

IMPERIAL WAR CONFERENCE, 1918.

EXTRACTS

FROM

MINUTES OF PROCEEDINGS

AND

PAPERS LAID BEFORE THE CONFERENCE

Presented to Parliament by Command of His Majesty.
October 1918.



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PRELIMINARY NOTE.

Meetings of the Imperial War Conference took place on various dates between 12th June and 26th July 1918, being held, as a rule, on alternate days to those of the meetings of the Imperial War Cabinet.

A great part of the proceedings was of a highly confidential character and entirely unsuitable for publication, at any rate during the War. Other parts, though not so essentially confidential in their nature, were intermingled with matter which, owing to the circumstances of the moment, must for the present be kept confidential.

The procedure adopted in the present volume has been to publish as many of the Resolutions passed by the Conference as possible, but only such parts of the discussions and papers as are not of a confidential character.

Imperial Conference Secretariat,
August 1918.

I. RESOLUTIONS AGREED TO BY THE CONFERENCE.

The following Resolutions were unanimously agreed to by the Conference, subject to the exception noted in the case of Resolution XIX. :—

I.

Imperial War Graves Commission.

(*Second Day; Monday, 17th June, see p. 32.*)

The Conference desires to place on record its appreciation of the labours of the Imperial War Graves Commission and is in favour of the cost of the carrying out the decisions of the Commission being borne by the respective Governments in proportion to the numbers of the graves of their dead.

II.

Non-Ferrous Metal Industry.

(*Fifth Day; Wednesday, 26th June, see p. 63.*)

In pursuance of the policy of freeing the Empire from dependence on German-controlled organisations in respect of non-ferrous metals and ores, the Conference endorses the principle of the Non-Ferrous Metal Industry Act of the United Kingdom and recommends the Governments of the Empire to adopt effective measures, in so far as these may be necessary and have not already been taken, to carry out this policy.

III.

Control of Raw Materials.

(*Fifth Day; Wednesday, 26th June.*)

(1) The Conference agrees that it is necessary to secure for the British Empire and the belligerent Allies the command of certain essential raw materials in order to enable them to repair the effects of the War as soon as possible and to safeguard their industrial requirements.

(2) The Conference is of opinion that the Governments of the British Empire should make such arrangements amongst themselves as will ensure that essential raw materials produced within the Empire shall be available for the above purposes, and should arrange with the Allied Countries to utilise for the same purposes essential raw materials produced in those countries.

(3) * * * * *

IV.

Control of Raw Materials.

(*Sixth Day; Friday, 28th June.*)

That this Conference has considered the provisions of the Imports and Exports (Temporary Control) Bill now before the Imperial Parliament, and is of opinion that, whilst the circumstances of the different parts of the Empire differ widely as regards the extent to which it may prove desirable to pass similar legislation, the respective Governments should nevertheless take such action as may be deemed expedient to enable the objects of Resolution III. to be fully carried out.

To assist the Governments in determining their action in this respect, the Conference recommends :—

(1) that a Committee of its members should first consider the possible methods in each part of the Empire of obtaining command of each of the essential Raw Materials specified in Resolution III. (3).

(2) that the Governments represented at the Conference should, in the light of the information collected by their representatives on this Committee, consult with the representatives of the producers and trades concerned as to the method of obtaining command best suited to each individual commodity.

V.

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VI.

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VII.

Imperial Bureau of Mycology.

(*Seventh Day; Monday, 8th July, see p. 70.*)

It is agreed that it is desirable to establish an Imperial Bureau of Mycology for the purpose of supplementing the work of the Imperial Bureau of Entomology, and to obtain the necessary funds for its maintenance by suitable contributions from the Imperial Government, the Governments of the Dominions and India, and of the other Oversea Possessions, as suggested in the Memorandum laid before the Conference.

VIII.

Imperial Statistics.

(*Eighth Day; Wednesday, 10th July, see p. 87.*)

The Imperial War Conference having considered the correspondence as to the improvement of Imperial Statistics arising out of the recommendations of the Dominions Royal Commission, is in favour of the proposal to hold a Conference of Statisticians after the war, and that such Conference consider the establishment of an Imperial Statistical Bureau under the supervision of an Inter-Imperial Committee.

IX.

Imperial News Service.

(*Eighth Day; Wednesday, 10th July, see p. 93.*)

The Imperial War Conference is impressed with the importance of securing, (*a*) that an adequate news service should be available in all parts of the British Empire, and (*b*) that this service should be supplied through British sources. The Conference requests His Majesty's Government to formulate a scheme with these objects in view, on the lines indicated in the Memorandum prepared by the Minister of Information, and to submit this scheme for the consideration of the Governments represented at the Conference.

X.

Dye Manufacturing Industry.

(*Ninth Day; Thursday, 11th July, see p. 103.*)

The Conference takes note of the action taken and contemplated by His Majesty's Government with a view to freeing the industry of the United Kingdom from dependence on German dyestuffs, and recommends the Governments of the Empire to consider immediately what steps can be taken to co-operate with the efforts of the Imperial Government to promote the successful development of the dye industry in the British Empire, and so to avoid enemy domination over our essential industries.

XI.

Shipping.

(*Ninth Day; Thursday, 11th July, see p. 112.*)

The Conference accepts in principle the establishment of an Imperial Investigation Board and refers it to a Committee of the Conference to frame a detailed scheme for such a Board.

The Conference agrees that it be also referred to the Committee to consider the best machinery for promoting the development of Imperial communications to the best advantage, with special reference to the probable size of vessels and the consequent demands upon harbour accommodation for the purposes of Imperial requirements, and to the Resolution handed in by the Prime Minister of New Zealand.

XII.**Inter-Imperial Parcels Delivery.**

(Ninth Day; Thursday, 11th July, see p. 112.)

The Conference considers it desirable, for the purpose of encouraging Imperial trade, that the present facilities for inter-Imperial parcels delivery should be enlarged, improved, and co-ordinated, and recommends that the proposals contained in the Board of Trade memorandum should be examined by the Governments represented at the Conference with a view to the preparation of a detailed scheme designed to promote this object.

XIII.**Central Emigration Authority.**

(Tenth Day; Monday, 15th July, see pp. 123-4.)

The Imperial War Conference reaffirms the principle laid down by Resolution XXI. of the 1917 Conference, in favour of arrangements being made by which intending emigrants from the United Kingdom may be induced to settle in countries under the British Flag. It is of opinion that the representatives of the Oversea Dominions in the United Kingdom should keep in the closest touch with any new Body established by His Majesty's Government to supervise emigration from the United Kingdom. The Conference is of opinion that the appointment of a Consultative Committee, not to exceed ten members, on which representatives of the Oversea Dominions should sit, to advise any such Body, would afford the best means of co-operation.

XIV.**Cable Communications.**

(Tenth Day; Monday, 15th July, see p. 132.)

That it is in the highest interests of the Empire that the rates for telegraphic communications between the United Kingdom, Canada, Australia, South Africa, and India should be further materially reduced as soon as practicable. That in order to ensure generally the cheapest and most secure telegraphic communication between the United Kingdom, Canada, Australia, and New Zealand it is desirable that they should co-operate in the provision of a State-owned cable across the Atlantic.

XV.**Channels of Communication.**

(Twelfth Day; Thursday, 18th July, see p. 165.)

(1) That this Conference is of the opinion that the development which has taken place in the relations between the United Kingdom and the Dominions necessitates such a change in administrative arrangements and in the Channels of Communication between their Governments as will bring them more directly in touch with each other.

(2) That the Imperial War Cabinet be invited to give immediate consideration to the creation of suitable machinery for this purpose.

XVI.**Imperial Mineral Resources Bureau.**

(Thirteenth Day; Friday, 19th July, see p. 168.)

The Imperial War Conference, having considered the memorandum by the Minister of Reconstruction on the Imperial Mineral Resources Bureau, as amended, agrees that the number of representatives of the mineral, mining, and metal industries on the Governing Body of the Bureau should be increased from four (as originally agreed) to six. The Conference further approves the proposal for a Charter of Incorporation as set out in paragraph 6 of the memorandum and the proposals in paragraphs 7 and 8 as to the allocation of expenditure.

XVII.**Demobilization.**

(Fourteenth Day; Monday, 22nd July.)

The Conference agrees that an advisory and executive committee—to be known as the "Military Demobilization Committee of the British Empire"—should be set up forthwith:—

- (a) To consist of representatives of the Military authorities of the Dominions and Colonies, and of representatives of the War Office, India Office, and Ministry of Shipping, under the Chairmanship of the Secretary of State for War, or some one deputed by him; the secretariat of the Committee to be provided by the Mobilization Directorate of the War Office.
- (b) To consider all military questions of demobilization affecting the various Governments concerned by:—
 - (i) making decisions in regard to matters of detail;
 - (ii) submitting questions of principle which may arise from time to time to the Government or Governments concerned;
 - (iii) arranging for the fullest interchange of information with regard to plans for demobilization.
- (c) To sit, prior to general demobilization, at such time as may be considered necessary by the Chairman; during demobilization, as frequently as may be necessary to secure the complete mutual co-ordination of the demobilization procedure of the various Governments concerned.

XVIII.**Petroleum,**

(Fourteenth Day; Monday, 22nd July.)

The Conference takes note of the Memorandum on the question of Petroleum, and, having regard to the great and growing importance of petroleum and its products for Naval, Military, and industrial purposes, desires to commend the suggestions contained in the Memorandum to the serious consideration of the Governments concerned.

XIX.**Naturalization.**

(Fourteenth Day; Monday, 22nd July, see p. 183.)

This Conference is of opinion that legislation should be passed throughout the Empire restricting, for a period after the War, so far as in the circumstances of each country may be possible, the naturalization of citizens of present enemy countries, and also the acquisition by them of any form of political rights or of land or mining privileges.

[The Government of the Dominion of Canada abstained from voting; the Government of the Union of South Africa recorded dissent.]

XX.**Nationality and Naturalization.**

(Fourteenth Day; Monday, 22nd July, see p. 192.)

The Conference refers to the Resolution X. passed by the Imperial War Conference, 1917, recognising the desirability and importance of securing uniformity of policy and action throughout the Empire with regard to naturalization, and recommends that a special Conference, representative of all parts of the Empire, should be held at the earliest practicable date to examine and report in the light of that Resolution upon any question connected with nationality or naturalization which any Government represented at the special Conference may desire to raise, and upon any suggestions which may be made for the amendment of the existing law.

XXI.**Reciprocity of Treatment between India and the Dominions.**

(*Fifteenth Day; Wednesday, 24th July, see p. 195.*)

The Imperial War Conference is of opinion that effect should now be given to the principle of reciprocity approved by Resolution XXII., of the Imperial War Conference, 1917. In pursuance of that Resolution it is agreed that:—

1. It is an inherent function of the Governments of the several communities of the British Commonwealth, including India, that each should enjoy complete control of the composition of its own population by means of restriction on immigration from any of the other communities.

2. British citizens domiciled in any British country, including India, should be admitted into any other British country for visits, for the purpose of pleasure or commerce, including temporary residence for the purpose of education. The conditions of such visits should be regulated on the principle of reciprocity, as follows:—

(a) The right of the Government of India is recognised to enact laws which shall have the effect of subjecting British citizens domiciled in any other British country to the same conditions in visiting India as those imposed on Indians desiring to visit such country.

(b) Such right of visit or temporary residence shall, in each individual case, be embodied in a passport or written permit issued by the country of domicile and subject to *visé* there by an officer appointed by, and acting on behalf of, the country to be visited, if such country so desires.

(c) Such right shall not extend to a visit or temporary residence for labour purposes or to permanent settlement.

3. Indians already permanently domiciled in the other British countries should be allowed to bring in their wives and minor children on condition (a) that not more than one wife and her children shall be admitted for each such Indian and (b) that each individual so admitted shall be certified by the Government of India as being the lawful wife or child of such Indian.

4. The Conference recommends the other questions covered by the memoranda presented this year and last year to the Conference by the representatives of India in so far as not dealt with in the foregoing paragraphs of this Resolution to the various Governments concerned with a view to early consideration.

XXII.**Imperial Court of Appeal.**

(*Sixteenth Day; Friday, 26th July, see p. 210.*)

The Conference is of opinion—

(1) That the question of replacing the present dual system of appeal by the constitution of one Imperial Court of Appeal demands the prompt consideration of His Majesty's Government.

(2) That the Lord Chancellor should be invited to prepare and circulate to the Governments of the Dominions and of India as soon as possible, a memorandum of such proposals as in the opinion of His Majesty's Government are practicable for that purpose with a view to decision at the next Imperial Conference.

(3) That each such Government as soon as possible thereafter shall communicate to the Government of the United Kingdom its views with regard to such proposals.

XXIII.**Control of Raw Materials.***(Sixteenth Day ; Friday, 26th July.)*

(1) The Conference having considered the Report of the Committee on Raw Materials, requests His Majesty's Government to communicate this Report forthwith to the Governments of the Dominions and India and to ascertain their views on the appropriate action to be taken.

(2) The Conference further agrees that steps should be taken to ascertain the needs and the resources of the Allies in respect of the raw materials specified in the Report.

(3) * * * * *

XXIV.**Shipping.***(Sixteenth Day ; Friday, 26th July, see p. 215.)*

(1) That in order to maintain satisfactorily the connections, and at the same time encourage commercial and industrial relations, between the different countries of the British Empire, this Conference is of opinion that shipping on the principal routes, especially between the heart of the Empire and the Oversea Dominions, including India, should be brought under review by an Inter-Imperial Board on which the United Kingdom and the British Dominions and Dependencies should be represented.

(2) That for this purpose an Imperial Investigation Board, representing the various parts of the Empire, be appointed, with power to inquire into and report on all matters connected with ocean freights and facilities, and on all matters connected with the development and improvement of the sea communications between the different parts of the Empire, with special reference to the size and type of ships, and the capacities of harbours; the Board to include, in addition to representatives of the Governments concerned, persons with expert knowledge of the problems involved, including representatives of the shipping and trading interests.

XXV.**Concluding Resolution.***(Sixteenth Day ; Friday, 26th July, see p. 222.)*

The Members of the Conference representing India and the Oversea Dominions desire before they separate to convey to the Secretary of State for the Colonies their earnest and sincere appreciation of his labours in preparing for, and presiding over, the Conference.

They desire also to put on record their deep sense of gratitude for the many courtesies which they have received from the Prime Minister and the other members of His Majesty's Government, as well as for the generous hospitality which has been extended to them by the Government and people of the United Kingdom.

II. EXTRACTS FROM MINUTES OF PROCEEDINGS.

FIRST DAY.

Wednesday, 12th June 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 11 A.M.

PRESENT:

The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).

The Right Honourable A. J. BALFOUR, M.P., O.M., Secretary of State for Foreign Affairs.

Canada.

The Right Honourable Sir R. L. BORDEN, G.C.M.G., Prime Minister.

The Honourable A. MEIGHEN, K.C., Minister of the Interior.

The Honourable N. W. ROWELL, K.C., President of the Privy Council.

New Zealand.

The Right Honourable W. F. MASSEY, Prime Minister.

The Right Honourable Sir JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

Lieutenant-General the Right Honourable J. C. SMUTS.

The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

The Right Honourable E. S. MONTAGU, M.P., Secretary of State for India.

Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.

Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT;

Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under Secretary of State for the Colonies.

Mr. W. A. S. HEWINS, M.P., Parliamentary Under-Secretary of State for the Colonies.

Mr. L. CHRISTIE, Legal Adviser, Department of External Affairs, Canada.

Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.

Lieutenant-Commander J. G. LATHAM, Royal Australian Naval Board.

Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.

Mr. H. W. CARLESS DAVIS, C.B.E., Deputy Chairman, War Trade Intelligence Department.

And Private Secretaries.

Opening Address, Replies, and Loyal Resolution.

CHAIRMAN: Gentlemen, it is my privilege, as Chairman of the Conference, to offer a very hearty welcome here to the representatives of our Empire from different parts of the world. I am very glad indeed that, this year, our Conference will be attended by representatives of Australia, who, I hope, will arrive very shortly. And although I very much regret their absence to-day, that regret is tempered by the knowledge that they will be with us very shortly. And we also shall have the opportunity, again, of welcoming the representatives of India, who are to arrive, I believe, to-day. I understand that the exact time of arrival of Mr. Hughes and his colleague is not yet settled, but there appears to be every prospect of their being here at the end of the week; so that we shall be all assembled next week, in which case, for the first time, there will be a complete Imperial Conference, representing the whole Empire in all its parts, a very great and significant fact, I venture to say, in the history of our country.

It is not part of my duty to raise general questions here. All my colleagues who are present had the opportunity of listening, yesterday, to a very remarkable and profoundly interesting address, as I venture to describe it, from the Prime Minister. And he indicated what the condition of things is in which we find ourselves meeting to-day. Of course, there can be no doubt that the times are profoundly critical, full of anxiety. He told us of the effect that had been produced upon the Allies by the fall of Russia, resulting in the enemy getting almost to the gates of Paris, and, of course, while we realise that this means an anxious time for us, I am quite sure that all of us here, representing different parts of the British Empire, must be full of profound admiration for, and gratitude to, those magnificent soldiers—whether of our own Empire, or of France, or of others of the Allies—who are fighting so splendidly on the front, and maintaining such a magnificent defence of our position, and, at the same time, offering a real offence to the enemy. I am quite sure that although we meet to-day with this anxiety upon us, yet we are just as constant in our faith and as firm in our confidence that this war can only end in one way, as we have ever been from the beginning, and just as determined that anything we can do, as representing the different parts of the Empire, we will do here, whilst we have the opportunity of meeting and of discussing questions together.

It seems to me that our immediate task at the Conference is to make such preparation as we can to face the great problems of peace when it comes; and I hope, and believe, we shall face them with the same courage and determination as we are facing to-day the problems of war. It seems to me—I ventured to indicate this view last year—that if we fail to face these peace problems as we ought to face them, with courage and clearness of vision and determination, if we fail in this duty it seems to me that our victory would be a barren one, and that, above all, the wonderful, the indescribable sacrifices of those men who have been fighting for the Empire in so many theatres of war will have been made in vain if our Empire after the war is no stronger, no more closely united, no better able to face the world, than it was at the beginning. And that, as it appears to me, is the supreme task that we have got to face in this Conference.

If I may venture to indicate some of the subjects which, as it appears to me, we shall have to consider, they are such as, what steps, if any, we can take to secure greater consolidation of the Empire for the future. I recognise myself, in the position I have the honour to hold as Secretary for the Colonies, that this war has already produced a new birth for the British Empire; it has thrown immense responsibility upon all parts of the Empire, and, of course, corresponding responsibilities—in some cases greater—upon the Government here at home. And out of our experiences, bitter as they have been, out of those experiences must come lessons which we, I hope, will learn, and, I hope, give effect to; so that we may improve, by all means in our power, the machinery of the relations of Government—I am not now talking of personal relations—between the various Governments of the Empire, whether it be in one part of the world or the other. And I can only say that, speaking for the Office which I have the honour, for the moment, to represent, that anything we can do, either during this Conference or in those interesting private discussions that I am privileged to have with Representatives of the various Dominions, or in any other way to facilitate the accomplishment of this great task, we shall do with all our will and with all our pleasure.

