

C.S.

TREASURY AND CUSTOMS.
MISC.
LEGAL.
MISC.

1932.

No. 43/32.

SHI/CUS/1#10

S.of. S. Circ. Telegram

SUBJECT.

1932.

4th February.

Previous Paper.

"FREE ENTRY" TO ENGLAND OF COLONIAL PRODUCE.

(NEW TARIFF PROPOSALS INTRODUCED BY IMPERIAL GOVERNMENT
FEBRUARY. 1932.)

See H.P. 233/32.

2/21/32

MINUTES.

1-2
Circular telegram from S.of. S. 4/2/32.

*The Treasurer
at Coll. of Customs.*

For your consideration

please, as early as convenient.

J. Miller

8-2-32

Subsequent Paper.

Hon. Col. Sec.

There is no import and export trade between this Colony and the Dominion so the question of preference does not appear to affect us. Certain Dominion products are imported into this Colony from the U.K., and the importer here would get the benefit of the full preference given in the home markets for such goods.

2. The import and export trade of this Colony is almost wholly with the U.K. Certain foodstuffs such as butter, fruit, vegetables and cereals are imported from S. America. Conditions do not admit of such goods being imported direct from the Dominion owing to the absence of direct sea transport.

3. I consider it would assist Empire trade if an Import Tariff was imposed on all articles of Foreign manufacture other than foodstuffs.

Mr. Emile Kalthoff,
Treasurer

8. 2. 32.

y.2.

Draft despatch submitted.

Just

22.4.32.

Hon @ S.

yes! the draft of
despatch covers the
ground in brief form giving
emphasis to the ease of work

I approve

J.G.
22-4-32

3-4.

Despatch to S. of S. no. 6 of 26/4/32.

67.

30. 7. 32.

pl 30. 4. 32.

(Gpher)

Circular Telegram from S. of S. No. 42. 9/7/32. 5

Telegram from S. of S. No. 43. 9/7/32. 6

G.P.

Resh 6-5 submitted.

Just

11. 7. 32.

Hon C. S.

Noted.

g.s.
11-4-32

G.P.

20. 8. 32.

Just

12. 7. 32.

S. of S. Despatch of June. 17th. No. 77. 7.

Despatch to S. of S. No. 163 of 20/8/32. 8-9.

Telegram from S. of S. 24th August 1932. No. 47. 10-12.

Telegram from S. of S. 24th August 1932. No. 48. 13-15

Note from J.E. the Governor. 27/8/32. 16.

y. 2. With reference to at "A"
 or vol 14 y. 2. may wish
 provision made in our Tariff Bill
 (dealing with the exemption of Empire
 nations) for the present, say, of
 a 10% rebate on the import
 duty in respect of manufactured
 tobacco cigarettes etc. manufactured
 for Empire tobacco?

Hou P. B.
 yes: I agree
 with your suggestions
 J.P.
 1-9-32

G.P. 23. 9. 32.

J.P. 23. 9. 32.

J.P.

31. 8. 32.

Telegram from S. of S. No. 52. of 14/9/32. 17-18

J.P. Submitted. The necessary

action is being taken i.e. in

regard to the part of preference

on exports of Special tobacco.

Hon C.S.

J.P.

Noted J.P.
21.9.32

20.9.32.

G.F.

22. 10. 32.

J.P. 22. 9. 32.

Telegram from S. of S. No. 54 of 26/9/32. 19-20

J.P. Submitted.

Hon C.S.

Noted. It does not seem as it
will affect the Colony much
However we will advise 29. 9. 32.
bell in line J.P. 29.9.32

J.P.

22. 10. 32.
9. 32
30. 9. 32

21-59. S. of S. Despatch No. 117 of 27th August 1932.

The Treasurer *[Signature]*
19.X.32

The P.O. James Mill. 19.X.32.

Please see.

[Signature]
—
y

17. 10. 32.

~~10/10/32.~~
~~19/10/32.~~

PA
10/11/32.

60-61 S. of S. Despatch No. 147. of 11th November, 1932.

78/87 05

To Treasurer McH
14. XII. 32

To P. N. O. J.M. 15. 12. 32

Please see

W. E.

13. 12. 32.

