agricultural Departments concerned, in the development of cotton-growing within the Empire. The work of the British Cotton Growing Association is also well worthy of mention.

55. The Corporation's scheme of post-graduate Studentships to remedy the shortage of research and agricultural officers continues to meet with success. Most of the students spend one year at the Imperial College of Tropical Agriculture, Trinidad, and the Corporation contributes to the funds of the College, not only on the grounds that the College provides facilities for the training of these students, but also in recognition of the importance of the work which the College is doing in the development of tropical agriculture generally, which must accompany any attempt to extend cotton-growing in particular.

56. A cotton research station has been established by the Corporation in Trinidad, and is expected to prove of special use to cotton research workers for the investigation of fundamental problems which cannot be tackled locally. The Corporation is also building up a chain of experiment stations in Africa specifically to deal with problems that can best be studied in the particular countries concerned.

57. In the belief that improved transport is one of the most important factors in the development of cotton-growing within the Empire, the Corporation appointed a small committee to enquire into the various types of vehicles that might be employed for transporting cotton from the field to the ginnery and thence to the railway, and experiments with various types of vehicles are now being conducted by the Corporation in Nigeria.

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* Not printed here.

58. The quarterly Journal, which the Corporation has issued since 1924, gives an account of these activities, and information concerning cotton-growing problems in all parts of the Empire. It is hoped that the Corporation will be able, through the Journal, to act as a clearing-house of intelligence for cotton research workers.

59. The Sub-Committee are deeply impressed by this record of the activities of the Empire Cotton Growing Corporation, and recommend that the Imperial Conference should pass a Resolution on the following lines :—

> "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."

(C.)—*Empire Marketing Board.*

60. The importance of scientific research in the development of Empire trade and production has been emphasised both in the Reports* of the Imperial Economic Committee and in the activities of the Empire Marketing Board. The Imperial Economic Committee pointed out that an essential feature of any plans for the furtherance of the marketing of Empire products was a due provision for scientific research into problems of production and transport; and the Empire Marketing Board has already made considerable appropriations for the support of research work in these fields.

61. The Imperial Economic Committee has hitherto been confined by the terms of its original reference to consideration of Empire foodstuffs, and the Empire Marketing Board has in the main limited its activities to the same field. The Board is not, however, limited by its terms of reference to foodstuffs, and has already made a grant, in conjunction with British cotton interests, to the Imperial College of Tropical Agriculture in Trinidad for the promotion of tropical agricultural research in general.

62. The Research Special Sub-Committee note with satisfaction that further contributions towards scientific research into problems of the production and transport of Empire products in general are likely to be made available out of the Empire Marketing Grant as the need becomes apparent.

63. The Empire Marketing Board has made it clear that it conceives its task in the sphere of scientific research to be to bring before the appropriate authorities scientific problems which come to its notice. Its purpose is to work through existing organisations, and to confine its own activities to the provision of grants for the conduct of research likely to prove of interest and importance in the development of Empire trade and production. The Sub-Committee are, however, of opinion that the Board, when recommending the Secretary of State for Dominion Affairs to make or refuse a grant of money in aid of research, should attach to its report the recommen-

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* See footnote on p. 44.

dations it has received from the body or bodies qualified to give advice upon one or other aspect of the proposal; and that, when the Board's recommendations differ from those made by the expert body or bodies concerned, it should call the attention of the Secretary of State for Dominion Affairs to the fact, and state its reasons for differing.

64. The Sub-Committee understand that in making grants the Board has been guided by three limiting principles which, though not of universal application, will be followed as a general rule of procedure. First, the research for which assistance is given must hold out some prospect of being of use to the Empire as a whole, and must not be of purely local interest; second, the Board does not intend that grants should be made in aid of current local administration, the cost of which should properly be borne out of local revenues; and third, the Board seeks, whenever possible, to make its grants conditional on some contribution from local sources.

65. As an illustration of the application of these principles, the Sub-Committee note with special interest the scheme for a wide investigation into the mineral contents of natural pastures which is being fostered by the Board on the initiative of the Committee of Civil Research. It is significant that, following on the pioneer work carried out at the Onderstepoort Station in South Africa and at the Rowett Institute, Aberdeen, investigations into this fundamental problem are already being or will shortly be undertaken in Kenya, Nigeria, Southern Rhodesia, and Palestine, and that both in New Zealand, where similar work has been for some time in progress, and in Australia proposals are being considered for early co-operation in the same scheme of research, the importance of which to the Empire live stock industry can hardly be exaggerated.

66. In the field of tropical agriculture, the grant made to the Imperial College of Tropical Agriculture, Trinidad, will be followed, it is hoped, at an early date by a grant to the Amani Institute in Tanganyika, and proposals are under consideration for the establishment of other research stations in suitable centres in the tropical and sub-tropical parts of the Empire. The ultimate ideal to which both these lines of approach point the way is the creation of a chain of research stations linked together by a common interest in related problems, and providing a fertile field for "team work" and interchange of ideas and men throughout the Empire. The problems of tropical agriculture, while of immediate interest to Australia and to South Africa, as well as to many of the Colonies and Protectorates, are also of general importance to all parts of the Empire in view of the increasing dependence of temperate countries on the products of tropical and sub-tropical regions.

67. The financial resources of the Empire Marketing Board will thus, it is hoped, contribute an important element of continuity to the development of scientific research, and provide a steady stimulus to co-operation and to the entry of new recruits into the special sciences on which the prosperity of Empire agriculture depends. It is estimated that the Empire as a whole is now

spending less than one-half the amount spent by the United States alone on agricultural research. Money devoted to research is not a luxury; it is not merely a sound investment; it is rather a condition of survival, without which the Empire cannot hope to keep abreast of its competitors in the economic field.

68. The following Resolution is submitted to the Imperial Conference :—

> "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."

(D.)—*Imperial Institute.*

69. The Sub-Committee have had before them two memoranda* on the Imperial Institute, the first dealing with the reorganisation of the Institute, and the second containing notes on the progress made and work done since the reorganisation. It will be recollected that the Imperial Economic Conference held in 1923 decided that the time had come when the Imperial Institute and the Imperial Mineral Resources Bureau should be amalgamated, and certain changes should be made in the administration of the Imperial Institute. The Sub-Committee note that the amalgamation has been duly carried out, and that the work of reorganisation is now in a large measure completed. Thanks to the munificence of Lord Cowdray, who offered a contribution of £25,000 spread over a number of years, it has been possible to retain the Exhibition Galleries. They have now been redecorated and relighted, and the exhibits modernised in a manner which, it is believed, will add greatly to their instructional value, both for schools and for the general public.

70. The Sub-Committee have been informed that the Institute now proposes to resume publication of the handbooks forming part of the mineral survey of the Empire which were formerly issued by the Imperial Mineral Resources Bureau, but which were necessarily held up during the period of r organisation. Steps are also being taken to bring the Institute into closer touch with the work being done in other parts of the Empire, especially in relation to tropical and semi-tropical agriculture, and generally to improve its machinery for the collection and dissemination of scientific and technical information.

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* Not printed here.

71. The Sub-Committee recommend that the Imperial Conference should pass a Resolution on the following lines :—

"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."

Part V.—RESOLUTIONS.

72. For convenience, the Resolutions which, in the course of their Report, the Sub-Committee recommend for adoption by the Imperial Conference are assembled and repeated here.

(1.) *Organisation* (paragraph 15).

"The Conference, impressed by the need of—

(1.) An active prosecution of research in all fields of applied science;

(2.) The fullest practicable co-operation between the organisations respectively responsible for agricultural, fisheries, forestry, medical, and industrial research;

(3.) The quick and orderly exchange of the results of research between the various Governments and research establishments of the Empire;

(4.) 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."

(2.) *Man-Power* (paragraph 45).

"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."

(3.) *Imperial Agricultural Research Conference*, 1927 (paragraph 48).

"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."

(4.) *Imperial Bureaux of Entomology and Mycology* (paragraph 53).

"The Conference records its appreciation of the valuable work of the Imperial Bureaux 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."

(5.) *Empire Cotton Growing Corporation* (paragraph 59).

"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."

(6.) *Empire Marketing Board* (paragraph 68).

"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."

(7.) *Imperial Institute* (paragraph 71).

"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."

Signed on behalf of the Sub-Committee,

BALFOUR, *Chairman.*

18*th November*, 1926.

APPENDIX XIII.

FORESTRY.

(A.)—REPORT OF FORESTRY SPECIAL SUB-COMMITTEE

(See Section XX of Cmd. 2768.)

In pursuance of a decision taken at the opening Meeting of the Imperial Conference on the 19th October, 1926, a Special Sub-Committee was set up to consider Empire Forestry questions and to report to the Conference thereon.

The Sub-Committee was constituted as follows:—

Great Britain.

Major-General Lord Lovat, K.T., K.C.M.G., K.C.V.O., C.B., D.S.O., Chairman, Forestry Commission (*Chairman*).

Sir J. Stirling-Maxwell, Bart., Empire Forestry Association.

Mr. R. L. Robinson, O.B.E., Forestry Commissioner.

Professor R. S. Troup, F.R.S., Imperial Forestry Institute.

Mr. M. F. Headlam, C.B., Treasury.

Mr. J. E. Stephenson, Dominions Office.

Mr. R. S. Pearson, C.I.E., Department of Scientific and Industrial Research.

Lieutenant-General Sir William Furse, K.C.B., D.S.O., Director, Imperial Institute.

Sir Robert Greig, Chairman, Board of Agriculture for Scotland.

Canada.

Dr. J. H. Grisdale, Deputy Minister of Agriculture.

Commonwealth of Australia.

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

Mr. F. C. Faraker, Office of High Commissioner.

New Zealand.

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

Union of South Africa.

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

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

Irish Free State.

Mr. A. C. FORBES, Director of Forestry, Department of Lands and Agriculture.

Newfoundland.

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

India.

Sir PETER CLUTTERBUCK, C.I.E., C.B.E.

Colonies and Protectorates.

Mr. O. G. R. WILLIAMS, Colonial Office.

Mr. Fraser Story, Forestry Commission, and Mr. T. J. Kiernan, Irish Free State, were appointed as Joint Secretaries to the Sub-Committee.

The Sub-Committee beg to make the following Report :—

1. The Sub-Committee have had under consideration a number of subjects on which they have received detailed reports by competent authorities, copies of which are appended hereto. They desire to draw particular attention to the following Imperial aspects of forestry :—

World's Timber Supplies in Relation to Forest Policy.

2. The outlook with regard to the world's supply of softwoods, which constitute about 80 per cent. of the wood used for industrial purposes, is distinctly unsatisfactory. The outlook with regard to the hardwoods of temperate countries is also unsatisfactory, but it will no doubt be possible to supplement the supply to some extent by having recourse to tropical hardwoods. There are, however, difficulties of various kinds in the way of replacement of temperate by tropical hardwoods. (See Annexe I.)

3. Apart from the question of the availability of supplies of softwoods and hardwoods in sufficient quantities to meet demands, there are very important internal questions, both social and economic, which point to the necessity of all countries maintaining, and extending where possible, their existing forest areas under a system of management based on sustained production of timber.

4. The Sub-Committee believe that there are few subjects concerning the general well-being of individual parts of the Empire, and of the Empire as a whole, which require more earnest consideration by statesmen than this subject of the rational use and development of forests.

The Empire Forestry Conference to be held in Australia and New Zealand in 1928.

5. The Sub-Committee have considered and commend for approval the preliminary arrangements for the work of the

Empire Forestry Conference to be held in Australia and New Zealand in 1928. The arrangements are set out in Annexe II to this Report. They have also made suggestions, which the Standing Committee on Empire Forestry will take up, as to the specialists who should be delegated to attend the Conference in order to render it thoroughly effective. They desire to urge the importance of every part of the Empire making adequate preparations for the Forestry Conference and being suitably represented.

Empire Settlement.

6. The Sub-Committee consider that there is a distinct possibility of developing schemes of settlement in connection with State forestry and afforestation, or of developing adequate afforestation schemes in existing agricultural areas. The experience gained by the Forestry Commissioners in Great Britain should be of use in this connection. The Sub-Committee are in agreement with the views expressed in the memorandum on the subject of State Forestry in relation to Land Settlement which forms Annexe III to this Report, and have communicated it to the Sub-Committee of the Imperial Conference on Oversea Settlement.

Imperial Forestry Bureau.

7. The Sub-Committee are of opinion that there is a useful purpose to be served by an Imperial Forestry Bureau to act as a clearing-house for information; and that the matter in all its aspects should be referred to the Empire Forestry Conference, 1928, for consideration and report.

Forest Products Research.

8. Since the first Empire Forestry Conference of 1920 considerable progress has been made in the number and capacity of the organisations for Forest Products Research in the Empire (see Annexe IV), but there appears to be much need for further work and for co-operation between the various organisations. This subject will receive special consideration at the Empire Forestry Conference of 1928.

Imperial Forestry Institute.

9. The Sub-Committee are impressed by the useful work which has already been done at the Imperial Forestry Institute at Oxford (see Annexe V). They particularly desire to draw attention to the opportunities which are afforded foresters from overseas to study in and from this Institute the results of long-established scientific management in European forests.

Empire Forestry Association.

10. The Sub-Committee recognise the good work being done by this Association (see Annexe VI) which forms a useful link between the various Forest Services of the Empire and provides in its Journal a means of disseminating technical forestry information.

Proposed Resolution by the Imperial Conference.

11. The Forestry Sub-Committee, therefore, recommend that the Imperial Conference should adopt a Resolution on the following lines :—

"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."

Signed on behalf of the Sub-Committee,
LOVAT, *Chairman.*

16*th November*, 1926.

ANNEXE I.

The World's Timber Position.

Note by Mr. Fraser Story, Forestry Commission of Great Britain.

1. A review of the forestry situation throughout the world leads to the conclusion that available supplies of the principal timbers of commerce are rapidly approaching exhaustion. There is every likelihood that in less than thirty years a shortage of softwoods will be severely felt. Any limitation of supply with consequent rise in

prices must have a most damaging effect on the industries of the Empire. Statistical information is far from complete but the available data disclose facts which deserve attention.

I.—Distribution of Forests.

2. The three main classes of timber (softwoods, temperate and tropical hardwoods) are distributed very unevenly over the surface of the globe. About 90 per cent. of the world's softwoods are located in North America, North Europe, and Siberia. Temperate hardwoods, which frequently occur mixed with softwoods, are principally found in Central and Southern Europe and the adjoining parts of Asia and in the Eastern United States. Over 75 per cent. of the tropical hardwoods occur in the great forests of South America, India, and West and East Africa.

3. Temperate and tropical hardwoods taken together occupy about 65 per cent. of the world's forest area.

II.—The World's Timber Requirements.

(A.) *Softwoods.*

4. Apart from wood used for fuel, the world demand is for softwoods—the product of pine, spruce, larch, and fir.

5. About 80 per cent. of the saw-timber of the world is of this class. On this account it is advisable to describe briefly the forest position in the principal softwood areas.

(i.) *Europe.*

6. Although 33 per cent. of the total land area is under forest, the consumption of softwoods exceeds growth by about 3,000 million cubic feet annually. This state of affairs is due to the enormous importation of timber into Great Britain and other West-European countries where the home-grown timber supply is small in comparison to the amount utilised. Reliable statistics relating to Russia are at present unobtainable. It is well known that enormous forests of pine and spruce exist, but the great bulk of these resources cannot become available unless means of transport improve and timber commands much higher prices.

(ii.) *Siberia.*

7. The softwood belt bordering on the Arctic Ocean is continued through Siberia to eastern Asia. There are immense forests in Siberia but for the most part they are inaccessible. There are few rivers suitable for the floating of logs and owing to the sparsity of the population little incentive is given to railway construction. In addition, forest labour is almost unobtainable. If eventually these difficulties are overcome there is every prospect of the timber supply being diverted to Japan, China, and the United States of America.

(iii.) *Canada.*

8. The eastern half of the country has been to a great extent depleted of saw-mill timber and it is becoming increasingly difficult for the remaining forests to meet the extraordinary demands made upon them by the wood-pulp industry. According to the most recent statistics the loss from fire, insects and fungi equals the amount of timber felled each year and only 27 per cent. of the original forest is left. Three-quarters of the saw timber of the Dominion is in British Columbia, and at the present rate of consumption virgin softwood resources are not expected to last more than twenty-five years. After that the country will have to depend on second-growth forests on cut-over areas.

(iv.) *United States of America.*

9. The original forest area of 822 million acres has been reduced to 463 million acres, of which only 137 million acres carry virgin timber. This last-mentioned area is being cleared at the rate of $5\frac{1}{2}$ million acres per annum, so that, as in the case of Canada, there appears to be only about 25 years' supply, apart from the produce of second-growth areas.

10. The United States consumes about half of the world's lumber, and its softwood resources will soon be limited to the few western States. When this supply is finished the demand will still be there and although a reduction in consumption may take place with enhanced prices the fact remains that the British Empire will have to face the competition of this great consuming force. Already, according to official records, 83 per cent. of Canada's trade in forest products is with the United States. The amount supplied to the United States is constantly increasing, whereas the timber shipments to Great Britain from Canada have steadily declined. It is evident that when American forest resources come to an end, and, according to President Coolidge, the time is at hand when the United States will be actually confronted with a timber shortage, softwoods will be sought for from the sources which at present furnish the British Empire with its supplies.

(B.) *Hardwoods.*

11. The position is not so critical in the case of hardwoods. Not only is there less demand for this class of timber, but the forests producing it are more abundant and more widely distributed throughout the world. Moreover, hardwoods usually regenerate themselves on cut-over areas more easily than conifers, and are much less liable to damage by fire. At the same time most of the accessible temperate hardwoods have been severely culled, while the tropical hardwoods are chiefly found in regions difficult of access and in stands so mixed with apparently worthless species that generally only a small proportion of the total crop is marketable. Tropical hardwoods, although valuable for yielding furniture woods, dye woods, and timbers for special purposes, are at present of com-

paratively small importance as they contribute less than 3 per cent. to the world's timber consumption.

12. The great problem before the Empire is to decide what action should be taken in order to meet the shortage of softwood constructional timber, which in all probability will overtake the next few generations. This may in part be done by using certain hardwoods from our great tropical forests as substitutes for softwoods—a matter which requires the closest investigation.

ANNEXE II.

Australian–New Zealand Empire Forestry Conference of 1928.

(A.)—Preliminary Agenda.

(i.) Progress Reports (based on *Questionnaire*).

Subjects of Imperial Interest.

(ii.) Timber Supply and Consumption.
- (*a.*) World.
- (*b.*) Regional.
- (*c.*) Local.

(iii.) Forestry Research.
- (*a.*) The Living Tree and Forest.
  - (1.) Silviculture and Management.
  - (2.) Entomology and Mycology.
- (*b.*) Forest Products.
  - (1.) Major Products.
  - (2.) Minor Products.
  - (3.) Pulp.

(iv.) Forestry Technique.
- (*a.*) Silviculture and Management.
- (*b.*) Exotics.

(v.) Imperial Forestry Bureau.

Subjects of Local Interest.

(vi.) Forestry Education.
(vii.) Australian Hardwoods and Markets.
(viii.) The Taxaceae.
(ix.) Forestry in relation to Climate and Erosion.
(x.) Tropical Forestry, with special reference to the Forests of Queensland and New Guinea.
(xi.) Fire Control.

(B.)—Arrangements for Conference.

I.—*Information, including Statistical Forms, &c.*

1. The *questionnaire* (skeleton statement) issued to the Conferences of 1920 and 1923 has been amended by the Standing Committee on Empire Forestry and it is not desired to suggest any further amendments.

2. It is important that each Forest Service should do its utmost to supply to the 1928 Conference a complete statement based on this *questionnaire*.

II.—*Representation.*

3. It is important that the technical staffs of the Australian and New Zealand Forest Services should be available as and when required in the respective Dominions, and further that New Zealand should send a strong delegation to Australia and Australia to New Zealand.

4. As regards the delegations from the remainder of the Empire the following representation by subjects is suggested (the numbers follow the items on the Preliminary Agenda) :—

(i.) *Policy.*

Each Forest Service should send one responsible delegate competent to report on and discuss forest policy. In certain cases it may be necessary for small Forest Services to send a joint delegate. It is suggested that in such cases a preliminary meeting of the Services concerned should be held and that the selected delegate should be briefed to act for the group as a whole.

(ii.) *Timber Supply and Consumption.* (4 delegates.)

1 for world supplies.
1 from Canada.
2 for hardwoods.

(iii.) *Forest Research.*

(*a*.) The Living Tree and Forest. (6 delegates.)

1 from Great Britain (conifers).
1 from South Africa (conifers and eucalypts).
1 from Canada (conifers).
1 from India (tropical).
1 Mycologist (to be selected).
1 Entomologist (to be selected).

(*b*.) Forest Products. (7 delegates.)

1 (at least) from Great Britain.
2 from India, 1 for timber, 1 for minor forest products.
2 from Canada, 1 for timber, 1 for pulp and paper.
1 from South Africa having special reference to tanning materials.
1 from Malaya for minor forest products.

(iv.) *Forestry Technique.* (4 delegates.)

1 from Great Britain (conifers).
1 from Canada (conifers).
1 from South Africa (eucalypts and conifers).
1 from India (tropical).

(v.) *Imperial Forestry Bureau*—as for *Policy* (i).

(vi.) *Education.* (3 delegates.)

1 from Great Britain.
1 from Canada.
1 from India.

(vii.) *Australian Hardwoods and Markets*—as for *Timber Supply and Consumption* (ii) *and Forest Products* (iii (*b*)).

(viii.) *The Taxaceae.* (1 delegate.)

1 from South Africa.

(ix.) *Forestry in relation to Climate and Erosion.* (2 delegates.)

1 from Great Britain.
1 from India.

(x.) *Tropical Forestry.* (3 delegates.)

1 from India.
1 from West Africa.
1 from West Indies.

(xi.) *Fire Control.* (2 delegates.)

1 from Canada.
1 from India.

5. Summarised, the representation by special subjects and apart from the delegations on policy and general forestry would be as follows :—

	Delegates.
Great Britain	5
Canada	7
South Africa	4
India	8
Non-self-governing Colonies	3
Unspecified	5
Total	32

6. The detailed arrangements as to the personnel of the delegations can best be left to the Standing Committee on Empire Forestry to discuss direct with the Governments concerned.

ANNEXE III.

MEMORANDUM ON STATE FORESTRY IN RELATION TO LAND SETTLEMENT, BY MR. H. W. GEPP, CHAIRMAN OF THE DEVELOPMENT AND MIGRATION COMMISSION, AUSTRALIA, AND MR. R. L. ROBINSON, O.B.E., FORESTRY COMMISSIONER, GREAT BRITAIN.

1. The underlying principle of modern forestry is to secure continuous production of timber from the soil. As mature timber is removed it is replaced by young trees of natural growth or artificially introduced. It is only a question of time before the practice of forest cultivation (silviculture) becomes general throughout the accessible forests of the world as it has already become general in Europe.

2. With the practice of silviculture and the attainment of continuous production there arises the possibility of settling labour permanently in or about the forest as against the procedure, practised for example in parts of North America, of rapidly exploiting forests, devastating the face of the land and then moving the camp to a fresh district.

3. The practice of silviculture means outlay of money which goes almost wholly in wages; continuous production, similarly, means steady employment in timber getting, milling and manufacturing.