CHAIRMAN—*cont.*

Perhaps next in importance comes the restoration of the economic life—I think I might also say—of the world. The Allies, our enemies, neutrals, must all be profoundly anxious to secure control of raw material, and our duty certainly is to see that we take full advantage of our vast opportunities, that we make for the future what I venture to describe as a better use of our great Possessions than we have made in the past. And in this respect there is a new feature since we discussed these questions last, namely, the entrance into the war as an Ally the United States of America, a decision of enormous value to us here and in the theatre of war; and I hope I am not indulging in a very wild dream if I say that I trust this Alliance for war will be productive of great advantages to us in the future, and that the union of English-speaking races may really produce permanent results which will be of advantage to both the United States and our own Empire.

I next propose to review, very briefly, the action which was taken on our decisions of last year on the more important questions with which we dealt—I have left the others out, for the present.

But before I do that, perhaps I may be allowed to express, on behalf of the Conference, the pleasure it gives to us to see the Secretary of State for Foreign Affairs here, who has come to attend our first meeting out of common courtesy and consideration to us. And I desire, as Chairman of the Conference, to tender to him, as I am sure I may do on behalf of the Conference, our very warm thanks.

Resolution I. of last year's Conference dealt with Demobilization, and this subject has been a matter of continual consultation since our last Conference. Canada has asked that it may be further considered at the present Conference. Then as to Naval defence, the Admiralty were requested last year by Resolution IV. to work out immediately after the conclusion of the war what they considered the most effective scheme of defence. It has not, of course, been possible, owing to the continuance of the war, to do this, but a memorandum by the First Sea Lord on the Naval Defence of the Empire will be circulated for the consideration of members.

The new Trade Commissioner Service scheme (Resolution V.) has been communicated to all the Dominions and to India, and the replies received indicate that the scheme is generally appreciated, and that advantage will be taken of it. We propose to circulate a memorandum* for the information of the members of the Conference, setting out the position up to date.

In pursuance of Resolutions VIII. and XII., as to the care of soldiers' graves, the Imperial War Graves Commission has now been established and is actively at work. A memorandum† will be presented to the Conference setting out the work done and making proposals as to the allocation of expenditure for the consideration of the Conference.

The Resolution as to Naturalization (X.) commended the proposals for new legislation which the Imperial Government had in view to the consideration of the various Governments. The Bill, since the last Conference, has formed the subject of correspondence with the Dominion Governments, and has now been introduced into Parliament, with one or two amendments. A memorandum‡ will also be presented on this, setting out the present position.

In accordance with Resolution No. XIII., a Special Committee was appointed to frame a scheme for the formation of an Imperial Mineral Resources Bureau. This Committee reported last year, and the proposals which it made have been accepted by the Governments concerned. Representatives have been nominated to the governing body, and it only remains for the Conference to consider the exact form of organisation desirable, and various questions as to finance. A memorandum§ will be circulated on this.

As to Resolution XV., Double Income Tax, the Chancellor of the Exchequer hopes to be able to make, personally, a statement|| to the Conference this year setting out the developments which have taken place.

Resolution No. XVII. recommended that the Governments of the Empire should take power to control the importation of goods originating in enemy countries for a period of twelve months after the war. The question of general control of imports and exports was discussed last year, but no conclusion was reached. There were,

* See pp. 249-251.

† See pp. 226-228.

‡ See pp. 244, 245.

§ See pp. 236-238.

|| See pp. 73-80.

CHAIRMAN—*cont.*

however, developments subsequent to the termination of the Conference which convinced His Majesty's Government that, in the absence of legislation for the general control of imports and exports, it would be impossible to safeguard the interests of the Empire and the Allies in respect of essential requirements during the abnormal conditions of the reconstruction period. Accordingly, a Bill providing for such general control for a period of three years after the war has been introduced into Parliament, and a memorandum explaining its provisions and the reasons for them will be laid before the Conference for consideration and discussion. Several of the Dominions have already expressed their concurrence in the policy proposed, and His Majesty's Government very much hope that legislation on the lines suggested will ultimately be adopted in all parts of the Empire.

Resolution No. XVIII. recommended immediate consultation between the Governments concerned for the purpose of framing a scheme for the control of wool produced within the British Empire during the period immediately following the war. In pursuance of this Resolution, the Governments of Australia, New Zealand, and the Union of South Africa were asked last year to nominate representatives to a Special Committee to consider the matter. This Committee has now reported, and its Report will be laid before you.

Resolution XIX. dealt with the control of ores and metals, and the desirability of freeing the Empire and the Allied countries from their previous dependence on foreign organisations as regards non-ferrous metals and ores. In consequence of this resolution the Non-Ferrous Metal Industry Act has been passed by the Imperial Parliament; its terms have been communicated to the Governments of the Dominions and India, and in some cases similar legislation has been agreed to, if not actually introduced. A memorandum* will be laid before the Conference explaining the provisions of the Imperial Act.

Resolution XX. called attention to the extent to which the United Kingdom and other parts of the Empire were dependent on the oversea supply of meat, and advocated the framing of a detailed plan to ensure that the Empire should become, as far as possible, self-sufficing in the matter of meat supplies. In pursuance of this Resolution a Conference was arranged last year with the representatives in London of Canada, Australia, New Zealand, and the Union of South Africa. This Conference, in turn, appointed a Committee to prepare a detailed Report. This Committee's Report is now ready, and is recommended for the consideration of the present Conference. It will be circulated for discussion.

Resolution No. XXI. recommended, in accordance with the development of Imperial resources: (a) acceptance of the principle that each part of the Empire, having due regard to the interests of the Allies, should give specially favourable treatment and facilities to the produce and manufactures of other parts of the Empire; (b) arrangements by which intending emigrants from the United Kingdom shall be induced to settle in countries under the British flag.

His Majesty's Government are anxious to give the fullest effect possible to the first part of this Resolution, and they appointed a Committee of Ministers last year to consider the best methods and machinery. This Committee has been sitting continuously since its appointment, and is still at work. Reports by the Committee will be laid before the Conference.

As regards emigration, as the result of the recommendations of the Dominions Royal Commission and the Empire Settlement Committee, a Bill, based on their recommendations, has been prepared, and has passed its Second Reading at the House of Commons, setting up a Central Emigration Authority to supervise all matters connected with emigration from the United Kingdom. I am arranging for a copy of this Bill to be circulated to the members of the Conference.

Resolution No. XXIV. called attention to the temptations to oversea soldiers when on leave, and urged the desirability of more stringent action in order to protect them. This subject has received the most anxious consideration of His Majesty's Government. In the early part of this year a new Defence of the Realm Regulation was drawn up, designed to protect men in the Forces from women infected with disease. We hope that this Regulation will be effective in its result.

* See pp. 229-231.

CHAIRMAN—*cont.*

Lastly, I would refer to two Resolutions relating to the position of India. Of these, No. VII. recommended that India should be fully represented at all future Imperial Conferences, and that the necessary steps should be taken to secure the assent of the various Governments. I need hardly say that, when the question was put to them, all the Dominion Governments gladly concurred in this proposal.

The last Resolution, No. XXIII., recommended the principle of reciprocity of treatment between India and the Self-Governing Dominions to the favourable consideration of the Governments concerned. Doubtless the pre-occupations of the war have prevented the Dominion Governments from commenting in detail on the various proposals for reciprocity outlined in the Resolution, but I have no doubt that, if the subject comes up for consideration again at the present Conference,* the Representatives of the Dominions will show the same sympathy and cordiality with the objects of the Resolution which were manifest from the discussions last year.

That disposes of the work which we have done. And now I come to deal, very briefly, with our programme for this year.

Our first duty, pleasure, and privilege is to pass a Resolution expressing our loyalty and devotion to the Throne and Person of our Sovereign and his Consort, which we present, with our humble duty, from the members of the Conference, and I am sure that in passing that Resolution we shall all recognise to the full the terrible load of anxiety and work which has been cast upon the Sovereign and the Queen during these terrible years. And we believe there is no subject of their Majesties in any part of the world who does not realise that they have indeed "done their bit" in these times of anxiety and strain.

There will be the usual memorandum circulated as to the subjects for discussion. It is rather an extensive list. I presume it will be the wish of the Conference to appoint a sub-committee to draw up a programme, and to make a list of the subjects. They include Empire economics, control of raw materials, export of non-ferrous metals, Income Tax, meat, and emigration. And the Government which I represent will be very glad to have the decision of the Conference on the constitution and finances of the Mineral Resources Bureau, and also the question of the finances of the War Graves Commission; also their decision as to naturalization. And there is a question as to the publicity of the proceedings.† I know Sir Robert Borden has taken a very keen interest in this, and it is a matter of no little difficulty, but is of immense importance. I do not think that last year we did succeed in getting the matter quite as satisfactorily arranged for as it might have been. I do not know whether Sir Robert Borden will care to make any suggestion about it later on, but it has been suggested to me by General Smuts that in all probability the best plan will be to settle, each day before the Conference adjourns, what statement shall be made as to the day's work; that that be done each day, so as to avoid waiting for two or three days, and therefore getting the subjects mixed up. I am, of course, entirely in the hands of the Conference. I fully understand the necessity for it, and I shall be only too glad to co-operate in any way to secure a proper intimation being given to the public, which would, of course, be cabled out to the Dominions at once. And then, no doubt, the Dominions and India will have special recommendations to make with regard to discussions, and they may make them in due course, and the Conference will be prepared to consider them.

There is one other matter which I have to trouble you with, and that is the question of hospitality. I need hardly say there is a general widespread desire on the part of institutions and individuals to offer unlimited hospitality to the Conference. There are, of course, reasons connected with the war which would seem to make a great deal of public entertaining seem rather out of keeping with the profound anxieties of the time. I do not venture to do more than respectfully make suggestions to the Conference. The Lord Mayor of London, whose privilege it is to entertain on behalf, I may say, of the country, our distinguished visitors, hopes the Conference will give him the honour of their presence at dinner, and it is suggested that that invitation may be, very properly, accepted. Other institutions, such as the Navy League, have made offers of hospitality, and I do not doubt that many other invitations will come. It will be for the Conference to decide what they wish to do,

* See pp. 195-201.

† See pp. 25-28.

CHAIRMAN—*cont.*

but I respectfully suggest, for their consideration, whether it might not save trouble to us, individually and collectively, if we decided that, with the exception of the Lord Mayor's invitation, the other invitations should, as a rule, be discouraged, so that we may be free for our work, and also avoid the appearance of entertainment, at a time when, I think, few of us are inclined that way.

There is nothing else, gentlemen, that I need detain you with, except to assure you of the very great honour that I feel it to be called upon to preside over your deliberations. I am very conscious of my own shortcomings, but I shall do the best I can to secure that our deliberations are conducted in a business-like and practical fashion. My most earnest hope is that the conclusions arrived at by this great representative gathering of the British Empire may tend not only to the strengthening of Empire and the improvement of our business relations—if I may so speak—and to the oiling of the great Imperial machine, but that this wonderful gathering of representatives of the Empire from all parts of the world—for it is a most wonderful gathering—may be all for good. And may I say, in my last words, what a tribute it is to our Imperial Navy that we are able to do what we are able to do to-day, to meet here men who have come from all parts of the world, who have come through the perils of the sea under the escort of His Majesty's Navy, at a meeting which the Kaiser, with all the success which may have attended his armies in this or that battle, with all his soldiers, all his skill, and all his preparations, could not secure, such a meeting as we have here to-day, of representatives of his Empire. Here we are meeting from all parts of the world, and most earnestly do I hope and pray that the result of our deliberations will not only tend to the strengthening of our own Empire, but that we may be able, making full use of the lessons and the experiences of this war, to erect a memorial in the shape of a still greater Empire, which will be really worthy of the wonderful sacrifices of those who have fought and died in order that we may be free. That, gentlemen, is all that I need trouble you with. (Hear, hear.)

Perhaps Sir Robert Borden will move the Resolution.

Sir ROBERT BORDEN: Mr. Long, I have been asked to move a Resolution, which I shall read. But before doing so, I desire to associate myself with what you have said as to the value of these Conferences. We have come here, in very critical conditions, to take counsel with each other. I am sure the deliberations will be attended with great advantage. As you have already said, it is a remarkable gathering; we have, here, all parts of the Empire represented, the mother-country and the self-governing Dominions of the British Commonwealth, the great Dependency of India, and those portions of the Empire which have not yet attained the status of self-governing units. We from across the Atlantic have not come so far as some who are round this Council board, but we do feel that we are living examples of the resourcefulness, the courage, and the devotion of the British Navy. In the journey of some twelve days from New York to Liverpool, fortunately we were not molested, and thus our voyage was uneventful. I believe the only unusual event which did occur during the voyage of any of our friends was due to our own arrangements for destroying the enemy. (Laughter.)

A great many notable events have occurred since we left this Council board a little more than a year ago. The course of events has been such as none of us could have predicted at that time. The conditions are indeed, at present, very critical, but there is only one thought in all our hearts, and that is to steel our resolve and renew our courage, in order that we may do our part to the end. The men of our race have never fought so well, so valiantly, and with such great results as when their backs were against the wall. I do not think our backs are yet against the wall, but if that time should ever arrive, it will bring the greatest effort which this Empire has ever yet put forth.

I shall not dwell on the various matters which were under discussion at the last Conference, or those which are put forward for this Conference. It will be desirable, I assume, to settle the agenda, as we did last year, and the question of publicity might also be left to a small Committee, perhaps the same Committee, to determine what arrangement will be most useful. The proposal which General Smuts has put forward is desirable, if it can be carried out. I should be very doubtful!

Sir ROBERT BORDEN—*cont.*

whether, in our meetings, as the time draws near for adjournment, it would be quite practicable to carry it out in that way. Possibly it might be carried out by having two or three members of the Conference associated with the Chairman, with authority to issue such statement as would commend itself to their judgment.

I have great satisfaction in knowing that all the Dominions of the Empire are to be represented here this year. Unfortunately, last year we were without the presence of Australian representatives. It is most desirable that all parts of the Empire should be represented, and it is reassuring that the representatives of Australia, as well as those of India, will be here in a few days. I might say that the announcement made in Parliament in Canada immediately on my return last year that India was, in future, to be represented at these Conferences, was received with great satisfaction; there was not the slightest dissent in the whole Parliament with regard to the course which had been pursued.

I have been asked to move an Address to the King. He occupies a very unique position as Head of the most wonderful group of self-governing nations that has ever been known in the history of the world. It is perfectly true that in the Crown is symbolised the unity and power of the whole Empire, and the Overseas Dominions look to the Crown in that way. But there is something more to be said. Their Majesties have seen, in this war, the most remarkable testimony to the real unity of the Empire which has ever been made manifest in its history. They have the further satisfaction of knowing that, notwithstanding all the sorrow and sacrifices which this war has entailed, that spirit of devotion and loyalty and resolve is as strong and as firm to-day as ever it has been in the past. Perhaps something more might be said, and it is this. Upon those who are invested with the great responsibilities and duties which are incumbent upon the Crown, the sorrow and sacrifices of the whole people must in some measure rest. We realise how great that burden must be, and we realise also the wonderful courage and devotion which have characterised both the King and the Queen ever since the war broke out, in every duty devolving upon the Crown. During these years the King has proved himself worthy of the great traditions of the past; he has been a Constitutional Sovereign in every respect, and, more than that, he has not spared himself in the performance of every duty in which he could be of assistance. The same is true of the Queen. The sacrifice and devotion of the womanhood of the Empire is personified in her. And so it is fitting that at this first meeting of the Conference we should testify our appreciation of the burdens which they sustain, and the devotion they have exhibited in discharge of their responsibilities. Therefore I beg to move this Resolution:—

“That this Imperial Conference, at their first meeting, and as their first act, desire to present their humble duty to your Majesty, and to assure you of the devoted loyalty of all portions of your Majesty’s Empire here represented.”

Mr. MASSEY: Before seconding the motion, I desire to say that I support what Sir Robert Borden has said with regard to other matters. I want to thank you, sir, for your kindly welcome to the representatives of the Oversea Dominions who are here to-day. I am quite sure we are all glad to know that representatives of India will arrive, and that they will probably be present at our next meeting. And we are glad to know we are to have with us on this occasion representatives from Australia. I think the general opinion is that the Imperial War Conference did particularly good work at its meeting last year. As the attendance will be larger this time, and certainly more representative, it is not too much to expect that still better work will be done on the present occasion, and I believe that to be the case.

You, sir, have referred in the course of your remarks, to the conduct of the war, and I would just like to say this—and I am confident that other members of the Conference will endorse the opinion that I am going to express—that while the outlook has sometimes been dark, while it, so far as the war is concerned, is not so bright as we could wish even now, we are all confident that the result of the war will be the victory we desire. And I am quite sure of this, that each and every one of us would sooner see the war continued for a very long time to come—and that is saying a great deal, knowing the enormous sacrifices involved—we would rather see it carried on for a long time to come than see Germany victorious. I hope no terms

Mr. MASSEY—*cont.*

will be agreed upon, or even suggested, which will not go in the direction desired by the great majority of British citizens as the outcome of the present war.

You referred also to the problems of peace. Here again I agree with you. I am very strongly of opinion that the problems of peace may be as important for the Empire, and probably as difficult to solve, as are the problems of the present war. We have got to take a hand, and I am glad to notice from what you have said, that there are beginnings to be made during the present session of the Conference, with something which will lead to the reconstruction and the reorganisation of the Empire, and which will put us in a better position to supply the requirements of British citizens all over the world. I think that is one direction in which we have not quite done our duty up to the present. I do not want to reflect upon any mistakes of omission or of commission which have taken place in past years, but I do trust that we shall be able to go to work on reconstruction and reorganisation so as, in time, to make the Empire self-contained and self-supporting in the provision of food supplies, without depending, as we have done in the past, upon other countries.

Just one word with regard to the United States coming into the war. I was very pleased to hear your remark, and very pleased to hear what has been said by others. I look upon the United States coming into the war and joining Britain as Allies, or, as some prefer to say, as co-belligerents, as one of the most important events in British history, and I hope any misunderstandings which have existed in the past will be removed by what has taken place. I know they are being removed now, and I hope the British Empire and the United States of America will be able to work together in everything which tends to the good of humanity for all time to come.

