

In view of the above statement made by the representatives of His Majesty's Government in the United Kingdom, the representatives of His Majesty's Government in the Union of South Africa made the following statement :—

“ The Government of the Union of South Africa declare that the existing preferential margins accorded by South Africa to the United Kingdom will not be reduced for a period of three years or during such shorter period as the existing preferential margins accorded to South Africa by the United Kingdom may remain in force.”

The discussion arising out of the statements made at the Second Plenary Session was continued at a series of meetings of Prime Ministers and heads of delegations held between the 9th and 17th October, in the course of which it was intimated on behalf of His Majesty's Government in the United Kingdom that they were opposed to any policy involving duties on foodstuffs or raw materials. They suggested that there were other methods worthy of examination by which the common object of increasing inter-Imperial trade might be attained, and in this connection mention was made of quotas, import boards, bulk purchase, direct exchange of commodities, and the promotion of agreements between industrialists, and improved machinery for inter-Commonwealth consultation in economic matters. During these discussions it became apparent that the Governments of the wheat-exporting Dominions (Canada and Australia) attached special importance to increasing the sales of their wheat in the United Kingdom, particularly in view of the depression in the world's wheat-markets. An informal committee of Ministers representing the United Kingdom, Canada, and the Commonwealth of Australia was accordingly set up to explore the wheat situation.

On the 14th October this informal committee was reconstituted as the “ Committee on Economic Co-operation,” under the chairmanship of the Right Hon. William Graham, M.P., President of the Board of Trade, and representatives of New Zealand, the Union of South Africa, the Irish Free State, Newfoundland, and India were added to it. The subjects referred to the committee by the meetings of Prime Ministers and heads of delegations for examination were as follows :—

The quota system.

Bulk-purchase schemes, Import Boards, direct exchange of commodities, and the promotion of agreements between industrialists.

Imperial Shipping Committee, Imperial Economic Committee, and Empire Marketing Board.

The Report of the Committee on Economic Co-operation, which is dealt with in Section XIII below, together with the views expressed on behalf of the various Governments, were considered at meetings of Prime Ministers and heads of delegations held on the 12th and 13th November.

At the latter meeting it was decided to recommend the following resolutions, which were adopted by the Conference :—

“ I. The Imperial Conference records its belief that the further development of inter-Imperial markets is of the utmost importance to the various parts of the Commonwealth.

“ II. Inasmuch as this Conference has not been able, within the time-limit of its deliberations, to examine fully the various means by which inter-Imperial trade may best be maintained and extended, it is resolved that the Economic Section of the Conference be adjourned to meet at Ottawa on a date within the next twelve months to be mutually agreed upon, when that examination will be resumed with a view to adopting the means and methods most likely to achieve the common aim ; provided that this reference is not to be construed as modifying the policy expressed on behalf of any of the Governments represented at this Conference.

“ III. The agenda for the meeting referred to in the previous resolution will be agreed between the several Governments.”