4. Silvicultural work must always be seasonal to some extent. In the case of afforestation trees have as a rule to be planted in the resting season (in England from November to April), while certain essential operations such as weeding must be done in the growing season. On the other hand a certain amount of silvicultural work can be undertaken at the season most convenient to local labour. The seasons at which individual operations may or may not be done depend, of course, on local conditions and cannot be laid down with any precision in a general statement.

5. In many forests which are unsuitable for wholesale conversion to agriculture there are often areas which, though relatively small, are suitable for use as agricultural holdings. There arises the possibility, therefore, of settling forest workers on this agricultural land on holdings not large enough to demand their whole time but big enough to keep them employed when silviculture and timber production operations are slack.

6. In Great Britain the procedure of settling forest workers *pari passu* with afforestation operations was in 1924 definitely incorporated into Forest Policy. 216 holdings are already occupied and a further 156 holdings are in course of formation. Further details of the scheme are given in the Note below.

7. The essentials of success in these schemes of settlement are—

(*a.*) Classification of the land into forest and agricultural land.

(*b.*) Management of the forest for continuous production.

(*c.*) In the case of afforestation, distribution of the planting work over such a period of years that thinning or preparation (*i.e.*, making roads, &c.) for thinning operations are

beginning when planting is completed. In this way there is no break in the employment afforded by the forest.

(*d.*) Selection of suitable men for the holdings.

(*e.*) Reasonable equipment of the holdings.

NOTE.

FORESTRY COMMISSIONERS AND FOREST WORKERS' HOLDINGS IN GREAT BRITAIN.

1. The forest holdings consist of a cottage and garden with enclosed agricultural or cultivatable land up to a maximum of 10 acres, together with such additional grazing land as may be available. The holder is thus able to keep two cows and use the holding for the production of potatoes and other crops according to the character of the land. The holder is guaranteed by the Commissioners not less than 150 days' work in the forest, for the most part at fixed piece-work rates; these rates enable the men to earn more than the local agricultural wage. The forest holdings are situated advantageously as regards the forest work, and let on 364-day tenancies.

2. For the present it is laid down that not more than five holdings shall be provided for every 1,000 acres of forest or afforestable land acquired. The maximum expenditure on house and buildings is fixed at £800, and the maximum value of the enclosed land to be associated with a holding at £150. A considerable number of cottages have been acquired and included in the prices of estates purchased for afforestation, and have been made available, with very little expenditure, for the purpose of the scheme. This will appreciably reduce the average cost of the first holdings established, but the maximum figures will be reached in some of the remotest forests where no houses exist and the cost of building is necessarily high.

3. It will be observed that the forest workers' holding is not intended to provide full-time work for the occupier, but to serve the double end of identifying him with the progress of the forest and affording an industrious man opportunities of improving his standard of living.

4. The forest workers' holding is thus a special case distinct in its main bearing from the statutory small holdings laid down under the direction of the Agricultural Departments, and it has been agreed accordingly that to avoid dual responsibility the work shall be undertaken by the Forestry Commissioners. At the same time care has been taken to secure close liaison between the Ministry of Agriculture and the Board of Agriculture for Scotland on the one hand and the Commissioners on the other as regards the acquisition of land which may prove suitable for the purposes of the respective Departments.

5. The figures for the 61 holdings actually completed to 30th September, 1925, were as follows:—

Holdings equipped with new buildings (3):

Average cost of buildings, &c., £474; of land, £24: total, £498; average rental, £8 per annum.

Average figures based on so few holdings are apt to be misleading; it may be mentioned, therefore, that on the basis of estimates for 177 holdings in England and Wales the cost of holdings formed *de novo* will range from £570 to £750 (buildings, £530 to £620; land, £40 to £130) while the annual rent will vary from £12 10*s.* to £25.

Holdings equipped with adapted and reconditioned buildings (58):

Average cost of buildings, &c., £112; of land, £135; total, £247; average rental, £16 per annum.

6. The type of house generally erected consists of three bedrooms, living room, and scullery kitchen, with a good garden and outbuildings for coal, &c. For this, in England and Wales, 3*s.* a week is charged, and the remainder of the holding, including the farm buildings, is rented at an ordinary agricultural value. In Scotland the rent of the buildings is fixed with due regard to the rents obtained for similar dwellings in each district. The rent of the land in every case is worked out upon the basis of the value of the land as currently fixed by the Land Court in Scotland.

ANNEXE IV.

MEMORANDUM ON FOREST PRODUCTS RESEARCH WITHIN THE BRITISH EMPIRE, BY MR. R. S. PEARSON, C.I.E., DEPARTMENT OF SCIENTIFIC AND INDUSTRIAL RESEARCH.

1. The organisations set up to deal with forest products research in the British Empire developed rapidly during the period 1923–26, more so than in any other triennial period. There are now well-equipped Laboratories in Montreal and Vancouver in the Dominion of Canada; a very large Forest Products Research Laboratory at Dehra Dun and similar but smaller research stations at Rangoon, Bareilly, and Ovalakkot in British India; a Timber Investigation Branch to the Forest Research Institute at Pretoria, in the Union of South Africa, while the Department of Scientific and Industrial Research are establishing a Forest Products Research Laboratory in England. The Forest Service in the Dominion of New Zealand has carried out very considerable research work in co-operation with the University Colleges of Auckland, Wellington, and Canterbury, and the forest research officers of the Commonwealth of Australia have been engaged on similar investigations, notably in Western Australia and Victoria.

2. In all units of the Empire research has primarily been developed in the sections of wood technology, timber mechanics, timber physics or seasoning, especially with reference to hardwoods, and in the antiseptic treatment of timber. Much useful work has been carried out by certain Institutes or individuals in special subjects, such as tans, paper-pulp, gums, resins and oleo-resins, and essential and fixed oils, while individual workers have been engaged on entomological and mycological problems. A great deal of attention has been paid both by Government organisations and private concerns to finding new markets and uses for timbers in which they are interested, and it is noticeable that in countries possessing Forest Products Laboratories success has been materially greater in this respect than in those where such institutions do not exist.

3. Co-operation has not kept pace with the development of forest products research, though there has been a noticeable tendency on the part of individual Governments to send their research workers to visit other Institutes, and this, though a step in the right direction, might with advantage be developed into the interchange of workers. A point of considerable importance, in so far as timber mechanics is concerned, is that all the Institutes in different parts of the Empire have adopted one standard for carrying out timber tests, which will make it possible at a later date to draw up consolidated, comparable tables for strength values. In a lesser degree, methods according to which both air and kiln-seasoning investigations are carried out, as also those on the antiseptic treatment of timbers, have followed approximately the same line in most units of the Empire. The need for still closer co-operation in all such subjects is of great importance.

Commonwealth of Australia.

4. Of recent years work in Australia has been primarily centred on investigations dealing with raw material for the manufacture of paper-pulp, in carrying out tan surveys, and in analysing the essential oils of eucalypts and oleo-resins. The perfecting of the Powell process and the seasoning of timber have also received attention.

British India.

5. Forest products research has been actively prosecuted at Dehra Dun, with the completion of the new Laboratories, while two research stations, one in Burma and the other in Madras, have been brought into existence. All subjects bearing on utilisation have received a large amount of attention, and during the period under review the antiseptic treatment of railway sleepers has been put on a commercial basis and a completely new bamboo paper-pulp industry established. The method of distilling Palmaroso oil has been revolutionised, the manufacture of rosin and turpentine has been greatly improved, a large number of new species of timbers brought on to the market and new uses found for others.

Dominion of Canada.

6. Important developments are taking place at the Montreal Laboratory in connection with the extension of the buildings, more especially in regard to the paper-pulp division. Timber testing has been steadily prosecuted both at Montreal and Vancouver, chiefly in connection with boxes, crates, mine-props, and telegraph poles. The division of Wood Preservation has been constantly employed by the railways, and good progress can be recorded in the division of Wood Technology.

Great Britain.

7. The Forest Products Research Laboratory is in its infancy, the line taken is to commence with investigations on home-grown timbers. Routine tests are in progress on conifer woods and a considerable number of tests have been carried out on pit-props. The testing of timber is being carried out in co-operation with the Imperial Institute. Both air and kiln-seasoning investigations are in progress, while experiments on heat and moisture movements in timber are also in hand. Entomological and mycological investigations are being carried out in co-operation with the Imperial Forestry Institute, Oxford, and the Imperial College, South Kensington, while an investigation on cellulose and hemi-cellulose is being prosecuted at St. Andrew's University.

Dominion of New Zealand.

8. Much useful work has been carried out in New Zealand by the Forest Service, in co-operation with the Universities. In timber testing sufficient information is now available to allow

provisional tables of strength values and grading rules to be prepared. The results of an extensive air-seasoning experiment have been circulated, and the recommendations made have already been applied throughout the Dominion. The successful antiseptic treatment of less durable species has in certain cases permitted their use to replace more valuable timbers. Much valuable work has been carried out on minor forest products, more especially in respect of paper-pulp material.

Union of South Africa.

9. Since a nucleus Timber Investigation branch was established at Pretoria in 1920, it has steadily expanded. The attention of the staff has primarily been engaged in kiln-seasoning investigations and in the antiseptic treatment of timber, both railway sleepers and mine-timbers. Sixty-nine species have been kiln-seasoned, on the results of which plans for suitable kilns to deal with South African woods have been designed, and in several cases the designs have been adopted for commercial installations. Tests for strength values of timber have been carried out on behalf of the Defence Department and a considerable amount of work done on utilisation problems. A wood museum and type collection have been put together, a necessary adjunct to all Forest Products Research Laboratories.

ANNEXE V.

NOTE ON IMPERIAL FORESTRY INSTITUTE, UNIVERSITY OF OXFORD, BY PROFESSOR R. S. TROUP, F.R.S., IMPERIAL FORESTRY INSTITUTE.

Recommendations of British Empire Forestry Conferences, 1920 and 1923.

1. During recent years increasing attention has been focussed on the risks attendant on the diminution of the world's timber supplies and the serious situation which is likely to arise before long if steps are not taken to extend the application of scientific methods of forest organisation and silviculture. The total forest area of the British Empire is estimated at 1,837,000 square miles, of which some 685,000 square miles are at present accessible and marketable. Much of this area has, however, been depleted by wasteful methods of working and will require very careful handling. The importance of providing a thoroughly capable staff to administer and work this vast property, and of training research workers to deal with the many problems affecting its management, scarcely requires to be emphasised. This question, among others, was discussed by the British Empire Forestry Conference which was held in London in 1920 and attended by delegates from all parts of the

Empire. The Conference recognised that one of the first essentials was to provide for the more efficient training of forest officers and to afford better facilities for research in the various branches of forestry. The measures recommended included the establishment in the United Kingdom of a central institution which should undertake the higher training of forest officers for the Empire, and should also be a centre of research into the formation, tending, and protection of forests.

Interdepartmental Committee's Proposals.

2. An Interdepartmental Committee was thereupon appointed to make proposals regarding the location and organisation of such an institution. This Committee issued in 1921 a Report* which recommended the establishment at Oxford, in close connection with the University, of a central institution for the higher training of forest officers, for the provision of special and "refresher" courses for officers already serving, and for the conduct of research in forest production. Incidentally, the Committee held that existing or contemplated schools of forestry should not be relieved of the responsibility of furnishing a good general training in forestry, but that the central institution should be responsible for further instruction in more advanced and specialised work by students who had already received such a general training, whether in Great Britain or overseas. The second Empire Forestry Conference, held in Canada in 1923, strongly supported this recommendation, and emphasised the necessity for taking immediate action. These views were endorsed by the Imperial Economic Conference held in London the same year.

Constitution and Work of the Imperial Forestry Institute.

3. The Imperial Forestry Institute was accordingly established at Oxford in October, 1924, and has just completed the second year of its existence. It is a University institution, the Professor of Forestry being its Director, and is under the control of a Board of Governors representing the University, the Colonial Office, the Forestry Commission, and the Empire Forestry Association. It is supported mainly by funds provided by the various non-self-governing Colonies and Dependencies and the Forestry Commission.

4. Its teaching work comprises (1) post-graduate training of probationers for the forest services and other qualified persons, (2) training of research officers in special subjects, and (3) provision of courses for selected officers already serving. The courses of study are made sufficiently elastic to serve the needs of individual students. In addition, it carries out research work on problems relating to forestry in its various branches. The subjects dealt with at the Institute include Silviculture (general and tropical), Forest Management (including mensuration, valuation, and working plans), Systematic Forest Botany (including that of tropical and

* Cmd. 1166.

sub-tropical regions), Mycology and Pathology of Trees, Forest Entomology, Structure and Properties of Wood, Soils, Climatology, Forest Economics and Policy, Forest Law, and Forest Engineering including Surveying. Special lectures are also given on Forest Products and their utilisation. The Institute undertakes the identification and structural examination of wood, and fundamental research on timber physics, but not mechanical testing or large-scale seasoning trials. The Institute works in close co-operation with the Forest Products Research Laboratory in regard to timber mechanics, seasoning, decay and insect damage in relation to timber.

5. An important part of the work of the Institute consists in the organisation of tours of instruction in selected forests of the Continent of Europe, where scientific methods of forestry have been practised for centuries. These tours are largely attended by forest officers on leave who are anxious to improve the methods employed in their own countries.

Progress to date.

6. During its first two years the Institute has made excellent progress, and has fully justified its creation in every way. During the first year 22 students attended courses of instruction. During the second year the number was 44, while new admissions at the beginning of the third year indicate that this number is likely to be exceeded during the year. Important research work is now in full swing, and, given suitable facilities, there is every reason to expect that the Institute will before long become an asset of the greatest importance to the Empire. Already its students have represented, apart from Great Britain, such widely scattered portions of the Empire as Australia, New Zealand, South Africa, India (including Burma), Nigeria, the Gold Coast, Sierra Leone, Kenya, Tanganyika, Nyasaland, Ceylon, Malaya, British Honduras, and Cyprus.

Needs of the Institute.

7. So far the work of the Institute has been carried on partly in the University School of Forestry, partly in a temporary annexe to the School, and partly in a neighbouring house purchased for the purpose. This accommodation is totally inadequate; staff and students are working under great disadvantages, and the development of important lines of work is held up owing to the serious congestion. The provision of funds for adequate buildings has become a matter of extreme urgency. The total cost of buildings required is estimated at not less than £75,000, a sum which it is beyond the means of the University to provide, although it is prepared to offer a site subject to funds being raised for a suitable building. It is hoped that with the help of money already offered a sufficient sum will be raised before long by subscriptions from those who realise the importance of forestry to the Empire and to

the world at large to enable the Institute to carry out in full the work for which it was created.

(NOTE.—Details of the work of the Institute will be found in the Annual Report for 1925–26 and Prospectus; copies are obtainable on application to the Secretary, Imperial Forestry Institute, Oxford.)

ANNEXE VI.

NOTE ON THE EMPIRE FORESTRY ASSOCIATION, 1926, BY SIR JOHN STIRLING-MAXWELL, BART., CHAIRMAN OF THE ASSOCIATION.

1. The Empire Forestry Association is the outcome of a Resolution passed at the first Empire Forestry Conference, held in London in 1920. It was incorporated by Royal Charter on the 1st November, 1921. The objects are :—

(i.) To create interest and circulate information relating to forestry among all classes in the British Empire.

(ii.) To bring about better public recognition of the identity of interest between continuous timber supplies and systematic forest management, and to spread information relating to the commercial utilisation of Empire-grown timbers and forest products.

(iii.) To form a centre for the Empire for those engaged in forestry and to provide a means of communication between the widely-scattered members.

2. Membership in the Association is open to individuals, organisations and business undertakings interested in forestry and timber utilisation in all parts of the Empire, and is divided into four classes : (1) Life members, subscribing not less than £30; (2) Full members, subscribing not less than £2 annually; (3) Professional members (being members of the forestry services of the Empire of all grades), subscribing not less than 10*s.* annually; and (4) Affiliated members (organisations, firms, societies and other Corporate Bodies), an agreed annual subscription.

3. Considering the vast and scattered nature of the field in which it is working, the progress of the Association has on the whole been satisfactory. It has now 374 professional and 261 other members.

4. The official organ of the Association is the "Empire Forestry Journal," which is published twice annually. It contains articles dealing with forestry in all its aspects, including the marketing and utilisation of timber, reviews of forestry literature, and notes on the progress of forestry in British possessions. Nine numbers have been issued, and it is hoped that in the near future funds may permit of a quarterly circulation.

5. The President of the Association is H.R.H. the Prince of Wales, who presided at the annual meetings held in 1923 and 1926.

Lord Novar, Sir George Courthope, Bart., and Sir John Stirling-Maxwell, Bart., have in turn acted as Chairman. The members of the Council are for convenience chosen from among residents in Great Britain, but they represent so far as possible every part of the Empire. The Forestry Commission has assisted the Association by placing the services of Mr. Fraser Story at its disposal as Editor. In Mr. J. S. Corbett the Association has a most efficient Secretary.

6. Annual grants of £400 have been received from The Rhodes Trust for the years 1924, 1925, and 1926, and these have been of great value during the period of formation.

7. It now remains to increase the membership, especially among professional foresters. The present membership under this classification is as follows :—

Great Britain	29
Canada	21
Australia	26
South Africa	38
New Zealand	9
India	129
Gold Coast	7
Kenya Colony	21
Mauritius	3
Nigeria	11
Nyasaland	4
Sierra Leone	1
Southern Rhodesia...	3
Sudan	5
Tanganyika Territory	7
Uganda	4
British Guiana	3
British Honduras	3
British North Borneo	1
Ceylon	5
Cyprus	3
Malaya	30
Palestine	2
Sarawak	6
Irish Free State	3
Total	374

8. The total number of forest officers on the list published by the Association—the first attempt to visualise the forest service of the Empire as a whole—is 1,120.

9. From this it is clear that there is room for a considerable increase in membership from among forest officers—the section most likely to benefit from the activities of the Association. It will be seen that membership at present tends to divide itself into groups in place of being distributed, as one might wish, evenly throughout the Empire. In view of the distances and the

isolation of many foresters this is to be expected, and is, in fact, welcome evidence that where the objects of the Association and its Journal are known the membership tends to increase.

(B.)—STATEMENTS OF PROGRESS OF FORESTRY IN THE EMPIRE.

At the Thirteenth Meeting of the Conference on the 18th November, 1926, when the Report of the Forestry Special Sub-Committee was adopted, it was agreed that delegates should supply supplementary statements setting out the progress of forestry in the various parts of the Empire. These statements are printed below :—

STATEMENT I.

Forestry in Great Britain.

1. The development of British Forestry was committed to the charge of the Forestry Commission by the Forestry Act of 1919. The Commission is therefore just completing its seventh year.

2. The policy which the Commissioners were charged to carry out had three main branches :—

(*a.*) Afforestation by the State. The immediate programme is to plant 150,000 acres with softwoods in the first ten years, as an instalment of an ultimate programme of afforesting 1,770,000 acres. A much smaller but unspecified area is also to be planted with hardwoods.

(*b.*) The restoration of private woodlands devastated during the war, and the promotion of afforestation by local authorities and private individuals generally.

(*c.*) Promotion of education and research and similar subjects ancillary to the execution of policy.

To these three branches there was added in 1924 :—

(*d.*) The formation of forest workers' holdings in association with forestry and afforestation operations.

3. It is proposed to give a brief account of the progress made under each of these heads.

Afforestation Operations by the State.

4. The Commissioners' planting programme is on an expanding basis, the underlying principle of which was to begin very slowly, and steadily to accelerate operations as the staff increased in numbers and experience and as supplies of plants and plantable land became available. The rate of planting has steadily increased. Only 1,400 acres were planted in the first year of the Commission's existence. This was increased to 10,700 acres in the third year and 18,400 acres in the seventh year. The area for the present season should be 22,600 acres, and for the tenth year 30,300 acres. For the current season's planting, 38 million young trees will be

used, all of which have been raised in the Commission's own nurseries.

5. To the end of the seventh planting season the Commissioners had planted, in all, 72,800 acres of which 70,100 acres were soft-wood plantations. This corresponds almost exactly with the plan arranged in 1919 for planting 150,000 acres within the ten-year period.

6. Since practically all the plantable land in Great Britain is in private ownership an important feature of the Commission's work is land acquisition. Land is acquired after careful examination as to its value and productivity, either by purchase or long lease, at prices which on the average are equivalent to about £3 per acre capital value.

7. To the 30th September, 1926, 211,000 acres of plantable land had been acquired in England and Wales and Scotland, an area which is somewhat less than the expanding planting programme demands.

8. The planting operations of the Commission are spread very widely over Great Britain; work is proceeding at no less than 103 centres during the current season.

Planting by Grants.

9. With regard to the restoration of private woodlands and the promotion of afforestation by local authorities and private individuals, the Commissioners proceed by means of grants, and in one case on a proceeds-sharing basis. Grants amounting to from £2 to £5 per acre are given for every acre planted or cleared and planted. The total area planted through grants to the 30th September last was approximately 38,000 acres, with undertakings on the part of the grantees to plant a further 23,000 acres.

Total Planting Effort: State, Local Authorities, and Private.

10. By adding up these acreages it is found that the total result of the Commissioners' effort to plant and to promote planting is 110,800 acres of new plantations and the obligation on the part of grantees to plant a further 23,000 acres, that is to say 133,800 acres in all.

11. The Forestry Commission in Great Britain is watching with interest the neck-and-neck race which New Zealand, South Africa, and the Home Country have been running in planting programmes.

Promotion of Education and Research.

12. The Commissioners make annual grants to the Imperial Forestry Institute, and to a number of Universities, for the encouragement of instruction in forestry—for both forest officers and agriculturists—and they also maintain two schools for training subordinate staff. A number of men from both types of school have proceeded overseas for service in the Dominions and the non-self-governing Colonies.

13. As regards research, the Commissioners are actively investigating, through their own staff or in collaboration with the

various schools of forestry, a great number of forestry problems including the rate of growth of forest crops, the raising of plants, methods of planting, treatment of plantations, control of insects, fungi, and so on. They are also working in co-operation with the Forest Products Research Board of the Department of Scientific and Industrial Research with regard to the properties and utilisation of home-grown timbers.

14. Another branch of work is the collection of statistics, such as the Census of Woodlands and the Census of Production of Home-grown Timber, which are now nearing completion. The Commission are also watching as closely as possible the position with regard to the world's timber supplies.

Forest Workers' Holdings.

15. The systematic establishment of holdings for forest workers was incorporated into forest policy in 1924. The procedure is described in Annexe III to the Sub-Committee's Report,* and it is unnecessary to give further details now. It may be added, however, that, by so arranging the rate of planting that, when the planting work in a forest is coming to an end, thinning operations are beginning, there need never be any time when the forest fails to provide work for the holder.

16. To the 30th September last, 219 holdings had been formed and 152 were under formation, making 371 holdings in all. It is proposed to continue establishing holdings at the rate of about 150 per annum. This work is in effect a form of colonizing rural Britain.

Finance.

17. The Commissioners at the outset were provided with a Forestry Fund of £3,500,000, to be voted in annual instalments as required over the first ten-year period. Expenditure for the year ended the 30th September last amounted to £605,000, and receipts to £113,000.