And now I come to the motion which has been moved by Sir Robert Borden, and I need hardly say that I have great pleasure in seconding it. My opinion is—and it is the opinion of many people throughout the Empire—I know the opinions of the people of the oversea Dominions better than I know the opinion of the people of Britain—my opinion is that King George V. has been a model Sovereign. Since the war broke out, he and his Consort, Queen Mary, have shared with the peoples of the Empire in everything that came along; they have rejoiced with us in our joys, and grieved with us in our sorrows; they have done everything that it is possible for the occupants of the Throne to do. And I want to endorse what you have said—in other words perhaps—in saying this: that there is nothing which has tended more to keep the different countries of the British Empire together than the system of Monarchy under which we are working at present, and which I hope will continue for all time. I trust that King George V. and Queen Mary will be long spared to rule over a united and a prosperous Empire. I second the motion, sir.

General SMUTS: On behalf of the Union of South Africa, I wish to express our whole-hearted support of the motion for a loyal address, which has been moved by Sir Robert Borden. I have had some experience here, in the last twelve months, of the work done by the King, and I recognise most keenly that the labours of the King have been most unremitting. Both the King and the Queen have taken their part in the life of the nation during this time of storm and stress to an extent such as, probably, has never been seen in the history of this or of any other country. And may I also say that other Members of the Royal Family have borne their share of the burden in the most admirable manner? (Hear, hear.) The Prince of Wales, after having been for a long time on the Western Front, is now, and has been for some months, fighting in Italy, and supporting one of our most gallant Allies there. Another Prince of the Royal blood is fighting in the Navy. And the whole Royal Family, all its branches, have been doing their duty most unremittingly and assiduously in supporting the nation in its vast labours during this struggle.

I do not know whether I am in order in dealing with the general subject at this stage, but if you will allow me, Mr. Long, I wish to say a word in reference to our meeting here on this day. We are all very glad that we have the opportunity to have a full meeting on this occasion. The Australian representatives will be here in a couple of days, and then when the Indian Representatives arrive, there will be a full meeting, and it is bound to be a very important and significant meeting. I have been, in the last twelve months, to a number of our International Allied Conferences,

General SMUTS—*cont.*

but I am sure that this Conference which is meeting here of the various constituent parts of the British Empire is going to be no less important, probably more important, than any of them. The world is to-day in a very unusual condition; one might almost say that the foundations of the world are shaken. There is confusion and welter raging all over Europe. But in that confusion one Institution stands sure and firm, and that is the British Commonwealth of Nations. (Hear, hear.) And when we look to the future, it is our best hope too. I do not think that even after peace you will see normal conditions return very soon to this troubled world of ours. You will probably see, in Europe, conditions of confusion perpetuated for many a day. It is impossible for it to be otherwise. But in all that ferment we have the solid core of the British Empire, that great League of Nations, based on freedom, linked together on high ideals of government, and standing together as a bulwark against the onrush of despotism, militarism, and anarchy. And I agree with you, Mr. Long, that if, as a result of this war, we could see not only this Institution strengthened and made more solid and lasting, but we could also see, as we have every hope of seeing, members of every other branch of the great English-speaking world joining us in a permanent union, then I think one of the most substantial goods would have been achieved for humanity in this war. It is for these reasons that I think our meeting is very important. We are the inner circle, so to say, in the forces of order and progress; we of the inner circle are meeting, and will try our best to set our house in order, and I am sure we shall not try in vain. The problems which will confront us here at this Conference, which, as you have said, will be mostly post-war problems, will be of the most complex, difficult, and far-reaching character; but I am quite sure that, with goodwill and give-and-take, we shall be able to achieve a solution of most of them, as we have done in the past; that we may look forward to this Conference bearing lasting fruit for the good of our commonwealth and for the world.

Mr. LLOYD: On behalf of Newfoundland, I thank you, Mr. Long, for extending your welcome to us. Personally, I feel great hesitation in taking part in what will be a great historic occasion. This is the first occasion, as I understand, when the whole of the Dominions and India will be represented. We in Newfoundland pride ourselves on our connection with the Empire. We claim to be the oldest Colony, and we wish to retain for ever that distinction. Though small, Newfoundland produces men as well as dogs and cod (laughter), and those men have shown their mettle. And in that connection, sir, I have the authority to express the fullest concord with this Resolution of appreciation of the Sovereign and his Consort and loyalty to the Dynasty that reigns over us. That loyalty has extended to that Regiment which has won some renown, and which will have the honour, in future, of bearing the title, "The Royal Newfoundland Regiment." Nothing could appeal to Newfoundland more. Much has been said on the problems of the different countries, and these we are anxious to learn; we hope to understand what is before us, and to face it.

Mr. MONTAGU: I am sorry that my colleagues from India are not present, to speak more effectively than I can possibly do on their behalf. But if they had been here, they would have echoed everything that has been said by Mr. Long and others who have spoken on the subject of the Resolution of loyalty. The loyalty of India to the Person and Throne of King George V. is beyond belief, a living force in the minds of almost every Indian, educated and uneducated. The gratification at the fact that India was given a place in this Conference is one of the most significant features of the past twelve months in India, and the devotion of the country to the cause for which the British Empire stands and is fighting is becoming more and more significantly demonstrated every day. The war has produced in India not only a new feeling of nationality, but a new feeling of devotion to the British Empire, because of the cause for which it is fighting, and the solid front which it presents to the enemy in the field. If the Maharaja of Patiala, who is the leading Sikh Prince in India, and has shown constant devotion in money and in men to the cause of the Allies, and if Sir Satyendra Sinha, who was here last year, and is familiar to most of the members of the Congress, had been here to-day, I am sure they would have echoed to the full,

Mr. MONTAGU—*cont.*

on behalf of the great number of people in India, 300,000,000 people, devoted subjects of His Majesty King George V., their great desire to help on the cause for which the Empire stands and on which it was founded, and their devotion to the King and Queen.

CHAIRMAN: If no one else wishes to address the Conference, I will put the Resolution, "That the Imperial Conference, at their first meeting, and as their first act, desire to present their humble duty to your Majesty, and to assure you of the devoted loyalty of all portions of your Majesty's Empire here represented."

[*Carried unanimously.*]

Mr. MASSEY: Will that be published?

CHAIRMAN: Oh, yes, after it has been forwarded to the King. We have the advantage of the presence of the Foreign Secretary, and the Conference will take it as a privilege if he will say a few words before we pass to the ordinary business.

Mr. BALFOUR: I am profoundly moved at this meeting, which in its exterior looks just like an ordinary meeting of statesmen, of politicians, such as we are all familiar with in our own spheres of action. But we know that it is much more than that, and that our assembly, on this June morning, really is one of the greatest events, or is the expression of one of the greatest events in all recorded history. We are so familiar with the gradual growth of the British Empire that we are still unconscious of the extraordinary novelty, the extraordinary greatness, and the extraordinary success of this unique experiment in human co-operation. No such political system was ever dreamed of by the political philosophers of the past. It is a natural growth. We of the English-speaking races are admittedly the leaders of Constitutional Government. Our work in creating free institutions through all the centuries that separate us from (say) Magna Charta—you can go back as far as you like—has produced institutions that have been the model very imperfectly copied, but still copied, by every nation which has tried to make itself free. To that great experiment we have added now this further experiment of the British Empire, which is in the main a congregation of self-governing communities, such as, I am quite sure, would have been regarded in the 18th century as absolutely impossible. And impossible it seemed, up to the year 1914, even to such an instructed community as the Germans, with all their painful erudition. They never dreamed that what looked to them like an artificial congregation of separate units was really a natural and coherent growth, proving its success in the only way in which any organism can prove its success, by resisting the stress of great difficulties, and adapting itself to great emergencies. They supposed—and who can blame them for supposing?—that this body of free communities, as soon as it was threatened by some external danger, as soon as it was called upon to make great sacrifices, would, as regards each separate part, find some reason for withdrawing, more or less overtly, from the common effort. It was a natural view. It was one which you would expect not only from every German, but even from people with more moral imagination than seems to have been given to that unattractive but efficient race. Yet all such prophecies have been refuted during these last three years. Productive as they have been of sorrow and misery in every part of the world, they have at least proved that the British Empire is no mere paper arrangement. We have only to look round this table to see how the British Empire has risen to the great occasion. For here before us are the visible proofs that, in the fourth year of the most tremendous struggle the world has ever known, every part of it has felt itself drawn to every other part by strengthening bonds;—not the bonds merely of crude self-interest, but the bonds of a common belief in a great ideal. All this I see represented at our meeting to-day;—and seeing it, I thank you, Mr. Long, for having giving me the privilege of being present upon this unique historic occasion.

May I say one word more as Foreign Secretary. Every speech to-day has dwelt on the fact that this war has not only drawn the free communities of the British Empire into ever closer co-operation, but that it has brought us into new and far better relations with that other member of the free Anglo-Saxon communities from which, by an unhappy historic accident, we were torn 140 years ago. I foresee

Mr. BALFOUR—*cont.*

untold possibilities for us, and for mankind in this new and happier condition of affairs. I share the views held by everyone round this table, and admirably expressed by General Smuts, that the future happiness and freedom of mankind depend more upon the development in harmony of all the branches of the English-speaking peoples than upon any other international event. During the war I believe that this process will prove it is, and is going to be, perfectly easy. I do not know that it is going to be altogether easy after the war. The Americans have gone into it whole-heartedly; they have entered into it with no selfish ambitions; they are as determined, I believe, as any gentleman round this table, to see that out of this war freedom and national security are going to come into permanent being. But there are special difficulties, as everybody knows, in our relations with the United States, born partly of the historic events to which I have referred, but born also of the inevitable rivalry, however friendly (and it is most friendly), between the greatest commercial peoples in the world. There must in any case be small causes of difficulty and friction, and I do not know that they are going to be diminished by the closer economic union of the Empire which I, for one, desire to see as one of the great results of our Imperial Conference. Such a result is likely to foster feelings of competition which may produce difficulties—difficulties that, I am confident, can be got over, difficulties which do not frighten me, but which have to be borne in mind. Because if we do not get over them, then the German dream will be fulfilled. There are already German professors who say openly that their business after the war will be to drive a wedge in between the various communities whom they rightly regard as the most formidable foes—namely, the freely-governed English-speaking peoples of the world. That is their policy, and doubtless, of course, there will be opportunities for carrying it out. I know that we can defeat it; I know that, by the results of your labours principally, but in other ways also, whatever difficulties may arise out of the clash of commercial interests, the British Empire and the American State will, more and more as time goes on, feel that they have in their guardianship the dearest interests of all who love liberty and self-development. It is our business to see that that consciousness shall ever grow in strength, and that no unnecessary difficulties shall ever be thrown in its way, at all events by the Statesmen of this Empire, whether they come from the Dominions or whether their business is within the limits of the mother country.

I have taken up rather more of your time than I intended to, but I hope you will forgive me for having done so. The occasion is one which must move, and deeply move, anybody who is present at it, and nobody is more deeply moved than I, to whom you have so kindly given the privilege of expressing my inner feelings upon this unique historic occasion.

Order of Business.

CHAIRMAN: Well, gentlemen, we now proceed to our ordinary business. The first business is to ask you to agree—which I am sure you will do for convenience sake—to the arrangements which we made last year, viz., each Government to have one vote; any representative to have the right to speak; the Chairman to issue to the Press reports of the meetings of the Conference, but such reports to give no details of the business done; the times of the meetings to be Mondays, Wednesdays, and Fridays at 11 o'clock. And then we have to appoint a Sub-Committee. Before I put the question as to the Sub-Committee, do I understand that the Conference will desire to adopt the regulations of last year?

Mr. ROWELL: I understood Sir Robert Borden to make a suggestion on the question of publicity.

CHAIRMAN: I am raising the question of the Sub-Committee. Last year it consisted of Sir Robert Borden, Mr. Massey, General Smuts, and Sir James Meston, who was the Indian representative. This year you will probably desire to put an Australian on—Mr. Hughes. This Committee will have to meet from time to time; we can only arrange the programme for a limited period—a fortnight, or something of that sort—and then it settles itself more or less.

12 June 1918.]

ORDER OF BUSINESS.

[1st Day.

Mr. ROWELL: The point that I was mentioning was that in the procedure last year, as you read it, no details of the discussions were to be given in connection with the reports of the proceedings. I thought that, in view of the suggestion made by Sir Robert Borden, the question of publicity might be considered now.

CHAIRMAN: I do not think that is necessary, because all we did last year was to decide that we would issue to the Press reports of the meetings, but give no details of a confidential character. That is only a general ruling. And then I thought we would adopt Sir Robert's proposal, and ask some Committee—perhaps the same Committee that deals with the Agenda—to consider the question of publicity.

Mr. MASSEY: I think the reports went through you last year, Mr. Long.

CHAIRMAN: They did.

Mr. MASSEY: I think that is better than any Committee. Personally I do not think a divided responsibility is a good thing, so far as publicity is concerned.

Sir ROBERT BORDEN: Well, that is very true, if you are really dividing it. The suggestion, I think, is that we should have a somewhat fuller report of the proceedings than last year, and very likely Mr. Long, in supervising that fuller report, might like to have the co-operation of some members of the Conference, because more or less difficult questions might arise as to how far one should go. We start with the idea that we are going to give somewhat fuller reports than we gave last year, and as the question will probably sometimes arise as to how far those reports ought to go, it might be just as well for the Committee to deal with the question.

CHAIRMAN: At any rate we are agreed as to those three things—the one vote for each Government, the right of each representative to speak, and the times of the meetings. If we agree to those, then we must have a Committee to arrange our programme. Last year that Committee consisted of Sir Robert Borden, Mr. Massey, General Smuts, and Sir James Meston. This year you will no doubt desire to put Mr. Hughes on the Committee, and Sir S. P. Sinha (who will represent India) in the place of Sir James Meston. If it is the wish of the Committee to meet to-morrow, in pursuance of the precedent of last year, we shall not have Mr. Hughes here, but Sir Robert Garran, the Solicitor-General of Australia, is here, and has been good enough to come to-day to follow our proceedings, and he will be ready to help the Committee with any suggestions as to Australia. Meanwhile, Mr. Hughes will be here himself on Sunday.

Sir ROBERT BORDEN: I should prefer not to be on the Committee this year. I should be glad if Mr. Meighen could act in my place.

CHAIRMAN: Do you propose to say anything, Mr. Massey?

Mr. MASSEY: No, sir; I am quite satisfied with what is being done.

CHAIRMAN: Will you go on to the Committee?

Mr. MASSEY: What are the particular duties of the Committee?

CHAIRMAN: To draw up the Agenda of the Conference.

Mr. MASSEY: There is not much in that. I shall be glad to be a member.

Mr. BURTON: General Smuts has asked to be excused from attendance on this Committee, and he wishes that I should act in his place.

CHAIRMAN: You will go on in his place; thank you. Then we leave over Mr. Hughes and Sir S. P. Sinha. That will be the Committee. Then about the question of publicity, I understand Sir Robert Borden's suggestion is that this Committee should consider the question of publicity along with other questions. There is no objection to that, I take it. It is rather a difficult task for me to undertake without some guidance, because there is apt to be a good deal of criticism if insufficient publicity is given, and on the other hand we are very anxious to prevent anything going out which ought not to go out.

Mr. MASSEY: I think that in every case reports, before going out, should be submitted to you, Mr. Long. You are more capable of judging than we are.

1st Day.]

ORDER OF BUSINESS.

[12 June 1918.

CHAIRMAN: I am quite willing to undertake that. When would the Committee like to meet? Would to-morrow afternoon be convenient to members of the Committee?

Mr. BURTON: How long must we meet for?

CHAIRMAN: We could meet here at four or five o'clock. It would not take very long.

Mr. MASSEY: What about notices of motion?

CHAIRMAN: Notices of motions can be handed in at any time now, but there was a suggestion made last year that there should be some limit put on, and that notices of motion should be given by a certain time. The reason for that was that it was rather difficult for members of the Conference to get the information in time for the discussions. There were two or three occasions last year when nobody had got the information wanted. I think all we can do really—it is no use passing a hard and fast rule—is to expedite things as much as we possibly can.

Mr. MEIGHEN: Then might the Committee meet at five to-morrow?

CHAIRMAN: Yes, to-morrow at five o'clock, here.

SECOND DAY!

Monday, 17th June 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 11 A.M.

PRESENT:

The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).

Mr. W. A. S. HEWINS, M.P., Parliamentary Under Secretary of State for the Colonies.

Canada.

The Right Honourable Sir R. L. BORDEN, G.C.M.G., Prime Minister.

The Honourable A. MEIGHEN, K.C., Minister of the Interior.

The Honourable J. A. CALDER, Minister of Immigration and Colonization.

The Honourable N. W. ROWELL, K.C., President of the Privy Council.

Australia.

The Right Honourable W. M. HUGHES, Prime Minister.

The Right Honourable J. COOK, Minister of the Navy.

New Zealand.

The Right Honourable W. F. MASSEY, Prime Minister.

The Right Honourable Sir JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

Lieutenant-General the Right Honourable J. C. SMUTS.

The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

The Right Honourable E. S. MONTAGU, M.P., Secretary of State for India.

Major-General His Highness The MAHARAJA OF PATIALA, G.C.I.E., G.B.E.

The Honourable Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.

Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.

Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT:

Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under Secretary of State for the Colonies.

Lieutenant-General Sir C. F. N. MACREADY, G.C.M.G., K.C.B., Adjutant-General to the Forces.

Brigadier-General FABIAN WARE, C.M.G., Vice-Chairman, Imperial War Graves Commission.

Mr. J. E. TALBOT, Principal Assistant Secretary, Imperial War Graves Commission.

Lieutenant-Colonel A. A. MESSER, D.S.O., Acting Inspector of Works in France to the Imperial War Graves Commission.

Mr. J. S. RISLEY, C.B., Legal Adviser, Colonial Office.

2nd Day.] WELCOME TO REPRESENTATIVES OF AUSTRALIA AND INDIA. [17 June 1918.

Brigadier-General B. F. BURNETT-HITCHCOCK, C.B., D.S.O., Director of Mobilization, War Office.
 Mr. A. R. MCBAIN, War Office.
 Mr. A. V. SYMONDS, C.B., Assistant Secretary, Local Government Board.
 Mr. HUGH WINDHAM, C.B.E., Ministry of Labour.
 Mr. T. C. MACNAGHTEN, C.B.E., Chairman of the Managing Committee, Emigrants' Information Office.
 Mr. L. CHRISTIE, Legal Adviser, Department of External Affairs, Canada.
 Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.
 Lieutenant-Commander J. G. LATHAM, Royal Australian Naval Board.
 Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.
 Mr. H. W. CARLESS DAVIS, C.B.E., Deputy Chairman, War Trade Intelligence Department.
 And Private Secretaries.

Welcome to Representatives of Australia and India.

