



(c) crown copyright

*Ship. Comm.*

13

THIS DOCUMENT IS THE PROPERTY OF HIS BRITANNIC MAJESTY'S GOVERNMENT)

C A B I N E T .

SECRET.

C.P. 372 (23) .

OVERSEA SETTLEMENT WITHIN THE EMPIRE.

I circulate for the information of my colleagues a memorandum prepared by the Chairman of the Oversea Settlement Committee.

DEVONSHIRE,

1. 8. 23.

IMPERIAL ECONOMIC CONFERENCE.

---

Oversea Settlement within the Empire.

Before the Imperial Conference meets, it is necessary that a decision should be arrived at with regard to the organisation of the Oversea Settlement work. I submitted a memorandum to the Secretary of State on this matter at the end of June, in which I suggested that the Oversea Settlement Office should be permanently transferred to the Department of Overseas Trade, and should be moved to the neighbourhood of Old Queen Street at an early date. It is an impossible task attempting to run satisfactorily two departments situated at considerable distances from each other, and the problem of Oversea Settlement demands a special amount of personal attention. I think I ought to mention that this proposal is not agreed to by the Vice Chairman of the Oversea Settlement Committee.

Turning to the progress of the work, the position may be summed up very briefly as follows:

CANADA. So far, Canada has shown small disposition to co-operate in the schemes concluded with her are negligible. The difficulties, I believe, are mainly political, but it must be borne in mind that Canada has had serious economic troubles in the past two or three years which have, no doubt, prejudiced the farming class against the idea of the Government promoting the influx of further settlers. On the other hand, without co-operating under the Act, she is at the present taking as many migrants as Australia but probably a considerable proportion of these are artisans or industrial rather than agricultural workers.

AUSTRALIA/

-2-

AUSTRALIA. Australia has shown far the greatest zeal and energy of any of the Dominions. In addition to an agreement with the Commonwealth for assisted passages, land settlement schemes have been entered into with Western Australia, Victoria, and New South Wales. Unfortunately, the progress being made under these schemes is disappointing, but they are still in their infancy.

NEW ZEALAND. New Zealand does not afford much scope for migration, but Sir James Allen told me that they hoped to be able to take 1,000 settlers per month. This is about all that they can absorb.

SOUTH AFRICA. The Union Government made it clear at the Conference of 1921 that owing to the limited field for white labour in South Africa, they were precluded from co-operation on the lines contemplated by the other Dominions.

NEWFOUNDLAND. Natural conditions render Newfoundland relatively unimportant.

3. It seem fairly clear that some of the most important of the business relating to oversea settlement will have to be transacted by private discussion with each Dominion, since the problem is a different one from the standpoint of each of the Dominions and their Ministers will not be willing to discuss certain classes of subjects in the presence of representatives of the other parts of the Empire. It will be very desirable, for instance, to endeavour to elicit from the Canadian Prime Minister the real attitude and intentions of his Government, and

this/

this no doubt could only be done in private conversation. If in view of their political and economic conditions it becomes clear that Canada cannot co-operate, we shall have to concentrate in the main on Australia.

4. As regards Australia, I have recently had the advantage of discussing the position with Mr. Percy Hunter, Director of Migration and Settlement in Australia. Mr. Hunter has only just arrived from Australia, and has talked to me in confidence and with great freedom about the settlement schemes already concluded. He does not believe that the States are capable of carrying them to fruition. He urges that we should proceed on different lines, dealing directly with the Commonwealth Government and leaving the Commonwealth Government to make the necessary arrangements with the States. His criticism of the existing schemes is that they relate too exclusively to settlement instead of development, and he considers that much more developmental work has to be done in preparation for successful settlement. As the development is effected, settlement will follow almost automatically, and all that will be required in addition to seeing that placing and after-care of settlers is satisfactory, will be assistance towards passages, as is already provided for under the agreement with the Commonwealth. He hints that Mr. Bruce will express ideas on these lines.

5. Mr. Hunter's proposition is at present somewhat vague in outline. He thinks that the Imperial Government and the Commonwealth Government might agree that 1,000,000 migrants should be settled in Australia during the next ten years. To absorb these people, large developmental works will have to be undertaken in the respective States.

Loans, / .

Loans, totalling perhaps as much as £100,000,000, would have to be floated by the Commonwealth, and the Imperial Government would be invited to contribute (not merely to advance) part of the interest for a period of years. The Commonwealth would make loans from the amount so raised to the States and would bear part of the interest charges itself, so that the States might have the funds at a very low rate of interest. Assuming that the scheme worked out according to plan, the cost to the British Government would include, say, one-third of the interest on £100,000,000, raised at the rate of, say, £20,000,000 a year for five years. If we agreed to contribute to the interest charges for a period of ten years in respect of each instalment, our total contribution on account of interest at  $5\frac{1}{4}\%$  would amount to £17,500,000 spread over fourteen years. In addition to this, there would be our contribution to the assisted passages for 1,000,000 migrants. This cannot be accurately assessed but might amount to £12,000,000, of which £6,500,000 would be recoverable. The £12,000,000 would be paid out of the funds provided under the Empire Settlement Act; the contribution to interest would have to be provided under special legislation.

