



IMPERIAL SHIPPING COMMITTEE

REPORT ON THE WORK

OF THE

IMPERIAL SHIPPING
COMMITTEE

DECEMBER, 1932

*Presented by the President of the Board of Trade
to Parliament, by Command of His Majesty
January, 1933*

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LIST OF PRESENT MEMBERS OF THE IMPERIAL
SHIPPING COMMITTEE.

- The Rt. Hon. Sir Halford J. Mackinder (*Chairman*).
- Sir Frederick W. Leith-Ross, K.C.M.G., C.B., United Kingdom.
- The Hon. G. Howard Ferguson (High Commissioner), Canada.
- The Rt. Hon. S. M. Bruce, C.H., M.O. (Minister without Portfolio), Australia.
- Sir T. M. Wilford, K.C.M.G., K.C. (High Commissioner), New Zealand.
- Mr. H. T. Andrews, South Africa.
- Mr. J. W. Dulanty, C.B., C.B.E. (High Commissioner), Irish Free State.
- Sir Bhupendra Nath Mitra, K.C.S.I., K.C.I.E., C.B.E. (High Commissioner), India.
- Sir John E. Shuckburgh, K.C.M.G., C.B., Colonies and Protectorates.
- | | |
|--------------------------|---|
| Mr. Stanley H. Dodwell | } being persons experienced in Shipping and Commerce. |
| *Mr. T. Harrison Hughes | |
| Mr. W. L. Hichens | |
| Mr. Kenneth Lee | |
| *The Hon. Alexander Shaw | |
- Lieut.-Col. F. C. Shelmerdine, C.I.E., O.B.E., representative of Civil Aviation.
- Mr. W. Graham, M.B.E. (*Secretary*).

Note.—Newfoundland's seat on the Committee is at present vacant.

* See page 4.

PANEL OF SHIPOWNERS.

Panel of Shipowners, nominated under the Resolution of the 1930 Imperial Conference, from whom the Chairman may select substitutes for the two shipowner members (marked with an asterisk in the List of Present Members on the previous page), in respect of cases coming before the Committee in which these members are personally interested :—

Mr. Robertson F. Gibb.
Captain James Gillies.
Sir Ernest W. Glover, Bart.
Mr. J. R. Hobhouse.
Mr. G. J. Innes.
Mr. W. Leslie Runciman.

LIST OF PAST MEMBERS OF THE IMPERIAL SHIPPING
COMMITTEE.

United Kingdom.

Sir Hubert Llewellyn Smith, G.C.B.
Sir Sydney J. Chapman, K.C.B., C.B.E.

Canada.

Rt. Hon. Sir George H. Perley, K.C.M.G. (High Commissioner).
Hon. P. C. Larkin (High Commissioner).

Australia.

Mr. H. B. G. Larkin, C.B.E.
Mr. E. A. Eva.
Major-General the Hon. Sir Granville Rynie, K.C.M.G., C.B.,
V.D. (High Commissioner).

New Zealand.

Col. the Hon. Sir James Allen, G.C.M.G., K.C.B., T.D. (High
Commissioner).
Sir James Parr, K.C.M.G. (High Commissioner).

South Africa.

Mr. G. Bowden, M.C.
Mr. J. G. Hubball.

Irish Free State.

Mr. J. McNeill (High Commissioner).

India.

Sir W. S. Meyer, G.C.I.E., K.C.S.I. (High Commissioner).
Sir J. W. Bhore, K.C.I.E., C.B.E. (Acting High Commissioner).
Sir D. M. Dalal, C.I.E. (High Commissioner).
Sir Atul C. Chatterjee, K.C.S.I., K.C.I.E. (High Commissioner).

Newfoundland.

Hon. Sir Edgar R. Bowring (High Commissioner).
Capt. Victor Gordon, C.M.G. (High Commissioner).

Colonies and Protectorates.

Rt. Hon. Sir A. H. D. Ramsay Steel Maitland, Bart.
Sir Frederick G. A. Butler, K.C.M.G., C.B.
Sir Gilbert Grindle, K.C.M.G., C.B.

“ Persons Experienced in Shipping and Commerce ” (5 Members).

Sir Kenneth Anderson, Bart., K.C.M.G.
Sir Alfred Booth, Bart.
Sir William J. Noble, Bart. (now Lord Kirkley).
Sir Ernest Glover, Bart.
Sir William Currie.
Mr. H. B. Gordon Warren.
Mr. J. W. Murray.

Secretaries.

Mr. E. J. Elliot.
Mr. R. D. Fennelly.
Mr. R. M. Nowell.

Report on the work of the Imperial Shipping Committee.

To the Rt. Hon. J. Ramsay MacDonald, Prime Minister and First Lord of the Treasury.

To the Rt. Hon. Richard B. Bennett, K. C., Prime Minister of the Dominion of Canada.

To the Rt. Hon. J. A. Lyons, Prime Minister of the Commonwealth of Australia.

To the Rt. Hon. G. W. Forbes, Prime Minister of the Dominion of New Zealand.

To General the Hon. J. B. M. Hertzog, Prime Minister of the Union of South Africa.

To Eamon de Valera, Esq., President of the Executive Council of the Irish Free State.

To the Hon. F. C. Alderdice, Prime Minister of Newfoundland.

To the Rt. Hon. Sir Samuel J. G. Hoare, Bt., G.B.E., C.M.G., Secretary of State for India.

To the Rt. Hon. Sir Philip Cunliffe-Lister, G.B.E., M.C., Secretary of State for the Colonies.

Report.

OBJECT OF THE REPORT.

1. We, the Imperial Shipping Committee, beg leave to present to the Governments of the Empire a Report on the constitution and progress of work of the Committee up to the end of the year 1932. Previous reports on these subjects were made in 1923 (Cmd. 1872), 1926 (Cmd. 2706) and 1930 (Cmd. 3646).

ORIGIN OF THE COMMITTEE.