CHAIRMAN: I think we are all present, and it is my privilege to offer, on behalf of His Majesty's Government, a very hearty welcome to the distinguished representatives of the great Commonwealth of Australia, the Prime Minister and Mr. Cook, the Minister of the Navy, who are, happily for us, able to be present this year, thus completing the representation of the Dominions, and completing it in a manner, I am sure, wholly agreeable to us in the Conference, as well as to the country here at home and to the Empire. It is unnecessary for me to refer to the distinguished services rendered by Mr. Hughes and his colleague. All I have to do is to assure him and Mr. Cook of the very great pleasure which we derive from their presence, and also of our conviction that their being here will add materially to the value of our deliberations.

It is also my privilege to welcome here once again the representatives of India, His Highness the Maharaja of Patiala and Sir Satyendra Sinha. Last year Sir Satyendra Sinha was a member of our Conference, and contributed very materially and greatly to the work we did. The Princes of India were represented on that occasion by another distinguished member of their order; we now have the privilege of welcoming the Maharaja of Patiala, to whom we accord the warmest greetings, and I may say we are fully cognisant of the magnificent work which he has done, as one of the chief representatives of his race, on behalf of the Empire in this war.

I am very glad indeed that the Conference is now complete, and I hope that it may indeed be productive of really solid beneficial work for the Empire.

Mr. HUGHES: Mr. Long and gentlemen, on behalf of my colleague and myself I desire to thank you very much for the cordial manner in which you have welcomed the Australian delegation, and I would like to assure you that we cordially join in the hope you have expressed, that the Conference will do some really useful work. It is a body that has within itself great potentialities for usefulness, and I trust that the extraordinary circumstances under which we are met will draw these out, and fashion them to the best service of the Empire. I thank you very much.

Sir S. P. SINHA: I thank you, Mr. Long, for the very kindly words in which you have been pleased to extend a welcome to the representatives of India, and more particularly for the very kind words you have spoken about me personally.

The MAHARAJA OF PATIALA: I thank you, Mr. Long, for the very kind words you have said about me, and about the services of the Indian Princes.

Reply to Loyal Resolution.

CHAIRMAN: Gentlemen, the following is a message from the King:—

“The King thanks the Imperial War Conference for their renewed assurance of the devoted loyalty of all parts of his Empire expressed through the representatives assembled at the Conference, and is glad to welcome on

17 June 1918.] REPLY TO LOYAL RESOLUTION: PUBLICITY ARRANGEMENTS. [2nd Day.

the present occasion delegates from all the Oversea Dominions and from India. Though His Majesty has no need of words to assure him of the sincerity of the loyal affection felt for his Throne and person by all classes of his subjects beyond the seas, yet it is with very special pleasure that he has received this Resolution as the first act of the Imperial War Conference. The Conference has met in circumstances of unparalleled gravity, and is a proof and manifestation of the unity of the Empire in its determination to uphold the common rights and liberties of mankind. The King will follow its deliberations with keen interest and he trusts that these deliberations may lead to an ever closer association of all parts of his Empire in their resolve to defeat the common enemy and to build up an Empire more free, more united, more strong for the future."

Publicity Arrangements.

Then the next business is the publicity arrangements, in regard to which a Memorandum has been circulated, which sets out briefly what happened in 1902, 1907, 1911, and subsequently in 1917.* The proceedings of 1917 bear the closest similarity to those of this year. A desire has been expressed in some quarters that the notices sent to the Press should be fuller than they were on previous occasions. We discussed the question at our Committee meeting on Friday, but I do not know that we have anything special to recommend, unless it be, if it were your pleasure, that I should send, at the end of each week, a telegram to each of the Dominions giving as fully as I can a description of what the work of the Conference during the week has been. That would be made public, of course, in the Dominions Press and at home. If that would meet your wishes, I should be very glad to do my best, and we could then see, after the first week, what the effect of it was, and whether you thought it met the general requirements. Of course, I am entirely in the hands of the Conference, and will do whatever they wish.

Sir ROBERT BORDEN: That would be better than last year, I think, Mr. Long, when nothing was given out from day to day except the fact that meetings were being held. There was a good deal made public at the end, but it seemed possible that this year parts of the proceedings might be made public from time to time. The weekly arrangement which you propose would be a great improvement on last year. It might probably be worth while to submit what was proposed to be published to some representative of each of the Dominions, as in one or other of the Dominions there might be some condition of public opinion which would require a particular matter to be emphasised. If that could be arranged, I think what you have suggested would meet the case.

CHAIRMAN: I should be very glad indeed to avail myself of that suggestion.

Mr. MASSEY: I think the suggestion of a weekly report to go to the Dominions is a good one. I think they are entitled to some information about the proceedings of the Conference. But we have got to be particularly careful, especially during the war period, that nothing goes out which would be of any use to the enemy, or to the friends of the enemy who might happen to be within our gates. We have had some experience of that sort of thing during the last few weeks. I am very anxious, Mr. Long, that this should not develop into an ordinary political assemblage. If we let the information go out, and the Press get it, we shall have papers writing articles and people taking sides. I want that to be avoided, and I believe it will be avoided by what you propose—a weekly report to the Dominions.

Mr. HUGHES: I am afraid I have not quite grasped what your proposal for publicity really is. What is it you suggest?

CHAIRMAN: The suggestion I made was that at the end of each week (we meet on Mondays, Wednesdays, and Fridays) I should prepare, or rather produce, because I should be preparing it each day, a telegram conveying such information as to our proceedings in the Conference as in my judgment could be legitimately given to the public, the telegram to be sent to the Dominions and published here

* See p. 225.

CHAIRMAN—*cont.*

simultaneously. The communication would be sufficient to show that we were really doing something, but it would be essential to bear in mind what the Prime Minister of New Zealand has suggested—namely, that nothing should be put into it which could by any possibility give information to the enemy.

Mr. HUGHES: Of course, there is another aspect which appeals to those who represent Dominions very far distant. Suppose that the bald results of the deliberations are made public, some of which have relation to the most important matters, and that the reasons that actuated the delegates or the Conference in arriving at those results are not given. Now, I can conceive that in some cases it would be most embarrassing, and even disastrous, if these results were given without their context. In the case that is on the Agenda for to-day—the Imperial War Graves Commission, I apprehend such a contingency would not arise, but we may be dealing with other matters which have political sides to them. The enemy is most active in our midst, and would seize upon such things with avidity, and they would percolate through various channels and might affect that solidarity which is so necessary for war effort in the Dominions. So that the greatest possible care should be taken as regards publicity. It would be better merely to give the baldest outline, and to declare that work of importance has been done, than attempt anything short of that full and detailed statement which seems out of the question, and would destroy the value of this Conference. If we are going to have, as Mr. Massey says, a mere political Conference, I would only point out to you, sir, that the path is beset with difficulties.

Sir JOSEPH WARD: Mr. Long, I would like, upon this very important matter, to make a few remarks. There can be no question that the first consideration in connection with the work of this Conference should be to protect any work which is done here from the knowledge of the enemy, where it is essential that the enemy should have no knowledge of what we are doing. But I am one of those who feel that with the growth of the British Empire and the developments that are taking place from time to time in all parts of it, both the present and future representatives who come here will frequently be placed in a very embarrassing position if their views upon some of the great issues that affect the Empire as a whole, and are not objectionable from the point of view of supplying information of value to the enemy, are not recorded with some expressions of the opinions of the men who are here taking part in the proceedings. Now, for instance, there is one matter which, possibly, is coming up here for consideration upon which there may be great diversity of opinion. I refer to the question of the discussion of the future control of the Pacific. The representative of Australia, Mr. Hughes, has already referred to that publicly. Now in our countries there is great diversity of opinion upon some points, and public men who come here can hardly expect to be put in a position of assenting in a general sense to propositions without the people knowing what they have said or what their view is upon such issues. I cannot help feeling that the better course, from the point of view of the future of the Empire, not of the individuals who come here, is that publicity should be given to all matters that are not regarded by the Chairman of the Conference as of a confidential nature. To arrive at a decision upon this all-important, overriding question of the control of the Pacific in the future, and to have a Resolution put on record, or a decision put on record, without an outline of the views of the men responsible to the people of their country being made known to those people, and for men to go away from here feeling that there is a bond of confidence imposed upon them, so that they cannot even go back to their own country and state their views and what they have done upon such a question as that, would be in my opinion most undesirable. That is one matter that may come up for consideration, and there are many others. I must confess that I believe the value of the work of this Imperial Conference would be enhanced considerably if the citizens of the Oversea Dominions had some knowledge of the views of their representatives who come to this table and take part in the deliberations of this Conference. There may be differences of opinion between representatives of the different countries, and so on, and surely it is

Sir JOSEPH WARD—*cont.*

not a position in which the Conference wants to place any representative who is here, that his views upon such points should not be known to the world at large if, as I say, they are not going to be of the slightest use to the enemy. I have every confidence in the Chairman giving out these reports.

Mr. HUGHES: Does not that involve detailed publicity—publicity in the shape of practically verbatim reports, or a précis of each man's statements or utterances?

Sir JOSEPH WARD: I do not see why it should not be so. Why is there any more need for practising secrecy regarding our views here at this Conference, than in our own Houses of Parliament, on matters that are not confidential?

Mr. HUGHES: Well, I may point out this to you. I have never known a Conference to produce any good results where delegates talked with an eye to publicity. I think we insensibly, and without meaning it at all, talk to the gallery, and that is most undesirable. Take the point you have raised—the Pacific question. We can go out and declare our opinion so that no man in our own country shall misunderstand our attitude on a question such as that. But here, I think, we ought to discuss matters in another way.

Sir JOSEPH WARD: I was going on to say, Mr. Long, speaking generally, that I believe the value of these Conferences is very greatly diminished if information, even of a very condensed nature, is not given to the people of the different countries. After all, it becomes a matter of discretion for the individual as to what he may say outside. Everyone has a right to say what he likes—I recognise that—but here we are representing people who are taking a very keen and active interest in our proceedings, and, as a matter of fact, they know mighty little of what we are doing, and what we shall have done after the Conference is finished. However, I content myself by placing my view on record. I hold the same opinion as I held in 1911, when I had the honour to move that the proceedings of the Conference be open to the Press, unless on matters that were confidential. I hold that view still.

General SMUTS: Mr. Long, I do not really see any real difference between the views you have laid before us and the views which have been expressed by other members here. There are subjects which could not possibly be published in any shape or form at this stage. We are at war, we have Allies in that war, and we shall necessarily discuss subjects here that have a common interest not only for ourselves, but for our Allies also. We are not going to give information to the enemy, and so there are subjects to which you, in your discretion, will give no publicity whatever in your weekly statement. There are other subjects which do not affect the war—which affect peace conditions after the war, and about the publication of which no difficulty should be raised; and in such case you will use your discretion, and represent, sometimes more briefly, sometimes more fully, the results arrived at by this Conference. I like your proposal, because in the first place it leaves a great deal of discretion in your hands, where it should be left, to decide what should be published and what not. No doubt you will have to consult your colleagues in the Government to find out what subjects could not possibly be published, and in regard to those which are to be published you will exercise your discretion as to whether the report should be expanded or compressed, according to circumstances. I am sure you will be able to meet all the views which have been put forward to-day in your weekly summary of the proceedings. I agree with Sir Robert Borden that it is in the public interest to give somewhat more publicity than has been given hitherto. The Dominions send their Prime Ministers and most important Ministers to this Conference, from the ends of the earth, so to say. These important leaders are absent from their Dominions, and these Dominions want to know that work of importance is being done—that it is not merely a holiday that is being taken in London, but that work of importance is being done. And for this purpose I think it is desirable that a summary should be published from time to time, showing that really important work, justifying the sacrifice, is being accomplished. I fully agree with the proposal which you have laid before the Conference.

Mr. LLOYD: I agree with the proposal of the Prime Minister of Canada, that a weekly, or even a bi-weekly, report might be issued. I think our people ought to know what we are doing. But I should deplore very much if that report published any views of members of the Conference. I think the report would have much less force, at all events in Newfoundland, if individual views were sent and not the general voice of the Conference.

CHAIRMAN: I think I know what the views of members of the Conference are, and that I have collected their opinions. I gather they are willing to accept my suggestion as an experiment.

Mr. MASSEY: The discussion is perhaps a little irregular, and I was probably wrong in speaking out of my turn just now, but I may say that I think the time of the Conference is not altogether wasted in discussing this question of publicity. My colleague and myself generally agree—we agree on all the important points that are discussed—but I do not quite agree with him in regard to the necessity for publicity such as has been suggested in the proceedings of this Conference. Take the very question which has been referred to, that of the Pacific Islands. I am only referring to it now by way of illustration, and I do not know whether it is intended that particular question shall be discussed by this Conference. I think myself the proper place for its discussion would be the Imperial War Cabinet. But I do not think it would do for a statement to go out from this Conference to the public that some members were of opinion—I am not referring to any particular members, of course—that these Pacific Islands and other German colonies in the same position should be handed over to any friendly Power, or to any neutral Power. I think that would be about the most serious mistake that could possibly be made. I am very strongly of opinion that we have got to settle these questions ourselves. They have got to be settled by the British Government—by the War Cabinet if you like—and later by the British Parliament. I know perfectly well they will come up at the Peace Conference, and then representatives of other nations will have an opportunity of expressing their opinions upon them. But I do think we should endeavour, whether as members of this Conference, of the Imperial War Cabinet, or as members of the Governments of British Dominions, to keep a united front, and to tell the people concerned, enemies or friends, that we are going to settle these matters in our own way, and that we are quite able to do it.

CHAIRMAN: I think I understand the wishes of the Conference, and I will endeavour to give effect to them.

Mr. COOK: Any other course would be diplomatically impossible.

Imperial War Graves Commission.

CHAIRMAN: Now the next subject on the Agenda is the Memorandum on the work of the Imperial War Graves Commission,* and there is a Motion in the name of the Prime Minister of Canada. The Memorandum sets out what has been done by the War Graves Commission since the Conference last met, when it was decided to establish this Commission. I can only say that it has been my privilege to attend the meetings of the Commission and to discuss their work with the Adjutant-General and with Brigadier-General Ware, and I should like to tell the Conference that H.R.H. the Prince of Wales has taken a very keen and active interest in the work of the Commission, of which he is President, and has attended the meetings whenever his duties have permitted. As the Conference know, he has been with the Armies in Italy and France, and not at home. We are very much indebted to Brigadier-General Ware for the work he has done, and perhaps the Conference will now proceed to discuss the Memorandum and to hear what he has to say. The chief point for settlement really is that of finance. Perhaps the best plan will be for any members to ask General Ware any questions they may wish to ask, as he is here to answer them.

* See pp. 226-228.

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IMPERIAL WAR GRAVES COMMISSION.

[2nd Day.]

Sir S. P. SINHA : May I ask a question about paragraph 11 of the Memorandum, which says "A Committee of the Commission, assisted by representatives of the Hindu and Mohammedan faiths, has considered the special treatment required for Indian cemeteries and graves in the western theatre of war, and its recommendations are now before the Commission." I should like to know whether those recommendations have been accepted and are going to be given effect to.

General WARE : Those recommendations have not yet been formally before the Commission. There has not been a meeting of the War Graves Commission since that Committee met. I have the recommendations of the Committee here, and one of the recommendations was that instructions should be given to Sir Edwin Lutyens and Mr. Baker to design both a mosque and a temple, you will remember.

Sir S. P. SINHA : I only ask for that information for this reason—because before committing India to the expenditure involved, I should like to be certain that our special requirements are going to be looked after.

CHAIRMAN : Have you seen a copy of the Report of the Meeting of the Indian Graves Committee ?

Sir S. P. SINHA : Yes, and of the resolutions they have passed.

CHAIRMAN : Have you had time to consider them ?

Sir S. P. SINHA : Not entirely—except those recommendations.

CHAIRMAN : I should think there will be no difficulty. As a matter of fact, the Imperial War Graves Commission were extremely anxious that India should be fully consulted. At that time the Secretary of State for India, as you are aware, was not in England, and Lord Islington, who was acting on his behalf, was entrusted by the Commission with the care of this particular branch of our work, and I think I can say without any doubt, in the absence of the Secretary of State for War, who is the Chairman, that the Commission will receive any recommendations of that kind not only with the fullest possible sympathy, but with every determination to accept recommendations from what they regard as an expert Committee.

Sir S. P. SINHA : That is quite sufficient for me, sir.

General SMUTS : Does this Memorandum represent the recommendations of the Commission to us, or are they mere recommendations of the Vice-Chairman ?

General WARE : Of the Commission.

CHAIRMAN : It is signed by the Vice-Chairman on behalf of the Commission.

General SMUTS : Although it is merely signed by the Vice-Chairman and not by the Chairman, these are the recommendations of the Commission, and we can accept them as such ?

CHAIRMAN : Oh, yes.

Sir JOSEPH WARD : Might I ask, Mr. Long, if paragraph 5, which deals with the request for £15,000, covers the whole financial point of the proposal.

CHAIRMAN : No; this is only a provisional grant by the Treasury for the preliminary work.

General WARE : In order that experiments might be made on three cemeteries, so that we might be able to arrive at a general estimate.

Mr. MONTAGU : No sort of estimate, I suppose, of the expenditure per head has yet been possible ?

General WARE : Oh, yes.

Mr. MONTAGU : I beg your pardon.

CHAIRMAN : You will find the estimate in paragraph 2 : "It has been found impracticable to prepare a detailed and final estimate in the year that has elapsed, for reasons which are suggested later in this Memorandum. . . . This cost appears, under present conditions, to work out at an average sum of £10 per officer or man buried. No estimate has, however, yet been made of the cost of erecting memorials to those whose graves have not been identified, but this will certainly be considerably less in proportion."

2nd Day.]

IMPERIAL WAR GRAVES COMMISSION.

[17 June 1918.]

Mr. MASSEY: Will General Ware tell us whether any work has been put in hand for any cemeteries where British soldiers are buried?

General WARE: No work has yet been actually put in hand. We had made plans and preparations to start this work on three cemeteries, but, unfortunately, the Germans interfered with our plans. We then had to take three other cemeteries. The plans, designs and estimates have all been made out, and we are ready to start on those three cemeteries, although we shall probably only select one to start with.

Mr. MASSEY: Are the three cemeteries on which you intended to start work included in the territory which has been recently taken possession of by the Germans?

General WARE: Two of them.

Mr. MASSEY: Then, of course, it would be impossible to do anything there?

General WARE: Yes. We have therefore taken three new cemeteries. The three we have actually taken are Calais, Le Tréport, and one behind Doullens. It is proposed to start at once in the cemetery at Le Tréport.

Mr. HUGHES: To what extent does the estimate include isolated graves as distinguished from those in cemeteries?

General WARE: The isolated graves are included in that estimate. The whole policy with regard to isolated graves has not yet been settled. The Commission has strongly recommended that these isolated graves should be concentrated. They must be put into cemeteries, and probably big cemeteries will have to be made for them. It is an extremely difficult question. If anything is done, it obviously ought to be done during the period of demobilisation, so that when the relatives can go out to visit the graves they will find the work completed. We were actually discussing with the French authorities the question of the Somme battlefields, where there are some 50,000 isolated graves which have been marked and registered by our officers; but unfortunately the German advance made it impossible to get the discussion on to a practical basis at present.

