

case as it arises, but any method should recognize, where desired by a Government, local control not only over services operating within its own territory, but also, by agreement with the other Governments concerned, in adjacent areas in which it is particularly interested:

“(iv) It is agreed that, whenever an application received by one member for facilities for foreign air services is likely to affect another member, there should be consultation between the respective Governments concerned before facilities are granted; and if an agreement has been reached between the Commonwealth Governments concerned as to the service to be required in return for such facilities, the Commonwealth Government to whom the foreign application has been made will use its best endeavours to secure the reciprocal facilities agreed upon:

“(v) The Conference notes with approval the practice followed by nations of the Commonwealth whereby, when operational rights are granted to a foreign air line, the concession expressly provides for reciprocal rights as and when desired; and suggests for consideration the desirability of including in such concessions a general safeguard of the right of the Government, at its option, to take over the ground organization within its territory on suitable terms.”

#### XVI. SHIPPING.

General questions arising in connection with shipping policy, including the work of the Imperial Shipping Committee, were referred to a committee on shipping questions under the chairmanship of the Hon. Walter Nash, M.P., Minister of Finance, New Zealand.

The Committee reviewed the position regarding British shipping (by which is meant all shipping registered as British wherever the registration be effected) in relation to the needs of the several parts of the British Commonwealth of Nations, and realized that the maintenance of adequate British shipping is a matter of common concern to the countries of the Commonwealth.

The committee also noted that certain forms and methods of discrimination have latterly been adopted by Governments outside the Commonwealth whereby British shipping in certain areas is seriously prejudiced, if not threatened with entire elimination.

The Committee recommended accordingly that the Conference should reaffirm the declaration relative to overseas shipping of the Imperial Economic Conference of 1923,\* and that in any case in which it may be considered by the Government of one part of the British Commonwealth that undue assistance, to the serious prejudice and danger of British shipping, is being given by any Government outside the British Commonwealth, there should be an opportunity for consultation between the Government of that part of the Commonwealth whose shipping is endangered and the Government of any other part of the Commonwealth concerned, in order to determine the validity of the complaint and the best means of meeting the situation, due regard being had to the interests of the Government of that other part of the Commonwealth.

One case of difficulty, arising out of the competition of subsidized ships running across the Pacific between the United States and New Zealand and Australia is under consideration by the Governments concerned (United Kingdom, Canada, Australia, New Zealand) with a view to maintaining British shipping on this route. This question was referred by the committee to a sub-committee representing the four Governments, which reported that its discussions had not reached finality. The matter will continue to be dealt with by the four Governments in consultation.

\* The declaration reads as follows:—

“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.”