18. It is anticipated that the 150,000-acre State planting programme can be accomplished, and within the amount originally granted, provided that land acquisition proceeds expeditiously. Expenditure on forest workers' holdings was not foreseen and some additional appropriation may be necessary under that head.

Imperial Forestry Conference, 1928.

19. The first ten-year period of State forestry in Great Britain will run out in 1929, and a revision of policy and legislation is almost immediately due. The Imperial Forestry Conferences which have been held have enabled the Commission to envisage their problems with greater clearness and to draw inspiration from other parts of the Empire. The Commissioners therefore propose to do their utmost for the success of the Australian–New Zealand Conference of 1928.

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* See p. 330.

STATEMENT II.

Forestry in Canada.

1. Originally Canada had probably nearly one thousand billion cubic feet of merchantable timber. Now there is only about one quarter of that amount, or about two hundred and fifty billion cubic feet. Of the seven hundred and odd billion cubic feet that has disappeared from the once available supply, it must regretfully be admitted that only about one hundred and twenty billion feet has been used, while over half of the once almost inexhaustible (or at least so considered) forest wealth has been burnt. Canada is, however, now fairly well alive to the seriousness of the situation, and is doing a good deal to conserve and increase its resources in this line.

2. The following figures give some idea of the situation in Canada with regard to wood supply :—

Estimate of Standing Timber in Canada.

—	Saw Material.	Pulpwood, Fuelwood, &c.	Total.
	Million board feet.	Thousand cords.	Million cubic feet.
Eastern Provinces—			
Nova Scotia	11,010	36,235	6,211
New Brunswick	20,300	49,192	9,791
Quebec...	54,088	440,343	61,462
Ontario	22,797	236,005	30,748
	108,195	761,775	108,212
Prairie Provinces—			
Manitoba	2,440	73,520	8,410
Saskatchewan...	7,950	146,700	17,585
Alberta	16,900	247,800	30,428
	27,290	468,020	56,423
British Columbia	346,550	49,660	81,657
Grand Total	482,035	1,279,453	246,292

Note.—These figures include all timber without regard to accessibility; they also include all species, both hardwoods and softwoods.

3. Some 439,858 million board feet of saw material and 871,820 thousand cords of pulpwood, fuelwood, ties, posts, &c., a total of 198,820 million cubic feet, are of softwood or coniferous species; 12,177 million board feet and 407,735 thousand cords, or 47,972 million cubic feet, are of deciduous or hardwood species. Included are the timber quantities over large areas where timber content is not sufficient to permit exploitation. Over 70 per cent. of the saw timber supplies are confined to British Columbia.

Timber Cut in Canada.

4. Of a total of 2,490 million cubic feet of standing timber cut in Canada annually during the period 1920–24, the proportions put to various uses were approximately as follows :—

	Per cent.
Fuelwood	35·0
Lumber, &c.	31·5
Pulpwood	19·3
Railway ties	7·0
Shingles	2·5
Posts, poles, mining timber, logs and square timber exported, &c.	4·7

5. The forest resources of Canada are being depleted at the rate of about 5 billion cubic feet annually through cutting, fire, insects and decay. If the reproduction and the young timber are not protected, the stand of merchantable timber accessible for exploitation will not withstand this drain for more than about 25 years.

6. By protection and proper management, the accessible forest land of Canada could be made to produce in perpetuity, by growth, several times the present annual cut. It will take many years to bring about this adjustment. On the other hand, if present methods continue, the annual cut will have to be reduced.

Forests and Industry.

7. In Canada the forests are second only to agriculture in the value of production. Capital invested in the forest industry is 666,000,000 dollars, one-third—a little over 200 million dollars—in lumbering plants, saw-mills, &c., and 466 million dollars in the pulp and paper industry.

8. A total of 97,000 people are engaged in the woods, the saw-mills, the pulp and paper mills, and allied plants, and many thousands more in other manufactories dependent on wood.

9. Salaries and wages paid in the forest industry amount to 100,000,000 dollars yearly.

10. The value of forest products in 1924 was :—

	Dollars.
Pulp and paper	173,000,000
Lumber, laths and shingles ...	121,000,000
Fuelwood	39,000,000
Pulpwood, logs, square timber exported	23,000,000
Railway ties	14,000,000
Posts and poles and mining timber ...	3,500,000
Other products	6,000,000
Value added by further manufacture	75,000,000
Total value in production ...	454,500,000

11. A very large percentage of the total production of lumber, pulp, &c., is exported. Thus the value of the net export of forest products in 1924 was 227,328,500 dollars.

Canada in relation to World's Timber Supply.

12. Canada is the principal source of softwood supplies in the British Empire. The forest capital of the world is decreasing at the rate of 18 billion cubic feet per annum, and, if consumption continues to increase at the present rate, this rate of decrease will be doubled in fifty years.

13. In Europe (as a whole) the annual consumption of softwood exceeds the growth by 3 billion cubic feet. In the United States the annual cut is about four times the estimated annual growth.

14. The forests of Russia and Siberia are to a large extent inaccessible, as already stated in the Report of the Sub-Committee.* Canada must therefore, it would seem, be prepared to meet an ever-increasing demand. The softwood supplies are already reduced to the extent of being only two-fifths the amount of softwoods in the United States, despite the much larger forest area. Further, Canada cannot gauge its wood requirements on the basis of its own population only. Under present methods, United States supplies are rapidly being depleted. Canadian exports of forest products to that country are already very large, and must inevitably increase. Only by curtailing losses and increasing the productivity of the forest can the increase be met.

15. The Federal Government of Canada, with the energetic support and co-operation of the Provincial Governments, is giving the problems of fire protection, reafforestation, and insect control a great deal of attention, and satisfactory progress is being made in forest conservation and in the more economical utilization of forest wealth.

16. The fire protection service is utilising every known means of combating fires, the aeroplane being probably the most striking and the most efficient instrument in this great struggle. The results of the increased activities in this connection have been very noticeable in the past two years as exemplified in the considerable reduction in fire losses in Canadian forests, more particularly in the eastern parts of the Dominion.

17. Canadian entomologists, too, of whom there is a considerable staff, are doing a great deal to help in the economical utilization of forest resources. These services have been particularly useful in directing operators as to how and when to clean up areas attacked by certain insects, as, for instance, the spruce bud worm in the east and the Douglas fir bark beetle in the west. It is estimated that the work in this connection alone saved Canada last year over 20,000,000 dollars' worth of timber.

18. So also the work of mycologists has been of great value in directing our operators where and when to cut areas threatened with losses from certain fungi attacking the root systems of certain conifers.

19. The Canadian Government notes with pleasure the progress that has been made in the establishment of an Imperial Forestry

* See p. 325.

Institute at Oxford, and it is hoped that some officers in the Canadian Forestry services may find it possible to avail themselves of the facilities afforded by this Institute.

STATEMENT III.

Forestry in Australia.

1. The future of the world's timber supplies and particularly of softwoods is a matter which touches Australia very closely. There is no doubt that the Commonwealth has been prodigal, like all new countries, in the use of its forest resources. Unfortunately, that prodigality has not been accompanied by adequate provision for the future. Australian softwoods, which were never abundant in the sense that Canada has abundant supplies, have been severely depleted and already softwoods are being imported to the value of £4,000,000 per annum. Similarly, the magnificent hardwood forests of Australia, composed mainly of eucalypts, are being depleted, partly to supply local timber requirements, partly to make way for other forms of soil utilisation, and partly to maintain an export trade in such timbers as jarrah, which has been helpful to South Africa, India, and even Great Britain. This large-scale export, however, cannot continue indefinitely.

2. It is clear, therefore, that Australia, even in its present embryonic stage of development, has already a definite problem to face in respect of its prospective timber supplies. It is a problem which will be attacked on systematic lines.

The Present Position of Forestry in Australia.

(A.)—*The States.*

3. Practically all the forests and the land fit for afforestation belong to the several States of the Commonwealth which have their individual forest policies and forest services. The Commonwealth itself has certain areas in Australia and in Papua, but these are of relative unimportance in relation to the main position.

4. There has undoubtedly been a lack of appreciation of the true objects and methods of management of the State forests and a lack of orientation of policy from the point of view of the Commonwealth as a whole. There has also been a lack of technically-trained forest officers and supervising staff.

5. Nevertheless, a good deal has already been done by the States. The actual area which has been permanently reserved (or dedicated) for forest purposes is between ten and eleven million acres, leaving still to be dedicated roughly fourteen million acres out of the total of twenty-four or twenty-five million acres estimated to be suitable for the purpose. A beginning has been made with the silvicultural treatment and management of these reserves; year by year an increasing area is afforested with softwoods. The present rate of afforestation is about 6,000 acres per annum.

(B.)—*The Commonwealth.*

6. The Commonwealth has only taken up the question of forestry during the last three years. It has appointed a technically-trained forest officer as its Forestry Adviser and has investigated the forest areas which come directly under its own control.

7. Broadly, the policy so far pursued by the Commonwealth is to make provision for those essential subjects which the individual States cannot deal with, or which they are not justified in dealing with, on comprehensive lines. A few instances of what is being done in this direction may be mentioned. The Commonwealth has recently founded a National School for training foresters from all parts of Australia. It has also decided to set up a Forestry Bureau with wide functions, including the organisation of research into silviculture, forest management, and fire control, the provision of advice, through technical officers, to the States and even of financial assistance in special cases. A third line of activity is research into forest products which is being carried out by the Forest Products Laboratory, a branch of the recently reorganised Council of Scientific and Industrial Research.

8. One further example of co-operation between the Commonwealth and a State may be given. At the instance of the Development and Migration Commission an economic survey of Tasmania is being made. This will include an assessment of the forestry potentialities of that State and should lead to effective action.

The Future.

9. Earnest attention will be given to the forestry question, for it is recognised that this is intimately connected not only with the well-being of the Australia of to-day but with the greater and more populous Australia of the future. Just what lines the solution of forestry problems will take it is impossible to state, but there are a few guiding principles which are of general application and which can safely be followed. In general, Australia must build gradually on established facts and as the numbers and experience of its scientific and technical officers increase. It is essential to determine which land is better suited to forestry than to other uses and, having done so, to dedicate the forest land to forestry. The next step, which embraces the whole art and science of forestry, is to work up the forests to, and maintain them at, the highest pitch of productivity.

10. Problems are encountered in Australia similar in character to those in other parts of the Empire. For that reason alone it is not unlikely that Australia may in due course be found taking more and more advantage of organisations such as the Imperial Forestry Institute at Oxford, and participating in an Imperial Forestry Bureau should it be decided in 1928 to form one. Land settlement also is a subject into which it is intended to have an early investigation.

STATEMENT IV.

Forestry in New Zealand.

1. During the last few years considerable progress has been made in New Zealand in all branches of forestry. The importance of perpetuating forest areas is fully appreciated by the New Zealand Government, and the headway made since the inception of the present policy in 1921 clearly indicates the enthusiasm with which forestry is being carried out in the Dominion. Nearly 16,000 acres were planted in State forest plantations alone during the year 1926, and close on 18,000 acres by individuals, tree-growing companies, &c. For the three years 1924, 1925, and 1926 nearly 35,000 acres were planted by the State.

2. The State forest area has been considerably increased, bringing the grand total of Crown forests dedicated to forest conservation and tree cropping to 7,553,690 acres, equivalent to 11·4 per cent. of the area of the Dominion. . The technique of tree production and plantation formation has not been neglected, and very definite results have been obtained in reducing the cost of establishing plantations. The cost per acre in 1926 is the lowest on record in the Dominion's forestry scheme.

3. In addition to the national scheme, a large area has been planted during the past year by city councils, power boards, harbour boards, and other local governing bodies.

Forest Protection.

4. Every possible precaution is now taken to protect these valuable areas, and it is gratifying to record that of recent years losses by fire in the State forests have been negligible. As a result of exhaustive trials the forest service has approved the use of an improved spark arrester for use in sawmills, and many have been installed during the past year.

5. Much damage has been done to forests for some time past by animal pests. and more effective measures are being taken year by year to exterminate wild pigs and to control deer.

Research.

6. Very good progress has been made in forest research in timber mechanics and timber physics, wood preservation, derived products, entomology, and industrial investigation.

7. Forty-three studies on the rate of growth of exotic trees have now been completed, and many experiments have been carried out in planting on cut-over indigenous forest lands and on dredge tailings. Two hundred and twenty acres have been planted with marram grass and 78 acres with trees on shifting sand dunes in the North Island. These experiments are being watched with considerable interest, as satisfactory results would be of great economic value in the utilization of waste lands.

8. Many experiments are also being carried out in connection with weed eradication, grass grub, direct seeding, and fire control.

9. The fact that the period 1965–70 will see the end of New Zealand's softwood resources has led to investigations in connection

with the promotion of new uses for waste wood and general economies in manufacture. As set out in the Annual Report of the Director of Forestry for 1926, these investigations are as follows :—

Timber Mechanics.—Determination of the mechanical and physical properties of eight species of timber. Green tests on matai, miro, kahikatea, rimu, and Douglas fir; and air-dry tests on kauri, rimu, hard beech, insignis pine, and kahikatea. Tests of structural timbers of insignis pine. Strength tests of full-sized poles of locally grown *Eucalyptus*, *Risdoni* and *Larix europaea*. Complete strength and physical tests of New Zealand and foreign manufactured ply-wood.

Timber Physics—Design of a new standard metal-bound butter-box for export service. Routine tests and specifications for box-bindings in connection therewith. Determination of fundamental data on the microscopic anatomy of native and exotic woods.

Wood Preservation.—The treatment with creosote (by the open-tank process) of the native hardwoods—kamahi; silver, red and mountain beeches; and of the exotic softwoods—Corsican, Austrian, and ponderosa pines. Installation of treated experimental fence-posts. Preparation of specifications for wood-preservation, and further development of a preventative for sap-stain in kahikatea.

Derived Products.—The tapping of kauri trees, the deresinating of kauri, and the pulping values of kauri and insignis pine.

Industrial Investigation.—Partial analysis of statistics of sawmill industry. Analysis of the foreign timber trade for the past five years.

Entomology.—Survey with a view to protection against the forest and timber insects of the Dominion, and of new types introduced in imported forest produce. The publication under the imprimatur of the Forest Service of a Bulletin, "Forest and Timber Insects," by Mr. D. Miller, M.Sc., Government Entomologist.

Forest Industry.

10. A considerable advance has been made in the manufacture and distribution of forest produce in the Dominion, and this must have a very important bearing in placing the industry in a position successfully to combat overseas competition, which of recent years has had a very depressing effect on the sawmilling industry in the Dominion. Improved methods in all branches of sawmilling are being investigated, and more economical methods of distribution brought into operation.

11. The State forestry objective is 300,000 acres by the year 1935, requiring the commercial planting of an additional 220,000 acres in the intervening period. This is looked upon as the minimum national requirement, and consideration will be given to ways and means of meeting the undoubted heavy demands of the future. Every possible means of safeguarding supplies in the years to come will be carefully examined, including the increased

planting of waste lands, reafforestation, encouragement of local governing bodies, research, &c., as well as of a forest settlement scheme on the lines being tried in Great Britain at the present time.

12. Special legislation has been enacted, whereby Government reserves have been vested in local bodies under such conditions as will ensure the afforestation of these lands. Provision has also been made enabling the Government to grant loans to local governing bodies for the purpose of tree planting.

Forest Policy.

13. The position in New Zealand may be summarised by the following definite national forest policy :—

(i.) The development of an economic policy to meet New Zealand's timber requirements, by the efficient management of the forest domain on a sustained yield basis.

(ii.) Regulation of stream flow, conservation of water supplies, and maintenance of climate stability through protection forests.

(iii.) Restoration of denuded forest lands to timber production.

(iv.) Dedication of all the national forest resources as State forests.

STATEMENT V.

Forestry in the Union of South Africa.

Area and Supplies.

1. The timber forests of South Africa are found only on the seaward slopes of the mountain ranges within usually less than 100 miles of the coast, and at widely scattered intervals from the Cape Peninsula in the south-west to the Zoutpansberg Mountains in the north-east. Even on the mountain ranges where they occur they seldom occupy any extensive area continuously, but are almost always found in isolated patches of from a few acres to a few thousand acres each, in the Kloofs or ravines.

2. The area of all plantations and indigenous forests in the Union, as returned at the Agricultural Census of 1921, is shown in the following table :—

Province.	Plantations.						Indigenous Forests.	
	Gums.	Conifers.	Poplars.	Wattles.	Other Species.	Total.	Dense or True Forest.	Scrub or Dwarf Forest.
	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.
Cape of Good Hope... ...	24,742	38,757	7,329	15,110	27,783	113,721	521,336	2,368,255
Natal	14,197	3,524	902	222,778	6,625	248,026	147,200	128,192
Transvaal ...	60,272	10,587	4,707	49,289	14,803	139,658	107,652	4,064,910
Orange Free State... ...	28,099	8,667	6,976	1,249	12,335	57,326	1,429	152,528
Total ...	127,310	61,535	19,914	288,426	61,546	558,731	777,617	6,713,885

3. In terms of the Union Act of 1913, forest reserves consist of both demarcated and undemarcated reserves. The penalties imposed in respect of offences within the demarcated forests are, as a rule, more severe than those imposed in the case of offences in undemarcated forests. The Act confers upon the Government the power of expropriation of land for certain forestal purposes and provides that no servitudes can now be acquired by prescription over the forest estate. Certain portions of the Act deal specifically with the protection of private forests, but, in addition, any owner of a private forest may have any or all of the provisions of the Act applied to his forests for their better protection.

4. On the 31st March, 1923, the forest reserve areas comprised 1,738,834 acres demarcated, and 893,145 acres undemarcated, representing a total of 2,631,979 acres. Demarcation is still proceeding, especially in the Transkeian Territories, where a considerable area of timber forest remains to be dealt with.

Forest Policy.

5. The policy of the Forest Department may be briefly stated to be as follows :—

(*a.*) To protect and conserve the indigenous timber forests and to utilize their products in such a manner as not to impair, but rather to increase, their future productivity.

(*b.*) To increase the production of timber in the country by the formation and proper management of plantations of exotic trees, numerous species, yielding either the ordinary softwoods of commerce, durable softwoods of the cedar and cypress classes, or durable hardwoods such as some of the eucalypts, are principally employed. The selection of species varies in different parts of the country according to the climate and soil.

(*c.*) To encourage the general afforestation of the country by inducing farmers and others to plant trees for purposes of shelter, to provide wood for fuel, and for other local uses. With this object the Forest Department disposes of forest trees and seeds at very low prices, and it is always ready to give advice as to the selection of species, methods of cultivation, and the like. Its officers also give lectures at some of the agricultural schools.

Forest School.

6. A lower-grade forest school is conducted at Tokai, Cape Province, for the training of foresters, the course occupying nine months after an apprenticeship period of one year.

Research.

7. Forest research work is attached to the office of the Chief Conservator of Forests, Pretoria, and comprises both research and the collection of data relating to all branches of forestry, especially

silviculture and the utilization of forest products. It includes charge of herbarium and museum. Investigations into the seasoning of wood in modern kilns and the preservative treatment of timber are now being carried out. A silvicultural research station is established at Deepwalls near Knysna. Altogether, eight professional officers are employed in this Branch.

Yield.

8. Of wood produced other than on the forest reserves, a large quantity is cut annually in the wattle plantations, and, though a good deal of it is wasted owing to inaccessibility, much of it is used for fuel, mine-props, &c., and a small part of it is converted into boxwood. Private plantations yield a large proportion of the props used in the gold and other mines. Considerable quantities of wood from the scrub forests on private property are used for fuel, charcoal, fence posts, and other local requirements. A small amount of wood in both scrub and timber forests on private ground is converted into sawn timber.

9. A large proportion of the sawn wood produced in the Union is used for wagonwood and furniture, for which purposes many of the South African woods are particularly suitable. Yellow wood is used for railway sleepers as well as for general construction. A smaller proportion of the total is converted into such articles as boxes and tool-handles.

Minor Forest Industries.

10. *Wattle Bark.*—The wattle bark industry is by far the most important of the minor forest industries of the Union. It is a well-established one, and promises to have a future of continued expansion and prosperity. It has been developed by private enterprise, notably in Natal, where, as already mentioned, the greater proportion of the approximate total of 288,000 acres of private wattle plantations is situated. The area of wattle on the Government plantations is relatively insignificant, the areas which exist consisting for the most part only of belts established for the purpose of fire protection. The main market for the bark is Germany, but during the war the United Kingdom occupied the leading position in this respect. The leather manufacturers in Great Britain have, however, for the most part, taken their tanning material in the form of extract. Efforts have been made to secure a greater market for the bark in Great Britain, and factories for the production of the extract have been established in South Africa.

11. *Buchu.*—This product, which is used for medicinal purposes, consists of the dried leaves of two or three species of *Barosma*, shrubs which grow on the mountains of several of the south-western districts of the Cape Province. The most valuable kind is *Barosma betulina*, which grows principally in the Cedarberg Mountains, but also in the Tulbagh, Ceres, and Piquetberg Divisions. There is a considerable demand for this product in Europe and America, and large quantities are exported annually. The export in 1923 was

204,297 lb., valued at £26,587, or 2*s*. 7*d*. per lb. The greater part of the output is obtained from privately-owned lands.

12. *Berry Wax.*—This is obtained from the berries of *Myrica cordifolia*, a shrub growing on the coast sands in the neighbourhood of Cape Town. It is used locally for floor polish, &c., and is also suitable for soap manufacture.

STATEMENT VI.

Forestry in the Irish Free State.

1. The forest policy of the Irish Free State may be said to date from about the year 1908, when the Departmental Committee on Irish Forestry made certain recommendations. The most important of these was that at least 200,000 acres of land possessing a low agricultural value should be acquired, by means of State funds, and gradually placed under forest. This policy has not been altered, but has been carried on under various administrations. The Commissions set up by His Majesty's Government in Great Britain in connection with rural development and forestry played their part at various periods, and when the Free State came into existence the new Government saw no reason for altering the lines upon which this work had hitherto been carried out. The general result has been that about 40,000 acres of woodland and afforestable land have been acquired, and further acquisitions are being negotiated at the rate of about 3,000 acres a year.

2. The Free State Government is fully alive to the fact that its forest area is by no means adequate to meet the needs of the country in timber products, while the importance of shelter in an agricultural country exposed to strong Atlantic winds is a further inducement to promote afforestation. Difficulties in connection with land acquisition, which are indeed not confined to the Free State, have to be overcome before the work of afforestation can be conducted smoothly and satisfactorily, but it is hoped that some of these difficulties may be removed by legislation of a suitable nature. Many of the problems connected with afforestation in the Free State are similar to those existing in Great Britain. This is especially the case as regards private woodlands, which form so large a proportion of the wooded area in the two countries, and the Free State considers that it will be desirable to devise a system of control of these woodlands to the extent necessary to prevent waste and mismanagement, if they are to be conserved and operated as a national asset. The agricultural policy of the Free State is based on the general development of rural industries, and it is recognised that forestry is one of the most important of these.

STATEMENT VII.

Forestry in India.

1. The forest lands of India and Burma under the management of the Forest Department aggregate about 160 million acres, *i.e.*, almost one-fourth of the area of British India.