Mr. HUGHES: Does this estimate cover Gallipoli?

General WARE: The estimate does not cover Gallipoli. We have not attempted to make an estimate. We have no idea.

Mr. HUGHES: Although probably more of our men have died in France and Flanders than in Gallipoli, there is a sentiment attached to Gallipoli which makes it sacred.

Mr. MASSEY: I should like to ask General Ware whether anything has been done with regard to Gallipoli. Has the Turkish Government been approached, or any start made in the way of negotiations, so that we may have the authority to go on to that territory at Gallipoli and to do everything possible to perpetuate the memory of the men whose remains are buried there?

General WARE: Every possible pressure has been brought to bear upon the Turkish Government. The Foreign Office has approached them two or three times in different ways, but I am sorry to say it has been quite impossible to get anything done at all. Certain information has been supplied by the Vatican, but it has not been of much value. There have been a certain number of photographs of the graves taken. No doubt, the result of that pressure has been to stop desecration of the graves. The Turkish Government know that the Vatican is carefully watching the matter, and I think that has had some effect, but it has not resulted in our being able to do anything as yet.

Mr. MASSEY: Has any official report been obtained with regard to the state of the graves since the last meeting of the Conference?

General WARE: I think that it was just after the last meeting that a report came in from the Vatican, but the report added little of practical value to what was already known.

Mr. MASSEY: But the Commission have it in hand, and intend to bring pressure to bear?

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IMPERIAL WAR GRAVES COMMISSION.

[2nd Day.

General WARE: Oh, very much so.

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Mr. ROWELL: Is it contemplated, under paragraph 4 (ii), that each one of the Dominions might, in addition to the uniform treatment, have some distinctive mark on their graves?

General WARE: In paragraph 4 (x) you will see that there are certain gentlemen suggested as advisers with regard to this matter. A Headstones Committee has been formed, of which Sir Frederic Kenyon is chairman, and this committee includes Mr. D. S. MacColl, who is Keeper of the Wallace Collection, Mr. C. J. Holme—Director of the National Gallery, and Mr. Macdonald Gill, and they have been going very carefully into the question of headstones. The Dominion troops were consulted in the matter of designs through the High Commissioners and their Corps Commanders (as British Regiments were through their Colonels-in-Chief), and in many cases even individual regiments sent in suggestions.

Sir ROBERT BORDEN: It is distinctly set out in the second recommendation: "That each regiment should have its own pattern of headstone to be erected over the grave of every man of that regiment, wherever he may be buried, and that regimental feeling should be consulted as to the design of the headstone." It would be possible, no doubt, under that recommendation to have some distinctive mark.

General WARE: That raises an extremely complicated question. There was not the labour in the world to carve the badges. However, very fortunately, one of our officers has been making experiments on a process which, I think, is certain to be a success, by which it would be possible to get a proper inscription on the headstones and to engrave the badges, and it is proposed that there should be a distinctive Dominion or national badge, and possibly a regimental badge as well.

Mr. ROWELL: That would meet the point—something like that.

CHAIRMAN: One question which was discussed at the meeting of the Commission, and decided unanimously, was that there should be no distinction between the memorials of officers and men. There was a desire on the part of some people that they should, after the war, erect their own private memorials. This was a very natural desire, but it was felt that all would really wish, when they came to think it over, that the graves of those who had fought and died together should be marked without distinction of rank. I think that is the view that has been unanimously adopted, and which, I feel sure, this Conference will confirm.

Mr. MASSEY: Does that mean a uniform type of headstone?

CHAIRMAN: It would vary according to the regiments and to the Dominions, but it would preclude the erection of a rather larger and perhaps more decorative form of headstone. You may take it really that the result would be that there would be no distinction between a General Officer and a private, excepting with regard to the Force to which he belonged and the regiment of which he was a member. That is practically all it comes to.

General WARE: There is to be no distinction between officers and men.

Mr. MASSEY: Would not the rank of officers be given?

General WARE: It would be stated in the inscription.

Mr. HUGHES: But there would be no distinction of any kind in the monument?

Sir ROBERT BORDEN: It would be the same character of monument?

General WARE: Yes. Speaking generally, officers and men of the same regiment will have the same headstone. There will be no difference.

Mr. HUGHES: What is the distinction between regiments? Is it merely in the form or in the value of the monument?

General WARE: Chiefly in the badge. It is suggested that each regiment should have its own badge as a distinctive mark where it has a distinctive headstone.

2nd Day.]

IMPERIAL WAR GRAVES COMMISSION.

[17 June 1918.]

Mr. LLOYD: I notice in the tables* two headings—"graves" and "burials." What is the distinction?

Sir ROBERT BORDEN: I think "burials" is used where the men have not been identified.

General WARE: On the first page of the tables you will find: "graves fully registered and accepted as authentic." That is "graves." Then: "burials reported but graves not yet identified." That is "burials."

Mr. LLOYD: Thank you; oh, yes. I had not an opportunity of looking at the tables before.

CHAIRMAN: The really important question for the Conference to decide, if they have no further questions to ask General Ware, is whether they will accept the suggestion that the ultimate cost of this work shall be defrayed by the respective Governments in proportion to the numbers of the graves of their dead.

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Sir ROBERT BORDEN: I have been asked to move this Resolution with regard to the Memorandum which has been placed before us: "That the Conference desires to place on record its appreciation of the labours of the Imperial War Graves Commission, and is in favour of the cost of the carrying out of the decisions of the Commission being borne by the respective Governments in proportion to the number of the graves of their dead." It is not necessary to speak at any length with regard to the Memorandum, or with regard to the proposed Resolution. I am very glad that the principle of equality of treatment of all the graves has been laid down, and is to be carried out. It is entirely appropriate that among the ranks of the dead there should be no distinction. The work of the Commission seems to have been very carefully carried out, and their efforts commend themselves to my judgment. In that connection it is desirable to renew once more the expression of our appreciation of the act of the French Government in acquiring so large a number of cemeteries in France, and undertaking in that way the care of the graves of those who have fallen fighting upon the soil of France. If I remember correctly, we expressed last year appreciation of this action of the French Government. The main purpose of the Resolution is to define terms upon which the various Governments shall provide the necessary funds for caring for the graves of their dead. It is a sacred duty, and it devolves upon the people of all the nations of the Empire; it is a task and a duty that will be gratefully accepted by all. The principle which has been laid down seems to be perfectly fair and just; so far as we in Canada are concerned, we are prepared to accept it, and I hope it will be accepted by the Conference.

Mr. HUGHES: Mr. Long, I have very much pleasure in seconding this Resolution which has been proposed by Sir Robert Borden. I entirely agree with what he has said with regard to the gratitude we owe to the Imperial War Graves Commission for the manner in which they have carried out their work. I join with him in expressing my complete satisfaction with that part of their recommendation which proposes to do away with all distinctions of rank. Speaking for the Commonwealth which I have the honour to represent, I feel perfectly sure that that will be received with general satisfaction. All these men have died. No man could do more, General or private, than give up his life for his country. We shall be very glad to pay our share, which we hope, for the sake of our brave soldiers, will not be very much greater than it now appears likely to be. But, however great it may be, we shall pay it as a small tribute to their valour. I have very much pleasure in seconding the Resolution.

Mr. MASSEY: In supporting the Resolution, before we go any further I should like to express approval of what has been done by the Commission so far as it has gone. I should like, however, to ask this question of you, sir, or General Ware. We all know numbers of patriotic and philanthropic people all over the Empire who, I have no doubt, would like to use a part of their capital, when they have

* Not published.

17 June 1918.]

IMPERIAL WAR GRAVES COMMISSION.

[2nd Day.

Mr. MASSEY—*cont.*

no further use for it, for the purpose of taking care of these graves, or perhaps for specially taking care of graves in some particular cemetery. What I want to know is whether it is possible to accept such contributions or bequests. Then I want, sir, to emphasise again—and I am going back to what took place last year—the necessity, whenever opportunity affords, of something being done to take better care of the graves of the men who died at Gallipoli. We have a duty so far as the memory of those men is concerned—there is no question about that—and I regret, though I am not finding fault with anyone, that it has not been found possible to do very much in the way of improving matters in Gallipoli up to the present. I do hope that when opportunity offers—and that is my reason for speaking now—this matter will not be lost sight of, and that the Commission will be successful in making some satisfactory arrangements with regard to cemeteries and other places where our men are buried in Gallipoli.

CHAIRMAN: May I take it that the Conference agrees to the Resolution?

Mr. LLOYD: I should like to say that I agree with the Resolution. Newfoundland will do its part willingly. I should like also to express my agreement with Mr. Massey in reference to the need for doing something in regard to looking after the graves of those who fell in Gallipoli. Newfoundland is deeply interested in that question, and I hope action will be taken in reference to it. With reference to the question of bequests and subscriptions, I should imagine that that is a matter which should be left to the Dominions rather than that there should be any decision here.

CHAIRMAN: May I take it that the Conference adopts the Resolution proposed by the Prime Minister of Canada, seconded by the Prime Minister of Australia, and supported? It has already been read. Those in favour say "Aye." That is carried unanimously.

Mr. MASSEY: Before General Ware goes away, could he give us any information about the point I raised with regard to bequests and contributions from private individuals? Is it intended to accept or decline them?

General WARE: You will remember there was a long discussion last year on that question, and it was decided that the Commission should be given power, under Charter, to receive such bequests. There are several different objects on which such money could be spent. For instance, it is proposed that arrangements should be made after the war so that people who cannot afford to go to France to see the graves might be assisted to go. That is one object for which such subscriptions could be used. And there are one or two other things which the Commission has considered. But it is not intended—and you will remember the Conference was very strong about this last year—that private money should be used for the actual work of construction.

Mr. MASSEY: My recollection is—I do not think it is necessary to turn up the record—that we decided that contributions were not to be asked for, but that people who felt inclined might contribute if they thought proper.

Central Emigration Authority.

CHAIRMAN: The next business on the Agenda is two questions that have been raised by Canada—(1) a central authority to control and supervise all matters concerning ex-Service men and others who wish to emigrate; (2) funds for establishing ex-Service men in the Oversea Dominions. I have asked Mr. Hewins to come to the table because he is in charge of the Emigration Bill in the House of Commons.

Mr. CALDER: Mr. Long, we have placed these questions here rather for the purpose of obtaining information than of suggesting anything. As the members of the Conference are aware, there is a Bill now before the Imperial Parliament providing for the establishment of a central authority to supervise and control all matters appertaining to emigration, and as Canada, in common with the other Dominions, has had agencies here at home dealing with emigration, we are very anxious to know just what is to be the scope and character of the work to be done by

Mr. CALDER—*cont.*

the central authority. Heretofore, each of the Dominions has been left practically free to do as it pleased in the matter of emigration, and each of them has spent very considerable sums of money. Now there is the Emigration Bill before us, and we are anxious to come to a decision as to the manner in which we should carry on our work in the future. In order that we may do that, we must have some clear, definite understanding as to what the functions and powers of this central authority which is to be set up in Great Britain are. It is mainly for that reason that we have brought this matter to the attention of the Conference. In thinking over the matter and in discussing it amongst ourselves, we felt that it might be well, instead of taking up the time of the Conference with a general discussion, to have a committee formed representing each of the Dominions, which might watch the course of the Bill in Parliament, and at the same time have an opportunity of discussing the matter with Mr. Hewins, who is responsible for the Bill in Parliament. As I have stated, our main purpose is to ascertain how the Central Authority is to be composed, as to whether or not it is to be a purely British body or whether the Colonies are to have any representation on it, and if the latter, how they are to be chosen and what their duties and functions are to be. The question has been raised entirely for that purpose at the present time. When we know a little more about what the main functions and purposes of the Authority are to be, we may have something further to say.

CHAIRMAN: Perhaps it will be convenient to the Conference if I make a very brief statement which really answers the questions raised by Mr. Calder, and will, I think, put the facts before the Conference. As you are aware, His Majesty's Government have already taken action, and a Bill is before Parliament providing for the creation of an Authority to supervise generally all matters connected with emigration. A copy of the Bill has already been circulated, and I think members of the Conference have also got a copy of the debate in the House of Commons on the Second Reading, with Mr. Hewins's speech, which explains the proposed composition of the Authority as well as the nature of the work which it is to perform.* But, as Mr. Calder has suggested, there are one or two questions—one in particular in connection with the establishment of the Central Authority—on which His Majesty's Government would be very glad to know the feelings of the Conference. Under the Bill as it is now drawn up, it is proposed that the Authority should act under the directions of the Secretary of State for the Colonies, who would be responsible to Parliament for its action, but that the Authority itself should consist of representatives of the Oversea Dominions as well as representatives of various departments of the Government here, and of unofficial members. The addition of representatives of the Oversea Dominions to a body which will be mainly concerned with executive work in the United Kingdom is, of course, a new departure, and it is quite certain from the course of proceedings on the Bill in the House of Commons that there will be further discussion here as to this. As an alternative, it is suggested that the new Authority should be a branch of the administration in the United Kingdom, and that the representatives of the Overseas Dominions should be associated with it only in an advisory capacity. We should like to know what the feeling on this subject is of the various representatives here. The Dominions Royal Commission† were in favour of the representatives of the Overseas Governments having a consultative voice only. On the other hand, the Empire Settlement Committee‡ advocated centralisation of the executive work in a body representing all parts of the Empire interested in matters of migration. The other question on which I understand the views of His Majesty's Government are invited is whether it is contemplated to give actual financial assistance to ex-Service men or women in order to establish them efficiently on the land in the Oversea Dominions. On this point I should like first of all to refer to the two Reports on which the Emigration Bill now before the Imperial Parliament is founded. The Dominions Royal Commission,† who, as you know, went at great length into the question of migration, and took evidence not only here but in all the Oversea Dominions, say quite definitely (paragraph 454 of their Final Report) that they are unwilling to support

* Parliamentary Debates, House of Commons, Vol. 106, No. 52.

† [Cd. 8462.]

‡ [Cd. 8672.]

CHAIRMAN—*cont.*

a departure from the traditional policy of His Majesty's Government, as explained at successive Imperial Conferences, not to encourage State-aided migration on a large scale. In fact, they go further and say (paragraph 466 of the Report) that it is certainly a matter for serious consideration whether the Central Emigration Authority which they propose should not have power reserved to it to limit or prohibit the emigration of men, particularly of military age, from the United Kingdom, except to destinations approved by the Authority. They make no definite recommendation on this point, however, pointing out that what the state of affairs will be when the war is over is utterly unknown and a matter on which they would not care to prophesy.

The Empire Settlement Committee (paragraph 148 of their Report*) took up an attitude which is not essentially different from that of the Royal Commission. They say: "It is certain that the United Kingdom will be faced with a national debt at least five or six times as large as that before the war. It is equally certain that its working population at the ages most important for industry will be seriously depleted through the havoc caused by death and disablement. Without taking into account the diminished industrial efficiency caused by disablement, the reduction in the male population owing to deaths due to military and naval casualties will be serious. It is officially estimated that by April 1918, if the war lasts so long, not only will the whole of the natural increase of the male population of England and Wales between the ages of 20 and 35 since 1911 have disappeared, but there will actually be a considerable decrease of the male population between those ages." They go on to say that: "other factors in the position which are still undecided at present are (a) the size of the Army which will be needed after the war; (b) the nature of the obligations which will be required by the Home Government from men of military age; and (c) the reciprocal obligations between the Mother Country and the Dominions with regard to an Imperial Army. On the other hand, there is at least the possibility that there will be difficulties and distress in the United Kingdom after the war caused by the dislocation of industry, the displacement of labour, &c., which properly directed emigration might, under certain conditions, relieve. It has also to be remembered that there has been practically no emigration from the United Kingdom during the war, so that the Dominions will have been deprived of their normal flow of immigrants. So far as women and children are concerned, the population of the United Kingdom available for emigration has *pro tanto* increased. We mention these considerations and counter-considerations as showing how impossible it is, in the present circumstances, to offer any decided opinion as to the extent of the activities of any new authority set up to deal with emigration from the United Kingdom. We can only say that the arrangements must be extremely elastic. The authority should be ready to deal at once with essential matters. Thus it must be in a position to supply trustworthy information to ex-Service men; to record the names and careers of those who desire to emigrate; and to transfer their cases, after preliminaries have been completed, to the office of the Dominion or State of their choice. It must also be prepared to deal immediately with various matters affecting emigration generally, such as the control of passage brokers, passage brokers' agents, and Emigration Societies. It should further be capable of quick expansion so as to be able to encourage and aid emigration more actively if experience proves such a course desirable, in order to relieve congestion in the United Kingdom, and should opportunities in the Oversea Dominions be proved concurrently to exist." That is the end of their recommendation.

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The position as regards the future man power of the Empire is clearly one which cannot but cause grave anxiety. The losses of the Dominions have been severe, just as our own have been, and their problem in replacing their depleted supplies of men will be just as urgent as, if not more urgent than, our own.

I come back, then, to the question at issue. My own view is that His Majesty's Government cannot at the moment say what their attitude will be after the war as regards encouragement of emigration. I am convinced that they could not pledge

CHAIRMAN—*cont.*

themselves to the grant of large financial assistance. I doubt, indeed, giving my own opinion for what it is worth, whether they will be able to give practically any such assistance in the shape of a grant for emigration. But one of the main objects the Government have in view in bringing in this Bill is to have a Central Authority which will ensure that any men or women who really desire to emigrate after the war should have the very best advice and the very best assistance, and that all the encouragement shall be given to them that can possibly be given. I desire to lay the greatest possible stress on that, and I think it is our duty. It is very much criticised in certain quarters of this country, but I attach enormous importance to it myself; I think that, whatever we do in the way of encouraging or assisting or directing emigration, all our efforts should be to induce those who wish to leave this country, if we can, to settle within the British Empire rather than to drift away to other countries. (Hear, hear.) Of course, this raises rather a controversial subject at once. We are told that we have no right to interfere with the free will of the individual—with his right to go wherever he likes—and that he ought to be perfectly free. But I think it can be done without interference with the liberty of the subject; and if we are to give assistance in any way, surely it is our duty to see that if men and women leave this part of the world, every effort should be made to see that they go to another part of the British Empire, and not to some foreign country where they cease to be practically interested in the Empire. On the whole, this has seemed to us to be the most practical way of carrying out, so far as we are concerned, the terms of the latter part of Resolution XXI. passed by the Conference of last year, and when the Authority is established, our object will be to help emigrants in any way possible to take advantage of the generous offers made to them by the Dominions.