6. It will be observed that Mr. Hunter's financial proposals are something on the lines of our suggestions in connection with financial co-operation for development within the Empire, but there are two important differences. He regards it as essential that our share in the interest on loans should be a contribution and not an advance, and that the loans should not be limited to expenditure in this country, though he proposes that an undertaking

should/

-5-

should be given by the Commonwealth Government that any material required from outside Australia should be ordered in the United Kingdom.

7. Apart from the inevitable difficulty as to finance, the proposals have distinct attractions. From our standpoint, it would certainly be much more convenient to work through the Commonwealth Government only. It is necessarily very difficult for us to ascertain whether or not the schemes concluded with Western Australia, New South Wales and Victoria, are likely to be fruitful, but it seems clear at any rate that they are going to develop much more slowly than the Premiers expected, and I am inclined to think that we should secure greater efficiency and more certainty of success by coming to terms with the Commonwealth. In any event, it looks as if we shall be invited at the Conference to choose between working with the Commonwealth and working with the States, and we must be prepared with our answer. It is a matter of common knowledge that relations between the Commonwealth and the State Governments in administrative matters of this kind are frictional, and it is not unlikely that Mr. Bruce may in private complain of our having made the settlement agreements directly with the State Governments. In the Conference of 1921, I notice that the Australian representative proposed a Commonwealth scheme apparently somewhat on Mr. Hunter's lines, although on a much smaller scale.

8. I/

-6-

8. I would urge very strongly that if Mr. Bruce makes proposals on these lines and holds out a prospect of being able to bring the State Governments in (which Mr. Hunter thinks is not impossible in view of the difficulties which they are experiencing), we should be prepared to meet him as far as we possibly can. The figures mentioned by Mr. Hunter are probably extreme, but even so, if the Australian Government are in a position to show that an expenditure of some such amount would really enable them to take 1,000,000 migrants in ten years, I venture to think that the results achieved would be more than commensurate with the expenditure which would fall upon this country, when one considers what an important accretion would result to the economic and military strength of the Empire.

9. It is only fair to add that if other Dominions found themselves in a position to co-operate on similar lines, we should have to contemplate contributions to their developmental loans as well as to those of Australia, but this is not a very probable contingency.

10. As I have said above, a good deal of the discussion will have to be done in private with representatives of individual Dominions, but it is also necessary to consider the procedure and subject matter for the Conference itself. I presume the subject of Oversea Settlement would be initiated in a general discussion in the Conference and that it will probably be necessary to appoint a Committee to examine the subject more in detail and to deal with questions of improvement in organisation, etc.

11.....

11. The discussion in the Conference would naturally start from the resolutions of 1921 approving the policy of co-operation for Oversea Settlement. We should give an account of the schemes concluded and the results achieved. We should set forth the difficulties: firstly, the obstacles arising from the war and from the economic conditions of the past few years which have so seriously retarded development, and secondly, points where defective organisation has proved an impediment to migration. Under the first head, we should restate our willingness to consider either proposals under the Empire Settlement Act or proposals with a wider scope as foreshadowed in the telegram on financial co-operation, and I should like to go as far as possible towards giving an opening for suggestions such as those outlined by Mr. Hunter. As regards the second head, we might briefly enumerate the topics as they appear to us and suggest their examination in Committee. The most important item is the question of reception, placing, and after-care of migrants in the Dominions. At present, the responsibility under these heads is entrusted wholly to the Dominion or State Governments or in some cases to voluntary societies. I am considering whether there should be supervision by our own representatives, who would also be of great assistance to us in reporting on proposed schemes, openings for settlement, etc. We shall have to consider how far we should go in this direction. At the moment, we have a delegation in Australia studying this aspect of the problem. They will not be back in time for the Conference, but before it commences, we should have reports from them which should afford some guidance. A recent cable from Sir William Windham, of

which...

-8-

which I append a copy, shows that existing methods cannot be regarded as satisfactory.

12. Other questions which might be considered in Committee are arrangements for training of migrants on arrival and before they are sent up country; the possibility of group settlement; improvements in recruiting methods here, especially so far as cooperation of Dominion representatives is concerned; settlement of families; and settlement of single women and children, and of industrial workers. I have appointed a small Sub-Committee of the Oversea Settlement Committee, consisting of Mr. Macnaghten, Sir William Clark (Department of Overseas Trade), and Mr. Patterson (Ministry of Labour), to prepare data on these subjects, and especially to work out proposals for establishing our own officers overseas.

13. Lastly, I believe it is not unlikely that the suggestion may be put forward at the Conference that a Cabinet Minister should visit the Dominions in connection with migration and settlement. If so, I trust that we shall accept the offer. I am convinced that this will do more than anything else to secure co-operation in Australia between the Commonwealth and the States, and my experience teaches me that this is urgently needed. Without it, no satisfactory migration scheme is possible.

(Signed) ALBERT BUCKLEY.

31. 7. 23.

Your telegram dated 12 July reception  
Queensland. see memorandum posted third week June.  
New South Wales Victoria fairly satisfactory Tasmania  
unsatisfactory Placing Queensland improvement suggested  
in memorandum. New South Wales satisfactory Victoria  
satisfactory for all but women Tasmania unsatisfactory.  
After-care generally not yet sufficiently developed.  
Dreadnought boys New South Wales ex-service men  
Victoria good. Insufficient data on the subject  
discontent. Boy migration most satisfactory form of  
settlement.

WINDHAM.