2. When conservation was started about sixty years ago the accessible forests were all in a more or less ruined condition. Under scientific management the timber crop from these forests could only be reaped very gradually until young dense crops had been nursed up to take their place. This work of creating healthy young forests, though the most important of all work done by the Department, is not generally realised. But the fact is that over very large areas there are now well-grown crops of trees about half grown. The yield in the past has had to depend either on the remnants of the poor forests originally taken over or on the forests in more or less inaccessible areas, but it is increasing steadily, and in a few more decades the out-turn will be enormous, provided the present policy of scientific conservation and management is continued.

3. The average annual gross forest revenue for the quinquennium 1864–69 was 3·7 million rupees, while the average for the quinquennium 1919–24 was 55 million rupees, fifteen-fold greater. The revenue figures for 1924–25 were gross 57 million rupees and net 21 million rupees.

4. Much of the present output of timber is absorbed locally, but difficulties have occurred in finding markets abroad for the surplus, consisting chiefly of hardwoods. The development of an export trade in timbers in addition to teak is most important in view of the large annual supply of timber which will be available after another thirty or forty years. This increasing out-turn, although mostly hardwoods, may be of immense importance to the Empire, as it will become available just about the time when the expected world shortage of timber will occur.

5. In order to make a beginning in the matter of finding uses for hardwoods hitherto practically unused, Madras has recently employed special logging engineers to extract timber by mechanical means, and have established plant for box-making and for seasoning and preserving timber. The results have been most gratifying.

6. In the United Provinces and Punjab, pioneer factories for the manufacture of turpentine and rosin and for bobbins and turnery have been made over to private enterprise with Government as a profit-sharing partner.

7. In these two Provinces afforestation work is in progress in the denuded ravine lands and in the newly-irrigated areas. In Burma and Bengal most promising arrangements have been made with the villagers whereby their assistance in afforestation work has been secured and the identity of their interests with the renewal of forest growth established. The future yield of teak and other valuable timbers will in time to come be greatly

increased thereby. Burma has led the way with aerial surveys. In 1923–24, graphical maps and stock maps of 1,000 square miles of the Irrawaddy delta were prepared by this means with such successful results that further work of a similar kind was arranged for.

Research.

8. The importance of research is recognised by all the Provinces, especially as much of the recent increase in revenue has to a large extent been due to research, which hitherto has chiefly been conducted at the Imperial Forest Research Institute at Dehra Dun. In order to extend the facilities for research an entirely new Research Institute, standing in grounds of over 1,000 acres, is being built and equipped at a cost of £800,000. This will further establish Dehra Dun as the most important Research Institute devoted to tropical forestry in the world. Under this enlarged scheme the existing buildings will be utilized as a College for advanced forestry training. Thus the College and the new Forest Research Institute will, it is hoped, constitute an institution of the highest grade and of unique character, affording instruction in tropical forestry in all its branches, to which private students and research workers, not only from India but from abroad, will be welcome.

9. A description in a very handy form of the forests in India and their management has been published under the title of "India's Forest Wealth" by the Oxford University Press as Volume VI in their "India of To-day" series, whilst two recent articles in the *Empire Forestry Journal*, by Mr. A. Rodger, Inspector-General of Forests, give an account of later developments in research work. Research is in progress under the five main heads of silviculture, chemistry, botany, entomology, and forest economics, all carefully correlated. It is not possible to compress into this summary the work in hand under each of these heads, and reference must be requested to the publications quoted above. It will suffice to mention briefly some of the more important lines of economic research.

Wood Technology.

10. This important subject is the basis on which further economic investigations are founded, as the structure of timber is obviously the important fact when considering its utilization. A manual of wood technology for India, which contains a wealth of most valuable scientific information, has been prepared and has been published by Dr. H. P. Brown of Syracuse University, U.S.A. He and Mr. Pearson have under preparation a large work on the timbers of India, Dr. Brown describing the structure of all the important timbers, and Mr. Pearson contributing notes on quantities available, where found, use and properties. It is expected that this work will be one of the most valuable volumes on timber published.

Timber Testing.

11. This has been going on on a large scale at Dehra Dun for the last two years, and a certain amount of work was done before that. Mr. L. N. Seaman is in charge of this section, and he describes its aims as follows :—

> "The main basis of this research lies in a programme of routine tests conducted by standard methods, and therefore suited both to establish the relative strengths of well-known and unknown Indian woods, and also their relative strengths as compared with well-known foreign species of timber. From this work is gradually being built up a mass of reliable data, constantly growing in value and serving as a starting point for all special investigations necessary to determine the suitability of Indian woods for specific uses. Tables and charts are prepared from these data, showing the relative usefulness of different woods for beams, posts, sleepers, scantlings, bridge parts, and other common uses. These data, combined with others obtained by testing full-sized structural timbers, form the basis for reasonable grading rules, based on the strength of the timber, and for preparing tables of allowable working stresses for use in the design of bridges, buildings, and other structures. It is evident that, if by intelligent grading and good design even a little timber can be saved on each structure, the net annual saving to the country will be very great indeed. When we add to this the fact that the same structures can be built of what are at present unknown, or little known, Indian timbers, and better so built than of expensive imported timbers, we have not only a saving to the builder but a gain to the country, in that what the builder has spent he has spent in India."

Nearly a dozen complete electrically-fitted testing machines have been installed, and it is doubtful whether a more complete testing shop exists anywhere.

Timber Seasoning.

12. The expert in charge of this section has done a great deal of sound groundwork on the seasoning of timbers by air and by the Tiemann and Sturtevant processes. The timber users of India are only now slowly beginning to realise what good seasoning can do for them. Timber has in the past been usually shamefully treated in India, and has in particular been exposed to excessive moisture and excessive heat in the most cruel way. The task of the seasoning expert at Dehra Dun is to prove that timber may double its value if scientifically and carefully seasoned, and that many timbers, even perishable softwoods, can be turned out in the most surprisingly good form if treated in this way. In one case in particular a soft perishable timber which usually becomes destroyed by fungus almost at once in a damp climate was turned out as an excellent white box-wood.

Timber Preservation.

13. Hand in hand with seasoning goes preservation. Besides the climate, timber has other deadly enemies in India, such as white-ants, fungi, and wood-boring beetles and larvæ. The task of the preservation expert is to find out how timber can best be treated with creosote, crude earth-oil, and other preservatives so that it may be as durable as it is mechanically strong. There are a number of Indian timbers which last for many years in the open in their natural state, such as sal, teak, pyinkado, and deodar, but there are many which are mechanically strong but do not contain any natural oil or resin which will protect them against destructive agencies. When these are properly treated they can be used in the same way as the others, for example, as railway sleepers. Sleepers have been the subject of many investigations at Dehra Dun, and knowledge of the best methods of treatment has been greatly increased.

Wood-working.

14. All the important Indian and Burmese woods are being used for carpentry, veneer, and other purposes at the Research Institute at Dehra Dun. Many new facts have been recorded about these woods, and the purposes for which they are best suited are gradually being discovered. A large number of Indian carpenters are trained in up-to-date methods of carpentry.

15. In addition to timber, the Indian forests yield innumerable kinds of minor forest produce, and research into the qualities and quantities of these goes steadily forward.

Paper-Pulp.

16. Valuable work has been accomplished in investigating the use of Indian bamboos for making paper-pulp.

Mr. Raitt, the expert in charge, writes as follows:—

"The laboratory and field work of the past fourteen years has to a large extent outlined the programme before the factory plant. It has eliminated species which are unsuitable and unprofitable and, with but rare exceptions, has brought about a concentration of effort upon a few families of Gramineæ ranging from small grasses like *sabai* (or *baib*, *bhabar*) to giant grasses like bamboos. With the latter and with savannah grasses, and to a lesser extent with *sabai*, a prejudice has existed to the effect that, notwithstanding the proved fibre value of the pulp they produced, it was difficult to bleach. To the problem of reducing bleaching costs much of the time and effort of the section has been given during the past ten years and, it is satisfactory to be now able to announce, with complete success. The specific causes of the bleaching trouble have been discovered and located in certain constituents of the complex substances encrusting the fibres, and a system of digestion has been evolved which extracts and expels them from the mass before the stage of digestion is reached at which they create difficulty. So long as these dis-

coveries were the results of laboratory work only, it was considered inadvisable to publish them until they could be confirmed by trials on a factory scale, with digesters specially constructed to facilitate the process. This has now been done and with results which are actually better than those obtained in the laboratory. It is a case where mass tells beneficially. With both bamboo and *sabai* the reduction in the chemical cost of treatment up to and including the bleaching stage is equal to Rs. 55 per ton of pulp, and the less drastic conditions of digestion temperature which the process permits results in a further gain of 2 per cent. in pulp yield."

Publications.

17. In addition to the publications already mentioned, much current information about Indian forests and timbers, their uses and characteristics, and about research in the different sciences connected with forestry, is contained in the Memoirs, Records, and Bulletins regularly published by the Imperial Forest Research Institute at Dehra Dun, India.

STATEMENT VIII.

FORESTRY IN THE NON-SELF-GOVERNING COLONIES AND PROTECTORATES.

Forest Areas.

1. The forests of the fifteen non-self-governing Colonies in Africa, Asia, and America extend to the enormous area of over three hundred million acres and are predominantly tropical or sub-tropical in character; that is to say they are mainly mixed forests of numerous broad-leaved species. Conifers appear in a few localities only—such as British Honduras and Kenya—and in relatively small quantities.

2. An important source of revenue from colonial forests is minor forest produce. For instance, from the Federated Malay States rattans, resins, jelutong—the last being increasingly sought after for the manufacture of chewing gum; from East Africa mangrove bark, gum arabic, gum copal, and beeswax; from West Africa shea nuts, shea butter, wild rubber, and gum copal.

Policy.

3. The state of development of policy varies very greatly from Colony to Colony; some, such as Malay States, have been working on fairly settled lines for a number of years, others (such as British Guiana) have faced their problems only within the last two or three years.

4. On the whole, however, it is a fair summary to say that practically all have either defined, or are now in active process of defining, their policies.

5. Most Colonies are also engaged on that most important subject from the point of view of policy, viz., a survey of their resources. This is referred to later under the head of management.

6. While forest surveys are being pushed forward, an increasing number of forest reserves are being made and in most areas a policy of further reservation is being actively pursued. In some cases progress is hampered by difficulties in overcoming the prejudices or ignorance of the native population, but, generally speaking, legislative power has been taken to enable adequate reserves to be created and, while it must be admitted that in some Dependencies the proportion of the reserved forest area to the total area is still too low, there is good reason to hope that steady progress in this important element of forest policy will be made in the near future. The primary object of reservation in many territories has been the maintenance of climatic conditions in the interests of agriculture and the protection of water supplies. This is not unnatural in view of the preponderating importance of agriculture in most of the Dependencies. But the intrinsic importance of conserving and developing forest resources is becoming more and more widely recognised. As an example of satisfactory activities in the matter of reservation the case of Nyasaland may be cited, where the forest reserves now total not far short of 3,000 square miles of which nearly half has been reserved in the last three years.

Staff: Education and Research.

7. Keeping in view the enormous areas to be administered, the technical forestry staff is small, but the position is being gradually improved from year to year as suitable men become available and financial considerations admit.

8. Considerable progress has been made in the organisation and training of the Colonial forest services. The Imperial Forestry Institute was set up in October, 1924, and since that date all officers entering the junior grade of Assistant Forest Conservator must not only possess a degree or diploma in Forestry of a recognised University, but also take a post-graduate course, either before entering the Service or on their first leave, at the Imperial Forestry Institute. Consequently, the minimum standard of scientific training now required for entry into these services is higher than that possessed by probably any junior officer who joined them before the last Imperial Conference met.

9. Considerable reorganisation has been effected in, for example, Trinidad and Cyprus. The Forest Department of British Honduras, which only started in 1923, is now on a well-organised basis and has made a most promising start.

10. For the first time in its history, British Guiana was furnished, last year, with the nucleus of a properly-equipped forest service embracing a survey department of its own.

11. An active start has been made with investigation into the economic value of timbers of tropical broad-leaved trees.

12. Experiments are being made in Ceylon in the impregnation of an indigenous softwood which, if successful, would immediately

increase the supply of Ceylon-grown sleepers for the railway from 5 per cent. to 25 per cent. of its requirements, with every prospect not only of ultimately providing the whole amount required, but also, impregnation plant being available, of making possible the exploitation of large supplies of other local timbers corresponding to softwoods. Similarly, the forest authorities in the Federated Malay States are alive to the great importance of the investigation and exploitation of the local broad-leaved softwoods. As regards West Africa, where there are no coniferous forests, experiments locally and in England are being conducted with a view to finding a suitable softwood substitute from the timber indigenous in West Africa. The technical problems of seasoning and preservative treatment are being investigated, and the success which is hoped for in this connection would enable the bulk of local softwood requirements in British West Africa to be met without importation, thereby to some extent relieving the drain upon the world's softwood resources.

13. Suitably situated, tropical hardwood forests undoubtedly have a very considerable potential value; firstly, as a substitute for those hardwoods for which there is increasing demand owing to their being over-cut in temperate countries. For example, the chestnut supplies of the United States, which form the main hardwood resources of the greatest timber-using nation in the world, will, it is estimated, be exhausted in a comparatively few years' time. Secondly, certain species can probably be used as substitutes for softwoods, the future supplies of which are giving cause for serious anxiety.

14. Clearly, therefore, there is great need of research as to the uses to which tropical hardwoods found in our Colonies can be put. It is encouraging to note, as an indication of the direction in which we are moving so far as local research is concerned, that Nigeria has lately deputed two officers for training in this country and in India in methods of forest research. At the same time it is felt that local research in the Colonies will be more fruitful if carried out in conjunction with well-equipped central research institutions in this country. The establishment of the Imperial Forestry Institute at Oxford, towards which the Colonies make a substantial annual grant, and of the Forest Products Research Board, is therefore welcome.

Management and Silviculture.

15. As previously remarked, active steps are being taken to survey the forests in connection with problems of policy and management. In this connection mention may be made of a recent report on a forest tract in British Guiana. This survey has revealed the existence of very valuable forests containing, besides greenheart, of which British Guiana is the sole known source of the world's supply, considerable quantities of such timber as mora which is classified as A.1 at Lloyds for shipbuilding and is likely

to prove of great use for railway sleepers. There appears to be an opportunity here for considerable developments on lines designed to secure high returns from the existing forests and at the same time adequate regeneration of growth.

16. Silvicultural work is also receiving attention, though it is often complicated by difficulties in finding markets for all the mixed species commonly constituting the forests. In Tanganyika great efforts are being made to extend the forest cultivation system with a view to reafforestation. Some Colonies, for example Trinidad, are setting aside areas for continuous forest production, including, where suitable conditions exist, areas for softwoods, with a view eventually to making themselves self-supporting in this respect.

Future Developments.

17. Forestry, possibly more than any other industry, suffers from the lack of transport in partially-developed countries, such as most of the non-self-governing Colonies, owing to the low intrinsic value of timber in comparison with its bulk. We may expect, however, to find increasing world use made of our tropical woods and increasing substitution in the Colonies themselves of indigenous for imported woods. A few examples may be noted. There are indications that the Kenya cedar may come into extensive use for pencils in replacement of the failing supply of pencil cedar from America. From the Gold Coast, mahogany was in 1925 exported to the value of £256,000. A promising attempt is being made to export mora sleepers from British Guiana to Africa in substitution for temperate hardwood sleepers.

Imperial Forestry Conferences.

18. The Secretary of State for the Colonies wishes to place on record his conviction that from the point of view of Colonial forestry the Imperial Forestry Conferences have been of very great use; in fact, it is not unfair to state that the considerable recent developments in policy, management, education, and research are in no small measure attributable to the Conferences held in 1920 and 1923. Steps will therefore be taken to see that the Colonies are well represented at the next Conference.

APPENDIX XIV.

REPORTS OF GENERAL ECONOMIC SUB-COMMITTEE.

In pursuance of a decision taken at the opening Meeting of the Imperial Conference on the 19th October, 1926, the General Economic Sub-Committee was set up to consider certain subjects and to report to the Conference thereon.

The Sub-Committee was constituted as follows :—

Great Britain.

Sir S. Chapman, K.C.B., C.B.E., Permanent Secretary, Board of Trade. (*Chairman*).

Sir P. Thompson, K.B.E., C.B., Deputy Chairman of the Board of Inland Revenue. (*Chairman for Taxation Questions*).

Sir C. Hipwood, K.B.E., C.B., Board of Trade.

Mr. H. Fountain, C.B., C.M.G., Board of Trade.

Mr. P. W. L. Ashley, C.B., Board of Trade.

Mr. A. W. Flux, C.B., Board of Trade.

Mr. G. E. Baker, C.B.E., Board of Trade.

Mr. F. Phillips, Treasury.

Sir W. H. Clark, K.C.S.I., C.M.G., Comptroller-General, Department of Overseas Trade.

Mr. G. G. Whiskard, C.B., Dominions Office.

Mr. E. B. Boyd, Colonial Office.

Mr. G. E. J. Gent, D.S.O., M.C., Colonial Office.

Mr. H. V. Reade, C.B., Board of Customs and Excise.

Mr. R. O'F. Oakley, Department of Scientific and Industrial Research.

Mr. R. H. Campbell, C.M.G., Foreign Office.

Mr. R. J. Thompson, C.B., O.B.E., Ministry of Agriculture.

Canada.

Lieut.-Colonel J. Reid-Hyde, C.B.E., Secretary to the Delegation.

Mr. S. A. Cudmore, Technical Adviser.

Mr. Jean Désy, Counsellor, Department of External Affairs.

Commonwealth of Australia.

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

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

Union of South Africa.

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

Newfoundland.

The Hon. Sir P. T. MCGRATH, K.B.E., F.R.G.S., President of the Legislative Council.

New Zealand.

The Hon. Sir J. PARR, K.C.M.G., High Commissioner in London.

Irish Free State.

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

Mr. E. J. SMYTH, Department of Industry and Commerce.

India.

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

Mr. H. A. F. LINDSAY, C.I.E., C.B.E., I.C.S., Trade Commissioner in London.

Colonies and Protectorates.

Sir GILBERT E. A. GRINDLE, K.C.M.G., C.B., Deputy Under-Secretary of State, Colonial Office.

The Sub-Committee have been assisted from time to time by the advice of other experts in regard to particular matters under discussion.

Mr. F. A. Griffiths, M.C., Board of Trade, and Mr. S. A. Cudmore, Canada, were appointed as Joint Secretaries to the Sub-Committee.

FIRST REPORT.

WOOL STATISTICS.

(*See Section XXI (f) of Cmd.* 2768.)

THE Sub-Committee have concluded their deliberations on Wool Statistics and beg to make the following Report to the Imperial Conference on this subject:—

1. A strong desire has been expressed for some time by the Governments of certain Dominions largely interested in the pro-

duction of wool for the collection of complete statistics of the supplies and consumption of wool, including stocks in dealers' and users' hands.

2. The General Economic Sub-Committee have carefully examined this proposal, and are of opinion that every effort should be made to secure what is desired on the basis of an international agreement, in order that the information may be as exhaustive as possible.

3. The Sub-Committee have been impressed by the force of the argument that the collection and publication of figures relating to the Empire, in the absence of information relating to foreign countries largely interested, would place, or would be thought to place, producers and users in those foreign countries in a position of advantage, to the detriment of users and even of producers within the Empire, in that foreign interests would thereby be put in possession of information about their competitors, from whom they withheld particulars as to their own situation.

4. Consequently, the General Economic Sub-Committee recommend that the Imperial Conference should pass a Resolution approving of the collection and publication of uniform, reliable, and comprehensive international statistics relating to the production, stocks, and consumption of wool, and recommending that the necessary steps should be taken to secure international agreement on this subject. The Resolution might be on the following lines :—

> " 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 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."

5. The classification to be adopted in the returns is a matter of detail which would require settlement at a later stage.

Signed on behalf of the Sub-Committee,
S. J. CHAPMAN, *Chairman.*

2*nd November*, 1926.

SECOND REPORT.

Statistics of Foodstuffs in Cold Storage.

(See Section XXI (f) of Cmd. 2768.)

The General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the subject of Statistics of Foodstuffs in Cold Storage :—

1. The proposal that proprietors of cold stores in Great Britain and Northern Ireland should be compelled by law to notify stocks of foodstuffs in cold store has recently been brought forward by more than one Dominion, and the Imperial Economic Committee, which reported on Dairy Produce on the 5th August, 1926,* say (paragraph 189 of their Report) : "We regard the publication of such statistics, particularly in regard to dairy produce, as essential if the trade is to be placed on a satisfactory basis." Similar views have been expressed by the Linlithgow Committee† and the Royal Commission on Food Prices in Great Britain and Northern Ireland.‡

2. The present position is as follows : No cold storage statistics are published in Great Britain and Northern Ireland. The Canadian Government collect particulars of foodstuffs in cold stores at the beginning of each month, and this information is communicated to those interested. Australia does not make any periodic publication. In New Zealand the Meat and Dairy Boards are fully informed, but the only statistics published in the Monthly Bulletin are those of butter and eggs held in cold storage and of receipts of cheese in cold stores (not, in this case, of stocks). The Government of the Union of South Africa publish in their Monthly Bulletin of Statistics particulars of foodstuffs in cold storage. The Irish Free State Government have taken very comprehensive powers under their Statistics Act.

3. The Sub-Committee have considered the proposal in all its aspects and have come to the conclusion that international returns of foodstuffs in cold stores would be most valuable. It appears desirable, therefore, that negotiations should be entered into with the foreign Governments concerned to secure the international collection and publication of such returns.

4. The General Economic Sub-Committee, therefore, recommend that the Imperial Conference should adopt a Resolution on the following lines :—

> "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."

Signed on behalf of the Sub-Committee,

S. J. CHAPMAN, *Chairman.*

2nd November, 1926.

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* Cmd. 2725. † Paragraph 256, Cmd. 1927.

‡ Paragraphs 265–8, Cmd. 2390.

THIRD REPORT.

Empire Statistics.

(*See Section XXI (f) of Cmd.* 2768.)

The General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the subject of Empire Statistics :—

1. The Imperial Economic Conference, 1923, passed the following Resolution relating to statistics* :—

> "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."

It was pointed out to the Sub-Committee by the representatives of Great Britain that the review of the statistics had shown that for various reasons, including the lack of comparability of some of the available statistics, it was unlikely that a comprehensive scheme could be prepared and accepted without considerable delay. It was suggested, therefore, that an effective method of making progress towards the desired end would be to approach it by stages. This could be done by modifying and expanding future issues of the existing Abstract for the British Oversea Dominions and Protectorates, prepared by His Majesty's Government in Great Britain, as experience may indicate and as figures can be supplied for comparable use. It is understood that the Board of Trade in London will, in the next issue of this publication, take the largest step which is found to be practicable in the desired direction. The last issue,† which has been laid before the Conference, already contains some new tables, but it was felt that some recasting and considerable additions will be needed in the next issue.

2. On the assumption that this course will be taken, a number of suggestions were made for improving the Abstract. The Board of Trade in London will be glad to receive any further suggestions, and will keep in touch with the several Government authorities concerned. The Board apprehend no difficulty, so far as they are concerned, in giving effect to the suggestions already received.

3. The Sub-Committee recommend that these proposals should be approved, but they are of opinion that, after the next issue of the Abstract or the succeeding one, it may be found desirable to

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* See p. 16 of the Record of the Proceedings of the Imperial Economic Conference, 1923, Cmd. 2009.