P. N. O.
17. 12. 32

Telegram No. 35 from S. d. S. d. 23/5/36. (62)

W. E.
W. E. re (62) I suggest that a telegraphic reply
might be sent in the following terms:
" W. E. of telegram dated 23rd May I have no observations
or modifications to suggest in connection with the
Ottawa agreements referred to therein."

W. E. re 27/5/36

W. E.
27/5/36

W. E. 27/5

(63) Telegram to S. of S. No. 28 of 28/5/36.

P.A
29/5/36

64. Telegram from S. of S. No. 53 of 4/7/36.

V.E.

Submitted.

7/7/36

7/7/36

P.A
9/7/36

DECODE.

TELEGRAM.

From Secretary of State.

To H. E. the Governor.

Despatched: 4th February, 19 32. Time: 1645

Received: 5th February, 19 32. Time:

No. 12. Circular. New tariff proposals introduced today give free entry to all articles included in tariff if produced in and consigned from a British Colony or Protectorate. Duty is 10 per cent ad valorem.

Tariff will cover nearly all articles not approved as regards subject to duty which are or are likely to be produced in Colonial Empire, and production of which can be assisted by preference. This complete change in United Kingdom policies will I know be warmly welcomed throughout Colonial Empire and will I hope lead to a steady increase in trade between this country and Colonial Dependencies. The preferences and Colonial Dependencies. The preferences accorded by many Dependencies to the Mother Country are fully appreciated here, and present policies show desire of Home Government to reciprocate to full. I feel sure that those Colonies and Protectorates where tariff includes United Kingdom manufactures upon which no preference is at present given will wish to review position in the light of preferences now proposed by this country. It is realised of course/

DECODE.

TELEGRAM.

From..... The Secretary of State.

To..... His Excellency the Governor.

Despatched : 9th July, 19 32. *Time* : 19.00

Received : 10th July, 19 32 *Time* : 10.30

No. 42. Circular. I leave England on 13th July on "Empress of Britain"
After that date all telegrams regarding Tariff negotiations
at Ottawa should be addressed to me care of the High Commissioner
for His Majesty's Government in the United Kingdom in Canada.
In cases of great urgency they may be addressed by W/T to the
"Empress of Britain" until 17th July. All telegrams should
be repeated to Colonial Office.

Secretary of State.

DECODE.

TELEGRAM.

From The Secretary of State.

To His Excellency the Governor.

Despatched : 9th July, 1932. *Time* : 19.00

Received : 10th July, 1932. *Time* : 10.30

No. 43. My immediately preceding telegram. Messages addressed on board ship should be in code for others C.O.4. and D.O.1930 are available also.

Secretary of State.

FALKLAND ISLANDS.

No. 77c



DOWNING STREET.

17
June, 1932.

Sir,

Red. 4.

I have the honour to acknowledge the receipt of your despatch No. 86 of the 26th April, 1932, and to inform you that I appreciate and welcome your proposal to remit the existing duty on matches manufactured in or consigned from the United Kingdom or from any part of the British Empire, including the Dominions.

2. I have given careful consideration to your remarks that as the export trade of the Falkland Islands consists almost entirely of wool, the Colony does not at present benefit from the preferential tariff.

You will however appreciate that since wool is an article of the utmost importance as the raw material of an industry which has a large export trade I feel myself precluded from putting forward a request for the imposition of a duty on this commodity in the United Kingdom.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

(Sd.) H. OUNLIFFE-LISTER.

GOVERNOR,

SIR JAMES O'GRADY, K.C.M.G.,

Ac., Sc., &c.

GOVERNMENT HOUSE,
STANLEY.

30th August, 1932.

FALKLAND ISLANDS.

No. 163.

Sir,

I have the honour to refer to the second paragraph of your despatch No. 77 of the 17th of June, 1932, in which you state that since wool is an article of the utmost importance as the raw material of an industry which has a large export trade you feel yourself precluded from putting forward a request for the imposition of a duty on this commodity in the United Kingdom.