I do not know that there is anything more to say to you gentlemen about it, excepting that, so far, the expenditure granted by Parliament is limited to £50,000 in any one year, which is a pretty fair indication as to what the views and tendencies of our Parliament are. It has been suggested that there should be a Committee appointed of representatives of the Dominions to consult with Mr. Hewins during the progress of the Bill. Mr. Hewins is here, and as he has the actual charge of the Bill in the House of Commons, he is in a position to answer any questions. I think that statement covers the ground raised by Mr. Calder.

Mr. CALDER: Yes, it covers it very well, but there are some phases which should be gone into. For example, we should like to know as definitely as we can what the relations between this Central Authority and our various agencies in the United Kingdom will be. That is, will the work of our various agencies be controlled or directed or supervised in any way, and if so, in what way? As you know, we have a number of offices, I suppose some 12 or 15, in the United Kingdom, and in normal times there are various staffs connected with these offices. We expend fairly large sums of money on these offices and staffs, and we would like to know, in order to prepare for our future work, just what are to be the relations between our agencies here in the United Kingdom and this Central Authority. That is to say, is their work to be interfered with in any way? Is it to be controlled in any way? Is the literature we send out—the appeals we make to the public—our lectures, and all that sort of thing, to be interfered with at all?

CHAIRMAN: No.

Mr. CALDER: That is not intended at all?

CHAIRMAN: No. Perhaps the Conference would like to have that statement of mine, most of which I have read, of course, circulated to the Conference, and then, if there was a Committee of this kind, they could confer with Mr. Hewins, with us here, or with any other of our Departments, and raise these questions for absolute decision.

Mr. MASSEY: May I suggest that, as Mr. Hewins is in charge of the Bill before the House of Commons, he should give us a very brief synopsis of some of the more important provisions contained in the Bill. My reason for asking that is this. Members of the Conference know the position as well as I do; we are being simply deluged with Parliamentary papers and all sorts of documents which no member of the Conference who happens to be a member of the Cabinet can read, within ordinary

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CENTRAL EMIGRATION AUTHORITY.

[2nd Day.]

Mr. MASSEY—*cont.*

working hours, in such a way as to understand them. Speaking selfishly, and from my own point of view—and I have not the faintest doubt that other representatives are in exactly the same position as I am—I must admit straight away that I have not read the whole of these papers, and I should like to hear an explanation from Mr. Hewins. We dealt with this very briefly, you will recollect, Mr. Long, last year, but it is an exceedingly important subject, and it becomes more important as time goes on. And I do not think the time of the Conference will be wasted in discussing it at more considerable length than we intended at first.

Mr. HUGHES: I agree with my friend Mr. Massey. Speaking for myself, I did not have the advantage of seeing these documents at as early a date as he did, but the number I have seen since I came here is absolutely appalling. I have glanced through the speech of Mr. Hewins, which is very clear, and which is calculated to inform one's mind as quickly as possible; but the matter is a very big one, and I am bound to say the statement you have made now is one which gives one furiously to think. It would be advantageous if we had a little longer opportunity to think this over and to collect our ideas. Perhaps there might be something added to your statement, although I can hardly say what form it should take, because your statement appears to cover most of the ground. I am afraid if the discussion goes on now there will be a good deal of loose talk, and time will not be gained. However, I will say no more.

Sir ROBERT BORDEN: What do you think about appointing a small committee—a committee representing each Dominion?

Mr. CALDER: And then bringing the matter up again later in the Conference.

Mr. HUGHES: I do not mind that.

Mr. CALDER: Covering both the topics raised here.

Mr. MASSEY: Covering the whole question, I should say. These are only some of the very important points involved. Of course, you must recollect this; I am not going to object—it rather appeals to me than otherwise—but the setting up of a committee means a Report coming down, which would probably be discussed at great length.

Sir ROBERT BORDEN: But probably at less length than if the matter were discussed now.

Mr. MASSEY: Oh, yes, I agree.

Mr. LLOYD: I should like to support the idea that Mr. Hewins should give us a short statement now.

Mr. CALDER: Before Mr. Hewins speaks, could he let us know what conclusion has been reached in reference to the composition of the Authority?

Mr. HEWINS: I was going to deal with that point in the course of my remarks in describing the significance of the different clauses, and what the position is after the discussions which we have had, both on the Grand Committee and in the House. The Conference has seen the actual Bill. That was framed, roughly, in accordance with the recommendations of the Dominions Royal Commission and the Empire Settlement Committee, which Mr. Long appointed last year, and which reported, I think, in August. The course of the discussion since the Bill was printed is rather interesting, in the light it throws on what may be expected here in England. The first clause of the Bill, setting up the Authority, was deliberately left vague in order to provide for changes, because while one arrangement might be desirable now, it was not necessarily the best arrangement for all time when we had got through the transitional period following the war. And it would be undesirable to have another Bill to fight through the House if we had to do something later on. The discussion has shown this, that, first of all, there is a very strong feeling favourable to maintaining a very direct Parliamentary responsibility. I think there is great unwillingness to set up a great central independent Authority on this matter. There is a great desire to retain financial Parliamentary control over everything that is being done, with the result that stronger and stronger pressure has been brought to

Mr. HEWINS—*cont.*

bear to make the Secretary of State for the Colonies the effective Chairman and Controller of the Central Emigration Authority, and to be responsible for it to Parliament. That is the meaning of the changes introduced in the Bill after discussion in Grand Committee, which have been circulated to members of the Conference.

Mr. COOK: Would you say that the changes have introduced a new limitation on what was intended before?

Mr. HEWINS: I think we intended that the arrangement should be a little looser than Parliament seems to desire. The fact is, you can carry almost anything you want if the Authority is to be under the Colonial Office, but it is difficult to set up an independent Central Authority. With regard to the constitution of the Authority, the questions which have arisen are whether the Authority contemplated in the first clause should be mainly advisory or executive. Our own feeling is, that, as the Bill is drafted, it must, substantially, go through, that you must have a real Executive Authority to perform the duties which are enumerated in the subsequent clauses of the Bill. But, as part and parcel of the discussion whether the functions of the Authority should be advisory or executive, arises the question of the precise function of the Dominion Representatives upon that Authority. I should say that, so far as I am aware, there is a general desire that in the functions and work of this Central Emigration Authority there should be the closest possible co-operation and consultation and oneness of effort affecting all parts of the Empire. But the question has been raised as to whether, in the actual constitution of the Committee, the Dominion Representatives should be present to perform advisory or executive functions, as Mr. Long pointed out in his introductory address. As we explained in the House of Commons, we propose that the Central Authority should consist of representatives of five of the Departments of State here which are concerned with emigration, in one way or another, for the obvious reason that by that means you can co-ordinate their functions and save a good deal of time and trouble; and that then there should be the four High Commissioners on the Authority, two of the Agents-General, representing respectively the Canadian Provinces and the Australian States, and then an undetermined number of persons representing various other interests.

Mr. HUGHES: How do you choose the two representatives of the Agents-General?

Mr. HEWINS: That is a point for discussion, Mr. Hughes. The point arises as to how, and in what capacity, the Empire representatives should be upon the Committee, and that raises the further question of the relation between the Authority here and the machinery, whatever it may be, which is set up in the various Dominions to deal with these Empire settlement and emigration questions.

Mr. BURTON: And set up by the Dominions in this country?

Mr. HEWINS: Yes, set up by the Dominions in this country. I confess I am anxious to know what are the views of the gentlemen assembled here on those important topics. The point is not settled. The Authority, when it is set up, will be set up by the Secretary of State: it is not constituted in the Bill itself. Its constitution is not in the Bill, it is all for subsequent arrangement. And before we actually do that, it is most important that we should know what is the best arrangement with the view of solving the very important problems we have to deal with. Those are the questions which have arisen with regard to the Authority. Then you have the precise functions of the Authority and the work it has to perform: those are set forth in clause 2 of the Bill. I think I may say our opinion is that the first thing to do is to get this Authority to work. It will have to meet and to prepare schemes in consultation with the Departments I have enumerated and with the Empire, because schemes of emigration and land settlement are all bound up, first of all with the economic and agricultural policy at home and in the Dominions, secondly with demobilization schemes, and thirdly, to a considerable extent, with labour problems. And we are not in a position, at the present moment, to measure precisely what is the size of the problem we have to deal with. At the discussions we have had in this

Mr. HEWINS—*cont.*

country, the most varied estimates have been put forward as to what, for instance, will be the number of men we might have to deal with. There are certain people here who hold that a very large proportion of our troops will not desire to return to sedentary civil life after the war, that they will naturally look for an outlet for their ambitions in the Dominions, in the Colonies. On the other hand, there are great authorities who do not take that view, they think there will be a small number who will want to do that, and that the great after-war demand amongst ex-Service men will not be so much for land settlement, in the large economic sense, that they will want, rather, to return to their civil occupation, and will desire to have gardens or allotments outside cities. And therefore, they think, the problem reduces itself largely to a question of internal provision, rather than to drawing up large schemes of land settlement. We cannot determine those problems at present. They are problems which the Central Authority is necessary for, if we are to get into touch with the information available in other Departments, so that schemes can be prepared. If we could rapidly get the Authority together then for the purpose of carrying out the objects enumerated in clause 2 of the Bill, it would at once get to work with proper experts and produce schemes upon which full consultation would be held, and full co-operation could be secured. I do not think we can carry the matter beyond that at the present time, because, as Mr. Long has said, we do not know the position or the magnitude of the problem which has to be dealt with, or its different economic bearings after the war.

Sir JOSEPH WARD: At this stage can you tell the Conference if the Authority proposes to fix the destination of the emigrant?

Mr. HEWINS: Not to fix it, Sir Joseph. We cannot put any absolute compulsion on British subjects to go anywhere, but we can, by counsel, and influence, and other aids, offer the strongest inducements that they shall go to the Dominions and Colonies, rather than to places outside the British Empire.

Mr. BURTON: Does the proposed scheme stop at encouragement and inducement?

Sir ROBERT BORDEN: I should think it would be difficult to go beyond that.

Mr. BURTON: I asked that because, while I approve the idea of the scheme generally, I should like to know what are the means to be adopted in order to control or guide the destination of intending emigrants.

Mr. MASSEY: Is it proposed to help the intending emigrant by way of paying part of his passage money if he is going anywhere within the Empire?

Mr. HEWINS: It is possible, and the Bill is so framed that financial assistance may be given. But financial assistance is not definitely promised in the Bill. It would form part and parcel, if it came up at all, of a scheme adopted by the Central Emigration Authority. And whether it would prove acceptable or not would depend, I imagine, very largely on the financial obligations incurred. But, as Mr. Long has pointed out, the House of Commons has limited the expenditure of the Authority to 50,000*l.* a year. That does not preclude the consideration of other schemes, but it does mean that you have got to go to the House of Commons and get money if a large expenditure is involved.

Mr. MASSEY: If it is intended to assist ex-Service men, so far as passage money is concerned, do you not think we shall require a great deal more than 50,000*l.*?

Sir ROBERT BORDEN: That is obviously intended to meet the expenses of the Organisation.

Mr. MASSEY: I am not certain of that; I would like to hear Mr. Hewins say that.

Sir ROBERT BORDEN: It is obviously intended.

Mr. MASSEY: But I have not heard that from Mr. Hewins.

Mr. HEWINS: It is not a matter upon which I could be in a position to give a very definite answer. My own view is that you can do so much to direct the tide of

Mr. HEWINS—*cont.*

emigration by policy, as well as by the mere giving of money. And I do not think we want to encourage the idea—if I may put it in this way—that the only, or the main, method of encouraging emigration and settlement within the Empire is by a direct payment or passage money, or any other financial aids.

Mr. BURTON: That is why I asked what is the line of inducement contemplated in your scheme, the idea which the Government has in its head. What is to be the idea, the tenour of the inducement? What is to be the inducement to people to go to some other place in the Empire, rather than to a foreign or to a neutral country?

Sir ROBERT BORDEN: I suppose the idea would be to point out the advantages of the Dominions as places of residence and opportunity.

Mr. BURTON: Is that so?

Mr. HEWINS: It is not limited to that.

Mr. BURTON: What else is there?

Mr. HEWINS: Let us say we met together and drew up in consultation a scheme which involved imparting particular economic advantages by co-operation in some scheme for settling in particular districts. That is a matter which will be considered, though it is not in the Bill. But I should be rather sorry to underrate the enormous inducement which can be offered to emigrants to go out to different parts of the Empire if the opportunities for progress in the different Dominions are properly put before them. At the present time you have direct discouragement, in many parts of the country, for settlement in the Empire; there is every possible inducement offered to people by those who sketch the glories of countries outside the British Empire, and all kinds of things are said and done which I am hearing about now, for instance, things which would direct the tide of emigration outside the British Empire. There would be an enormous impetus to emigration within the British Empire if it were distinctly understood that we were bent upon a distinctly Imperial policy. The emigration which has gone on outside the British Empire in past years has been, very largely, due to the fact that emigration within the Empire has not been the general dominating note of British policy. If we had, during the last sixty years, devoted the same attention to the British Empire as we have devoted financially and economically to the parts outside the British Empire, there would have been a general atmosphere, a general feeling, that within the Empire it was possible to satisfy your ambitions, which does work right down through the masses of the people and induces them to go there. It is not merely a question of money assistance, but very largely a change in the way in which people regard the British Empire and its functions; and I look a great deal to that.

Mr. BURTON: That is where Mr. Calder's idea comes in, as to the work of Dominion organisations, because that is the object of their creation, to direct emigration to their shores.

Mr. COOK: I want to find out what the limitations intended in this Bill are.

Mr. BURTON: Is it intended to support and endorse existing organisations for this purpose, or is it to be a new thing?

Mr. HEWINS: It is intended to co-ordinate these policies.

Sir ROBERT BORDEN: I should understand that the purpose is to assist rather than to obstruct. It is perfectly true that the British Government during past years has seemed to be absolutely oblivious of the need that emigration should be directed to countries within the Empire. The purpose now is to embark upon a new policy with regard to that. But we all realise, I suppose, that Great Britain must have a certain eye to her own needs in the future, and I should rather expect, from what has been said by the Chairman and by Mr. Hewins, that Great Britain will, as far as possible, endeavour to keep her men within these islands, because the male population of the Kingdom will probably be reduced by some hundreds of thousands, as compared with what it was in 1911. And I do not think any of us have reasonable ground to criticise that attitude. On the other hand,

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CENTRAL EMIGRATION AUTHORITY.

[2nd Day.

Sir ROBERT BORDEN—*cont.*

if this Central Authority is established, I should expect that, whether or not any pecuniary aid is granted—and that is a matter to be determined in the future—it would co-operate with the agencies which have been set up by the Self-governing Dominions for the purpose of inducing migration within the Empire, instead of emigration to some other country. And it would seem desirable that any representation of the Dominions should be for consultative purposes rather than for executive action. This body which you set up here must, in the first place, have regard to the needs of the United Kingdom; but in so far as men are to emigrate from the United Kingdom, the Central Authority would desire to have representatives from the Dominions, with whom they might consult from time to time. And when you come to the question of directing emigration, I should not expect you could use anything in the nature of compulsion. I do not see how it could be worked out. If you did attempt to work it out, and I take my Dominion as an illustration: suppose you sent men to Canada and did not permit them to go to the United States. We could not prevent such men going over to the United States immediately, because we get tens of thousands of immigrants from the United States, and it would be impossible for us to restrict emigration to that country. Therefore any effort of the United Kingdom with regard to migration within the Empire would, according to my view, require to proceed on the line of inducement, such as Mr. Hewins has already mentioned.

Mr. HUGHES: With regard to this Executive Committee, or whatever it is called—

Mr. HEWINS: The Central Authority.

Mr. HUGHES: Are its functions to be purely advisory?

Mr. HEWINS: No, executive.

CHAIRMAN: That is what we are asking, whether it should be executive or consultative.

Mr. HUGHES: If it is to be executive why is that not expressed? Clause 2, I thought, gave it the following duties—to collect information, to assist intending emigrants, and to give advice and assistance to the Board of Trade.

Mr. HEWINS: Assistance is an executive function.

Mr. HUGHES: I see you are making provision for the representation of the Dominions. But from what is said, there seems to be some uncertainty as to their precise status on this Authority. I want to say—and I am not going to criticise this proposal at all, because I do not understand precisely what you are trying to do—I want to say that if you are going to have Dominion representatives on the Authority, I think they ought to enjoy the same status and the same power, in every way, as the representatives of the United Kingdom. If they do not, then they had better be off the Central Authority altogether, and they can act in their own present position; they can be consulted. If you want to consult the High Commissioner for Canada, he can be consulted, as now. And the same thing applies to the High Commissioner for New Zealand, or anywhere else. But to put Dominion representatives on this Body and deny them the authority possessed by the British representatives seems to me to be conceding something which is a shadow, which has no substance in it. This matter concerns us; and it concerns you. I can quite understand your reluctance to a large stream of people going out of this country, but it concerns us too. We are all prepared, I think, to spend a good deal of money and to make a great effort to induce emigrants, ex-Service men, to come to the Dominions, but we want the right kind of men, and we want to see that the inducements are real. In short, if we are going to have any share in this, we want it to be a real share; we want to share the authority equally with you. As far as money is concerned, we can discuss that afterwards. But, if I may speak for Australia, we are giving our men great grants of land, and we will do that for your own men, and therefore it is an important matter for us. And if there is going to be any Authority set up here that is going to say, "Go this way," and "Go that way," we want our representatives to be on it, and to have the same status as the British representatives.

Mr. MONTAGU: Who will issue passage-brokers' licences?

Mr. HEWINS: The Central Authority.

CHAIRMAN: Under the Bill.

Mr. HEWINS: Yes.

Mr. MONTAGU: Therefore the mere actions of issuing licences or assisting intending emigrants, or assisting the Board of Trade, are the only executive actions?

Mr. HEWINS: No; the later clauses of the Bill contain, as you will see, a good many other points.

Mr. MONTAGU: Which clauses?

Mr. HEWINS: Clauses 9 and 10, for instance.

CHAIRMAN: The really important word—the word which gives the power, but which occupies very little space in the Bill, is the word “assist.” Under that, it will be quite competent for the Central Authority to give such assistance as they think fit, in the shape even of finance. But financial assistance on a large scale would have to be done by a scheme put before Parliament.

Mr. MASSEY: I think that most of the people reading the Bill will get the opinion that it is not intended to assist emigrants. I would like to say that I am glad to notice members of the Conference are of the opinion, generally, that if emigration does take place from Britain after the war, all possible influence will be used to prevent emigrants going outside the Empire. I thoroughly agree with the opinion which has been expressed—I shall not follow the point out—but what I want to ask is, if anything of this sort is in contemplation and a number of ex-Army men who have served in the war have made up their minds to emigrate to Australia, or New Zealand, or South Africa—it does not matter where—and the passage money is 12*l.* or 15*l.* for each adult, would it be possible, under the proposed scheme, in case the Government of the Dominion concerned is willing to contribute one-third of the passage money, and the intending emigrant himself is willing to contribute one-third—would it be possible, if this scheme is in operation, for the Imperial Government, or the Authority set up under the Bill, to contribute the other one-third?