† Cmd. 2738.

hold a meeting of statisticians from the various parts of the Empire to review the progress made and consider the lines of further advance.

Signed on behalf of the Sub-Committee,
S. J. CHAPMAN, *Chairman.*

2*nd November*, 1926.

FOURTH REPORT.

INDUSTRIAL STANDARDISATION.

(*See Section XXI (b) of Cmd.* 2768.)

THE General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the subject of Industrial Standardisation :—

1. The Sub-Committee have examined comprehensively the question of Industrial Standardisation within the Empire, using the term "standardisation" in the broadest sense to include, for instance, what is sometimes termed "simplification". They are impressed with the advantages which accrue alike to the manufacturers and to the buyers of the goods to which the principle of standardisation is applied. These advantages are too well known to require enumeration. As an illustration of their value, however, it may be mentioned that the reduction, resulting from standardising, in the number of iron and steel sections produced in Great Britain, from some hundreds to 113, was estimated to have resulted in a saving in cost of production of 5*s*. per ton over all sections rolled, which would be equivalent to about half a million pounds sterling per annum. Again, it has recently been estimated that the value of the stocks of ironmongery in wholesalers' and retailers' hands in Great Britain amounts to some 25 million pounds sterling, and that comparatively moderate measures of simplification, by reducing the number of types, would probably result in the release of one-fifth of the working capital thus locked up. To give yet another instance of the same kind, the value of the stocks of electric lamps held outside factories in Great Britain is said to approach some 4 million pounds sterling, and it is believed that the ultimate effect of the unification of standard pressures now being brought about should cut down this sum by at least one-half. As a final illustration it may be added that in South Africa the number of types of engines required for the railways has been reduced by the Railway Administration in sixteen years from sixty-eight to eleven.

2. It is recognised, not only that the principle of standardisation can be less advantageously utilised in some industries than in others, but also that it is not one to be applied indiscriminately.

In particular it is important to beware of the risk of impeding technical progress, and to see that suitable provisions for adequate revision are not overlooked. But even when full allowance is made for these qualifications it is generally agreed that the practice of standardisation—using that term in the widest sense—could be extended much further, with great economic benefit to producers and consumers alike.

3. A considerable amount of progress has been made within the Empire, both in the extension of standardisation and in securing common standards. In Great Britain and Northern Ireland, Canada, Australia, South Africa and India, there are Engineering Standards Associations, working upon similar lines and in conjunction with the scientific and other interests concerned, and in New Zealand and the Irish Free State, where there are no standardising authorities, the standards issued by the British Engineering Standards Association are generally made use of. Between the Associations overseas and the Engineering Standards Association in Great Britain there is already a substantial amount of co-operation. Much has also been done by public departments throughout the Empire to profit from standardisation.

4. But although there has been decided progress in the direction of industrial standardisation and simplification, and there is co-operation between standardising bodies in various parts of the Empire, there is good reason to believe that much more could be done in these directions to the advantage of trade within the Empire, as well as of its trade with the world at large. There are many branches of industry to which the principle of standardisation has not been applied at all, and to which its applicability has apparently not even been considered; and, in respect to those products of industry for which standard specifications have been set up by bodies thoroughly representative of all interests concerned, the practice of standardisation has in many cases not been followed to the extent which might have been expected and is certainly desirable.

5. The chief reason for this may be that the movement had to pass slowly through its experimental stages before it could be advantageously popularised. But it should be pointed out that up to now there has been little or no propaganda, and that the movement could be assisted by more active interest on the part of Governmental authorities in many parts of the Empire in the wider aspects of standardisation.

6. Attention should also be called to the fact that, despite the measure of Imperial co-operation mentioned above, there is no systematic and comprehensive provision for the exchange between the various parts of the Empire of information as to what is being done or what is contemplated in respect of standardisation, in the wide sense in which that term is used in this Report. There appear to be good prospects of benefiting producers and consumers alike, and further promoting trade within the Empire, by increasingly establishing standardisation on the broad basis of Empire markets as a whole, where this is found feasible after a study of local

needs. Consequently the Sub-Committee are of opinion that steps should be taken to extend the co-operation in respect of standardisation which already exists.

7. To these ends, it would seem desirable that in Great Britain and Northern Ireland and in each of the Dominions and India some Department of Government, whichever might appear to be the most suitable in each particular case, or some authority working in co-operation with Government, should be charged with the duty of watching and stimulating the standardisation movement, by whatever means each Government deemed best, and of providing for co-ordination, including the collection of information and its communication to the other parts of the Empire. As a point of detail it may be added that, if the authority so charged in any part of the Empire had reason to believe that the standardisation of any class of products supplied to its area from another part would be advantageous, it should communicate its views, with suggestions as to the lines which standardisation might follow, to the corresponding authority in the country of supply, which could take up the matter in such manner as it might think best with the producers.

8. In order to prevent any misunderstanding, the Sub-Committee desire to make it clear that they regard it as inexpedient that there should be anything in the nature of the determination by Governmental authority of industrial standards, except, of course, in so far as, necessarily in the nature of the case, this is done for a limited purpose when Government buying departments lay down their own standard specifications for their own purchases. In all other cases it seems essential, if the standards are to obtain general acceptance, that they should be framed only by representative bodies of producers and consumers, though the help of Government research institutions should be available wherever and whenever desired. Further, it is desired to make it quite clear that it is not proposed that the work of the various standardising bodies, whose operations are described earlier in this Report, should be interfered with in any way. So far as they are concerned, what the Sub-Committee have in mind is more active and regular Government interest in their work and their utilisation to the fullest possible extent.

The Sub-Committee recommend, for the consideration of the Conference, the adoption of the following Resolution :—

> "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."

Signed on behalf of the Sub-Committee,
S. J. CHAPMAN. *Chairman.*

3*rd November*, 1926.

FIFTH REPORT.

Oil Pollution of Navigable Waters.

(*See Section XXI* (*e*) *of Cmd.* 2768.)

The General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the subject of Oil Pollution of Navigable Waters:—

1. Most maritime countries are faced with the problem of the pollution by oil of their coastal waters and fishing grounds. The main cause of the problem is the discharge of waste oil, or ballast or bilge water mixed with oil, by oil-burning or oil-carrying vessels. In several parts of the Empire, and in a number of foreign countries, steps have been taken to prohibit the discharge of oil in territorial waters or in harbour waters. This course has proved to be only a partial remedy, however, and it is generally recognised that the nuisance cannot be effectively abated unless the discharge of oil or oily mixtures within certain limits outside territorial waters can be prevented.

2. The recommendations of the International Conference held at Washington in June last* are, therefore, welcome, and their adoption by all maritime countries would, in the opinion of the Sub-Committee, go far towards the removal of the trouble. It must be added, however, that in several parts of the Empire it would seem to be necessary to exercise the option of extending the prescribed areas beyond 50 and up to 150 nautical miles.

3. The Sub-Committee suggest that the Conference should pass a Resolution on the following lines:—

> "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."

Signed on behalf of the Sub-Committee,
S. J. CHAPMAN, *Chairman.*

11*th November*, 1926.

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* For copy of "Final Act" of the International Conference, see pp. 370–377.

Final Act of the Preliminary Conference on Oil Pollution of Navigable Waters which met at Washington on 8th June, 1926.

At the invitation of the Government of the United States, a preliminary Conference of experts met at Washington on the 8th June, 1926, to consider questions relating to the pollution of navigable waters by oil, the object of the Conference being to facilitate an exchange of views on technical matters and to consider the formulating of proposals for dealing with the problem of oil pollution of navigable waters through international agreement.

The Governments participating in the Conference and their representatives were :—

The United States of America : by

The Honorable Joseph S. Frelinghuysen.

Judge Stephen Davis, Solicitor of the Department of Commerce.

Dr. Arthur N. Young, Economic Adviser of the Department of State.

Belgium :

Baron Joseph van der Elst, Secretary of the Belgian Embassy at Washington.

British Empire :

Mr. C. Hipwood, Principal Assistant Secretary, Mercantile Marine Department, Board of Trade.

Mr. Albert E. Laslett, Deputy Engineer Surveyor-in-Chief of the Mercantile Marine Consultative Department.

Captain the Honourable A. Stopford, R.N., Naval Attaché at Washington.

Engineer Commander A. Knothe, R.N., Assistant Naval Attaché at Washington.

Mr. Archibald Maclean, Technical Assistant, Representative of British Shipowners.

Canada :

Mr. W. W. Cory, Deputy Minister of the Interior.

Mr. Charles Duguid, Chief Naval Constructor, Department of Marine and Fisheries.

Engineer Commander T. C. Phillips, Consulting Naval Engineer, Royal Canadian Navy, Department of National Defence.

Mr. Jean Désy, Counsellor, Department of External Affairs.

Denmark :

Captain Th. Borg, R.D.N.R., Director of the Port of Copenhagen.

France :

Captain Edmond D. Willm, Naval Attaché at Washington.
Engineer Lieutenant P. Gripon, Assistant Naval Attaché at Washington.

Germany :

Dr. P. S. Lahr, Ministerial Counsellor in the Reichs Ministry of Transportation.
Captain W. Drechsel, of the Association of German Shipowners.

Italy :

Commander Count Ettore Sommati di Mombello, formerly Naval Attaché at Washington.
Commander Alberto Lais, Naval Attaché at Washington.

Japan :

Mr. S. Sawada, Counsellor of the Japanese Embassy at Washington.
Captain I. Yamamoto, I.J.N., Naval Attaché at Washington.
Engineer Commander R. Shibuya, I.J.N., Naval Inspector.
Mr. M. Tokuhisa, Expert in the Department of Agriculture and Forestry.

Netherlands :

Jonkheer Dr. H. van Asch van Wyck, Chargé d'Affaires of the Netherlands at Washington.
Mr. A. Kruk, Government Inspector of Shipping.
Mr. F. C. Haanebrink, Nautical Inspector, Phs. van Ommeren's Shipping Business, Limited.

Norway :

Mr. Alexis H. G. O. Lundh, Commercial Counsellor of the Norwegian Legation at Washington.

Spain :

Commander Adolfo H. de Solás, Naval Attaché at Washington.

Sweden :

Mr. Gustaf Weidel, Commercial Counsellor of the Swedish Legation at Washington.

The Conference had before it the Report on Oil Pollution of Navigable Waters made by an American Interdepartmental Committee to the Secretary of State of the United States, dated the 18th March, 1926,* and it was agreed that the estimate of the facts as to oil pollution and of the causes of oil pollution presented in that Report corresponded in the main with the view taken by those present at the Conference.

* Government Printing Office, Washington, D.C., 119 pages, price 20 cents.

The representative of the Netherlands stated that the oil nuisance in his country had been reduced to negligible proportions and was no longer troublesome. So far as it existed, he considered that it arose much more from oil-burning vessels than from oil-carrying vessels.

The representative of Canada stated that he considered that bilge water was an important factor in causing oil pollution, and recommended that any measures directed towards preventing oil pollution should take into account that factor.

With these qualifications, the statements as to the facts of oil pollution and the estimate as to causes contained in the United States Report were regarded as forming a sound basis for the work of the Conference. The passages of the Report to which reference is made are as follows: as to facts concerning conditions in different countries, pages 18–23 and 104–119; as to causes, pages 23–24.

It was agreed that there has been a marked diminution of oil pollution since attention was first called to it, due both to the action of the Governments and to the voluntary co-operation of the interests concerned, but that the evil is still serious in some waters and that it can only be dealt with satisfactorily by international action.

The principal causes of oil pollution are vessels and land installations and terminals. As sources of pollution on land are largely limited to territorial waters and are being dealt with, and can only be dealt with, by the Governments concerned, this branch of the subject was not pursued by the Conference, and attention was concentrated on the other principal cause of pollution, vessels.

It was agreed that the only vessels which need be taken into account as potential sources of oil pollution, for the purposes of this Conference, are sea-going vessels carrying crude, fuel or Diesel oil, in bulk as cargo or as fuel for boilers or engines, and that these classes of vessels should be covered by any regulations that may be adopted.

Two classes of vessels require special mention, war vessels and small craft. War vessels are usually dealt with as a separate class, and it is assumed that the naval authorities of each country will take the necessary measures to ensure that those classed as war vessels take every possible precaution to prevent oil pollution. Small craft may find it difficult to comply fully with the regulations that may be laid down, and special provisions may have to be made to meet their case, but they should be required to do all that is reasonable and practicable to avoid oil pollution, and any special provisions should apply only to vessels of limited bunker content.

There is no hard and fast line dividing oily mixtures which are harmful from those practically innocuous, and opinions may differ as to the precise point at which the line should be drawn; but the Conference, after hearing the experts, came to the conclusion that a mixture containing more than ·05 of 1 per cent. of crude, fuel or Diesel oil, should be regarded as constituting a nuisance, and that for all practical purposes a mixture containing this percentage of oil or less need not, at any rate beyond territorial limits, be regarded as constituting a nuisance. Oily mixtures constituting a

nuisance can generally be recognised by the film, visible to the naked eye in daylight in clear weather, which they produce on the surface of the sea.

The Conference is not in agreement at this time as to the extent and effects of pollution caused by deposit of oily mixtures on the high seas at distances greater than 50 miles from shore. One opinion is that such pollution already exists, that ocean fisheries are thereby endangered, and that oily discharges on the high seas tend to preserve their character for an indefinite period and may be borne by winds and currents into coastal waters and contribute to coastal pollution. For that reason the representatives of some Governments considered that after a specified period of notice the discharge of oily mixtures constituting a nuisance should be prohibited everywhere, and that, in the meantime, a system of areas should be established within which no such discharge should be allowed. The other opinion was to the effect that a sufficient case had not been made out for prohibition everywhere, and that the establishment of an effective system of areas would provide a complete or almost complete cure for the evils complained of.

Both parties agree that the first measure is the establishment of a system of areas and both parties agree that such a system, if properly established and properly worked, will go a very considerable way towards curing the evil.

The Conference, therefore, agreed to recommend that a system of areas should be established on the coasts of maritime countries, and on recognised fishing grounds, within which no oil or oily mixtures, which constitute a nuisance, should be discharged.

Each country can determine what the width of the areas off its own coasts should be, in the light of its own special circumstances and conditions, such as prevailing winds, currents, and the extent of its fishing grounds, and after consultation with its neighbours where this appears necessary. The general rule in the case of coasts bordering the open sea should be that the width of the area should not exceed 50 nautical miles, but that in exceptional cases, where the peculiar configuration of the coast or other special circumstances render such a course necessary, the width might be extended to 150 nautical miles.

Full information as to the extent of all areas, in the form of marked charts or otherwise, should be circulated to all Governments concerned, and it would greatly facilitate the establishment and working of the system of areas under international agreement if one Government were to undertake the duty of receiving, co-ordinating, and circulating information upon the subject.

There are already a number of vessels equipped with apparatus for the separation of oil from their oily mixtures, and it is contemplated that the number of such vessels will materially increase. One obstacle to the installation of such apparatus lies in the apprehension in the minds of those concerned that, under the laws of some countries, vessels installing it might either incur some penalty in the matter of payment of dues based upon tonnage or might not receive any benefit from the resulting sacrifice of cargo

space. It is recommended that necessary changes in admeasurement laws be made by the various Governments to the end that such disadvantages may be removed.

The Conference has reached an agreement on the following Recommendations to the respective Governments for adoption by international agreement:—

1. That the Governments concerned provide for a system of prescribed areas in waters off their coasts beyond territorial limits (if necessary, after consultation with neighbouring Governments) within which vessels of the classes mentioned in Recommendation No. 4 shall not discharge crude, fuel or Diesel oil or mixtures having an oil content greater than that stated in Recommendation No. 5.

2. That along coasts bordering the open sea such areas shall not extend more than 50 nautical miles from the coast, except, that if such extent is in particular instances found insufficient because of the peculiar configuration of the coast line, or other special conditions, the Government affected may extend its area to a width of not exceeding 150 nautical miles, after consultation with neighbouring Governments, if necessary.

3. That due notice of the establishment of any areas shall be given to the Governments concerned in the form of marked charts or otherwise.

4. That the regulations adopted with respect to prescribed areas shall be applicable to all sea-going vessels, other than war vessels, carrying crude, fuel or Diesel oil, in bulk as cargo or as fuel for boilers or engines, due consideration being given to the special necessities of small vessels. It is assumed that the Naval authorities of each country will take the necessary measures to ensure that vessels classed as war vessels shall take every possible precaution to prevent oil pollution.

5. That the discharge of oil or oily mixtures be prohibited within such areas if the oil content exceeds ·05 of one per cent., that is, if it is sufficient to constitute a film on the surface of the sea visible to the naked eye in daylight in clear weather.

6. That each Government agree to use all reasonable means to require its vessels to respect all such areas.

7. That no penalty or disability of any kind whatever in the matter of tonnage measurement or payment of dues be incurred by any vessel by reason only of the fitting of any device or apparatus for separating oil from water.

8. That dues based on tonnage shall not be charged in respect of any space rendered unavailable for cargo by the installation of any device or apparatus for separating oil from water.

9. That the term "device or apparatus for separating oil from water," as used in Recommendations Nos. 7 and 8, shall include any tank or tanks, of reasonable size, used exclusively for receiving waste oil recovered from the device or apparatus, and also the piping and fittings necessary for its operation.

10. That each Government should carefully observe the operation and effect of the area system off its coasts, and exchange information thereon with the other interested Governments, so that if, after reasonable experience, any Government may consider that such areas do not sufficiently protect its coasts, or that pollution beyond such areas has become or threatens to become a menace, such Government may be in position to raise with the other Governments the question whether the discharge beyond the limit of such areas of oil or oily mixtures constituting a nuisance should be prohibited.

11. That a central agency be established as soon as practicable for receiving, co-ordinating, and circulating to the Governments concerned information of interest relating to the system of areas, the establishment of which is suggested in the foregoing Recommendations, the experience with that system, and other data deemed advisable.

For the purpose of facilitating the conclusion of an international agreement, the annexed draft of a convention is submitted for the consideration of the respective Governments.

Done at the City of Washington this sixteenth day of June, One thousand nine hundred and twenty-six.

JOSEPH S. FRELINGHUYSEN.
STEPHEN DAVIS.
ARTHUR N. YOUNG.
J. VAN DER ELST.
C. HIPWOOD.
ALBERT E. LASLETT.
A. STOPFORD.
A. KNOTHE.
ARCHD. MACLEAN.
W. W. CORY.
CHARLES DUGUID.
T. C. PHILLIPS.
JEAN DÉSY.
TH. BORG.
E. WILLM.
P. GRIPON.
E. SOMMATI DI MOMBELLO.
DR. LAHR.
W. DRECHSEL.
S. SAWADA.
I. YAMAMOTO.
R. SHIBUYA.
M. TOKUHISA.
H. VAN ASCH VAN WYCK.
A. KRUK.
HAANEBRINK.
A. LUNDH.
ADOLFO H. DE SOLÁS.
GUSTAF WEIDEL.

Draft of Convention.

The Governments of .....
.....
.....

desiring to take action by common accord to prevent pollution of navigable waters by oil or oily mixtures discharged from vessels, have resolved to conclude a Convention for this purpose, and have appointed as their plenipotentiaries :—

Who, having communicated to each other their respective Full Powers, found to be in good and due form, have agreed as follows :—

I.

The respective Governments may establish areas in waters adjacent to their coasts within which discharge from the vessels specified in Article III of oil

or oily mixtures as defined in Article II shall be prohibited, in accord with the following principles :—

(*a.*) In the case of coasts bordering the open sea, such areas shall not extend more than 50 nautical miles from the coast except that, if such extent is in particular instances found insufficient because of peculiar configuration of the coast line or other special conditions, such areas may be extended to a width not exceeding 150 nautical miles.

(b.) In case the Government of any country desires to prescribe an area any part of which may be within 150 nautical miles of the coast of another country, that Government shall inform the Government of such other country before the area is prescribed.

(*c.*) Due notice of the establishment of any area or areas, and of any change thereof, shall be given to the Governments of maritime States, in the form of charts or otherwise, by the central agency mentioned in Article VII.

II.

The discharges which may be prohibited in any area prescribed pursuant to Article I are (*a*) crude, fuel or Diesel oil, or (*b*) any mixture containing more than ·05 of 1 per cent. of such oil, or having a content of such oil sufficient to form a film on the surface of the sea visible to the naked eye in daylight in clear weather.

III.

The vessels which may be affected pursuant to the provisions of Article I are all seagoing vessels, other than war vessels, carrying crude, fuel or Diesel oil, in bulk as cargo or as fuel for boilers or engines. Special provisions may be adopted to meet the case of small vessels of limited bunker capacity, but such vessels shall be required to take all reasonable precautions to prevent oil pollution.

IV.

The respective Governments agree to take the necessary measures to ensure that vessels classed as war vessels shall take every possible precaution to prevent oil pollution.

V.

Each Government will require vessels of the class specified in Article III, flying its national flag, when within any area prescribed pursuant to Article I, to refrain from discharging oil or oily mixtures as defined in Article II.

VI.

The respective Governments agree :—

(*a.*) That no penalty or disability of any kind whatever in the matter of tonnage measurement or payment of dues be incurred by any vessel by reason only of the fitting of any device or apparatus for separating oil from water.

(*b.*) That dues based on tonnage shall not be charged in respect of any space rendered unavailable for cargo by the installation of any device or apparatus for separating oil from water.

(*c.*) That the term " device or apparatus for separating oil from water," as used in paragraphs (*a*) and (*b*) of this Article, shall include any tank or tanks of reasonable size, used exclusively for receiving waste oil recovered from the device or apparatus, and also the piping and fittings necessary for its operation.

VII.

The Government of.....is invited to establish a central agency for the purpose of receiving, co-ordinating, and circulating to the Governments of maritime States information relating to the system of areas established under the terms of this Convention, the experience with that system, and other data pertaining to the problem of oil pollution of navigable waters and means for dealing with that problem.

In the event of this invitation being accepted the other contracting Governments undertake to forward to the central agency the data specified in paragraph (*c*) of Article I hereof, and also all other information which they consider appropriate for the purposes of this Article.

VIII.

The Government of the United States will invite the Governments of maritime States other than the signatories to adhere to the present Convention. Such adherence shall be notified to the Government of the United States and by the latter to all the other Governments signatories to the Convention.

IX.

The present Convention shall take effect as soon as the ratification of five of the Governments represented at the Washington Conference of June, 1926, shall have been notified to the Government of the United States. It may be denounced by any Government on notification to the Government of the United States to take effect one year from the date upon which such notification shall have been made.

SIXTH REPORT.

UNIFICATION OF RULES RELATING TO BILLS OF LADING.

(*See Section XXI* (d) *of Cmd.* 2768.)

THE General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the subject of the Unification of Rules relating to Bills of Lading:—

1. This matter was discussed at the Imperial Economic Conference of 1923 and the following Resolution was adopted* :—

> "This Imperial Economic Conference having examined the Rules relating to Bills of Lading recommended by the International Conference on Maritime Law held at Brussels in October, 1922, and embodied in the Carriage of Goods by Sea Bill now before the British Parliament, is of opinion that in all essential principles they are based upon the Canadian Water Carriage of Goods Act, 1910, and the Report of the Imperial Shipping Committee, 1921, and, believing that there is a good prospect of international agreement in regard to bills of lading on this basis which would be of benefit to every part of the Empire, considers that these Rules can be recommended for adoption by the Governments and Parliaments of the Empire."