2. I appreciate fully the point you make that wool being a raw material of this description it would not be good economics to impose upon it generally a preferential tariff. I would ask you, however, to consider the case of Falkland Islands' wool as special in the sense that except for Patagonian wool the Falkland Islands produce a class of wool that no other country outside the Empire or Dominion or Colony within the Empire produces. It is not high grade wool and therefore even in the best of circumstances does not command a high price. It has in fact a market of its own because it is a low grade wool, useful nevertheless for a certain category of textiles. Furthermore the quantity of this class of wool placed on the market is small indeed compared with that from the great producing areas within the Empire and, as I have said, there is no competition to be met locally from them nor is there from any

country/

THE RIGHT HONOURABLE
SIR PHILIP CUNLIFF-LISTER,
C.B.E., F.C., I.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES.

country but Patagonia.

3. Therefore if a preferential tariff of 20% were imposed on foreign wool so as to discriminate in favour of Falkland Islands' as against Patagonian wool it would not affect materially the price of the manufactured article in the United Kingdom either for internal consumption or for export trade. I know that producers in Patagonia were expecting some such discrimination in favour of the Falkland Islands and that these with interests both in Patagonia and in the Falkland Islands took the view that what they stood to lose on the "swings" they would gain on the "round-about".

4. You will be aware that the prices realised last season for local wool were poor being very little above the cost of production; with the result that farmers have attempted to meet the situation by a cut in wages, varying from 10% to 31 a month, and by reducing the number of their employees. In the latter case the men and their families have drifted into Stanley and have accentuated the unemployment problem to such an extent that the balancing of the budget for next year is causing grave anxiety.

5. I am constrained accordingly to enquire in all earnestness whether the matter cannot be reviewed in the light of the case set out in this despatch.

I have the honour to be,

Sir,

Your most obedient
humble servant,

TELEGRAM.

FROM. Secretary of State.
TO. His Excellency the Governor.

Despatched. August 24th, 1932 3.20 a.m.
Received. August 25th, 1932. 11.00 a.m.

No. 47. Following from Secretary of State in Canada. Details of arrangements referred to therein will be communicated later. Begins. No that Imperial Conference has come to an end it is possible to inform you of outcome of negotiations which I have been conducting on behalf of Colonial Empire. My objective was to secure increased trade from Colonies to rest of Empire and to afford rest of Empire increased opportunities for selling to Colonies. I sought to obtain wider markets for Colonial products firstly by securing adoption of principles of reciprocity in those Dominions and India whose preferences have not hitherto been granted to Colonial Empire and secondly by securing new or additional preference wherever possible on those commodities which you advised were most important. All dominions and India have agreed on the first principles and agreements which have been made to give effect to it. As regards particular commodities we have obtained preferential advantages for a large number of commodities which were suggested for such treatment. In aggregate new field of preferential trade thus opened is very considerable and though it has naturally not been possible to secure equal advantages for each individual dependency I do not think even from narrow point of view of its individual interest any dependency has reason to complain

its interest has been overlooked. I take this opportunity of testifying to cordiality and friendliness with which my requests on behalf of the Colonial Empire were received by representatives of the Dominions and India.

As you know in putting forward my requests on behalf of Colonial Empire both before Conference met and during Conference I invited Dominions and India to suggest on their part what modifications existing Colonial preferences they desired to propose in order to increase their trade with the Colonies and I am sure that the Colonies on their part will be ready and willing to accede to their proposal not only as a reciprocal return for preferences received and offered but also as an earnest of our common desire to secure fullest measure of Empire Trade.

These proposals are logical counterpart of advantages Colonies secure. In the first place as Dominions and India now offer to whole Colonial Empire any preferences given to United Kingdom they ask that those few Dependencies which at present grant preference to - ? ? - and I feel sure any adjustment of taxation which may be necessary to enable this to be done without prejudice to public revenue will readily be accepted by Legislature.

In the second place dominions and India have asked for grant of new or increased preferences in certain special cases. I am sure Legislature will gladly grant to countries of Empire who have requested them those new preferences which will be particularly helpful in enabling them to promote their trade with the Colonial Empire.

United Kingdom and Dominions will pass legislation giving effect to tariff change immediately their parliaments meet, it is therefore most desirable change in Colonial tariff should be made as soon as possible but not before text of actual agreement reaches you.