Mr. HEWINS: It would be possible under the Bill.

Mr. MASSEY: I am very glad to have that answer, because I was not clear about the terms of the Bill.

Mr. COOK: Possibly, Mr. Long says, but not very probable.

CHAIRMAN: I think perhaps I may be misunderstood on the point. I was making a general statement. I could not ask for the case of the United Kingdom to be put more accurately than it was put by the Prime Minister of Canada, who has put the position absolutely accurately, and he has accurately described our intentions. What we are to do for the returned soldiers and sailors after the war it is impossible now to say, because we cannot estimate the magnitude of the problem. But I am sure nobody will misunderstand us when we say that we do not mean to ask our men to leave us when we badly want them, still less shall we bribe them to do so. It may be that circumstances will so shape themselves that there is more labour than employment. It may be that, as Mr. Massey says, some of these men, with their magnificent record of service behind them, may desire a particular form of assistance, which we are not anxious to give them in advance. These matters will all come up for decision when we have a little more information than we have got now. Everything is possible, but how far it is probable must depend on circumstances which we are not fully acquainted with at present.

Sir ROBERT BORDEN: So far as this Bill contemplates executive action, it is executive action relating to your own domestic affairs, and we should have no part in it. If you require us for consultation, either in the way Mr. Hughes has suggested, or by the formation of a separate branch, well and good; but I for one do not want to concern myself with executive action relating to the affairs of the United Kingdom. I prefer that we should carry on our own executive affairs with regard to emigration from the United Kingdom or any other subject, and I do not think we should be represented on any Executive Body which is to deal with domestic matters in the United Kingdom.

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CENTRAL EMIGRATION AUTHORITY.

[2nd Day.

Mr. HUGHES: There is one point, Mr. Long, on which I would like to say a word, and which I think requires very close attention. You say you cannot tell now what the policy of the United Kingdom will be after the war with regard to this matter. If you wait until after the war to decide upon your policy with regard to emigration, the time will have passed when you can create an effective policy. We have our preparations to make. I think the better plan will be this. You say you do not know, but you are prepared to do this and to do that with regard to assisting emigration, and collecting information, and so on, and creating a feeling that those who do leave England should leave it for some part of the Empire. That is very good. But after the war supposing you find a labour market in which tens of thousands, or hundreds of thousands, are looking for work—that will be no time to create an emigration policy. Unless you provide them with shipping, they cannot emigrate. Now is the time to make up your mind as to what is desirable. And as for what we do, we ask each soldier whether he desires to settle on the land on his return from the war. Similarly you can ask each man "Do you desire to emigrate after the war?" It does not follow he will not change his mind; it does not follow that many men who have said "No" will not say "Yes" afterwards, and *vice versa*: but I think you would get information of some value—you would find, possibly, one-tenth of your men in the field wishing to emigrate, possibly 15 per cent. But I am rather dubious of the result of your policy if you are going to leave it until after the war before you formulate your scheme.

CHAIRMAN: But that is not our intention; this Bill is an indication of our policy. But I would only say this: I do not think we should escape very severe criticism if we did not put a totally different question to our soldiers from that which the Prime Minister of Australia puts to them. He does not say, "Do you want to go to Australia?" but "Do you want to settle on the land?" The first question we want to put to our men is not "Do you want to emigrate?" but whether they want special provisions to enable them to settle here at home. We should be severely criticised if the first suggestion we made to them was one that they should leave the United Kingdom. On the other hand, we must be ready for congestion due to want of employment. We have our difficulty, we have our Authority, and we have power to frame schemes, which we should do, as you, Mr. Hughes, rightly said, in advance. What we are trying to do is to provide schemes for men settling here on the land, so far as we can. But I do not see why we should not take Mr. Hughes's suggestion to obtain information by enquiries.

Sir JOSEPH WARD: In my opinion, the British Authorities when framing these schemes to assist people to keep within the Empire should remove all idea of any executive association with the Oversea Dominions, with New Zealand at all events, because, otherwise, I believe we will get into conflict immediately. The position of your Central Authority would be, under this Bill, such that if you decide men are to go oversea somewhere, you have to go to the House of Commons to get financial authority to help them to go. On the other hand, the Oversea Dominions who want men to fill up gaps have to direct emigration to their respective countries, and if the Oversea Dominions were associated with you here, there would be an immediate obligation on the part of the representatives of the Dominions on that body to wait until your decision as to destination was given. I think a conflict will be set up between the people in the British Dominions and those in the British Isles, as to whether the policy of emigration now proposed will suit them. Because after the war is over and you have an organisation here to keep your men in these Islands, the Oversea countries will have to exert themselves to induce some of the men you want to stay to go out to our countries. Your scheme looks to me as if it should be prepared with the intention of assisting people to keep within the British Empire, getting and disseminating all the information you can. But you are trying to do a little too much in asking that the representatives of Oversea countries, or the High Commissioners, should go on, even for co-operation, or in an advisory capacity. I think all the Oversea countries will have to maintain their separate organisations, and do what they can to get people to go out to their countries. And the Central Authority which you have under this Bill will have the power of licensing brokers, and they will be able to refuse licences to brokers and agents. The Central Authority might be able to say the Oversea countries would have to fall back on their licensed brokers and agents to enable their work to be carried on.

Mr. BURTON: Clause 10 says that you must get the approval of the Authority before you may carry on your propaganda.

Mr. HEWINS: There is no difficulty, you can induce them to go somewhere within the Empire.

Mr. BURTON: I am putting the point raised by Sir Joseph Ward. Provision under which you could prevent propaganda going on is in clause 10. I do not say you would use the power. It struck me that, except in so far as the inclusion of representatives from the Dominions is proposed, this is a United Kingdom Bill, one which does not affect us. It is not our business, it is your business. And for that reason, I doubt whether the appointment of a Committee of this Conference will carry you much further in regard to throwing light on the subject. I think, with Mr. Hughes, that we can discuss the leading points on this matter, and settle it without delaying this Conference, because this is your own United Kingdom affair, and, except for the proposal about the representatives of the Dominions, I do not see any point in it for us.

Mr. HEWINS: Clause 10 would not interfere with your operations. As to whether we should have a Committee, I think a Committee would be very useful.

Mr. CALDER: My point is as to the constitution of the Authority. Sir Robert Borden has expressed our idea as regards this. It should be entirely British, because it deals with purely domestic matters.

Mr. HEWINS: But in dealing with the Authority you at once touch upon the relation of it to Imperial questions upon which it would be of the greatest importance to know whether we are all together; it is not merely a United Kingdom affair.

Mr. CALDER: But the Authority will have the opportunity of consulting the High Commissioners here, and such other agencies as may exist, with reference to any matters upon which they wish advice. But, after the discussion we have had, it seems practically impossible to create a body composed of British representatives and Dominion representatives that will have executive functions; it seems to me that is impossible, or at least impracticable.

Mr. HEWINS: Might I put another alternative? Supposing you have, as in the Bill, the Secretary of State setting up this Executive Body; it would be composed of the representatives of the Departments here who are mainly concerned in questions of emigration. Supposing you had then, in addition to such a Body, a Consultative Committee, would it not be desirable to have Dominion representatives on that, so that we were kept thoroughly in touch? The executive functions would be discharged entirely by the Body composed of the representatives of the various Departments working under the Secretary of State, and you might have a Consultative Committee representing different interests and associations here. Would it not be a good thing to have Dominion representatives on such a Committee, so as to keep us all alive to one another's needs? Why I am anxious about it is, that it is so easy in the press of business for Imperial considerations to be forgotten unless they are constantly kept before the people who deal with them.

Mr. BURTON: Your Bill will not provide for that in any case.

Mr. HEWINS: The constitution of the Authority is not set forth in the Bill, it is left out.

Mr. MASSEY: It is a bigger subject than it looks, and it is not possible for us to finish it to-day. We shall have to come back to it another day. I understand your difficulty in the United Kingdom, that you do not want to part with your men under the existing circumstances; that is natural. I do not think any of us are unreasonable enough to say we shall take these men, whether you want us to or not; but if they have made up their minds to emigrate, we want to direct them to our Colonies, and I think you are with us.

CHAIRMAN: Yes, that is right, we agree about that.

Mr. MASSEY: Do you propose to go any further to-day?

CHAIRMAN: No, I want you to decide whether you want to have this Committee.

Mr. HUGHES: I do not know.

Sir ROBERT BORDEN: I should not press it. I think the outlook has been a little altered by the discussion. I should not press that.

CHAIRMAN: Then we had better adjourn this subject, and have it raised on a future occasion.

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ORDER OF BUSINESS.

[2nd Day.

Mr. MASSEY: Yes, I think that is the proper thing to do; but may I suggest to Mr. Hewins that he should be prepared with a motion which we shall be able to discuss, and which will place some definite proposal before the Conference?

CHAIRMAN: Very well, we will consider that.

Mr. MASSEY: I would do it myself, for that matter, if Mr. Hewins would rather not. But some member should do it.

CHAIRMAN: Does that meet with your approval, Mr. Calder?

Mr. CALDER: Yes, it is quite satisfactory.

Sir JOSEPH WARD: I suggest for Mr. Hewins's consideration that he eliminates from that Bill the idea that the Oversea Dominions are associated with the United Kingdom in this great work of emigration, and if that Central Authority's power be made clear, that it is not going to control the agent, or broker, or the propaganda which is to go on here; if you make that clear, in my opinion there is no reason why the Conference should not endorse the proposal of the Bill.

CHAIRMAN: Then this is adjourned, subject to a resolution being brought up.

Order of Business.

CHAIRMAN: On Wednesday, the Committee suggest you should take a group of economic questions, as to which memoranda and resolutions have been prepared and have been circulated, viz., Raw materials; Post-War treatment; Imports and Exports Temporary Control Bill; Non-ferrous Metal Industry Act; Wool Supplies; Meat Supplies; and Enemy Debts.

Mr. BURTON: We have just been discussing a very important matter, and complaints have been made with regard to the difficulty of reading all the documents. My colleague and I feel that of all the subjects which are being raised before us, probably this group we have for Wednesday contains the most complicated and most difficult of all, and will give us the most trouble. As far as we are concerned, we are endeavouring to educate ourselves up to all the details of it, but it is very difficult to do so in the time. We rather feel that it would be a wise thing if this group of all-important questions, which are full of difficult matters, were delayed for a little while, not too long, but until such time as we can get all the facts and figures, all the information, at our hand.

CHAIRMAN: Some of them are only memoranda and are very short. The idea rather was that they could be laid upon the table, and the general subject opened, while any discussions on specific resolutions, or any adjourned discussions, could be taken later on. That was the idea—not so much that we should take the whole subjects.

Mr. BURTON: I do not want to delay the beginning of them, by any manner of means, or the getting on with them, but these memoranda we have for Wednesday do not exhaust the area by any means. We have to look into a great deal concerning these matters, and I thought you might go on with some of them, and delay others for a little, especially as some of our colleagues have only just arrived.

Mr. MASSEY: They are all important.

Mr. COOK: There is enough work here for a year.

CHAIRMAN: I am entirely in the hands of the Conference.

Mr. MASSEY: I think we should take all we can get through, as the Committee has arranged.

Mr. MEIGHEN: Why not take what we have for Wednesday, and get as far as we can? There is nothing else we can make progress with.

CHAIRMAN: I think it would be wiser. I am entirely in the hands of the Conference. I fully realise the difficulties raised by the mass of stuff circulated which we have to read.

Sir ROBERT BORDEN: Which we are supposed to read.

Mr. COOK: That is a better way to put it.

Sir ROBERT BORDEN: Do you think, Mr. Hughes, we had better have a preliminary discussion on these on Wednesday?

Mr. HUGHES: Yes, I think so.

CHAIRMAN: Let it stand at that, then.

FOURTH DAY.

Monday, 24th June 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 11 A.M.

PRESENT :

The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).
 The Right Honourable Sir ALBERT STANLEY, M.P., President of the Board of Trade.
 The Right Honourable Lord ROBERT CECIL, M.P., Minister of Blockade and Parliamentary Under Secretary of State for Foreign Affairs.
 Mr. W. A. S. HEWINS, M.P., Parliamentary Under Secretary of State for the Colonies.
 Sir A. D. STEEL-MAITLAND, Bart., M.P., Additional Under Secretary of State for Foreign Affairs and Additional Parliamentary Secretary, Board of Trade.

Canada.

The Honourable A. MEIGHEN, K.C., Minister of the Interior.
 The Honourable J. A. CALDER, Minister of Immigration and Colonization.

Australia.

The Right Honourable W. M. HUGHES, Prime Minister.
 The Right Honourable J. COOK, Minister of the Navy.

New Zealand.

The Right Honourable W. F. MASSEY, Prime Minister.
 The Right Honourable Sir JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

The Right Honourable E. S. MONTAGU, M.P., Secretary of State for India.
 Major-General His Highness The MAHARAJA OF PATIALA, G.C.I.E., G.B.E.
 The Hon. Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.

Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.

Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT :

Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under Secretary of State for the Colonies.
 Sir H. LLEWELLYN SMITH, K.C.B., Permanent Secretary, Board of Trade.
 Mr. VICTOR A. A. WELLESLEY, Controller of Commercial and Consular Affairs, Foreign Office.
 Mr. H. FOUNTAIN, C.B., C.M.G., Assistant Secretary, Commercial Relations and Treaties Department, Board of Trade.

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NON-FERROUS METAL INDUSTRY.

[4th Day.

Mr. PERCY ASHLEY, Assistant Secretary, Industries and Manufactures Department, Board of Trade.

Mr. CECIL BUDD, C.B.E., Assistant Controller of Non-Ferrous Metals, Ministry of Munitions.

Mr. L. CHRISTIE, Legal Adviser, Department of External Affairs, Canada.

Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.

Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.

Mr. H. W. CARLESS DAVIS, C.B.E., Deputy Chairman, War Trade Intelligence Department.

And Private Secretaries.

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Non-Ferrous Metal Industry.

CHAIRMAN: The next question is the Non-ferrous Metal Industry Act—on which a Memorandum has been circulated.* The Resolution is:—"That, in pursuance of the policy of freeing the Empire from dependence on German-controlled organisations in respect of non-ferrous metals and ores, the Conference endorses the principle of the Non-ferrous Metal Industry Act of the United Kingdom, and recommends the Governments of the Empire to adopt similar measures in so far as these have not already been taken."

Mr. MEIGHEN: Mr. Long, in that connection could you get someone to give us an explanation as to why you limit the operation of your Bill to non-ferrous metals? Are not certain ferrous metals more distinctly within the class of articles concerned?

Sir ALBERT STANLEY: Might I first read Resolution XIX of the last Conference on this subject? It reads:—" (1) That it is desirable that the exports to foreign countries of important ores and metals (the produce of the British Empire) should be controlled for a period after the war; (2) That the Conference would welcome an appropriate measure for the purpose of freeing the Empire and the Allied Countries from any previous dependence on German-controlled organisations with respect of non-ferrous metals and ores; (3) That the Government of the Empire should consider the desirability of imposing restrictions on the acquisition of mineral rights within the Empire by or on behalf of subjects of present enemy States." It was in view of that Resolution of the Conference that His Majesty's Government took steps, during the months following the Conference, to secure that trading in non-ferrous metals, or dealing in, or mining, or having any part whatever in non-ferrous metals in this country, should be excluded from enemy influence. It is, I am sure, within the knowledge of all the members of this Conference, that it was discovered at the outbreak of war that, in so far as many of the non-ferrous metals are concerned, there was, if not a complete, something approaching to a complete, control by two or three very powerful German organisations. The ramifications of these German organisations extended to practically every country in the world. It was because the non-ferrous metal industry occupied a very particular position, totally different from that of almost any other industry in the country—certainly almost any other very important industry in the country—that we found it necessary to adopt special legislation, legislation of a particular kind, for dealing with it. We came to the conclusion that it was important, if we were to secure effective legislation—that is, to completely wipe out any German control in the non-ferrous metal industry—that we should not confuse the position by introducing ferrous metals or any other important industry. As I have said, the non-ferrous metal industry was so thoroughly dominated by the Germans, and they had by their intricate methods of finance secured such an effective form of control, that it was necessary we should take steps immediately to see that this industry was freed from the Germans. And after very careful consideration (of course when you legislate on a matter of this kind it presents very many difficult problems) we came to the conclusion that it was necessary that this industry should be brought under a system of licence, and so we determined to legislate

* See pp. 229-31.

Sir ALBERT STANLEY—*cont.*

on those lines; and this particular Act of Parliament, which is known as the Non-ferrous Metal Industry Act, 1918, does provide that everybody who desires to trade, or to deal in any way, in non-ferrous metals must secure a licence from the Board of Trade. Of course, exceptions are made so that the operation of the Act would not become unduly burdensome to those who trade in these metals in a very minor way. So those only dealing in a very small retail way are not required to have a licence; only those dealing wholesale upon a large scale require licences, so excluding people like plumbers, and so on, who require these metals for their business. Those who make application for licences are divided into two classes, determined by a schedule which is attached to the Act of Parliament. Those who do not come within the schedule, upon making application, are entitled to receive a licence; that licence is not a removable licence; it is a licence that is valid during the whole time when this Act is in force, and it can only be revoked providing the holder of the licence does something which brings him within the schedule. It was suggested at the early stages that this licence should be issued for a year only, and that it should be automatically renewable upon application; but it was pointed out that that would impose severe difficulties upon those engaged in this trade, since it created a continual doubt as to whether they were to receive a licence or whether they were not, whereas, if they received a licence and they continued to behave themselves during the time they had that licence, then no question could be raised, and they could go ahead and make their financial arrangements accordingly. But as to those who do come within the schedule, then it lies within the discretion of the Board of Trade whether a licence should be issued to them or not. It does not necessarily follow that, because an applicant does come within the schedule to the Act, that that applicant would not receive a licence. As I said before, it is within the discretion of the Board of Trade whether a licence is issued or not, and perhaps it would be better that I should read—

Mr. HUGHES: Can a person receive a licence irrespective of the country of his origin?