2. A Carriage of Goods by Sea Bill in the form referred to in the above Resolution, with minor amendments of a drafting nature, became law in Great Britain and Northern Ireland in the Carriage of Goods by Sea Act, 1924. This Act puts into operation the Bills of Lading Convention as finally adopted at Brussels in October, 1923.

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* See pp. 16-17 of the Record of the Proceedings of the Imperial Economic Conference, 1923, Cmd. 2009.

The protocol of signature for the Convention has been signed by the Governments of the following fourteen countries :—

Belgium, Dantzig, Estonia, France, Germany, Great Britain and Northern Ireland, Hungary, Italy, Japan, Jugo-Slavia, Poland, Roumania, Spain, and the United States.

3. Thus effect has been given in Great Britain and Northern Ireland to the Resolution of the Imperial Economic Conference. Similar legislation has also been passed in the Commonwealth of Australia, India, and the following Colonies and Protectorates :— Bahamas, Barbados, the Leeward Islands, Gambia, Gilbert and Ellice Islands, Grenada, the Gold Coast, Nigeria, Montserrat, Gibraltar, Zanzibar, Bermuda, Sierra Leone, Solomon Islands, and Trinidad and Tobago. The Sub-Committee understand that Bills for the same purpose are receiving consideration in the Union of South Africa, Palestine, Seychelles, Somaliland, and the Malay States, and that the possibility of legislation is being considered by the Governments of Canada, New Zealand, the Irish Free State, and also of a number of Colonies.

4. International uniformity, as well as uniformity within the Empire, in the law relating to bills of lading would greatly facilitate overseas trade by removing an element of doubt from the minds of shippers and shipowners as to what their liability under a contract of carriage is likely to be. As all the important foreign maritime Powers, with the exception of the Scandinavian countries, have now signed the Convention, and some of them have prepared legislation to give effect to it, there is reason to think that uniformity is in a fair way to achievement. The adoption of the Convention throughout the British Empire, in addition to being of advantage to Empire trade, would greatly assist in securing international uniformity.

5. The Sub-Committee suggest that the following Resolution should be adopted by the Conference :—

"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 welcomes the progress which has been made towards the achievement of international uniformity upon the basis of these Rules."

Signed on behalf of the Sub-Committee,

S. J. CHAPMAN, *Chairman.*

11*th November*, 1926.

SEVENTH REPORT.

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

(*See Section XXI* (d) *of Cmd.* 2768.)

The General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the subject of the Conventions adopted at Brussels relating to the Limitation of Shipowners' Liability and to Maritime Mortgages and Liens:—

(1.)—*Limitation of Shipowners' Liability.*

1. The Sub-Committee have considered the draft International Convention* on this subject adopted at the Brussels Conferences of 1922 and 1923, which has been signed on behalf of the following seventeen countries: Argentine, Belgium, Brazil, Dantzig, Denmark, Estonia, France, Great Britain and Northern Ireland, Hungary, Italy, Japan, Jugo-Slavia, Latvia, Poland, Portugal, Roumania, and Spain. This Convention is a compromise between the law in operation in the various parts of the Empire on the one hand, and the law of the principal Continental countries (with which the law of the United States of America largely corresponds) on the other hand. The matter has been under consideration at a number of Conferences since 1908, and the differences of opinion between the States which have participated in the Conferences have been reduced to a minimum. It was reported to the Sub-Committee that it is unlikely that further international discussion would lead to a more satisfactory solution.

2. At present the maximum liability of the shipowner in the various parts of the Empire in respect of loss of life, personal injury, and damage to cargo, &c., is an amount equal to £15 a ton of the ship's tonnage. Damage to cargo, &c., ranks only against an amount equal to £8 a ton, and loss of life or personal injury ranks first against the remaining £7 a ton and then rateably with other damage against the £8 a ton. Under Continental law the shipowner has the "right of abandonment", *i.e.*, the right to free himself from liability, whether there is loss of life or not, by abandoning his ship or the wreck to his creditors.

3. The draft Convention adopts generally the British provision of an additional fund to compensate for loss of life or personal injury, and fixes the maximum amount of this at £8 a ton of the ship's tonnage. As regards the original fund, against which rank both claims on account of damage to cargo, &c., and loss of life and personal injury claims (so far as the latter are not satisfied out of the additional fund), the Continental system is largely followed, the amount being fixed at the value of the ship on arrival at the first port reached after the accident, plus a sum in respect of freight (which is to be taken to be 10 per cent. of the value of

* For Text of the Convention, see pp. 382–388.

the vessel at the commencement of the voyage), plus accessories of the vessel, with a maximum of £8 a ton.

4. The classes of persons who are principally affected by the Convention are (1) personal injury claimants, (2) cargo owners, and (3) shipowners. In order to ascertain what effect the Convention would have on personal injury claimants, information was obtained by the Board of Trade in London from the Admiralty Registry, High Court of Justice, as to the cases in which life claims had been assessed since 1888. The Sub-Committee are informed that the inference drawn from this information is that, so far as personal injury claimants are concerned, the increase of the present British life fund of £7 a ton to the Convention £8 a ton would, in the aggregate, more than compensate for the reduction of the cargo fund from £8 a ton to the Convention limit. A further point in favour of the personal injury claimants is that under the Convention some foreign countries which do not at present provide for the payment of personal injury claims will have to make that provision.

5. The effect of the Convention as regards cargo claims made under British law will be to reduce the fund available, except where the value of the vessel after the casualty, together with accessories and 10 per cent. of the value of the vessel at the commencement of the voyage, amounts to £8 a ton at least. But the position of cargo claimants under foreign law will be substantially strengthened in cases where the vessel against which the claims lie is either a total loss or severely damaged. Thus, in some cases at any rate, there is a benefit to cargo claimants, and, as regards the cases in which there is not, it seems that the risks involved, whether of the shipowner or the cargo owner, are as a rule insured against, and cargo owners have not raised objections.

6. If effect is given to the Convention in the various parts of the Empire, the gain of the shipowner within the Empire will be that he will be placed on the same footing as his foreign competitor, and will not be subject to different liability in different ports.

7. The position of harbour authorities has received special consideration. The Protocol of the Convention contains a declaration, made at the instance of His Majesty's Government in Great Britain, that "the High Contracting Parties reserve the right of not allowing liability to be limited to the value of the vessel, accessories, and freight in respect of damage caused to works in ports, docks, and navigable waterways, or in respect of the cost of removing wreck, or to ratify on these points only on condition of reciprocity. It is understood, however, that the limit of liability in such cases shall not exceed £8 per ton, except in the case of the expenses of removing wreck."

8. The object of the Convention is solely to secure uniformity internationally in this important branch of maritime law, so that all interested in shipping business, including shipowners, shippers, underwriters, bankers, and others interested in the 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.

9. The Convention, which has been signed on behalf of Great

Britain and Northern Ireland, seems to represent a fair compromise, and there is every reason to think that it will secure a wide measure of international acceptance.

(2.) *Maritime Mortgages and Liens.*

10. The Sub-Committee have also considered the draft International Convention* on this subject adopted at the Conference at Brussels in April, 1926. This Convention aims at the unification of the laws of different countries.

11. The laws in operation with regard to mortgages on ships and the liens which attach to ships vary widely, and the differences often have serious consequences for those who lend money on the security of ships and for those who have claims against ships for services rendered or for damage done. Mortgages which are registered and held to be valid in the country where the ship is owned and registered have been held not to be valid mortgages in other countries and the mortgagees have thereby been dispossessed of their rights. In some countries the number of kinds of claim giving rise to liens is very large, and in others, such as the countries of the British Empire, the number is severely limited.

12. The chief disadvantages of this lack of uniformity are (1) that the value of the ship as an object of credit is greatly impaired, because of the risk of inability of a mortgagee to exercise his rights in a foreign port, (2) that unknown claims may be held by reason of liens to take priority to the mortgage in a foreign port, and (3) that a lien holder in one country does not know the standing of his lien, if any, in another country.

13. The draft Convention seeks to get rid of these disadvantages by providing that mortgages duly registered in the country to which the ship belongs shall be recognised and treated as valid in all the other contracting countries, and also that a limited number of liens, as specified in the Convention, shall alone take precedence over the mortgage. The ranking of these liens is set out.

14. The draft Convention was given its final form at the Conference held at Brussels in April last. It was signed by all the delegates present, some with plenipotentiary powers, others, including the delegates from Great Britain, *ad referendum*. The Governments represented by the delegates who signed the Convention were Belgium, Brazil, Denmark, France, Germany, Great Britain and Northern Ireland, Holland, Hungary, Italy, Japan, Jugo-Slavia, Mexico, Norway, Poland, Roumania, Spain, and Sweden.

15. The Sub-Committee have been given to understand that the provisions of the Convention are in conformity with agreements reached between representatives of British shipowners, shippers, bankers, underwriters, and other interests before the Conference. It appears, moreover, to be quite clear that no better Convention will be attainable by waiting. The wide adoption of the present

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* For Text of the Convention, see pp. 388–394.

Convention would be of great advantage to all the interests concerned in securing uniformity in the treatment of maritime mortgages and liens, and its adoption throughout the Empire would probably result in a wider acceptance among foreign countries of the Convention relating to shipowners' liability, the two Conventions being regarded by some countries as inter-related.

16. The Sub-Committee suggest that the Conference should adopt the following Resolution with regard to 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."

Signed on behalf of the Sub-Committee,
S. J. CHAPMAN, *Chairman.*

11*th November*, 1926.

BRUSSELS INTERNATIONAL MARITIME CONFERENCES, 1922–28.

International Convention for the Unification of Certain Rules of Law relating to the Limitation of the Liability of Owners of Sea-going Vessels.

ARTICLE 1.

The liability of the owner of a sea-going vessel shall be limited to an amount equal to the value of the vessel, together with the freight and the accessories of the vessel, in respect of—

1. Compensation due to any person by reason of damage caused, whether on land or on water, by the act or default of the master, crew, pilot, or any other person in the service of the vessel.
2. Compensation due by reason of damage caused either to cargo delivered to the master to be transported, or to any goods or property on board.
3. Obligations under bills of lading.
4. Damages for breach of contract by reason of negligence in the navigation or management of the vessel.
5. Obligations or liabilities connected with the removal of the wreck of a sunken vessel.
6. Remuneration for salvage.
7. Contributions of the shipowner in general average.

8. Obligations arising out of contracts entered into or transactions carried out by the master, acting within the scope of his authority, away from the vessel's home port, where such contracts or transactions are necessary for the preservation of the vessel or the continuation of the voyage, provided that the necessity is not caused by any insufficiency or deficiency of equipment or stores at the beginning of the voyage.

As regards the cases mentioned in Nos. 1, 2, 3, 4 and 5, the liability referred to in the preceding provisions shall not exceed an aggregate sum equal to £8 per ton of the vessel's tonnage.*

ARTICLE 2.

The limitation of liability laid down in the foregoing articles does not apply—

1. Unless the liability arises without the actual fault or privity of the owner.
2. To any of the obligations referred to in Article 1 (8), when the owner has expressly authorised or ratified the act of the master.
3. To obligations of the owner arising under the contract of service of the crew and other persons in the service of the vessel.

Where the owner or a part owner of the vessel is at the same time master, he cannot claim limitation of liability for his faults, other than his faults of navigation and management and the faults of persons in the service of the vessel.

ARTICLE 3.

An owner who avails himself of the limitation of his liability to the value of the vessel, freight, and accessories of the vessel must prove that value. The valuation of the vessel shall be based upon her condition as at the times hereinafter set out:—

1. In case of collision or other accidents, as regards all claims connected therewith, including contractual claims, which have originated up to the time of arrival of the vessel at the first port after the accident, and also as regards claims in general average arising out of the accident, the valuation shall be according to the condition of the vessel at the time of her arrival at that first port.

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* The Protocol contains a declaration that "the High Contracting Parties reserve the right of not allowing liability to be limited to the value of the vessel, accessories, and freight in respect of damage caused to works in ports, docks, and navigable waterways, or in respect of the cost of removing wreck, or to ratify on these points only on condition of reciprocity.

"It is understood, however, that the limit of liability in such cases shall not exceed £8 per ton, except in the case of the expenses of removing wreck."

If before that time a fresh accident, distinct from the first accident, has reduced the value of the vessel, any diminution of value so caused shall not be taken into account in considering claims connected with the previous accident.

For accidents occurring during the stay of a vessel in port, the valuation shall be according to the condition of the vessel at that port after the accident.

2. In respect of claims relating to the cargo, or arising on a bill of lading, not being claims provided for in the preceding paragraphs, the valuation shall be according to the condition of the vessel at the port of destination of the cargo, or at the place where the voyage is abandoned.

   If the cargo is consigned to more than one port, and the damage arises out of one and the same cause, the valuation shall be according to the condition of the vessel at the first of those ports at which the vessel arrives.

3. In all the other cases referred to in Article 1, the valuation shall be according to the condition of the vessel at the end of the voyage.

ARTICLE 4.

For the freight referred to in Article 1 (which expression includes passage money) there shall in all cases and for all kinds of vessels whatsoever be substituted a payment in lieu thereof of a fixed sum equal to 10 per cent. of the value of the vessel at the beginning of the voyage, even although the vessel earns no freight.

ARTICLE 5.*

The accessories referred to in Article 1 mean—

1. Compensation for material damage sustained by the vessel since the beginning of the voyage, and not repaired.
2. General average contributions in respect of material damage sustained by the vessel since the beginning of the voyage, and not repaired.

Payments on policies of insurance, as well as bounties, subventions, and other national subsidies, are not deemed to be accessories.

ARTICLE 6.

Different claims arising out of the same accident, or in respect of which, if there is no accident, the value of a vessel is ascertained at the same port, rank against the amount representing the extent of the owner's liability according to the order of their liens.

In any proceedings with respect to the distribution of this sum, decisions given by the competent courts of other Contracting States will be admissible as evidence of the amount at which the claim may be admitted.

ARTICLE 7.

Where death or personal injury is caused by the act or default of the captain, crew, pilot, or any other person in the service of the vessel, the owner of the vessel is liable to the victims or their representatives up to an amount equal to £8 per ton of the vessel's tonnage, over and above the limit of liability provided for in the preceding articles. The victims of the same accident and their representatives rank equally against the sum constituting the limit of liability.

If the victims or their representatives are not fully compensated by this amount, they rank, as regards the balance of their claims, with the other claimants against the amounts mentioned in the preceding articles, regard being had to the order of liens.

The provisions of this Article, whilst applying to passengers on the carrying vessel, do not apply to the crew or other persons in the service of that vessel, whose right of action in the case of death or personal injury remains governed by the national law of the vessel.*

ARTICLE 8.

Where a vessel is arrested and bail is given for an amount equal to the full limit of liability, it shall be available for the benefit of all creditors whose claims are covered by that limit.

Where the vessel is subsequently again arrested, the court may order its release, if the owner, while submitting to the jurisdiction of the court, proves that he has already given bail for an amount equal to the full limit of his liability, that the bail so given is satisfactory, and that the creditor is assured of receiving the benefit thereof.

If the bail originally given is for an amount smaller than the full limit of liability, or if bail is required on several successive occasions, questions arising thereon will be determined by agreement between the parties or by the court, so as to ensure that the limit of liability be not exceeded.

If different creditors take proceedings in the courts of different States, the owner may, before each court, require account to be taken of the whole of the claims and debts, so as to ensure that the limit of liability be not exceeded.

National laws shall determine questions of procedure and time limits for the purpose of applying the preceding rules.

ARTICLE 9.

In the event of any action or proceeding being taken on one of the grounds enumerated in Article 1, the court may, on the application of the owner of the vessel, order that execution shall not be

* The Protocol contains a declaration that " the High Contracting Parties reserve to themselves the right of deciding that the owner of a vessel not used for carrying passengers and not exceeding 300 tons is responsible for damage due to death or personal injury in accordance with the general terms of the Convention, but without the necessity of applying to this liability the provisions of the first paragraph of this Article."

levied on the goods of the owner other than the vessel, her freight and accessories, for a period sufficient to allow him to realise the vessel and to effect a distribution of the proceeds amongst the creditors.

ARTICLE 10.

Where a time charterer or other person not being the owner of the vessel incurs liability under one of the heads enumerated in Article 1, he is entitled to the benefit of the provisions of this Convention.

ARTICLE 11.

For the purposes of the provisions of the present Convention, "tonnage" is calculated as follows :—

In the case of steamships and other mechanically-propelled vessels, net tonnage, with the addition of the amount deducted from the gross tonnage on account of engine-room space for the purpose of ascertaining the net tonnage.

In the case of sailing vessels, net tonnage.

ARTICLE 12.

The provisions of this Convention shall be applied in each contracting State in cases in which the vessel in respect of which limitation of liability is claimed belongs to a Contracting State, as well as in any other cases provided for by the national laws.

Nevertheless, the principle formulated in the preceding paragraph does not affect the right of the Contracting State not to apply the provisions of this Convention in favour of the subjects or citizens of a Non-Contracting State.

ARTICLE 13.

This Convention does not apply to vessels of war, nor to Government vessels appropriated exclusively to the public service.

ARTICLE 14.

Nothing in the foregoing provisions shall be deemed to affect in any way the competence of tribunals, modes of procedure, or methods of execution authorised by the national laws.

ARTICLE 15.

The monetary units mentioned in this Convention mean their gold value.

Those Contracting States in which the pound sterling is not a monetary unit reserve to themselves the right of translating the sums indicated in this Convention in terms of pound sterling into terms of their own monetary system in round figures.

The national laws may reserve to the debtor the right of discharging his debt in national currency according to the rate of exchange prevailing at the dates fixed in Article 3.

ARTICLE 16.

After an interval of not more than two years from the day on which the Convention is signed, the Belgian Government shall place itself in communication with the Governments of the High Contracting Parties which have declared themselves prepared to ratify the Convention, with a view to deciding whether it shall be put into force. The ratifications shall be deposited at Brussels at a date to be fixed by agreement among the said Governments. The first deposit of ratifications shall be recorded in a *procès-verbal* signed by the representatives of the Powers which take part therein and by the Belgian Minister for Foreign Affairs.

The subsequent deposit of ratifications shall be made by means of a written notification, addressed to the Belgian Government, and accompanied by the instrument of ratification.

A duly certified copy of the *procès-verbal* relating to the first deposit of ratifications, of the notifications referred to in the previous paragraph, and also of the instrument of ratification accompanying them, shall be immediately sent by the Belgian Government, through the diplomatic channel, to the Powers who have signed this Convention, or who have acceded to it. In the cases contemplated in the preceding paragraph, the said Government shall inform them at the same time of the date on which it received the notification.

ARTICLE 17.

Non-signatory States may accede to the present Convention whether or not they have been represented at the International Conference at Brussels.

A State which desires to accede shall notify its intention in writing to the Belgian Government, forwarding to it the document of accession, which shall be deposited in the archives of the said Government.

The Belgian Government shall immediately forward to all the States which have signed or acceded to the Convention a duly certified copy of the notification and of the act of accession, mentioning the date on which it received the notification.

ARTICLE 18.

The High Contracting Parties may at the time of signature, ratification, or accession declare that their acceptance of the present Convention does not include any or all of the Self-Governing Dominions, or of the Colonies, Overseas Possessions, Protectorates, or Territories under their sovereignty or authority, and they may subsequently accede separately on behalf of any Self-Governing Dominion, Colony, Overseas Possession, Protectorate, or Territory, excluded in their declaration. They may also denounce the Convention separately in accordance with its provisions in respect of any Self-Governing Dominion, or any Colony, Overseas Possession, Protectorate, or Territory under their sovereignty or authority.

ARTICLE 19.

The present Convention shall take effect, in the case of the States which have taken part in the first deposit of ratifications, one year after the date of the protocol recording such deposit. As respects the States which ratify subsequently, or which accede, and also in cases in which the Convention is subsequently put into effect in accordance with Article 18, it shall take effect six months after the notifications specified in paragraph 2 of Article 16 and paragraph 2 of Article 17 have been received by the Belgian Government.

ARTICLE 20.

In the event of one of the Contracting States wishing to denounce the present Convention, the denunciation shall be notified in writing to the Belgian Government, which shall immediately communicate a duly certified copy of the notification to all the other States informing them of the date on which it was received.

The denunciation shall only operate in respect of the State which made the notification, and on the expiry of one year after the notification has reached the Belgian Government.

ARTICLE 20.

Any one of the Contracting States shall have the right to call for a fresh conference with a view to considering possible amendments.

A State which would exercise this right should notify its intention to the other States through the Belgian Government, which would make arrangements for convening the conference.

ADDITIONAL ARTICLE.

The provisions of Article 5 of the Convention for the Unification of Certain Rules relating to Collisions of the 23rd September, 1910, the operation of which was suspended by the additional article to that Convention, become operative as regards the States bound by this Convention.

BRUSSELS INTERNATIONAL MARITIME CONFERENCE, 1926.

International Convention for the Unification of Certain Rules of Law relating to Maritime Mortgages and Liens.

ARTICLE 1.

Mortgages, hypothecations, and other similar charges upon vessels, duly effected in accordance with the law of the Contracting State to which the vessel belongs, and registered in a public register either at the port of the vessel's registry or at a central office, shall be recognised and treated as valid in all the other contracting countries.

ARTICLE 2.

Maritime liens attach to a vessel, to the freight for the voyage during which the secured claim arises, and to the accessories of the vessel and freight accrued since the commencement of the voyage, in respect of the following :—

1. Law costs and fees due to the State and other expenses incurred in the common interest of the creditors in order to preserve the vessel or to procure her sale and the distribution of the proceeds of sale; tonnage dues, light, dock and harbour dues, and other public rates and charges of the same character; charges for pilotage, and charges for watching and preserving the vessel from the time of her entry into the last port.*
2. Claims under the contract of service of the master, crew, or other persons serving on board the vessel.
3. Remuneration for salvage, and the contribution of the vessel in general average.
4. Claims due for collision or other accidents of navigation, and for damage caused to works in or about harbours, docks, and navigable waterways; for personal injury to passengers or crew and for loss of or damage to cargo or passengers' baggage.
5. Claims resulting from contracts entered into or transactions carried out by the master, acting within the scope of his authority, away from the vessel's home port, where such contracts or transactions are necessary for the preservation of the vessel or the continuation of her voyage, whether the master is or is not at the same time owner of the vessel, and whether the claim is his own or that of ship suppliers, repairers, lenders, or other contractual creditors.†

ARTICLE 3.

The mortgages, hypothecations, and other charges on vessels referred to in Article 1 rank immediately after the liens mentioned in the preceding article.

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* The Protocol contains a declaration to the effect that " the High Contracting Parties reserve the right for each State by legislation or otherwise (1) to establish among the claims mentioned in paragraph 1 of Article 2 a definite order of priority, with a view to safeguarding the interests of the Treasury; (2) to give to the authorities administering harbours, docks, lighthouses and navigable waterways, which have caused to be removed any wreck or other obstruction to navigation, or who are creditors in respect of dock or harbour dues, or for damage caused by the fault of a vessel, the right in case of non-payment, to detain the ship, wreck or other property, to sell the same, and to indemnify themselves out of the proceeds in priority to other creditors; and (3) to make provision as to the order of priority of claims for damage done to harbours, docks, piers and similar works otherwise than in accordance with Articles 5 and 6."