As regards publication United Kingdom will probably announce chief preferences United Kingdom is giving to Dominions but it is not desired to publish precise details of tariff change until introduced in Colonies.

I conclude by assuring you how much I appreciate assistance and encouragement which have been received from all dependencies in our preparations of these negotiations and how great a pleasure it has been to me personally to conduct them on your behalf.

I look forward on my return to London to co-operating with the whole Colonial Empire in building up an increasing trade on foundations which we have here laid. Ends. You may publish. I am sending you by the first possible mail text of draft agreements with His Majesty's Governments in New Zealand, Union of South Africa, Southern Rhodesia, Canada, Newfoundland and Commonwealth of Australia. I regret great length of text has made it undesirable on account of cost to communicate it by telegram to each of Colonial Governments.

Decode.

TELEGRAM.

From The Secretary of State for the Colonies.

To His Excellency the Governor.

Despatched : 24th August, 1932. Time: 2.40.

Received : 25th August, 1932. Time: 11.00.

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Red 12-10. No.48 Secret. My immediately preceding telegram.

Following lists are at present for your information only and are not to be made public yet. Secretary of State. Begins Following is list of new preference offered by Dominions, &c.

Except where otherwise stated rate of preference is 10% ad valorem. Asphalt Canada Australia New Zealand South Africa India, beeswax India betel nuts India $7\frac{1}{2}\%$ carbonates soda India cigars 2/- per pound Canada Australia New Zealand Southern Rhodesia Cocoa Australia and New Zealand $\frac{1}{2}$ d Southern Rhodesia 1d per pound coconuts fresh Australia 1/- per hundredweight dessicated Newfoundland four cents per pound fresh (? commodity) products India 10% coffee 1d per pound New Zealand South Africa, Newfoundland (? commodity) southern Rhodesia certain essential oils Canada $7\frac{1}{2}\%$ Australia 15% fish dry and canned India certain fresh fruits Newfoundland India canned and preserved India 10% Australia specific duties fruit juices India 10% Australia specific certain gums (? and) Canada India 10% Australia 15% ivory India certain vegetables oils Canada India oils seeds India semi refined petroleum Canada 1% per gallon plumbago Australia 15% India 10% rum per gallon Australian 5/- New Zealand 4/- Southern Rhodesia 3/- India rupees 3 annas 12 bitters

the same omitting New Zealand. Sago and tapioca all sorts 15% all except flour India 10% flour only Canada $\frac{1}{2}\%$ per pound.

Sisal and aloe fibre India.

Certain spices un-ground Australia 15% New Zealand 10% India $7\frac{1}{2}\%$

Sponges Australia 15%

Tea 2d a pound Newfoundland Southern Rhodesia.

Certain timbers Australia 20%.

Tobacco Australia unmanufactured for making cigars 6d. Manufactured 1/- per pound. India un-manufactured rate to be determined.

Tomatoes Canada 2 cents a pound Newfoundland 20%

Vanilla beans Canada India.

By agreement with Australia Canada will reduce duty on Colonial canned pineapple to 1% per pound.

Chancellor of the Exchequer has announced that he is prepared to introduce following further preferences United Kingdom which will be of substantial value to Colonies : bananas specific preference 2/6 per hundredweight coffee 1d a pound grape fruit 5/- a hundredweight (? ----) white maize 10% tobacco preference to be stabilised for 10 years.


United Kingdom will also give preference of 2d per pound on copper ends. Am addressing immediately to the individual Colonies where concerned telegram summarising preferences requested from territory under their administration by Canada Australia or India. Further from Secretary of State begins.

"A"

Other Dominions have made no specific requests but we have given undertaking to Southern Rhodesia that manufactured tobacco cigarettes, &c., duties will be so adjusted that lesser duty is charged on goods manufactured from Empire tobacco/

than goods manufactured from foreign tobacco. Canada
Australia and India are not publishing for the time being
any details of Tariff concessions to be granted by or to
Colonies. The clauses in the body of the agreement (as
to which see my immediately preceding telegram) are published
textually. Ends.

SECRETARY OF STATE.



GOVERNMENT HOUSE,
FALKLAND ISLANDS.

27. 8. 32

Hon C. S.