2. The Imperial Shipping Committee arose out of a resolution passed by the 1918 Imperial War Conference on the initiative of Mr. Massey, the Prime Minister of New Zealand. This resolution was in the following terms :—

“ (i) That in order to maintain satisfactorily the connections and at the same time encourage commercial and industrial relations between the different countries of the Empire this Conference is of opinion that shipping on the principal routes, especially between the heart of the Empire and the overseas Dominions, including India, should be brought under review by an inter-Imperial Board on which the United Kingdom and the British Dominions and Dependencies should be represented.

(ii) That for this purpose an Imperial investigations board, representing the various parts of the Empire, be appointed with power to inquire into and report on all matters connected with the development and improvement of the sea communications between the different parts of the Empire, with special reference to the size and type of ships and the capacities of harbours; the Board to include, in addition to representatives of the Governments concerned, persons with expert knowledge of the problems involved, including representatives of the shipping and trading interests.”

3. It was originally contemplated that there should be two bodies concerned with the oceanic communications of the Empire—the one charged with considering improvements in shipping facilities and the other with the investigation of complaints. The first Committee was intended to be in the nature of an expert committee which would deal with such problems as the development of harbours and the construction of docks, thus continuing the work of the Dominions Royal Commission. The second committee, although advisory only, was in effect to have been quasi-judicial. But after discussion the Conference decided that there should be only one Imperial Shipping Committee charged with both functions, because it was held that a single body would carry more weight. It was considered that matters of an expert character could be dealt with by means of witnesses, or with the help of advisers and assessors sitting with the Committee.

4. Following the 1918 Conference somewhat protracted negotiations took place between the Governments of the Empire with regard to the constitution of the proposed Committee and it was not until the 15th June, 1920, that the instrument of appointment was signed by Mr. Lloyd George, the Prime Minister of the United Kingdom.

5. The terms of reference of the Committee were as follows :—

“ (i) To inquire into complaints from persons or bodies interested with regard to ocean freights, facilities and conditions in the inter-Imperial trade, or questions of a similar nature referred to them by any of the nominating authorities; and to report their conclusions to the Governments concerned.

(ii) To survey the facilities for maritime transport on such routes as appear to them to be necessary for trade within the Empire, and to make recommendations to the proper authority for the co-ordination and improvement of such facilities with regard to the type, size and speed of ships, depth of water in docks and channels, construction of harbour works, and similar matters.”

6. The functions of the Committee are, therefore, of a dual character, and for the purpose of this Report it is proposed to refer to the Committee's function under the first part of its terms of reference as inquiries into complaints, and under the second part as inquiries into facilities.

DECISIONS OF SUBSEQUENT IMPERIAL CONFERENCES AFFECTING THE COMMITTEE.

7. At the time the Committee was appointed in June, 1920, it was asked to consider *inter alia* what permanent organisation was desirable to continue the exercise of such functions as those entrusted to the Committee, and in June, 1921, the Committee presented a report recommending that a permanent Imperial Shipping Board should be created, in substitution for the Imperial Shipping Committee, to fulfil the following purposes :—

“ (a) To perform such duties as might be entrusted to them under laws in regard to inter-Imperial shipping applicable to the whole, or to important parts, of the Empire.

(b) To inquire into complaints in regard to ocean freights and conditions an inter-Imperial trade, or questions of a similar nature referred to them by any of the Governments of the Empire.

(c) To exercise conciliation between the interests concerned in inter-Imperial shipping, and

(d) To promote co-ordination in regard to harbours and other facilities necessary for inter-Imperial shipping.”

8. This report was discussed at the Imperial Conference of 1921, but as opinion on the subject was not unanimous the Conference passed a resolution to the effect that, pending the constitution of a permanent Body, the existing Imperial Shipping Committee should continue its inquiries.

9. The contemplated permanent Body has never been set up. The successive Imperial Conferences have adopted the alternative of gradually strengthening the existing Committee both in regard to its terms of reference and constitution. At the Imperial Economic Conference of 1923 the Chairman of the Committee was asked to make a general statement as to the work of the Committee and the condition of the shipping of the Empire. His statement will be found printed verbatim on pages 293 to 309 of the record of the Conference of 1923 (Cmd. 2009). The Conference subsequently passed the following resolutions relating to the Committee :—

(A) “ That this Imperial Economic Conference desires to convey to Sir Halford Mackinder, as Chairman of the Imperial Shipping Committee, and to the members of that Committee, an expression of its appreciation of the very excellent work which they have done during the period of the committee’s existence both in the interests of the commercial and producing communities, and of British citizens generally.”

(B) “ That this Imperial Economic Conference is of opinion—

(i) “ That the work accomplished by the Imperial Shipping Committee is convincing proof of the wisdom of its establishment, and that it is of the highest importance to the Empire that this work should continue.

(ii) “ That it is, therefore, desirable to maintain the Committee on its present basis, deriving authority from, and responsible to, the Governments represented in the Imperial Conference.”

10. Thus the Conference emphasised the Imperial character of the Committee. Hitherto the Committee had technically been a Committee appointed by the Prime Minister of the United Kingdom, but in the instrument of appointment signed by Mr. Lloyd George it was stated that the representatives of the Dominions and India had been nominated by the Governments of those countries. Further, although it is not so recorded in the instrument of appointment, all the Governments of the countries concerned were consulted both with regard to the appointment of the Chairman and of the “ five persons experienced in shipping and commerce.” Moreover, the Committee were directed “ to report their conclusions to the Governments concerned ” who might thus be all the Governments of the Empire or those interested in a particular inquiry.

11. The Committee has therefore from the beginning always been an Imperial body, although at the time of its creation, some years earlier than the adoption of the Imperial Status memorandum at the Imperial Conference of 1926, the appropriate constitutional forms for marking this fact had not as yet been evolved.

12. The Imperial Conference of 1926 confirmed the action of the 1923 Conference by passing the following resolution:—

“ 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.”

13. The Imperial Conference of 1930 passed the following three resolutions relating to the Committee, one of which extended its terms of reference so as to permit of facilities for air transport being taken into account in the conduct of its enquiries:—

(1) “ The Conference desires to place on record its appreciation of the value of the work done by the Imperial Shipping Committee and to convey to the Chairman and Members of the Committee its thanks for their services.”

