

shipping shortage. He would welcome any suggestions in this connection by the Dominion Prime Ministers.

Reconstitution of Fleets of Maritime Powers

We should have a programme of reconstruction and development for shipping registered in the Commonwealth, on both economic and defence grounds. The amount of tonnage now building here would go only a very small way towards replacement.

Re-establishment of Shipping Services on an Economic Basis

He suggested that the general aim of the Governments of the British Commonwealth should be to enable British shipping to provide the Commonwealth and other parts of the world with efficient shipping services at a competitive price. Before the war, the Liner Conferences had played a useful part in this connection. He had it in mind that we should re-establish that system.

LORD LEATHERS added that he had said nothing in paper about Air Transport. He recognised that the development of air travel might create a new form of passenger traffic, but he was not at this stage disposed to think that air transport would make a big inroad into passenger traffic by sea.

MR. MACKENZIE KING said that all Lord Leathers had said commended itself very strongly to him. The Canadian Government welcomed the initiative taken for providing for orderly shipping in the transitional period. The Canadian Government had an Advisory Committee on Shipping which he would like to consider the points raised by Lord Leathers, after which a carefully considered opinion could be formulated. He agreed that post-war Commonwealth shipping policy could best be taken up at a later stage by Governments. LORD LEATHERS said that the lines between Canada and Australia might want some financial support. It was very desirable that these lines should be run. Nothing that he had said would rule out such support.

MR. CURTIN said that the Australian Government would endorse the views expressed in Lord Leathers' memorandum in their entirety. He wished to mention certain points, though not in contradiction to the views expressed in that memorandum. They were as follows:-

- (a) It was essential for Australia to maintain an adequate mercantile marine. This involved the continuation of the Australian Navigation Act which reserved Australian coastal traffic to Australian ships.
- (b) Australia must have her share in shipping services between Australia and the Pacific, and the Netherlands East Indies and Malayan areas. Before the war there had been a good deal of alien infiltration in these areas, and it represented a menace to security, as well as being undesirable economically. Australia proposed to continue to develop shipbuilding, both by way of developing her mercantile marine and as a measure of security. She must be sure of ships and must have continually available skilled craftsmanship and capacity to repair ships of war and ships of the mercantile marine, which could only be guaranteed by the continual provision of work of that nature in Australia.