

XIII. WORK OF COMMITTEE ON ECONOMIC CO-OPERATION.

The discussions in the Committee on Economic Co-operation were chiefly devoted to examining the question of a quota for Dominion wheat* milled in the United Kingdom, and it was found convenient to remit to sub-committees the examination of other subjects referred to the committee. The reports of these sub-committees were adopted by the Committee on Economic Co-operation.

(a) A QUOTA FOR WHEAT.

On the question of a quota for wheat, the committee reported as follows :—

1. The committee have devoted a large part of their time to examining the suggestion that steps should be taken to secure that a guaranteed proportion of the wheat milled in the United Kingdom should be of Empire growth.

2. The committee were informed that about 120,000,000 cwt. of wheat are milled annually in the United Kingdom, of which about 15 per cent., or 18,000,000 cwt., consists of wheat grown in the United Kingdom, the remainder being imported wheat. Of the total imports of wheat in the six years ended 1929, the proportion consigned from British countries amounted to 48 per cent. But, owing to the fact that some Canadian grain is stored in elevators in the United States and shipped from United States ports, the above figures of consignments do not accurately represent the real figures of wheat of Dominion growth imported into the United Kingdom. We referred this matter to a sub-committee of experts, who gave it as their opinion that the average figure of the imports from British countries during the six years ended 1929 may not have been in excess of 53 per cent. of the wheat grain imported into the United Kingdom; that the use of 55 per cent. as a basic figure would adequately cover the element of uncertainty attaching to the calculations; but that in order to arrive at an accurate figure further information is necessary beyond that at present available. Adding to this the wheat of United Kingdom growth which is milled in the United Kingdom, the use of 55 per cent. of the total *imports* as the basic figure for a Dominion wheat quota would be equivalent to the use of a figure of 47 per cent. of the total quantity of wheat *milled* in the United Kingdom. In addition, the sub-committee reported that flour-imports from the Dominions amounted on the average to 335,000 tons a year, and if this is converted into wheat the percentage of the total consumption of milling-wheat and flour in the United Kingdom attributable to Dominion wheat and flour would be increased to 49 per cent.

3. The object of a quota for Dominion wheat would be to secure that a guaranteed and, if possible, increasing proportion of the total quantity of wheat milled in the United Kingdom was of Empire growth. It was stated on behalf of the United Kingdom delegation that no price guarantee could be given for Dominion wheat, and that the suggestion was confined to securing a guaranteed share of the import requirements at world prices. We were informed that a quota scheme for United Kingdom wheat had been under examination for some months, and that the machinery and procedure had been discussed in detail with the trade organizations concerned. We have had prepared the outline of a similar scheme applicable to Dominion wheat, which is attached as an annex to this report.† The essence of this scheme is that certificates should be issued by His Majesty's Customs in the United Kingdom in respect of all imported wheat passed through the Customs which they are satisfied is of Dominion growth. Wheat-millers would be required to produce evidence of purchase (including the surrender of Dominion wheat certificates issued by the Customs) of the prescribed minimum quota. The certificates would be transferable in the same way as other contract documents, and divisible, and, in order to save unnecessary transport, would not necessarily remain attached to the wheat or flour in respect of which they were issued. In the event of undesirable results following on the transfer of certificates, the situation would require to be dealt with by the authority in charge. The scheme would have to be elaborated in greater detail before the plan could be embodied in legislation or put into operation, and for this purpose consultation with the trade interests concerned might be necessary.

* *I.e.*, Wheat imported from the other parts of the British Commonwealth.

† See page 28.