(2) “ The Conference is of opinion that it is desirable to maintain the Imperial Shipping Committee generally on its present basis, deriving authority from, and being responsible to, the Governments represented at the Imperial Conference.

(3) “ The Imperial Conference is of opinion that civil aviation should be represented on the Imperial Shipping Committee, and with this object hereby amends the terms of reference to the Imperial Shipping Committee by the addition of the following words:—

“ ‘ (ii) and in doing so to take into account facilities for air transport on the routes in question.’ ”

14. One change in the powers of the Committee was made by the Governments of the Empire in the interval between the 1926 and the 1930 Conferences. The Committee was given authority to enquire into a complaint where it was claimed that British ship-owners trading between two foreign ports were in fact—owing to differential rates—putting at a disadvantage shippers sending goods from an Empire port to one of those foreign ports.

CONSTITUTION OF THE COMMITTEE.

15. The Committee as originally constituted was composed of three elements—(i) a Chairman representing neither any one part of the Empire nor yet having an interest in shipping or commerce such as might prejudice his position in regard to complaints which might come before the Committee, (ii) a representative from the United Kingdom and from each of the Dominions, a representative

from India and a representative of the Colonies and Protectorates, the last two being nominated by the Secretaries of State, and (iii) five persons having experience in shipping and commerce.

16. No provision was made for the retirement of members after fixed periods of office, but as an examination of the lists of present and past members at the head of this report will show, a fair balance has been maintained between continuity of personnel and the accession of fresh members.

17. The original constitution of the Committee has continued to the present day, except in two respects. In the first place the Imperial Conference of 1930 arranged for the appointment of a representative of civil aviation in order to equip the Committee to deal with the addition made to its terms of reference at that Conference. The 1930 Conference also agreed to the appointment of a panel of shipowners from which the Chairman might select a substitute to sit temporarily on the Committee in the case of one of the two shipowners on the Committee being personally interested in a complaint under inquiry. In connection with the formation of this panel the opportunity was taken to appoint a representative of Canadian shipping.*

18. Although no specific arrangement was originally made that two of the "five persons experienced in shipping and commerce" should be representative shipowners, yet throughout that has been the practice, and the appointment of the Panel of Shipowners under the resolution of the 1930 Imperial Conference has now implicitly given formal recognition to this element in the constitution of the Committee. There can be no question that the presence of this small minority of shipowners of high standing within the Committee has largely conduced to efficiency of working and has also promoted smooth relationship with the shipping industry.

19. It has been the usual practice since the inception of the Committee for some of the Governments of the Dominions to nominate their High Commissioners in London as their representatives on the Committee, and these High Commissioners have signed all the formal reports which the Committee has presented. In view of the fact that the High Commissioners are not always able to attend the meetings of the Committee, a custom has grown up whereby a High Commissioner may send a substitute to keep him informed of the proceedings of the Committee in his absence. Certain of the High Commissioners have made a practice of appointing as their substitutes men with shipping or commercial experience.

20. In order to obtain impartial expert assistance, especially in connection with the harbour schemes which have from time to time been brought before us, we have had the assistance, whenever

* See list of members of the panel on page 4.

needed, of distinguished Officers of the Admiralty, who have sat with us as assessors, and we desire to place on record our obligation to the Admiralty and to these Officers.

21. We would also take this opportunity of expressing our appreciation of the services of the four Secretaries who, with uniform attention, skill and courtesy, have successively discharged their responsible duties. All four of them have been Civil Servants of the Government of the United Kingdom and three, including the present occupant of the office, have belonged to the Mercantile Marine Department of the Board of Trade and had thus served an apprenticeship in shipping affairs which has rendered them specially fitted for duty with the Committee.

22. The cost of the Committee has not on the average exceeded £2,000 per annum and this cost has been met by the Government of the United Kingdom, except that when a Sub-Committee visited Canada to investigate certain problems at the desire of the Canadian Government, the travelling and other expenses involved were defrayed by Canada.

METHODS OF WORK OF THE COMMITTEE.

23. As an advisory body the Committee realised from the beginning that if its recommendations were to carry weight every endeavour should be made to arrive at unanimous conclusions. With this object it was determined that a member of the Committee should not himself formulate a complaint lest having acted as an advocate he should find it difficult to retire from his initial position. The Committee, therefore, made it part of its procedure that when any Government or other authority brought a complaint or proposal before the Committee the case should come officially from the Government or body concerned in writing and should, if necessary, be supported by witnesses specially sent for the purpose. It is thus the duty of the representative on the Committee of the interest involved to watch the progress of the case and to see that it is properly presented but at the end he is free to associate himself with the other members of the Committee in a unanimous report.

24. The Committee has endeavoured to obtain the good will of all those concerned with shipping whether Government Departments, shipowners or shippers. Some of the shipowners were suspicious at first of the Committee and not always inclined to be helpful, but the care which has been taken to do justice, and to take a broad and long view of the complicated business matters involved has, it is believed, completely dissipated any such misunderstanding. The Chairman has been consulted by more than one of the Imperial Conferences as to whether the Committee should not have power to compel the attendance of witnesses and to require the production of papers and accounts. The view of the Com-

mittee has always been that, unless it became necessary as a result of unfortunate experience, it would be better that no such powers should be granted and the trustful and helpful relations which have grown up between the Committee and the various interests which come before it would almost certainly be affected adversely were there the threat of compulsion—even in reserve.

25. The Committee has adopted the following main lines of procedure :—

(1) *Consideration in Full Committee.*

Reports and letters embodying the considered opinion of the Committee are discussed in full meetings of the Committee.

For problems of major importance it has been the usual practice to examine witnesses in full Committee. The evidence is placed on record but has hitherto not been published.

(2) *Sub-Committees.*

For investigations of an expert or detailed character sub-Committees are appointed which report in due course to the main Committee.

On one occasion, in response to the invitation of the Government of Canada, a sub-committee consisting of the Chairman, the Australian representative and the Secretary, visited Canada and took evidence on a matter in dispute between Canadian shippers and United Kingdom shipowners and recommended a settlement which was accepted by the parties and subsequently endorsed by the Committee.