† The Protocol contains a declaration to the effect that " this Convention does not affect the provisions of any national law giving a lien to public insurance associations in respect of claims arising out of the insurance of the personnel of vessels."

National laws may grant a lien in respect of claims other than those specified in the preceding article; but no modification may be made in the priority conferred on mortgages, hypothecations, or other charges, nor of the liens which take precedence thereof in the priorities.

ARTICLE 4.

The accessories of the vessel and freight, mentioned in Article 2, mean :—

1. Compensation due to the owner for material damage sustained by the vessel and not repaired, or for loss of freight.
2. General average contributions due to the owner, in respect of material damage sustained by the vessel and not repaired, or in respect of loss of freight.
3. Remuneration due to the owner for salvage services rendered at any time before the end of the voyage, not including any sums allotted or apportioned to the master or other persons in the service of the vessel.

Freight shall be deemed to include passage money. In cases where liability is limited pursuant to the provisions of the Convention on the Limitation of Shipowners' Liability, the fixed sum of 10 per cent. on the value of the vessel at the beginning of the voyage provided for by Article 4 of that Convention shall be substituted for freight for the purposes of this Convention.

Payments made or due to the owner on policies of insurance, as well as bounties, subventions, and other national subsidies, are not included as accessories of the vessel or of the freight.

Notwithstanding anything in the opening words of Article 2, the lien in favour of persons in the service of the vessel shall extend to the total amount of freight due for all voyages made during the subsistence of the same contract of service.

ARTICLE 5.

Liens attaching on the same voyage rank in the order in which they are set out in Article 2. Claims included under any one heading share equally and *pro ratâ* in the event of the fund available being insufficient to pay the claims in full.

The claims mentioned under Nos. (3) and (5) in that article rank, however, for payment inversely to the order of time on which they arose.

Claims arising from one and the same occurrence are deemed to have originated at the same time.

ARTICLE 6.

Claims secured by a lien and attaching to the last voyage have priority over those attaching to previous voyages.

Provided that claims under one and the same contract of service extending over several voyages all rank with claims attaching to the last voyage.

ARTICLE 7.

As regards the distribution of the sum resulting from the sale of the property subject to lien, the creditors whose claims are secured by a lien have the right to prove for their claims in full, without any deduction on account of the rules relating to limitation of liability; provided, however, that the dividend receivable by them may not exceed the sum due having regard to the said rules.

ARTICLE 8.

Claims secured by a lien follow the vessel into whatever hands she may pass.

ARTICLE 9.

Maritime liens cease to exist, apart from any provision of national laws for their extinction upon other grounds, at the expiration of one year; provided that the lien referred to in Article 2 (5) for necessaries supplied to the vessels shall cease at the expiration of six months.

The period runs for the lien for salvage from the date of the termination of the services; for the liens for collision, accidents of navigation, and personal injuries from the date when the damage was caused; for the lien for loss or damage of cargo or passengers' baggage from the date when delivery ought to have been made; for the lien for necessaries and repairs from the date when the cause of action arose. In all other cases the period runs from the date when the claim becomes enforceable.

The fact that any of the persons specified in Article 2 (2) has a right to any payments in advance or on account does not render his claim enforceable for the purposes of this article.

It shall not be permissible by a national law to make the sale of the vessel a ground for extinction of any lien upon her unless the sale is accompanied by such publicity as may be prescribed by the national law, including notice to the authority charged with keeping registers referred to in Article 1 of this Convention of such length and in such form as may be so prescribed.

The grounds upon which the above periods may be interrupted are to be determined by the law of the court where the case is tried.

The High Contracting Parties reserve to themselves the right to provide by legislation in their respective countries that the said periods shall be extended, in cases where it has not been possible to arrest the vessel to which a lien attaches in the territorial waters of the State in which the claimant has his domicile or principal place of business, provided that the extended period shall not exceed three years from the time when the obligation attached.

ARTICLE 10.

A lien on freight may be enforced so long as the freight is still due or the sum paid for freight is still in the hands of the master or the agent of the owner. The same principle applies to a lien on accessories.

ARTICLE 11.

Subject to the provisions of this Convention, liens established by the preceding provisions are subject to no formality and to no special condition of proof.

This provision does not affect the right of any State to make provision by national legislation requiring the master of a vessel to fulfil special formalities in the case of certain loans raised on the security of the vessel, or in the case of the sale of her cargo.

ARTICLE 12.

National laws must prescribe the nature and the form of documents to be carried on board the vessel on which entry must be made of the mortgages, hypothecations, and other charges referred to in Article 1, so, however, that the mortgagee requiring such entry in the said form be not held responsible for any omission, mistake, or delay in inscribing the same on the said documents.

ARTICLE 13.

The foregoing provisions of this Convention also apply to vessels in the possession of a time charterer or other person operating but not being the owner of the vessel, except in cases where the owner has been dispossessed by an illegal act, or where the claimant is not a *bonâ fide* claimant.

ARTICLE 14.

The provisions of this Convention shall be applied in each Contracting State in cases in which the vessel to which the claim relates belongs to a Contracting State, as well as in any other cases provided for by the national laws.

Nevertheless, the principle formulated in the preceding paragraph does not affect the right of the Contracting States not to apply the provisions of this Convention in favour of the subjects or citizens of a non-Contracting State.

ARTICLE 15.

This Convention does not apply to vessels of war, nor to Government vessels appropriated exclusively to the public service.

ARTICLE 16.

Nothing in the foregoing provisions shall be deemed to affect in any way the competence of tribunals, modes of procedure, or methods of execution authorised by the national laws.

ARTICLE 17.

After an interval of not more than two years from the day on which the Convention is signed, the Belgian Government shall place itself in communication with the Governments of the High Contracting Parties which have declared themselves prepared to ratify the Convention, with a view to deciding whether it shall

be put into force. The ratifications shall be deposited at Brussels at a date fixed by agreement among the said Governments. The first deposit of ratifications shall be recorded in a *procès-verbal*, signed by the representatives of the Powers which take part therein and by the Belgian Minister for Foreign Affairs.

The subsequent deposit of ratifications shall be made by means of a written notification, addressed to the Belgian Government, and accompanied by the instrument of ratification.

A duly certified copy of the *procès-verbal* relating to the first deposit of ratifications, of the notifications referred to in the previous paragraph, and also of the instruments of ratification accompanying them, shall be immediately sent by the Belgian Government, through the diplomatic channel, to the Powers who have signed this Convention or who have acceded to it. In the cases contemplated in the preceding paragraph, the said Government shall inform them at the same time of the date of which it received the notification.

ARTICLE 18.

Non-Signatory States may accede to the present Convention whether or not they have been represented at the International Conference at Brussels.

A State which desires to accede shall notify its intention in writing to the Belgian Government, forwarding to it the document of accession, which shall be deposited in the archives of the said Government.

The Belgian Government shall immediately forward to all the States which have signed or acceded to the Convention a duly certified copy of the notification and of the act of accession, mentioning the date on which it received the notification.

ARTICLE 19.

The High Contracting Parties may, at the time of signature, ratification, or accession, declare that their acceptance of the present Convention does not include any or all of the Self-Governing Dominions, or of the Colonies, Overseas Possessions, Protectorates, or Territories under their sovereignty or authority, and they may subsequently accede separately on behalf of any Self-Governing Dominion, Colony, Overseas Possession, Protectorate, or Territory excluded in their declaration. They may also denounce the Convention separately in accordance with its provisions in respect of any Self-Governing Dominion, or any Colony, Overseas Possession, Protectorate, or Territory under their sovereignty or authority.

ARTICLE 20.

The present Convention shall take effect, in the case of the States which have taken part in the first deposit of ratifications, one year after the date of the protocol recording such deposit. As respects the States which ratify subsequently or which accede, and also in cases in which the Convention is subsequently put into effect

in accordance with Article 19, it shall take effect six months after the notifications specified in paragraph 2 of Article 17, and paragraph 2 of Article 18, have been received by the Belgian Government.

ARTICLE 21.

In the event of one of the Contracting States wishing to denounce the present Convention, the denunciation shall be notified in writing to the Belgian Government, which shall immediately communicate a duly certified copy of the notification to all the other States, informing them of the date on which it was received.

The denunciation shall only operate in respect of the State which made the notification, and on the expiry of one year after the notification has reached the Belgian Government.

ARTICLE 22.

Any one of the Contracting States shall have the right to call for a fresh conference with a view to considering possible amendments.

A State which would exercise this right should notify its intention to the other States through the Belgian Government, which would make arrangements for convening the Conference.

EIGHTH REPORT.

CONVENTION RELATING TO THE IMMUNITY OF STATE-OWNED VESSELS.

(See Section XXI (d) of Cmd. 2768.)

THE General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the subject of the Convention adopted at Brussels relating to the Immunity of State-owned Vessels :—

1. The question of the immunity of State-owned vessels was discussed at length at the Imperial Economic Conference of 1923. It originated in the strong desire on the part of shipowners, shippers, and others interested in shipping to have an international convention which would secure to claimants against State-owned or State-operated ships the hearing of their claims before Courts of Law as a matter of right, instead of leaving them to rely on the meeting of their just claims for payment by Governments as a matter of grace, or, in some cases, on sanction being given by Governments to the hearing of certain kinds of claims before a Court of Law. It was agreed by the Imperial Economic Conference that the demand was reasonable and should be met, subject to such limitations or safeguards as were necessary from the point of view of defence. A Resolution was accordingly passed recommending that a draft laid before the Conference "should be adopted throughout

the Empire as the basis on which an international convention might be concluded."*

2. The question was considered at a meeting of the International Maritime Committee at Genoa in September, 1925, and again more recently (in April, 1926) at a Conference at Brussels when amended proposals for an International Convention† were drawn up; the Convention, revised accordingly, was signed by the delegates from Great Britain *ad referendum*.

3. In general the Convention gives effect on suitable lines to the policy agreed upon at the Imperial Economic Conference in 1923, but there are still some points outstanding on which the draft does not appear to be satisfactory from the standpoint of defence. Steps are being taken with a view to meeting these points, and it is hoped that it will be possible very shortly to formulate definite proposals.

4. The Sub-Committee recommend that the Conference should pass a Resolution on the following lines :—

> "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."

Signed on behalf of the Sub-Committee,
S. J. CHAPMAN, *Chairman*.

11*th November*, 1926.

BRUSSELS INTERNATIONAL MARITIME CONFERENCE, 1926.

International Convention for the Unification of Certain Rules relating to the Immunity of State-owned Vessels.

ARTICLE 1.

Sea-going vessels owned or operated by States, cargoes owned by them, and cargoes and passengers carried on such vessels, and the States owning or operating such vessels, or owning such cargoes, are subject, in respect of claims relating to the operation of such vessels or the carriage of such cargoes, to the same rules of liability and to the same obligations as those applicable to privately-owned vessels and cargoes and to the private ownership and management of vessels.

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* See pp. 23–24 of the Record of the Proceedings of the Imperial Economic Conference, 1923, Cmd. 2009.

† For Text of the Convention, see below.

ARTICLE 2.

For the enforcement of such liabilities and obligations there shall be the same rules of jurisdiction, the same rights of action and the same procedure as in the case of privately-owned vessels and cargoes and of their owners.

ARTICLE 3.

1. The provisions of the two preceding Articles shall have no application to ships of war, State yachts, patrol vessels, hospital ships, fleet auxiliaries, supply ships and other vessels owned or operated by a State, and being exclusively used at the time a cause of action arises on governmental and non-commercial service. Such vessels shall not be subject to seizure, arrest or detention by any legal process nor to proceedings *in rem*.

Nevertheless, claimants shall have the right in the following three cases of taking proceedings in the proper courts of the State owning or operating the vessel in respect of which the claim arises, and in such proceedings the claim to immunity shall not be open—

(i.) Actions in respect of collision or other accidents of navigation.

(ii.) Actions in respect of salvage and general average.

(iii.) Actions in respect of repairs, goods supplied, or other contracts relating to the vessel.

2. Similar rules shall apply to State-owned cargo carried on board the vessels mentioned in paragraph 1 of this Article.

3. State-owned cargo carried on board merchant vessels for governmental and non-commercial purpose shall not be subject to seizure, arrest or detention nor to proceedings *in rem*.

Nevertheless, actions in respect of collision and accidents of navigation, salvage and general average and for breach of contract relating to such cargo may be brought before the court having jurisdiction in virtue of Article 2.

ARTICLE 4.

States may avail themselves of all defences, prescriptions and limitations of liability open to privately owned vessels and their owners.

Any necessary adaptations or modifications of such defences and limitations so as to make them applicable to the case of ships of war and other vessels specified in Article 3 shall form the subject of a separate convention to be concluded hereafter. In the meantime, any measures necessary for this purpose may be effected by national legislation in conformity with the spirit and principles of this Convention.

ARTICLE 5.

If in any proceedings there is in the opinion of the court a doubt whether the vessel or cargo is of a governmental and non-commercial character within Article 3, a certificate signed by

the diplomatic representative of the Contracting State to which the vessel or cargo belongs, produced on the motion of the State before whose courts the case is pending, shall be conclusive evidence that the vessel or cargo falls within Article 3 so as to entitle the State in question to have the vessel or cargo freed from arrest, seizure or detention without prejudice to liability under that Article.

ARTICLE 6.

The provisions of this Convention shall be applied in each Contracting State, but without any obligation to extend the benefit to Non-Contracting States and their subjects, and with the right of making such extension subject to a condition of reciprocity.

Nothing in this Convention shall be held to prevent a Contracting State from settling by its own laws the rights to be accorded to its own subjects before its own courts.

ARTICLE 7.

Each Contracting State reserves the right in time of war to suspend the application of this Convention by a declaration notified to the other Contracting States, and in that event neither the vessels owned or operated by the State nor the cargoes belonging to it shall be subject to arrest, seizure or detention by any foreign court of justice. But the claimant will have the right of taking proceedings before the proper court in accordance with Articles 2 and 3.

ARTICLE 8.

Nothing in this Convention shall affect the right of Contracting States to take any measures consistent with or required by the rights and duties of neutrality.

ARTICLE 9.

After an interval of not more than two years from the day on which the Convention is signed, the Belgian Government shall place itself in communication with the Governments of the High Contracting Parties which have declared themselves prepared to ratify the Convention, with a view to deciding whether it shall be put into force. The ratifications shall be deposited at Brussels at a date to be fixed by agreement among the said Governments. The first deposit of ratifications shall be recorded in a *procès-verbal* signed by the representatives of the Powers which take part therein and by the Belgian Minister for Foreign Affairs.

The subsequent deposit of ratifications shall be made by means of a written notification, addressed to the Belgian Government, and accompanied by the instrument of ratification.

A duly certified copy of the *procès-verbal* relating to the first deposit of ratifications, of the notifications referred to in the previous paragraph, and also of the instruments of ratification accompanying them, shall be immediately sent by the Belgian Government, through the diplomatic channel, to the Powers who have signed this

Convention or who have acceded to it. In the cases contemplated in the preceding paragraph, the said Government shall inform them at the same time of the date on which it received the notification.

ARTICLE 10.

Non-signatory States may accede to the present Convention whether or not they have been represented at the International Conference at Brussels.

A State which desires to accede shall notify its intention in writing to the Belgian Government, forwarding to it the document of accession, which shall be deposited in the archives of the said Government.

The Belgian Government shall immediately forward to all the States which have signed or acceded to the Convention a duly certified copy of the notification and of the act of accession, mentioning the date on which it received the notification.

ARTICLE 11.

The High Contracting Parties may at the time of signature, ratification, or accession, declare that their acceptance of the present Convention does not include any or all of the Self-Governing Dominions, or of the Colonies, Overseas Possessions, Protectorates, or Territories under their sovereignty or authority, and they may subsequently accede separately on behalf of any Self-Governing Dominion, Colony, Overseas Possession, Protectorate, or Territory excluded in their declaration. They may also denounce the Convention separately in accordance with its provisions in respect of any Self-Governing Dominion, or any Colony, Overseas Possession, Protectorate, or Territory under their sovereignty or authority.

ARTICLE 12.

The present Convention shall take effect, in the case of the States which have taken part in the first deposit of ratifications, one year after the date of the protocol recording such deposit. As respects the States which ratify subsequently or which accede, and also in cases in which the Convention is subsequently put into effect in accordance with Article 11, it shall take effect six months after the notifications specified in paragraph 2 of Article 9 and paragraph 2 of Article 10 have been received by the Belgian Government.

ARTICLE 13.

In the event of one of the Contracting States wishing to denounce the present Convention, the denunciation shall be notified in writing to the Belgian Government, which shall immediately communicate a duly certified copy of the notification to all the other States, informing them of the date on which it was received.

The denunciation shall only operate in respect of the State which made the notification, and on the expiry of one year after the notification has reached the Belgian Government.

ARTICLE 14.

Any one of the Contracting States shall have the right to call for a fresh conference with a view to considering possible amendments.

A State which would exercise this right should notify its intention to the other States through the Belgian Government, which would make arrangements for convening the conference.

NINTH REPORT.

VALUATION OF GOODS FOR CUSTOMS PURPOSES.

(*See Section XXI (g) of Cmd.* 2768.)

THE General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the subject of the Valuation of goods for Customs purposes :—

The Sub-Committee have discussed the question whether it is desirable that, in valuing goods for Customs purposes in those parts of the Empire in which the duty is based on the domestic value of the goods in the country of export, any amount allowed as drawback by the authorities of the exporting country should be excluded. Both the general question was raised and also the particular question, which appeared to be of the greater importance, of deduction of drawback (whether of Customs or of Excise duties) from the domestic values of goods in cases where goods might, under the legislation in force in the importing country, become liable to any special or dumping duty by reason of the fact that export prices were less than the domestic values of the goods in the exporting country. It was recognised that any disadvantage sustained in such parts of the Empire by goods produced in or exported from other parts as a result of allowance not being made for drawbacks in the valution of goods for ordinary Customs duty was, or was at any rate capable of being, largely countervailed under the system of preferences, but that this was much less true with regard to special or dumping duties. It was generally agreed that there were points which might usefully be considered, especially with regard to special or dumping duties, and it is understood that they will be examined in due course by the responsible authorities in the light of the discussion which has taken place.

Signed on behalf of the Sub-Committee,
S. J. CHAPMAN, *Chairman.*

11*th November*, 1926.

TENTH REPORT.

THE IMPERIAL SHIPPING COMMITTEE.

(See Section XXI (c) of Cmd. 2768.)

THE General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the subject of the Imperial Shipping Committee :—

The Sub-Committee, after hearing a statement from the Chairman of the Imperial Shipping Committee and after considering the valuable work which has been done since the Imperial Economic Conference of 1923, as well as the question of future needs, are of opinion that it is desirable that the Imperial Shipping Committee should be continued on its present basis. They recommend the following Resolution for adoption by the Conference :—

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

Signed on behalf of the Sub-Committee.
S. J. CHAPMAN, *Chairman.*

11*th November*, 1926.

ELEVENTH REPORT.

IMMUNITY OF STATE ENTERPRISES FROM TAXATION.

(See Section XXI (g) of Cmd. 2768.)

THE General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the subject of the Immunity of State Enterprises from Taxation :—

1. The Sub-Committee have considered whether the time is ripe for the matter of the taxation of the trading enterprises of foreign Governments to be taken up with foreign countries with a view to obtaining general acceptance of the principle laid down by Lord Colwyn's Committee and adopted by the Imperial Economic Conference of 1923.*

2. His Majesty's Government in Great Britain have accepted the Resolution of the 1923 Conference and have given legislative effect to it by a Section in the Finance Act of 1925. Section 25 of that Act provides that the Government of any part of the Empire outside Great Britain and Northern Ireland shall be liable to taxation in the

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* For Text of Resolution adopted by the Conference of 1923, see pp. 22–24 of Cmd. 2009.

latter country in respect of trade operations and of property or income arising in connection therewith. The Section at the same time reaffirms the immunity of any such Government from taxation in respect of any income or property which does not arise or is not held in a trading capacity.

3. The Canadian representatives stated that their Government had not as yet been able to see its way to introduce legislation providing for the taxation of the trading enterprises of other parts of the Empire operating within the Dominion. They also pointed out that the Dominion Government could not bind the Provinces in any way.

4. The Australian and New Zealand representatives stated that the principle of the taxation of Government trading enterprises was accepted by them. They explained that no specific legislation on the subject had been passed in Australia or New Zealand, but that the view there held was that the existing law provided sufficient authority for the necessary assessments. They concurred in the proposal that foreign Governments should be approached with a view to the acceptance of the principle. The Commonwealth representative, however, explained that, as in the case of Canada, the Commonwealth Government was unable to bind the States in the matter.

5. The South African representatives stated that their Government accepted without reserve the principle adopted by the Conference of 1923. Legislative effect to the principle had been given by the Union of South Africa, and, although this legislation proceeded on different lines, it had the same result as that secured by the legislation in the Finance Act of 1925 of Great Britain, viz., the taxation of the trading enterprises (and of all property held in connection therewith) and the exemption of other income of the Government of any part of the Empire.

6. The representative of the Irish Free State explained that his Government held the view that under the existing law there was sufficient authority to tax the income and profits of the Government of another part of the Empire, if such income or profits fell within the jurisdiction of the Irish Free State. The Irish Free State did not favour the enactment of general legislation; the matter was, so far as they were concerned, of no practical importance at the moment, because of the Agreement with His Majesty's Government in Great Britain in respect of Double Income Tax.* He stated that his Government certainly favoured the mutual taxation of Government trading enterprises.

7. The Government of Newfoundland have already signified acceptance of the Resolution of the 1923 Conference and have given legislative effect to it.

8. The representative of India affirmed his Government's acceptance of the principle of mutual taxation of Governmental trading. India has already given legislative effect to the Resolution of the 1923 Conference.

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* See Cmd. 2632.

9. Action has been taken by the Government of Southern Rhodesia on similar lines to that taken by the Government of the Union of South Africa.

10. The principle is accepted so far as concerns the Colonies not possessing responsible Government, although no occasion has yet arisen for its application in the Colonies and there has as yet been no legislation for the purpose.

11. It appears from the foregoing statements of the position that considerable progress has been made along the lines recommended by the Conference of 1923. In these circumstances the Sub-Committee are of opinion that there is a measure of agreement within the Empire in this matter 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. The agreements would be without prejudice to the national interest of sovereign States in any emergency of war.

Signed on behalf of the Sub-Committee,
PERCY THOMPSON, *Chairman.*

17*th November*, 1926.

TWELFTH REPORT.

TAXATION OF NON-RESIDENT TRADERS.

(*See Section XXI (g) of Cmd.* 2768.)

THE General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the subject of the Taxation of non-resident Traders :—

1. Attention has been drawn to the fact that there is a diversity of method in the various parts of the Empire in the computation of the profits for taxation purposes of a manufacturer or producer resident in one part of the Empire who sells his goods through an agent or branch in another part.

2. The manufacturer or producer 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. As between the Government of Great Britain and the Governments of other parts of the Empire the cost of relief falls either wholly or mainly upon the Exchequer of Great Britain.

