

APPENDIX (A).

DISTRIBUTION OF THE ROYAL AIR FORCE.

(Service Units.)

United Kingdom—

- 2 squadrons, army co-operation.
- 2 squadrons, reserve (probably to become army squadrons).
- 1 squadron, communications.

Navy—

- 3 flights, reconnaissance.
- 3 flights, fleet spotters.
- 3 flights, ships' fighters (for embarkation in three aircraft carriers).
- 2 flights, torpedo aircraft.
- 1 flight, flying boats.

(All naval flights comprised of six aircraft each, except the boat flight which is comprised of five.)

Malta, navy—

- 1 flight, reconnaissance.
- 1 flight, fleet spotters.
- 1 flight, ships' fighters (for embarkation in Mediterranean Fleet aircraft carrier).
- 1 flight, seaplanes.

Egypt—

- 3 squadrons, under General Officer Commanding, Egypt, for operations.

Palestine—

- 1 squadron, internal security under Air Ministry.

Transjordan—

- 1 flight, internal security under Air Ministry

Aden—

- 1 flight, under General Officer Commanding, Aden, for operations.
- (Also available for operations in Somaliland.)

India—

- 6 squadrons, under Commander-in-chief, India, for operations.
- (The expense of these squadrons is borne by the Indian Government.)

Iraq—

- 8 squadrons, internal security under Air Ministry.

Note.—In addition to the above, there are now authorised a total of 52 squadrons for Home Defence, to be stationed in the United Kingdom. Of these—

- 3 are already formed.
- 15 are in process of formation.
- 34 are recently sanctioned.

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PROHIBITION AND LIQUOR-SMUGGLING IN THE UNITED STATES.

Memorandum by the Foreign Office.

THE stages of the prohibition question in the United States as affecting Anglo-American relations are briefly as follows:—

1. The enforcement of prohibition (January 1920) was followed by liquor-smuggling, at first sporadic and then continuous, particularly from the West Indies.

2. From the end of 1922, cases of the seizure of British vessels outside the 3-mile limit grew more and more frequent, the United States Government basing their action on a section in their customs laws (akin to the old British "hovering" laws), which gave them jurisdiction (including the right of search, but not explicitly of seizure) within a 12-mile limit.

3. His Majesty's Government lost no time in formally reserving their right to protest against seizures of British vessels outside the 3-mile limit, and a series of protests in individual cases followed. In the summer of 1922, seizures became increasingly frequent (owing to the strengthening of the prohibition flotilla), and a clause was surreptitiously introduced into the United States Tariff Act of 1922 expressly affirming the right of seizure for customs purposes within a 12-mile limit. His Majesty's Government therefore intensified their diplomatic pressure; the United States Government gave way, and the United States Cabinet in September 1922 promulgated a ruling that no seizures were to be made outside the 3-mile limit unless the small boats of the vessel concerned could be shown to have entered that limit for an illegal purpose. His Majesty's Government have refused to accept the principle of international law implied in this reservation.

4. Prior to their abandonment of the claim to a right of seizure within a 12-mile limit, the United States Government addressed to His Majesty's Government a request (in June 1922) substantially identical with that which they have now put forward. This request Sir A. Geddes was instructed to reject in a despatch, dated the 30th September, 1922, on the grounds that His Majesty's Government had in the past consistently opposed any suggestion for the extension of territorial waters, and that they felt unable to reverse their attitude on an important question of principle in order to meet an emergency which they were confident would prove a temporary one.

At the same time Sir A. Geddes was instructed to affirm that "His Majesty's Government are desirous of assisting the United States Government to the best of their ability in the suppression of the traffic and in the prevention of the abuse of the British flag by those engaged in it."

5. The United States Government have made various proposals as to the steps which could be taken to assist them to check smuggling. They suggested that His Majesty's Government should give information of shipments of liquor from British ports, that transfer to British registry of United States vessels should be refused unless permits from the United States Shipping Board had been obtained, that exporters under bond should be required to land cargoes at places specified in the clearance papers, and that the export of liquor from the United Kingdom should be prohibited except under licence. After careful consideration of these proposals by the departments of His Majesty's Government concerned it was found impossible to give effect to any of them. On the other hand, the United States Government were informed that His Majesty's Government were prepared to stop fraudulent transfers to British registry when the ownership in fact remains American, to stop the issue of double clearance papers and to delay the survey of vessels in suspicious cases until enquiries had been made in London. Moreover, the attention of the Governor of the Bahamas was drawn to a number of irregularities which had occurred.

6. It must be admitted that the cumulative effect of these measures has been to interfere little, if at all, with the use of British facilities by the liquor-smugglers and their financial "backers." The revenue statistics of the British West Indies (particularly the Bahamas) since the introduction of prohibition in the United States show (a) an enormous increase in the quantity of imported wines and spirits, (b) the inauguration and development of an entirely new export trade in these commodities. There is no secret about this and the statistics are readily available to the United States Government.

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