(3) *Action by the Chairman.*

The Chairman acts for the Committee in certain ways which have now been established by the practice of a number of years :—

(a) when a complaint is received he obtains statements from both parties in writing and also as a rule by interview ascertains the exact character of the issue and makes a preliminary attempt at conciliation. As will be seen from the cases set out in Appendix II the precise formulation of the issue has not infrequently led to a settlement between the parties without the matter being brought before the Committee :

(b) where it appears that a conference between the parties is more likely to lead to a speedy and satisfactory solution than the formal hearing of witnesses by the Committee, the Chairman has been authorised to summon a conference of the parties and to preside at that conference :

(c) in certain cases it has appeared desirable to ascertain whether recommendations which the Committee proposed to include in a report were likely to be acceptable and whether they could in fact be implemented. In such cases the Chairman has been authorised to make the necessary confidential enquiries.

26. Up to December, 1932, during an existence of over twelve years, the Committee have held 172 full meetings. Twenty-nine published reports have been issued. (See Appendix I.) Of these, nine reports, being of general interest, were addressed to the Prime Ministers of all the parts of the Empire, ten others were addressed to the Prime Ministers of the particular parts concerned, and the remaining ten were addressed to the Secretary of State for the Colonies.

27. In a large number of cases the findings of the Committee have not been published but have been embodied in a letter to the Prime Minister of the part of the Empire concerned or to the Secretary of State for India or the Secretary of State for the Colonies as the case might be. The essential details of 24 of these cases were given in the Appendix to the Committee's progress report of May, 1930, and particulars of 12 more such cases are to be found in Appendix II to this Report. In a few cases the Committee has been consulted confidentially by one of the Governments.

PUBLISHED REPORTS SINCE THE LAST PROGRESS REPORT (MAY, 1930).

28. Since the last progress report covering the period June, 1926, to May, 1930, the Committee has issued the following published reports, viz. :—

Second Report on Hudson Bay Marine Insurance Rates, 1931 (Cmd. 3865).

Report on Port Swettenham, F.M.S. (Cmd. 3953).

Report on the Harbour of Port Louis, Mauritius (Cmd. 3975).

Third Report on Hudson Bay Marine Insurance Rates, 1932 (Cmd. 4107).

The two Reports on the Hudson Bay Marine Insurance Rates were issued in pursuance of a decision of the Committee to prepare and issue annual reports containing a survey of the data available regarding the ice and weather conditions and the aids to navigation in Hudson Strait and Bay. It is largely on the basis of these annual reports that the underwriters fix their premiums for vessels undertaking the voyage. The report in respect of the 1932 season is now in course of preparation. The reports on Port Swettenham and Port Louis embodied the Committee's recommendations regarding schemes for the provision of deep water berths at the two ports.

OTHER QUESTIONS CONSIDERED SINCE MAY, 1930.

29. Other matters which have come before the Committee since its previous progress report have included the development of Hong Kong and Colombo Harbours, the shipment of unpacked motor cars to South Africa, a proposed direct mail service to East Africa, the rates of freight on aircraft and aero engines, the broadcasting of weather maps, the use of electricity in ports, the survey of the Labrador Coast, the proposed construction of a dry dock at Suva, Fiji, freight rates on wheat and flour across the North Atlantic, the insurance of shipping on the Great Lakes of Canada, and freight rates on the shipment of fertilisers to South Africa. As indicated above, particulars of these cases will be found in Appendix II.

GENERAL.

30. When first appointed, the Committee set out to continue the work of the Dominions Royal Commission, who had commenced a systematic inspection of the oceanic communications of the Empire. But it soon became evident that such a procedure was too vague in its aim to be likely to lead to results of a practical character. Moreover, a number of complaints, some of them involving enquiries of wide scope, rapidly accumulated and it became necessary that for a time the Committee should devote the whole of its attention to the first part of its terms of reference. Before the Committee was able to return to the survey of facilities under the second part of its reference, a practice had grown up whereby Governments and other responsible authorities consulted the Committee regarding proposed definite schemes for the development of certain ports of the Empire and for other improvements of the facilities for Empire communication. The result of these separate investigations has been that the Committee has to a considerable extent traversed the ground which would have been covered in a general and systematic survey. Such subjects for separate investigation continue to come before the Committee and frequent appreciation is expressed of the value of the impartial advice which the Committee has been able to contribute.

31. Thus it will be seen that the work of the Committee under the two heads of its reference has not developed along the divergent lines which seem to have been expected. There has not been a systematic survey of facilities concurrently with the settlement of disputes, but the survey work has resolved itself into a series of cases in which more frequently than not opposed views have been placed before the Committee and have been considered and weighed. In this way there has been compiled a record of a large number of cases, some under the heading of complaints and some under that of facilities, which taken together constitute a body of experience in connection with the sea communications of the Empire,

which does in fact cover most of the problems involved. This procedure has the additional advantage of making it easier to secure the assistance of practical men with expert knowledge of the particular locality or problem under consideration than would be the case for a wide and roving commission, the utility of which was not always immediately apparent. Of late it has been found that by reason of the growth of precedents it has not been necessary to hold as many full meetings of the Committee as formerly, and minor questions have been settled by the Chairman or by sub-Committees in consultation with the parties.

32. The ultimate weapon of the Committee is publicity; a unanimous recommendation signed by the representatives of all the Governments of the Empire and of the important shipping and commercial interests represented on the Committee, with carefully reasoned grounds for that recommendation, is not likely to be ignored. It has usually been found that the parties to a dispute coming before the Committee have taken a reasonable view and at the suggestion of the Committee have endeavoured, often with success, to reach a friendly settlement. There are some issues, however, in regard to which the interests of citizens of the Empire—exporters on the one hand, carriers on the other—appear at any rate on a short view, to be radically opposed, as for instance when the British shipowner competing for business of foreign origin is driven to quote fighting rates which may place British producers or merchants at a disadvantage in their overseas markets. In such cases no fundamental solution may be practicable and the work of the Committee has been directed towards finding a *modus vivendi* acceptable to both parties.

