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- (ii) reserve freedom of action to use any necessary means to protect British shipping and shipbuilding against unfair competition by any flag; and
- (iii) retain the right to support, under clearly defined conditions, any service deemed essential to Commonwealth communications which could not be self-supporting for reasons outside the control of the operators of the service.

(e) General Shipping Policy

It is suggested that the traditional policy of freedom for all flags, as embodied in the international agreements and treaties in force before the war, should be maintained.

4. I believe that the ideas set out above would not involve any change in the fundamental principles which govern the shipping policies of the various parts of the Commonwealth. The war has, however, brought home forcibly the truth that merchant shipping is a vital necessity to the Commonwealth, and the co-operation of all its Governments is necessary to create the conditions in which British shipping enterprise can flourish. It will probably not be possible, within the time available at this Meeting, to do more than review the main principles involved, and arrangements for more detailed discussion seem desirable. In pre-war years, the Imperial Conferences provided the opportunity for the consideration of common shipping problems, while the Imperial Shipping Committee investigated and advised on specific shipping problems referred to it. The question of the best arrangements for consultation in the general interest, particularly in connection with the shipping problems I have mentioned, might be left for subsequent discussion between Governments.

L.

9th May, 1944

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