3. The total profit of the manufacturer or producer which finally emerges on the sale of his goods abroad may be regarded as consisting of two parts, viz., (1) the "manufacturing" or "producing" profit which arises from activities exercised at home, and (2) the "merchanting" profit which arises from activities exercised in the country of sale (*i.e.*, abroad).

4. There was general though not complete agreement among the members of the Sub-Committee that such a division was desirable, and that the scope of the charge to income tax in the country of sale might with advantage be restricted to the "merchanting" profit. This principle has been adopted in Great Britain and Northern Ireland under the Income Tax Act, 1918, and it was reported to the Sub-Committee that a similar principle of taxing only part of the profits of the non-resident manufacturer also underlies the laws of some or all of the Dominions, though not in every case those of Provincial or State Governments within these Dominions. The representative of India intimated, however, that he was unable to accept the principle, and it was also pointed out by the representatives of Canada and of the Commonwealth of Australia that they were not in a position to speak on behalf of or to bind Provincial or State Governments.

Signed on behalf of the Sub-Committee,
PERCY THOMPSON, *Chairman.*

17*th November*, 1926.

THIRTEENTH REPORT.

EXHIBITION WITHIN THE EMPIRE OF EMPIRE CINEMATOGRAPH FILMS.

(*See Section XXI (a) of Cmd.* 2768.)

THE General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the subject of the Exhibition within the Empire of Empire Cinematograph Films :—

1. The importance and far-reaching influence of the Cinema are now generally recognised. The Cinema is not merely a form of entertainment but, in addition, a powerful instrument of education in the widest sense of that term; and, even where it is not used avowedly for purposes of instruction, advertisement, or propaganda, it exercises indirectly a great influence in shaping the ideas of the very large numbers to whom it appeals. Its potentialities in this respect are almost unlimited.

2. In Great Britain and Northern Ireland the proportion of Empire-produced films to the total shown has recently been only about 5 per cent., and in the Irish Free State the proportion is probably not higher. In Australia, of the total number of films imported in 1925, only a little over 8 per cent. were of Empire origin, and on the basis of length of film the Empire proportion was probably substantially less. In New Zealand in recent years the proportion of films shown which were of Empire origin appears to have been about 10 per cent. In Canada the direct imports of films from Great Britain and Northern Ireland in the year ended the 31st March, 1925, were only 1·3 per cent. of the total films imported. The proportion of British films shown is also known to be very small in

South Africa, Newfoundland, and India, and in the Colonies and Protectorates, although statistical data are lacking.

3. It is a matter of the most serious concern that the films shown in the various parts of the Empire should be to such an overwhelming extent the product of foreign countries, and that the arrangements for the distribution of such Empire films as are produced should be far from adequate. In foreign cinema pictures the conditions in the several parts of the Empire and the habits of its peoples, even when represented at all, are not always represented faithfully and at times are misrepresented. Moreover, it is an undoubted fact that the constant showing of foreign scenes or settings, and the absence of any corresponding showing of Empire scenes or settings, powerfully advertises (the more effectively because indirectly) foreign countries and their products.

4. In Great Britain and Northern Ireland and in the Irish Free State, Empire-made films enjoy in respect of Customs duty a rebate of one-third. In Australia, British-produced films (*i.e.*, films wholly printed in Great Britain and Northern Ireland from negatives of which at least 75 per cent. of the length was photographed in Great Britain and Northern Ireland) are admitted duty-free, whilst other films are subject to duty. In New Zealand, films which qualify for admission under the British Preferential Tariff are duty-free, others being dutiable. In Canada, films made in Great Britain and Northern Ireland, and in certain other Empire countries, pay a preferential rate of duty which is one-half of the general rate payable by most other countries, including the chief source of supply; France and a few other foreign countries which obtain the benefit of the French Convention pay a rate which in this case is the same as that now paid under the British Preferential Tariff, but the imports from these countries are insignificant. In South Africa, Newfoundland, and India, Empire-made films do not receive a tariff preference. The degree of preference accorded to British films in those Colonies which have a preferential tariff varies from one-fifth in Mauritius to one-half in Trinidad and other Colonies, some of the duties being levied *ad valorem* and others at specific rates. In Bermuda foreign films pay 5*d*. per 100 feet plus a surtax of 10 per cent., and in Fiji 12½ per cent. *ad valorem*, while British films are admitted free. Most of the African Colonies and Protectorates are precluded by international agreement from according any preference.

5. As indicated in the preceding paragraph, Australia requires that for any film to be entitled to preferential treatment the larger part of the picture which it shows—whatever the nature—must have been photographed in Great Britain and Northern Ireland. But in Great Britain and Northern Ireland, and apparently in certain other Empire countries, positive films need only have been printed within an Empire country receiving preference, from negatives taken elsewhere, to qualify for preference. Existing duties are levied on a basis which ignores the actual earning power of a film, but the levy of duties on the basis of exhibition or entertainment value would give rise to serious administrative and other difficulties. Generally speaking, it must be concluded that the existing duties on films,

and the preferences accorded in some cases, have been of little effect in promoting film-production, as distinct from film-printing, within the Empire.

6. Great importance is attached by the Sub-Committee to the 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. The Sub-Committee have considered various methods by means of which, it has been suggested, this object could be most usefully assisted by the Governments of the various parts of the Empire. These methods include :—

Effective Customs duties on foreign films, whether accompanied by a change in the basis on which duties are payable or otherwise;

Ample preference or free entry for films produced within the Empire;

Legislation for the prevention of "blind" and "block" booking;

The imposition of requirements as to the renting or exhibition of a minimum quota of Empire films.

7. The Sub-Committee are in full agreement as to the need for remedying the existing position and promoting the production and exhibition of Empire films, and recommend that remedial measures of the kinds indicated in the preceding paragraph should be considered by the Governments of the Empire. They recognise, however, that circumstances vary in different parts of the Empire, and that, although the lack of Empire films is general, the other factors which have contributed to bring about the present position do not operate in all parts of the Empire, or do not operate uniformly. In the case of Canada and Australia, the division of powers between the Dominion and Commonwealth Governments on the one hand, and the Provincial and State Governments on the other, may constitute an obstacle to uniformity of action. In this connection, however, it may be mentioned that the State of Victoria has already initiated legislation requiring a minimum quota of Empire films to be exhibited, and that New South Wales is reported to be on the point of proceeding along similar lines.

8. It is necessary to emphasise the fact that State action cannot be effective, and indeed, so far as any quota system is concerned, could not be maintained for any length of time, unless two conditions are fulfilled. The first is that there shall be a substantial output of films which not only conform to such requirements as to production within the Empire as may be prescribed in any case, but are also of real and competitive exhibition value. Whatever action may be taken by Governments will be useless unless producers show sufficient enterprise, resource, and adaptability. On the other hand, it should be recognised that suitable Government action, whether legislative or administrative, may be an effective incentive and encouragement to private enterprise in its efforts to place the Empire film industry on a sound footing. The second

essential condition is the development of effective distributing arrangements throughout the Empire, different parts of the Empire co-operating wherever possible.

9. Great Britain and Northern Ireland is the largest producer of films and the largest market for films in the British Empire. and any action which it may be found possible to take there would undoubtedly be of the greatest assistance to the other parts of the Empire in dealing with the problem.

10. In some parts of the Empire, films have been produced illustrative of the conditions and resources of those countries or of the activities of Government departments. Films of this kind attracted considerable attention at the British Empire Exhibition at Wembley, and their display has also been secured in other ways. It would, in the opinion of the Sub-Committee, be very advantageous if the production and exhibition of films of this nature could be continued and increased. It is understood that the question of the educational use of the Cinematograph is to be considered by the Imperial Education Conference next year, and it is to be hoped that the possibility will not be overlooked of co-operation between the Education Departments with regard to educational films which would familiarise children with the life and character of the different parts of the Empire.

11. Finally, the Sub-Committee feel that a useful purpose would be served if the Governments of the Empire could arrange for the exchange of information as to the progress made in the production of films in their respective territories.

12. The Sub-Committee recommend, for the consideration of the Conference, the adoption of 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."

Signed on behalf of the Sub-Committee.
S. J. CHAPMAN, *Chairman.*

18*th November*, 1926.

FOURTEENTH REPORT.

SURVEYS OF EMPIRE TRADE.

(See Section XXI (c) of Cmd. 2768.)

THE General Economic Sub-Committee beg to make the following Report to the Imperial Conference on the Proposal of the Prime Minister of the Commonwealth of Australia for Surveys of Empire Trade :—

1. The Sub-Committee were asked to make a report on a suggestion put forward by the Prime Minister of the Commonwealth

of Australia at the Sixth Meeting of the Conference. Mr. Bruce advanced the view that it might be of great value to Empire trade if some system of stocktaking were undertaken in the form of reports showing what the Empire is producing, and what it is buying; and raised the question whether the Imperial Economic Committee or some similar body should not be entrusted with the task of making such surveys and communicating the results to the Governments of the different parts of the Empire. It is understood that the question what body should undertake this work, if it were decided that it should be proceeded with, was not referred to the Sub-Committee. It was explained to the Sub-Committee that the intention was not to arrange for the preparation of periodic comprehensive reports on lines similar to those of the Reports issued by the Dominions Royal Commission, but to provide for the preparation and publication of brief surveys of the economic (including statistical) facts in relation to Empire trade in industrial and agricultural products.

2. It is felt by the Sub-Committee that such surveys, in a number of cases at any rate, would be advantageous in informing the public, and particularly Empire producers, from time to time of opportunities open in Empire markets. And, whether or not they all proved suitable for publication, they would be of value in assisting the Governments of the Empire in determining whether in any particular case it was desirable to arrange for an *ad hoc* enquiry on the lines already so well established by the Reports of the Imperial Economic Committee.

3. The Sub-Committee recognise that a large amount of information is available in the statistical returns issued by the various Governments, in the publications of the Imperial Institute (particularly those of the former Imperial Mineral Resources Bureau, which is now incorporated in the Imperial Institute), in the Annual Reports upon trade in Empire and foreign markets issued by the Department of Overseas Trade in London, and in the reports of Special Committees, of which the valuable first volume entitled "Survey of Overseas Markets"* issued by the Balfour Committee on Industry and Trade is an outstanding instance. Further useful material will be furnished by the proposed additions to the Statistical Abstract for the British Oversea Dominions and Protectorates prepared by His Majesty's Government in Great Britain, to which reference is made in the Third Report† of the Sub-Committee. It is, however, sometimes a difficult undertaking to extract from a number of different publications detailed information which may be required in respect of a particular industry or a particular commodity, with the result that many manufacturers, agricultural producers, and traders may remain unaware of significant facts affecting their particular trade.

4. Each survey should deal with one trade or with a group of closely allied trades in as concise a form as may prove practicable

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* Non-Parliamentary Publication, 1925.

† See p. 365.

in each case. Those trades should be selected for early consideration in which it seemed likely that a fuller knowledge of the facts would lead to the greatest stimulation of Empire trade. Experience would show how much of the field it was desirable eventually to cover. So far as possible, each survey should include, in a condensed but popular form, the main facts regarding production and consumption in the Empire and in foreign countries, the most important import and export figures, a statement of the competitive situation, and of the progress made within the Empire in production and export as compared with the progress made in foreign countries.

5. It is recognised that much is already being done in the economic sphere, both in Great Britain and in the Dominions and India, through the medium of the publications and journals of Public Departments, as well as those of Institutes and Associations, but it appears to the Sub-Committee that it would be of advantage if arrangements could be made for the more systematic provision of condensed reports as indicated above, based upon information derived from the various parts of the Empire concerned, on trade questions regarded from an Empire point of view. As already stated, the question of the body to which the work of preparing the surveys should be assigned is not referred to the Sub-Committee, but it is assumed that, by consultation and otherwise, duplication of effort and machinery would be avoided. The Sub-Committee are also of opinion that experience in the preparation of the surveys will probably show the necessity for the Statistical Conference referred to in their Third Report.*

Signed on behalf of the Sub-Committee.
S. J. CHAPMAN, *Chairman.*

17*th November*, 1926.

APPENDIX XV.

CONCLUDING SPEECHES, 23rd NOVEMBER, 1926.

Mr. Mackenzie King: May I add a word of personal appreciation of the spirit which has marked all the proceedings of this Conference? Nothing could have exceeded the courtesy and kindness of His Majesty's Ministers in Great Britain, as a Government and as individuals. The arrangements for the conduct of our business could not have been more thorough and complete, and the opportunities afforded for personal and social intercourse have been more than exceptional. Above all, I think, we appreciate the friendliness and the frankness of the attitude of the members of the Government throughout our discussions in Conference and in Committee. This, if I may say so, could have

* See p. 365.

found no finer expression than in the manner in which you have presided over these deliberations. In the midst of the most onerous and exacting of public duties you have given unsparing time and thought to the proceedings of the Conference, and have at all times exercised a degree of patience and judgment which has commanded our highest admiration.

As regards all the delegations present, I think we shall agree that there has been a striking readiness and desire to understand and appreciate one another's point of view and special difficulties. It in no way subtracts from the importance of any specific report or conclusion to acknowledge, as I believe we all shall, that the greatest achievement of the Conference is the evidence its proceedings have afforded of the common standards, the fundamental unity of purpose and ideals, and the desire to work out a sound basis for enduring co-operation, which have marked all its deliberations. If what we have accomplished in these past six weeks contributes anything to the maintenance and extension of that spirit, as I believe it will, we may face the future with all confidence.

I should like also to express appreciation of the work of the Conference Secretaries. The untiring energy, exceptional skill, and never-failing goodwill of Sir Maurice Hankey and Mr. Harding have made smooth many difficult paths, and have unified the proceedings in many material particulars. To all those who have co-operated with and assisted them in the difficult tasks of these crowded weeks we are equally grateful.

It is not easy to take farewell of colleagues whose place of meeting has been amid surroundings so replete with historic interest, and to whom, as the days have gone by, attachments have become increasingly strong. It is some compensation, however, to be able to carry away a friendship greatly strengthened between all parts of the British Empire through personal contact with those who have represented its many interests here, and an enhanced appreciation of the greatness of the common inheritance we share.

Mr. Bruce: Before this Conference dissolves, I desire to express my appreciation of the manner in which you, Sir, as Prime Minister and Chairman, and your Cabinet colleagues have met us. I have previously stated that in my opinion one of the main results of Imperial Conferences is the effective way in which they focus the attention of the public throughout the Empire upon great Imperial questions. This has been achieved to a very marked degree in the present instance. It is true that in the five weeks which have passed we have accomplished a great deal of important and useful work. In some directions, perhaps, it may have been impossible to go as far as we individually would have liked, but even on these matters we have made considerable progress. In other directions, it is not too much to say that we have made an epoch-marking advance. The result has been that not only throughout the Empire, but throughout Europe and America, the Press reports indicate a very widespread

public interest in our deliberations. They have followed very closely and interestedly the doings of this great Imperial family, and what we have done here has given to the world a clearer conception than ever before of what we mean by an Empire of completely self-governing Nations, jealous of their autonomy, yet proud of their Imperial unity. I feel that our status as individual nations has been increased, while at the same time the prestige of the whole Empire has been considerably enhanced.

I think we may well be proud of the material achievements of this Conference. It marks a very definite step forward on the road of Imperial progress. But I wish to refer more particularly to what I may call the spiritual effects. We are here, in the first place, as representatives of our respective countries; we are in one sense merely portions of the machinery of government, but we are also men who react and respond to influences and atmospheres, and whose work in the one sphere is seriously affected by what occurs in the other. The manner in which you, Prime Minister, and your colleagues have met us, the sympathetic way in which you have approached our problems, and the practical assistance which you have always given us, have contributed in a far greater measure than appears on the surface to the achievement of the important results about which I have just spoken. The report of the Conference will indicate to our Parliaments and people only one part of what has been achieved. We who have had the privilege of meeting each other will go away feeling, even more deeply than I can express, how closely this great Empire is linked together, and what a warm vein of friendship permeates every portion of it. Such a happy result could only have come from personal contact, and could only have been made possible by the cordial atmosphere which you, Sir, and your colleagues, have done so much to create. We more deeply appreciate your unremitting attention to our many problems when we remember that during the course of this Conference you and your Government have been faced with a great industrial upheaval which meant more perhaps to Britain at the moment than any of our problems might have meant to us. We know that you occasionally left this Conference Chamber only to carry on most important deliberations elsewhere. May I express the hope that all your efforts in that other sphere will be as successful as have been your efforts here?

I take this opportunity also of expressing my thanks to, and appreciation of, the Secretariat, particularly Sir Maurice Hankey and Mr. Harding, for all that they have done. The physical labours of this Conference have far exceeded those of any previous one. Committees have been sitting continuously and simultaneously, but at no stage was there any confusion or delay. For this we Prime Ministers owe a debt of gratitude to the staffs who made it possible.

General Hertzog: May I just say a few words? I am not going to add much to what has been said already by Mr. Mackenzie King and Mr. Bruce, except that I agree entirely with all they have said. In leaving this Conference we shall all feel how we are all

co-operators in one great scheme, and how necessary it is that we meet from time to time to see one another, and, may I just add this in conclusion, in order to understand really what is the feeling and the spirit here in London. I may say this, that I shall certainly leave this Conference and go back with a feeling that I do not think often happens in the history of anyone attending an important gathering such as this, that I leave fully satisfied that whatever I wanted to have and to attain has been attained at these meetings, and, what is more, that it has been attained with the full co-operation and sympathy of all when we have met together.

Mr. O'Higgins: I would not like to let this matter pass without saying that our delegation would wish to be associated fully with what has been said by the Prime Ministers of Canada, Australia, and South Africa. We recognise with gratitude that every matter which was raised by us has received fair and friendly consideration by all those who participated in our deliberations. Proposals which we felt necessary to bring forward were considered at short notice and with the greatest care and the fullest desire to meet us in a reasonable way on every issue that was raised. We are very pleased with the general result of the Conference, and we feel that this Conference will be pointed back to as work that was very much in the interests not merely of particular component parts of the British Commonwealth, but in the interests of the whole.

Mr. Coates: I desire to associate myself with what has been said by the Prime Ministers of Canada, Australia, and South Africa and by Mr. O'Higgins on behalf of the Irish Free State, and to say how much I appreciate not only the opportunity of attending this Imperial Conference, but the ready assistance that has been extended to us on every occasion by British Ministers, and also the co-operation of other members of the Conference, in some cases possibly holding different opinions, but at any rate showing respect for any divergent point of view that may have been expressed. It all goes to show how valuable these meetings are. My feeling is that it is possible for me now to communicate more readily with any member of the Conference, knowing that my standpoint will be understood and respected, and that the personal relationships thus formed will be of value to all the different parts of the Empire, one with the other. I recognise that you, Prime Minister, have controlled the Conference with an admirable spirit. You have a happy way of getting us all to work for you and with you. You have got us into complete harmony, and that spirit has permeated right through all our deliberations. I do not know that I place so much importance upon what is written, though I realise that what is written may be of great importance to the peoples in the different parts of the Empire who saw difficulties which perhaps did not exist. A strong or dogmatic view cannot always be accepted, but I am sure that what we have done will assist our family relations in different parts of our Empire.

I can only say that it has been a privilege—and I am sure I speak on behalf of all my colleagues—to have had the opportunity

of meeting the members of the Conference, particularly as they have shown such a readiness to try and evolve something which we all believe will help towards further cementing the bonds of Empire. Our deliberations will have a powerful effect not only within our Empire, but also on other parts of the world. In conclusion, I wish to say how much I appreciate the assistance that Sir Maurice Hankey, Mr. Harding, and the other members of the Secretariat have rendered by their thoroughness and their willingness—irrespective of time and trouble—to meet our wishes and make matters move smoothly.

Mr. Monroe: I have nothing to say except that our delegation is in entire accord with the views that have been so fully and admirably expressed by others.

Lord Birkenhead: It would not be in accordance with my own domestic position that I should attempt to bandy compliments with my colleagues, but I have an associate in my task whose efforts and co-operation I have deeply valued, the second in command of the Indian delegation, a very distinguished Indian nobleman, who is also a man of affairs, of experience, of profound patriotism, with an appreciation of the Commonwealth of Nations as we have examined it in the last few weeks. It would, I think, be quite accordant with the wishes of all of us and with the agreeable task to which so many have contributed to-day if the Maharaja were permitted to say one word instead of myself.

Maharaja of Burdwan: I beg to thank you, Sir, and your colleagues for your courtesy and kindly consideration to all the Indian delegation, and also all the Dominion Prime Ministers for their kindness. Personally, Sir, I wish to convey my most grateful thanks to every one of you round this table for the cordiality and for the great friendship you have shown me, and I should be failing in my duty if I did not convey my thanks to Lord Balfour for the great patience with which he has presided over that important Committee on Inter-Imperial Relations. Also I should like to thank Sir Maurice Hankey and others for their great help.

Mr. Baldwin: Mr. Mackenzie King, I know I speak for every one of my colleagues when I say how grateful we are to you and those who have spoken for all the kind references they have made to anything we have been able to do. I am very glad that the Imperial Conference has met this year, even though it has taken place in the midst of pre-occupations graver and more embarrassing than we have had for some years, and for this reason—if it be the fact, as some of you have so kindly said, that you derived strength from meeting in council here, so much the more is that the case with us, because I have found that the mere presence of you all from all corners of the world in Conference here, in the spirit that has prevailed, seems to have filled one with a new vigour and a new hope, and you have certainly brought refreshment to all of us.

With regard to what you say as to the work of Sir Maurice Hankey and his staff, we on this side would like to endorse that,

and I know Sir Maurice would like me to tell you what he has so often said in private, how conscious he is of the help he has received from all the delegations that have come to London for this Conference. I feel that we all of us owe a great debt to the Secretariat, from the top to the bottom—not forgetting the typists, whose work has been very heavy this time and who, by the rapidity and accuracy of their work, have contributed very much to aid us in the fulfilment of our labours.

This Conference—and I say this with some humility in the presence of Lord Balfour, whose memory goes back so much further than mine—this Conference has been marked by as fine a spirit as any Conference that has ever met in this country, and I think the progress that has been made may be measured not so much perhaps by the written words, as Mr. Coates said—important as those written words are—but rather by the refreshment of the spirit in every corner of the Empire, a spirit in which I hope the work will go forward in years to come. It has been an immense pleasure to all of us to have you here, and we only hope that you will take away with you as pleasant memories as you will leave behind you.

APPENDIX XVI.

REPLY FROM HIS MAJESTY THE KING, EMPEROR OF INDIA, TO THE ADDRESS FROM THE CONFERENCE.

I HAVE received with much pleasure the Address presented by the Prime Minister of Great Britain from the Imperial Conference; and the Queen and I warmly thank all the members of the Conference for this expression of their fidelity and devotion to the Crown.

I have followed with close interest all the proceedings of the Conference. I am convinced that its labours have afforded, not only to the members of the British Commonwealth of Nations, but to the world at large, a better understanding and a clearer vision of what the British Empire means and of the ideals for which it stands.

It has given me the utmost satisfaction during the past few weeks to greet so many of my Ministers from the Dominions and the Representatives of the Empire of India; and to have opportunities of learning personally from them something of the problems and aspirations of my Peoples Overseas. The Queen and I treasure the recollections of our visits to those lands among the happiest experiences of our lives.

We wish the members of the Conference God-speed and a safe return to their homes.

GEORGE R. I.

26*th November*, 1926.

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