33. Hitherto the Imperial Shipping Committee has been an independent body in the sense that it has reported direct to the Governments of the Empire, nor has it been formally correlated with any other similar bodies. When the Imperial Economic Committee was appointed in 1925 our Chairman was asked to preside over its deliberations, partly with a view to uniformity of practice in the conduct of these Imperial Committees, and partly to prevent overlapping of functions. He served in the dual capacity until the Imperial Economic Committee was reorganised under the resolution of the 1930 Imperial Conference. This personal relationship between the Committees has now ceased, but we assume that questions coming under our terms of reference will continue to be referred to us, and in view of the now firmly established tradition of working, we do not anticipate that there will be any difficulties of overlapping which could not be settled by conference between the Chairmen of the two Committees.

34. In relation to the highly technical problems connected with the sea communications of the Empire the Imperial Shipping Committee has come to occupy a unique position. The Reports which

it makes to the Governments of the Empire are regarded both by shippers and shipowners as carrying considerable authority and they look to it as to a court of appeal. It is obvious that an advisory body exercising such functions must depend for the acceptance of its advice on its being recognised as the sole medium through which such matters are investigated. To this end we have found the existing status and independence of the Committee to be of value.

H. J. MACKINDER, *Chairman.*
 F. W. LEITH-ROSS, *United Kingdom.*
 G. H. FERGUSON, *Canada.*
 S. M. BRUCE, *Australia.*
 T. M. WILFORD, *New Zealand.*
 H. T. ANDREWS, *South Africa.*
 J. W. DULANTY, *Irish Free State.*
 B. N. MITRA, *India.*
 J. E. SHUCKBURGH, *Colonies and Protectorates.*
 STANLEY H. DODWELL, *Merchant.*
 T. HARRISON HUGHES, *Shipowner.*
 W. L. HICHENS, *Shipbuilder.*
 KENNETH LEE, *Manufacturer.*
 A. SHAW, *Shipowner.*
 F. C. SHELMERDINE, *Civil Aviation.*

W. GRAHAM,
Secretary.

London, 31st December, 1932.

APPENDIX I.

LIST OF REPORTS MADE BY THE IMPERIAL SHIPPING COMMITTEE FROM THE DATE OF ITS APPOINTMENT IN JUNE, 1920 TO DECEMBER, 1932.

1. The Limitation of Shipowners' Liability by Clauses in Bills of Lading. (1st published Report, Cmd. 1205.)
2. Subsidy for a United Kingdom-West Indies Steamship Service.
3. Seychelles-India Steamship Service.
4. Cyprus Shipping Services with the United Kingdom and Canada.
5. Harbour Accommodation on the South West Coast of India.
6. Refrigerated cargoes from South Africa to the United Kingdom.
7. The Functions and Constitution of a Permanent Imperial Body for Shipping Questions. (2nd published Report, Cmd. 1483.)
8. Freight rates from Bahamas to the United Kingdom.
9. The Deferred Rebate System as obtaining in the trade between the United Kingdom and Australia—Interim Report. (3rd published Report, Cmd. 1486.)

10. Shipping services between the Falkland Islands and the United Kingdom.
11. Detention of Steamers loading coal at Calcutta.
12. Rates of Freight in the New Zealand Trade. (4th published Report, Cmd. 1564.)
13. Freight rates from St. Helena to the United Kingdom.
14. Freight rates from East Africa to the United Kingdom.
15. Gold Coast Harbour facilities.
16. Shipment of Rice from Burma.
17. Harbour dues at Kingston, Jamaica.
18. Harbour development at Kingston, Jamaica.
19. Freight rates from Turks and Caicos Islands to the United Kingdom.
20. Freight rates from Trinidad to the United Kingdom.
21. The Deferred Rebate System—Final Report. (5th published Report, Cmd. 1802.)
22. The work of the Imperial Shipping Committee, 1920 to 1922. (6th published Report, Cmd. 1872.)
23. The Economic Size and Speed of Vessels for the Australian Trade and the Subsidies necessary to maintain speeds in excess of the Economic Speed. (7th published Report, Cmd. 1917.)
24. The Methods of Assessment of Shipping to Income Tax within the Empire. (8th published Report, Cmd. 1979.)
25. Freight rates on cacao from the West Indies to the United Kingdom.
26. The Prospective Size of Vessels in the Eastern and Australian Trades via Suez, in relation to proposals for the Deepening of Colombo Harbour. (9th published Report, Cmd. 2250.)
27. Canadian Marine Insurance Rates—Interim Report. (10th published Report, Cmd. 2249.)
28. Rates of Freight on Canadian Flour in the North Atlantic. (11th published Report, Cmd. 2248.)
29. East African Shipping Services—Interim Report. (12th published Report.)
30. Newfoundland. Proposal to establish a port at Mortier Bay.
31. Canadian Marine Insurance Rates—Second Report. (13th published Report, Cmd. 2447.)
32. Certain Aspects of the Canadian Cattle Trade. (14th published Report, Cmd. 2609.)
33. Prai River Railway Wharves (Penang Harbour) with certain observations on the relation of Ocean Traffic to the Development of New Ports. (15th published Report, Cmd. 2703.)
34. The work of the Imperial Shipping Committee, Jan, 1923 to May, 1926. (16th published Report, Cmd. 2706.)
35. The Control and Working of Mombasa (Kilindini) Harbour, Kenya Colony. (17th published Report, Cmd. 2713.)
36. Hong Kong Harbour Developments.
37. The Harbour of Dar-es-Salaam, Tanganyika Territory. (18th published Report, Cmd. 2917.)
38. Shipments of goods from the Falkland Islands.
39. Rates of freight on Wheat and Flour from Australia to the United Kingdom.
40. Lighting of Jamestown Harbour, St. Helena.
41. The Harbours of Nigeria. (19th published Report, Cmd. 3205.)
42. Rates of Freight on Canadian Apples to the United Kingdom.
43. The Harbour of Singapore. (20th published Report, Cmd. 3328.)
44. Certain questions relating to the shipment of grain through the Canadian ports of Halifax, N.S., and Saint John, N.B. (21st published Report, Cmd. 3345.)
45. Famagusta Harbour, Cyprus.
46. Nigerian Port Facilities.

