

"5. That a general system of subsidies other than for services rendered is costly and inexpedient.

"6. That rare cases occur where in view of special imperial considerations subsidies are necessary for establishing fast direct British communication and that at the present moment such a subsidy should be favourably considered for a line to East Africa where there is no direct British steamship service, and where British trade is handicapped by foreign subsidised steamship lines.

"7. That in all cases of subsidies it is desirable as far as possible to observe the following principles :—

"(i.) That every endeavour should be made to maintain the pre-eminence of British lines, and that it is desirable to secure unification of control by placing the final negotiations in the hands of a small permanent Committee.

"(ii.) That a condition of adequate speed should form part of every subsidy, to ensure rapid communication within the Empire, or to secure fast carriers of food supplies in time of war, or to meet Admiralty requirements.

"(iii.) That no British subsidy should be granted except on condition that the whole or partial sale or hire of any ship in receipt of the subsidy cannot take place without permission of the Government.

"It is desirable that the majority of the boards of directors of subsidised companies should be British subjects.

"(iv.) That on subsidised vessels the captain, officers, and a proportion of the crew ought to be British subjects.

"8. That with a view to the fair competition of British shipowners with their foreign rivals—

"(i.) Board of Trade regulations should be enforced against foreign ships equally with British ships.

"(ii.) Light dues should be abolished.

"(iii.) Means should be taken to obtain the removal of foreign laws and regulations which exclude the British shipowners from the trades appropriated by various foreign Powers to their own shipping as "coasting trade," and that if need be, regulations for the admission of foreign vessels to the British and Colonial trade of this Empire should be used with the object of securing reciprocal advantages for British shipowners abroad."

Mr. LLOYD GEORGE : The Committee reported very strongly against general subsidies, and they came to the conclusion that subsidies are the minor factor, and commercial skill and industry the major factors, in the recent development of the shipping and trade of certain foreign countries, and notably of Germany, where, for example, the granting of through bills of lading by the State railways has had an important effect. In some other countries subsidies have led to no satisfactory results. May I say this, that in my judgment if we wanted really to give the best possible Government assistance to our trade it would be by means of a reconsideration of the whole problem of our railway system, because the railway system in Germany is so worked as to assist the export trade of Germany. Our railway system is worked here so as to help the man who wants to import from foreign countries. The German railway is a bonus on exports; the British railway is a bonus to the foreign exporter to this country.