Noted - but scarcely
understandable. Will
await later communication
or gather from wireless clear
view before sending telegram
to 'S. of S.'

J. G.

DECODE.

43/32

TELEGRAM.

From THE SECRETARY OF STATE.

To HIS EXCELLENCY THE GOVERNOR.

Despatched: 14th September, 19 32. *Time:* 19.10

Received: 18th September, 19 32. *Time:* 11.00

Red 12-10 No. 52. Secret. My Circular telegram August 24th Number 47. As at present decided publication of full text of agreements will be on October 13th. Full text not likely to reach you by that date but all details necessary for legislation in the territory under your administration have already been sent to you and I shall be glad if you will begin forthwith to prepare legislation to implement agreements as they affect your colony and in so far as this is possible and not precluded by international obligation. You are accordingly authorised to communicate details contained in my

Circular telegrams of August 24th to those of your advisers whose co-operation will be essential in preparing legislation. Apart from this you will appreciate the necessity of complete secrecy upon details of schedules in secret telegrams in order to prevent forestalling. Definite date of publication will be communicated later. Please telegraph early if there are any points on which you desire further information.

Secretary of State.

FALKLAND ISLANDS.

NO. 147



DOWNING STREET,

// November, 1932.

43/32

Sir,

I have the honour to acknowledge the receipt of your despatch No. 163 of the 30th August in which you request that further consideration may be given to the possibility of making an adjustment in the tariff of the United Kingdom to give a measure of preference to wool produced in the Falkland Islands.

2. The Board of Trade, whom I have consulted in this matter, inform me that apart from the general objection to the imposition of a duty on raw wool, which was indicated in my despatch No. 77 of the 17th June, there are special difficulties in the way of adoption of the proposal put forward in your despatch under reply. It would, for example, not appear to be possible to formulate a satisfactory definition for Customs purposes which would provide for the imposition of a duty restricted to Patagonian and other wools of the kind which are in competition with the wools of the Falkland Islands.

3. The heavy decline in raw wool prices during the past few years has severely affected

all

GVERNOR,

SIR JAMES O'GRADY, K.C.M.G.

etc., etc., etc.

all wool-exporting countries and it may be inferred that the difficulties of the Falkland Islands wool industry are attributable to this cause rather than to the competition from Patagonian wool.

4. I agree with the views expressed by the Board of Trade and regret that in the circumstances it would not appear practicable to assist the Colony's wool industry by a tariff adjustment of the kind you suggest.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

(Sgd.) P. OUNLIFFE-LISTER.

250

DECODE.

TELEGRAM.

From The Secretary of State for the Colonies.

To His Excellency the Governor.

Despatched : 23rd May, 19 36. Time : 14.30.

Received : 24th May, 19 36. Time : 10.30.

No. 35. Confidential. Circular. You are no doubt aware that Indian Legislative Assembly have passed a Resolution that 6 months notice should be given of termination of United Kingdom and India Ottawa Agreement. Other Ottawa Agreements are also subject to review next year and I anticipate during the next few months informal discussions with Dominions and India will be taking place. Discussions with Canada may begin within a month's time.

I shall be glad to receive by the earliest possible mail any observations you may wish to make on working of Ottawa Agreements so far as they affect the territory under your administration and any modifications which you may wish to suggest. If you desire to propose any modifications in Canadian Agreement you should notify me briefly by telegram in advance of despatch.

SECRETARY OF STATE.

DECODE.

TELEGRAM.

From H. E. The Governor,

To Secretary of State for the Colonies.

Despatched: 23th May, 19 36. Time :...

Received : 19 ... Time :...

No. 28. Your telegram No. 35 of May 23rd I have no observations or modifications to suggest in connection with the Ottawa Agreements referred to therein.

Governor.

DECODE.

TELEGRAM.

From Secretary of State for the Colonies.

To H. E. The Governor.

Despatched: 4th July, 19 36. Time: 1545.

Received: 5th " 19 " Time: 1030.

Red 62

No. 53. Confidential. My telegram 23rd May. Circular.

The Government of India have now given notice of the termination of the Ottawa Agreement and it will accordingly cease to have effect on November 13th. Negotiations for fresh Agreement expected to open in the near future.

S. of S.