47. Hudson Bay Marine Insurance Rates—General Report, 1930. (22nd published Report, Cmd. 3586.)
48. Port of Spain, Trinidad. (24th published Report, Cmd. 3665.)
49. The work of the Imperial Shipping Committee, June, 1926 to May, 1930. (23rd published Report, Cmd. 3646.)
50. Shipment of unpacked motor cars to South Africa.
51. Proposed establishment of a direct mail service from the United Kingdom to East Africa.
52. Second Report on Hudson Bay Marine, Insurance Rates (25th published Report, Cmd. 3865.)
53. Colombo Harbour.
54. Survey of the Labrador Coast.
55. Freight rates on aircraft and aero engines.
56. Use of Electricity in Docks.
57. Freight rates on Wheat and Flour in the Northern Atlantic.
58. Insurance of Shipping on the Great Lakes of Canada.
59. Port Swettenham. Federated Malay States. (26th published Report, Cmd. 3953.)
60. Harbour of Port Louis, Mauritius. (27th published Report, Cmd. 3975.)
61. Third Report on Hudson Bay Marine Insurance Rates. (28th published Report, Cmd. 4107.)
62. Proposed Dry Dock at Suva, Fiji.
63. Dredging of Hong Kong Harbour.
64. Broadcasting of weather maps.
65. Freight rates on Fertilisers to South Africa.
66. Report on the work of the Imperial Shipping Committee, December, 1932. (29th published Report, Cmd. 4242.)

APPENDIX II.

SUMMARY OF INQUIRIES UNDERTAKEN BETWEEN MAY, 1930, AND DECEMBER, 1932, ON WHICH PUBLISHED REPORTS HAVE NOT BEEN MADE.

(NOTE.—*The numbering of the inquiries is in accordance with Appendix I of this Report and in continuation of the numbering in Appendix II of the Report of the 13th June, 1930 (Cmd. 3646).*)

50. *Shipment of unpacked motor cars to South Africa.*—In June, 1930, Messrs. Morris Motors Limited brought a complaint to the Committee in connection with a trial shipment of unpacked motor cars which they desired to make to South Africa. The South African Steam Conference declined to permit the carriage of other than fully packed cars, which method of shipment increased appreciably the shipping costs.

The Committee decided to make an enquiry and obtained a statement from the Conference of the reasons for which they were averse to the carrying of unpacked cars. This decision led to direct negotiations being re-opened between Messrs. Morris and the Conference as a result of which a satisfactory conclusion was reached.

51. *Proposed establishment of a direct mail service from United Kingdom to East Africa.*—In January, 1931, the Secretary of State for the Colonies asked for the observations of the Committee on a proposal made by the London Chamber of Commerce for the establishment of a direct British mail service by sea between the United Kingdom and East Africa. The Committee commenced by obtaining information from the General Post Office and the Air Ministry as to the existing sea mail and proposed air mail to East Africa, and invited the London Chamber of Commerce and the Joint

East Africa Board to submit their views in writing and to amplify them by means of witnesses. In July, 1931, however, the London Chamber of Commerce informed the Committee that they felt that they could not properly press for the allocation of funds for the purpose of the proposed mail service during the present state of depression, and the Joint East Africa Board endorsed this conclusion, which was probably influenced by the institution about that time of a weekly air mail service to East Africa. The Committee advised the Secretary of State for the Colonies that for the time being no further action appeared necessary.

53. *The development of Colombo Harbour.*—In 1924, the Committee issued a report on the prospective size of vessels in the Eastern and Australian trades via Suez in relation to proposals for the deepening of Colombo Harbour. The report summarised the Committee's conclusions as follows:—

“There is no present justification for a general deepening of Colombo Harbour if it should appear, on the completion of the survey in progress, that the cost is likely to be very large. The utmost which the present outlook would, in our opinion, justify is a programme limited to one or two deeper berths if they can be provided at a cost which will not involve any increase in the dues.”

The Committee recommended that the question should be reconsidered at the end of four or five years from 1924.

Their opinion was therefore sought again in 1930, and in May, 1931, they advised that the authorities responsible for Colombo Harbour would be quite safe in deferring consideration of a further deepening programme for at least two years, by which time definite information as to the intentions of the Suez Canal Company would be available.

In reply to this advice the Governor of Ceylon requested the Secretary of State for the Colonies to point out that the Committee in reaching their conclusion had apparently been under the impression that the Colombo Harbour Authorities were already proceeding with or had completed deepening to enable ships of 35 feet draught to enter the harbour, whereas no such deepening had been undertaken or was proceeding but that it was proposed to make a start on the work during 1932. The Committee then stated that they had ascertained the present opinions of the principal British Shipping Companies which call at Colombo and it was obvious that no owner was going to build a ship of 35 feet draught to trade regularly to Colombo without informing the Authorities of that Port. There would thus be plenty of time to deepen the Harbour while such a ship was being built. The Committee therefore adhered to their recommendation of 1924, and added that it was the view of all the shipowners consulted, that the harbour dues at Colombo should only be increased in order to effect improvements for which appreciable demand is likely to be made in the near future.

At a later date the Secretary of State for the Colonies had invited the observations of the Committee on a scheme for the provision of a deep water quay and basin and a wet dock at Colombo. This scheme involved the construction of a deep water quay and jetty projecting some 900 feet from the shore, and later the construction of a deep water basin about 900 feet long by 250 feet wide. It was proposed to carry out the scheme in three stages, the first stage consisting of the construction of the quay and jetty with berthing accommodation on one side only for one large vessel, the second stage consisting of the widening of the jetty and the provision of a second berth on the other side, and the third stage consisting of the construction of the deep water basin.

The Committee did not see their way to a recommendation that such a considerable scheme should under present conditions be put in hand, but, after taking the evidence of the Consulting Engineers employed in connection with Colombo Harbour, they advised a less extensive scheme for the

provision of two berths at deep water quays which would be sufficient for oil tankers, colliers and vessels refitting or under repair.

The Committee were informed in October, 1932, that after consideration of the proposals made by the Committee, the Colombo Port Commission, though still strongly of opinion that the more extensive scheme was necessary, felt that the project should be deferred until such time as trade improves and funds for the purpose are available.

54. *Survey of the Labrador Coast.*—In March, 1931, the Committee was approached by Sir Wilfrid Grenfell in regard to a survey of the Labrador Coast which the Grenfell Association was proposing to make from the air and as a corollary to which it was suggested that a systematic hydrographical survey of the Hudson Strait and neighbouring waters should be made. The matter was of some interest in relation to the Hudson Bay route, it being pointed out that if inlets suitable for the beaching of damaged vessels could be found and charted in the neighbourhood of Cape Chidley, the possibility of total loss on the Hudson Bay route would be lessened. The Committee communicated with the Governments of Canada and Newfoundland and with the Admiralty expressing the hope that arrangements might be made to carry out the proposed hydrographic survey. H.M.S. "Challenger," an Admiralty Survey Ship, has since been detailed to carry out the work which was commenced in the summer of 1932.

55. *Freight Rates on Aircraft and Aero Engines.*—The Imperial Conference of 1930 referred to the Committee for consideration a request from the Society of British Aircraft Constructors Limited, for reductions in the existing shipping freight rates for aircraft and aero engines. The Committee made certain enquiries in the matter, both of the Society and also of Shipowners. Appreciable reductions in the rates on different routes were made towards the end of 1931, and the Society informed the Committee that in consequence of these reductions the position at that time was fairly satisfactory, and no further action on the part of the Committee was necessary.

56. *Use of Electricity in Docks.*—In October, 1931, the Chamber of Shipping of the United Kingdom forwarded to the Committee a resolution in the following terms passed by the Council of the Chamber:—

"that the Imperial Shipping Committee be asked to investigate the use that is being made of electricity for loading and discharging cargo, including the supply of electricity for ships while in port for the ship's own use, for loading, pumping and all other auxiliary services, and to advise how its fuller use may be encouraged so as to promote economy and efficiency in the work of ships in port."

It was subsequently ascertained that the Chamber wished the investigation to be confined in the first place to the United Kingdom on the understanding that it might be extended later to include ports in the Empire overseas.

It appeared that the question had become urgent because when modern ships with much refrigerated space go into dry dock it was undesirable that the ship's own engines should be worked to maintain refrigeration, and that a supply of electricity should be available from outside the ship. There were other questions, such as the supply of electricity from the quay to ships lying in wet dock and the use of electrical in preference to hydraulic apparatus for loading and discharging ships.

The Committee agreed with a suggestion of the Chamber that the enquiry should commence in London and that, in view of the technical character of the investigation, the Chairman should convene a Conference at which he would preside, and to which the Chamber of Shipping, the Port of London Authority, the Central Electricity Board, the Electricity Commission and the River Thames Drydock Proprietors and Ship Repairers Association should be invited to send representatives. The Committee

appointed a Sub-Committee consisting of a shipowner and a shipbuilder from its membership to support the Chairman. The Conference was held on the 22nd January, 1932, and an exchange of views took place. It was decided that in the first place the representatives of the Shipowners and Ship-Repairers should prepare, in consultation with the Port of London Authority, a detailed statement of their requirements at the London and Tilbury Docks and should submit this statement to the Imperial Shipping Committee, who if they approved would then forward it to the Central Electricity Board and the Electricity Commission in order that these bodies might consult with the Port of London Authority and the Electricity Supply Companies concerned as to the means by which the facilities required could best be provided at a reasonable cost, the result of such consultations being reported to the Committee in due course.

This procedure was followed and as a result lower prices for the supply of electricity were arranged in connection with the installation of certain increased facilities. In acknowledgment of the services rendered by the Committee, the General Manager of the Chamber of Shipping wrote as follows:—

“ The action which you have so successfully taken in regard to London suggests that the best way of dealing with the subject is that it should be tackled in each port by all concerned, shipowners, port authorities, and electricity supply authorities, in the same spirit of co-operation as you have encouraged in this case, in the light of local circumstances and taking into account all economic considerations. A recommendation on those lines would be extremely helpful when similar questions arise from time to time in other ports as they are bound to. The London arrangement contains an example of the introduction of electric lifting gear, as well as electric lighting and power, and illustrates, therefore, both sub-divisions of the enquiry suggested.”

We have quoted these words because they illustrate the value of Conferences held in suitable cases under the auspices of the Committee.

57. *Freight Rates on Wheat and Flour in the Northern Atlantic.*—In November, 1931, the High Commissioner for Canada communicated semi-officially to the Committee copies of correspondence relating to a complaint as to the freight rates on wheat and flour in the North Atlantic. The complaint was to the effect that a higher rate of freight was being charged from North Atlantic Ports to Glasgow than from the same Ports to other United Kingdom Ports, with the result that, apart altogether from the loss of trade to Glasgow, a proportion of the Scottish trade in wheat and flour was being diverted from Canada to non-Empire sources.

The High Commissioner enquired whether on the facts as disclosed by the correspondence, the matter was one which the Committee would be prepared to investigate, and he was advised that, in the opinion of the Committee, because of the diversion of the trade from Empire to non-Empire sources, the complaint fell within their terms of reference, and they would accordingly be prepared to investigate any complaint submitted to them in the usual way by the Government of Canada.

58. *Insurance of Shipping on the Canadian Great Lakes.*—In May, 1931, the Institute of London Underwriters drew the attention of the Committee to the situation which had been created on Lake Ontario by the opening of the new Welland Canal from the Upper Lakes. For the first time the large ships employed on the Upper Lakes would have access to Lake Ontario. The Underwriters pointed out that the largest drydock on Lake Ontario was at Kingston and was only 350 feet long. If a vessel longer than this met with an accident on Lake Ontario she might become a total loss because in her damaged condition she might be unable to re-pass the Canal. Even if she were able to return to Lake Erie the nearest drydock capable of accommodating large vessels was in United States territory at Buffalo and

the nearest Canadian drydock was at Collingwood 1,000 miles distant on the Georgian Bay of Lake Huron. In the former case the Underwriters complained that there was a duty of 25 per cent., plus 1 per cent. Sales Tax, levied by Canada on all repair work of a permanent nature carried out in the American Drydock at Buffalo. In the latter case a long voyage by a damaged ship over possibly rough water was involved. In view of these risks the Underwriters stated that they might have to raise the insurance rates for vessels trading on the Great Lakes.

A question of the scope of the Committee's terms of reference was here involved. It was clear that, whatever may be the position if and when ocean-going ships are able to reach the Great Lakes, under present conditions the matter was outside the Committee's terms of reference, since there was no question of shipping communications between different parts of the Empire. Moreover, questions of policy in regard to a foreign country might be involved. In view of the fact, however, that the Underwriters of one part of the Empire and Shipowners of another part were involved, the Committee replied that they would go so far as to bring the matter to the notice of the Canadian Government, and this was done in November, 1931.

62. *Proposed Dry-Dock at Suva, Fiji.*—In February, 1932, the Secretary of State for the Colonies invited the views of the Committee on a proposal to construct a dry-dock at Suva, Fiji, sufficient to accommodate vessels of 3,000 tons light displacement, and estimated to cost about £160,000.

The Committee consulted the principal Shipping Companies operating in the South Pacific, with a view to ascertaining the extent to which such a dry-dock would be utilised, and the replies received showed conclusively that the dock would only be of service in times of emergency or in cases of accident, and that it would not be a commercial success. The Committee therefore advised the Secretary of State for the Colonies that they were unable to recommend that the construction of the proposed dry dock should be undertaken.

63. *Dredging of Hong Kong Harbour.*—In June, 1932, the Secretary of State for the Colonies invited the opinion of the Committee on certain proposals to dredge Hong Kong Harbour in the vicinity of the Hong Kong and Kowloon Wharf and Godown Company's Piers on the west side of Kowloon Point.

The dredging of different parts of the Harbour at Hong Kong has been under consideration by the Committee on more than one occasion. When the particular scheme now in question was considered by the Harbour Advisory Committee there had been a difference of opinion as to the depth to which dredging should be done, and the Governor of the Colony had therefore requested that the matter might be referred to the Imperial Shipping Committee and had asked for permission to dredge to whatever depth the Committee might advise.

The Committee came to the conclusion that a depth of 36 feet was desirable for the manoeuvring of the larger liners while approaching the piers of the Hong Kong and Kowloon Wharf and Godown Company, and decided to recommend that the area in question should be dredged to this depth, provided that the dues of the port should not be increased. They further suggested that, in view of the fact that a considerable part of the cost of all dredging schemes is involved in bringing plant to the spot, there might possibly be room for co-operation in the matter with the Harbour Authorities of other Eastern ports of the Empire.

While conducting this Inquiry the Committee learned that the Admiralty had under consideration the dredging of an adjacent portion of Hong Kong Harbour, and they therefore suggested that the two proposals might be undertaken as a single scheme with resulting economy.

64. *Broadcasting of Weather Maps.*—The Imperial Conference of 1930 passed a resolution on this subject in the following terms:—

“The Conference notes with approval the work now under way in the United Kingdom and Australia in connection with the transmission of weather maps by radio for the use of Shipping and Aviation Services. The Conference wishes to draw the attention of all Governments of the Empire to the great importance of this Service, both to shipping and to aircraft, and recommends that the Imperial Shipping Committee be asked to study this question with a view to promoting the further development of the Service as an aid to navigation.”

In pursuance of this resolution the Committee invited the Air Ministry to furnish them with full information on the subject in order that it might be placed before the shipping interests with a view to ascertaining the extent to which it was likely that shipping would be able to take advantage of the facilities offered.

The Ministry supplied detailed memoranda explaining the scope of the scheme and more especially emphasised the fact that the price of the receiving apparatus to be installed on ships would depend on there being an adequate demand for such apparatus. The Committee then consulted the Chamber of Shipping and the Liverpool Steamship Owners' Association who referred the matter to their Joint Wireless and Joint Marine Superintendents' Committees. These Committees replied that they did not think that there would be any appreciable measure of support for the scheme from the shipping interests, since in their opinion it would not offer sufficient advantage over the existing arrangements for the transmission of information as to weather conditions.

65. *Freight Rates on Fertilisers to South Africa.*—In March, 1932, the Anglo-Continental Guano Works Limited brought a complaint to the Committee on a question relating to the differential treatment of Continental shippers of fertilisers to South Africa as compared with British shippers. The Conference Lines to South Africa had announced a general surcharge of 20 per cent. on all outward freights as from the 1st April, 1932. In respect of fertilisers, however, the Conference Lines had a contract with certain Continental shippers guaranteeing them shipments at the existing freight up to the end of 1932; consequently the Conference Lines could not apply the 20 per cent. surcharge to shipments from these sources and thus the British shippers of fertilisers were left at a disadvantage to the extent of the 20 per cent. surcharge. In view of the representations of the Committee the Conference decided not to impose a surcharge in the case of British shipments of fertilisers and the existing general rate therefore remains in force until the end of 1932.

In August, 1932, the Anglo-Continental Guano Works Limited informed the Committee that it appeared that Dutch shippers of fertilisers to South Africa were obtaining preferential treatment by reason of a rebate of freight which was being allowed to them by the South African Steam Conference. In the case of these Dutch shipments it was possible for ocean-going steamers to load directly at the wharves of the Dutch manufacturers, thereby saving the ship certain costs of loading. The rebate complained of was ostensibly in respect of these services, but the contention of the British firm was that the amount of the rebate was excessive and out of proportion to the value of the services rendered, and that as a result Continental shippers received an advantage of as much as one Dutch Florin per ton on a material, the selling price of which was about £2 10s. f.o.r. Durban.

The Conference have informed the Committee that the whole question of the shipment of fertilisers is to be considered at the end of 1932 in consultation with the interests concerned, and there for the present the matter rests.