Sir ALBERT STANLEY: I will read the conditions which attach to the schedule, and then I will explain how we propose to act. "The conditions in the first schedule are so framed as to include:—(1) Businesses controlled or managed, to any substantial extent, by persons who are or may have been enemy subjects (thus including the cases of a business controlled by naturalised British subjects of enemy origin); (2) Companies, any of whose capital was held by or on behalf of enemies on the day on which the Bill was introduced (12th November, 1917); (3) Companies, firms, or individuals, parties to any agreement, arrangement or understanding which might lead or have led to enemy influence over the concern; (4) Companies, firms, or individuals having a substantial financial interest in third concerns in which enemies also have a substantial financial interest; (5) Companies, firms, or individuals who are, by any means whatever, subject, directly or indirectly, to enemy influence or association in the conduct of their business; and (6) Companies which, having issued share warrants to bearer, have not given notice requiring the holders of the warrants to surrender them for cancellation." Now you can see that in the conditions attached to the schedule the net was deliberately spread so wide as to bring in everybody who might have had at any time, either directly or indirectly, association with enemies, so that it gave the Board of Trade the opportunity of reviewing those applications, and then determining, upon the merits of the case, whether the applicants should receive a licence or whether they should not. Obviously there are many firms who quite innocently, acting well within the law at the time, have done certain things which bring them within the schedule; but there is not a vestige of reason why, if they undertake to do certain things, they should not be given a licence. For instance, a very small part of their capital may be held by the enemy.

Mr. HUGHES: There is no prescription in the Bill as to the amount which would exclude them from licence?

24 June 1918.]

NON-FERROUS METAL INDUSTRY.

[4th Day.

Sir ALBERT STANLEY: Whatever the amount may be, it is covered, because it is possible that a very small fraction of their capital being held by the enemy might secure enemy control.

Mr. HUGHES: Quite so. I have read the Bill before, and the whole Bill appears to me a question of administration really. This Bill is so elastic in its provisions that it practically means this—that the Board of Trade is to say whether he shall have a licence or whether he shall not. In effect it comes to that.

Sir ALBERT STANLEY: Providing they come within the schedule. If they do not come within the schedule they have never had any enemy association.

Mr. HUGHES: That is still wider. First of all, they are divided into two parts—those that do come within the schedule and those that do not. As to those that do come within the schedule, it is a question of administration; there is no statutory prohibition. All persons can have a licence if the Board of Trade says so, or else, of course, they do not need a licence.

Sir ALBERT STANLEY: That is the position. So that, as Mr. Hughes has pointed out, it is really a question of administration. It is really within the discretion of the Board of Trade whether a licence shall be granted or not, and it was because it was necessary to spread the net so wide that it was necessary that the Board of Trade should have this discretion in granting these licences.

Well, after the Act was passed, we set up a Committee composed of men of legal knowledge and business knowledge, but not in any way identified with the trade, to deal with all the applications that are received, of which there are a great many. The function of that Committee is simply to investigate and report the facts. If they report that the applicant does not come within the schedule, then we give him a licence. If, on the other hand, they report that he does come within the schedule, then the applicant is referred back to this same Committee, but the Committee is strengthened by adding two or three men of special business competence, who will deal with the application and will again go into the matter with greater scrutiny, with greater care, than was possible by the previous Committee, because that Committee was only to determine whether the applicant was within the schedule or not. This other Committee is to determine, the applicant being within the schedule, what are the facts which brought him within the schedule, and those facts are reported back to the Board of Trade. Then it lies with the Board of Trade, with those facts before them, to decide whether or not a licence shall be granted. That is briefly the position. Obviously, as the result of this legislation, it would be impossible, unless the Board of Trade gave a direction to that effect, for the enemy to have any possible control over the non-ferrous metal industry in this country.

Mr. HUGHES: Let me ask you one question. I see here that in Section 1 the non-ferrous metals and ores to which the Act applies are set out as being zinc, copper, tin, lead, nickel, and aluminium.

Sir ALBERT STANLEY: Yes.

Mr. HUGHES: Well, it occurs to me to wonder why tungsten ores and molybdenum are not included.

Sir ALBERT STANLEY: We can add to this list by Order in Council at any time. Obviously we could not leave the industry in the position in which it was at the time that this Act was passed. The German combination was tremendously powerful. In this country, apart from the connection of the German organisation, the firms in this country were really comparatively small. There was no fusion of interests, there was no influence working like the big dominating influence of the Germans. The British firms were comparatively small. So steps have been taken to secure a fusion of the interests of the important British firms, and for the establishment of a big undertaking, purely British, upon lines similar to those adopted by the Germans, but which, of course, would be entirely independent in every way of German association. The French are taking steps in that direction. I am hopeful that the United States will take a similar line. Of course, in that country they are taking steps to exclude all German association with their non-ferrous metal industry, and I am hopeful that the Dominions will co-operate with this big organisation which is being set up here with the knowledge of the Govern-

Sir ALBERT STANLEY—*cont.*

ment, and which will be an organisation powerful enough not only to meet the demands within the Empire, but to take its place as a great world trading industry in competition with the Germans.

Now I might deal with the particular point as to why we are dealing only with non-ferrous metals, and not with ferrous metals. As I have explained, we felt it necessary to deal with non-ferrous metals as a particular problem, and because we had to deal with them in this special way, that is by licensing, which might not be necessary for the ferrous metal industry, we determined to exclude ferrous metals from the operation of the Act. After all, in determining whether our present enemies are to have any association whatever after the war, not only with the ferrous metal industry but with other industries—coal, for instance, and with other very essential industries—we must deal with the whole thing as one big question. It will not be necessary to take each particular industry by itself and determine how the Germans shall be kept out. If it is to be the policy of the Government that our present enemies are to be excluded from participating or having any share in certain trading in this country, then that can be dealt with by general legislation and not upon the specific lines upon which we have found it necessary to deal with the non-ferrous metals.

Mr. HUGHES: You say "if" that is to be the policy of the Government. Has the Government any declared policy now?

Sir ALBERT STANLEY: No; I am not aware that they have to-day. Certainly as regards dyes the Government have given an indication of policy there; but with regard to some of the more important industries in which it might be found desirable to exclude Germans from participating or associating, as far as I know that has not been determined by the Government.

Mr. BURTON: Excluding them entirely from any share in the trade.

Sir ALBERT STANLEY: Yes. The Government has not determined that yet, but it has determined that in regard to non-ferrous metals they are not to have any share in any shape or form.

Mr. HUGHES: That is independent of the general policy of the Government?

Sir ALBERT STANLEY: Yes.

Mr. HUGHES: And that applies to dyes, too?

Mr. MASSEY: Dyes are not in the Bill.

Sir ALBERT STANLEY: Dyes we have to deal with later on.

Mr. MEIGHEN: We had this whole subject referred to a Committee of experts in Canada, and the Committee reported the day before we left. The Government have as yet taken no action on the Report. The tendency of the Report was to intimate that the principle should be extended, and the Report was generally favourable to the action taken here.

Mr. HUGHES: This matter is one in which I have taken a considerable interest. As you may know, sir, the operations of the Metallgesellschaft have gone as far, I suppose, in Australia as anywhere. Certain circumstances, perhaps, conduced to the strength of that organisation in our country. Australia occupies a very high place among non-ferrous metal-producing countries. And when war broke out, for all practical purposes they controlled the whole of these metals. The position in this country was, to put it mildly, most unsatisfactory, and it remained so, as you know, for a very long time after the war began, for notwithstanding that I had taken the liberty of pointing out what Merton's really were, Merton's were advising and acting as agents for the Government here for some considerable time after war broke out. What we did in Australia is probably known, but if it is not known, I may shortly state it. We have done all that you have done in your Non-Ferrous Metal Industry Act, but we have gone farther, and I think it is necessary to go farther.

The scope of the Non-Ferrous Metal Industry Act seems to be too narrow. I am rather astonished at your leaving out of your schedule tungsten ores and molybdenum, because if you do not control these, you cannot compete effectively in steel and machinery. Modern civilisation rests upon a foundation of steel. It is a

Mr. HUGHES—*cont.*

metal foundation. The spiritual essence, if I may put it so, of the whole edifice is tungsten and molybdenum, and without these your house lacks that which is essential. If you are going to hold your own in machine production, in high-grade steel, you must have these metals. That by the way. That can be remedied, and nothing more need be said about it than to point out that these metals ought to be included.

But I want to point out to you, Mr. Long and gentlemen, what I think is a very grave defect in the Non-Ferrous Metal Industry Act. When you leave the future welfare of this great business, which before the war was almost entirely in the hands of the Germans, to administration, you take a risk that you have no right to take. Those great interests in whose hands the non-ferrous metal industry formerly rested will seek to restore the *status quo*, and will not be stopped by so frail a barrier as administration, unless this is supported by statutory prohibition. It is perfectly well-known that when this war broke out England was merely a satellite of Germany so far as non-ferrous metal was concerned. She played a minor part. It is perfectly true that there were persons with English names in this business. Merton is an English name as far as I know. However, it is perfectly well known that he was a German Jew, and that this firm, Merton's, that is to-day the Metallgesellschaft, with Beer Sondheimer and Aron Hirsch, controlled practically the whole of the non-ferrous metal operations of this great country. And they did this although it was perfectly well known, or should have been, that those who controlled these metals controlled to a great extent the destinies of the nation; yet it was in the hands of that comparatively small clique of foreigners, of potential—nay, of actual—enemies, of persons whose financial resources were almost colossal, whose organisation was world-wide, that the control of this vital, this most profitable, industry rested. It was so in America. It is not too much to say of the Americans that the Germans went into the market and controlled it almost as completely as they controlled yours. They controlled spelter, to a large extent lead, and, to a lesser extent, copper, although even there their operations were formidable enough.

Four years have passed since war was declared. During those four years of war—dreadful war, a life and death struggle—for about 18 months the fabric and foundations of this great organisation in England remained practically as stable as ever they had been, although the thunders of war sounded at the very heart of the Empire. I believe they contributed to some of our patriotic organisations here. But they were still, as ever, agents of our deadly enemy. They practically controlled the whole of the business and acted as agents of the British Government. Now, two years and a half have elapsed, and this great tentacle of the Metallgesellschaft has discreetly coiled itself in semi-obscurity. We cannot see it, but I am most reluctant to believe that it is not here. I am indeed most certain that it is here. It may be that they have put a caretaker in. I ask you, gentlemen, with all seriousness, whether you think that by administration you are able to deal with this tremendous organisation, whose power was such that it not only had economic domination before the war, but for long after war had been raging, a life and death struggle between Germany and England, this German organisation still retained its economic domination. Do you think that you can cope with an organisation such as this, which even war could not dislodge, by administration? There ought to be a policy, national in its character, declaring plainly what its attitude towards enemy trade is to be after the war. The legislation ought to say plainly that no person of enemy origin, naturalised or not, can hold shares in companies, or deal, whether directly or through an agent, in these metals, or in any other thing vital to the welfare of the Empire.

But, confining ourselves for a moment to this particular question of non-ferrous metals, I say you are up against an organisation too formidable, too subtle in its operations, to be dealt with by administration. Administrations come and go; this organisation endures. It is idle to deny that it has its agents here now in our midst. Nothing short of the legislation which Australia has adopted, which says plainly that no person who is not a natural-born subject can purchase metal, will do. Perhaps I may state what we have done in Australia. First of all, all metals pass through an exchange; all transactions are open on that exchange; metal cannot be bought except

Mr. HUGHES—*cont.*

through a member of the exchange, and no person can buy, and no person can sell, unless he is a natural-born British subject.

Mr. MASSEY : Not naturalised.

Mr. HUGHES : Not naturalised ; no. Mere naturalization is not enough. It may be that circumstances, or time, will compel us to modify that. But if you are simply going to say that a man who is a naturalised British subject can do this, then the Metallgesellschaft, and Merton, and all these people, can do exactly the same after the war as before.

Sir ARTHUR STEEL-MAITLAND : Does it exclude Allies as well as enemies ?

Mr. HUGHES : Oh no. We have in our war legislation drawn a clear distinction between Allies and enemy subjects. But I was speaking about naturalised enemy subjects. As to aliens, legally so called, they fall into two classes—those who are enemy subjects, subjects of a country with which we are now at war, and those who are subjects of Allied countries. And, of course, there is a third class : those who are neutrals. However, the principle I wish to lay down, and indicate as being adopted by Australia, is that, so far as enemy subjects are concerned, naturalization is not enough, and will not be enough, and we do not leave that to the Administration, but declare it by statute.

LORD ROBERT CECIL : May I ask what provision you make for the case of dealing with a natural-born British subject or an Allied subject acting on behalf of an enemy subject ? How do you hit them ?

Mr. HUGHES : Well, I have not got our Act, but the position is practically the same, I suppose, as where a man may go upon the market and buy for an unknown principal. That is the law of agency. A man may buy for an unknown principal. I do not know what the provision is for that, but I will look it up.

LORD ROBERT CECIL : The only reason I ask the question is that it seems to me that you must come back to administration sooner or later.

Mr. HUGHES : I do not deny that, but there ought to be a bar—a barrier, over which administration cannot go ; because you are dealing with things with which, I say, it is not safe to entrust any Administration to-day. You have got to say definitely, 'No, it shall not be' ; the Metallgesellschaft and Merton's must be permanently banished from this country whether they come up in the name of Jones, Brown, Robinson, Merton or Moses.

Sir ARTHUR STEEL-MAITLAND : In this case is there a bar to a naturalised British subject ?

Mr. HUGHES : If he is a German, yes, certainly. I am bound to say, gentlemen, if you are going to make war, make it in the spirit in which men make war. You cannot make war and at the same time hold out your hand in sign of amity. Our fellow countrymen are shedding their blood every day, and if at the end of the war Germany secures economic domination again, it will be a sacrilege—a crime against the dead as against the living. I am, therefore, in regard to this matter, not in favour of relying on administration. I do not deny the difficulties nor do I deny that your circumstances differ from ours, that your interests are more complex and greater than ours. But, on the other hand, your dangers are greater—ininitely greater. We have eliminated Germans absolutely from the share list. We have not only taken the shares of enemy subjects, but we have sold them, so that after the war they cannot again come into their hands. They have gone. And it is true that in Australia an industry which before the war was absolutely under German control is now absolutely devoid of that control, and that control cannot be restored unless Germany wins in this war and is enabled to dictate terms to Australia. Nothing else will suffice. And, as my colleague Mr. Cook reminds me, we have done this under the War Precautions Act, which is an Act analogous to what you call here, the

Mr. HUGHES—*cont.*

Defence of the Realm Act. I am not going to say as a lawyer that there are not spots on the sun with regard to the War Precautions Act and the Defence of the Realm Act, but I am going to say this, that it is a convenient and potent Act and an effective instrument, and that in some shape or other it may have to be continued after the War—at any rate during the period of reconstruction.

I only wish to say, by way of conclusion, that whatever legislation is necessary to give effect to this policy, and carry it to the point which I am of the opinion it should be carried, will be agreed to and be placed upon the Statute Book by the Commonwealth of Australia; but it will be useless for us to act in this way if Britain herself allows this German influence to creep in again. Of what use is it for us to purge Australia, on one side of the metal industry, of German influence, if you allow it here to creep in? You know how these things are done by administration. A man comes along and asks for a licence. He goes to a Department. The Department works like a machine and he gets it. And in this country, where this influence is so powerful, it is able, in the face of the whole nation crying out to be delivered from it, still to hold its own. I remember, a year after the war, in Australia, a man named Baer—a man who spoke, so the cables said, with a thick guttural accent—saying it was impossible (he was speaking on behalf of Merton's, who, as I say, were acting as advisers of the British Government) to wipe out German influence, because there was no way in which we could dispose of the metal, and our efforts were puny. And they are here now, remember. I say, What is the use of our Dominions trying to do anything alone? What can we do? Because we have got to sell the metal to somebody. Well, we have sold some of our metal to you. That is all right. But if you in turn are going to allow a naturalised German subject, a person who is of enemy origin, to deal in metals, then the same thing will happen again. You must purge the whole body of this disease or you will fail utterly. For us to lop a limb while you do not purge the whole body will be of no avail. What is the good of New Zealand, Canada, or any part of the Empire doing this unless the whole does it? And therefore I say that, while I rejoice that the Legislature should pass this Non-Ferrous Metal Industry Act, while I admit the very many and grave difficulties which confront you, I regret that you have not gone farther. However, to the extent you have gone, and to the extent that you seek our co-operation, you shall most certainly have it.

Mr. MASSEY: I do not think, Mr. Long, New Zealand, as New Zealand, is seriously interested in the question of non-ferrous metals. I do not say they are non-existent in New Zealand, but I do not think New Zealand is likely to produce, so far as I am able to judge, at any time in the future, any very large quantities. All the same, New Zealand is interested as part of the Empire, and I agree most thoroughly with the opinions expressed by the last speaker, Mr. Hughes. I think the information that is supplied to us in the Memorandum now before members of the Conference* furnishes positive proof of what has been said over and over again since the war broke out—that if Germany had not been foolish enough to go to war at the time she did, and if she had kept quiet and pursued this policy of peaceful penetration for perhaps 10, 15, 20, or 25 years longer, it would not have been necessary for Germany to go to war, with Britain at all events, because she would by that time have secured control of many of the most important industries of the British Empire, and she would have had so much control industrially, commercially, and financially that Great Britain would have become what has been called to-day a satellite of the German Empire. We have had our lesson, Mr. Long, and I hope and pray that the lesson is not going to be lost.

Personally, I thoroughly agree with the resolution. I agree with the principle of the Bill. I am only sorry, like Mr. Hughes, that it does not go farther. I think it ought to go a great deal farther, and I do not think this very important question should be left to administration. I feel very strongly that it should be provided, clearly and definitely, in any legislation that may be agreed to by the British Parliament, that, as far as non-ferrous metals are concerned—and we are only dealing with non-ferrous metals now—we shall not get back to the position that we occupied in

*. See pp. 229–31.

Mr. MASSEY—*cont.*

relation to Germany prior to the war. One has only got to read part of the second paragraph to realise that, and I am going to quote it now so that it may be in the Report. "This last-named organisation (the Metallgesellschaft) either directly or " through its constituent concerns, had by the outbreak of war established, or " acquired, controlling financial interests in metal-dealing, mining or working com- " panies or chemical-metallurgical companies in Germany, Austria, the United " Kingdom, France, Belgium, Switzerland, Holland, Spain, Australia, Africa, Mexico, " and Italy. Distinct from the Metallgesellschaft group of companies, but closely " associated with the same interests and with each other in various syndicates and " combinations, were Beer Sondheimer & Co., of Frankfort, with interests in com- " panies in Germany, Austria, Italy, Belgium, France, and the United States, and " Aron Hirsch & Co., of Halberstadt, which also had subsidiary companies in various " countries. As illustrations of the activities of the German group of associated " undertakings there may be mentioned the International Lead Convention and the " International Spelter Convention, both of which were formed by the Metall- " gesellschaft. The position of the German interests was so strong that they were " able to force the smelters of these metals in other countries into those conventions " which regulated the world's prices; and by controlling the market the German " interests were able in some cases to restrict the development of the smelting of the " metals elsewhere than in Germany." That is to say, as far as these metals were concerned, they had acquired almost complete control, and what they were doing with regard to non-ferrous metals, there is no question, according to the evidence which has been forthcoming over and over again since the war broke out, they were doing in other directions—commercially and financially—and doing it in a wonderful manner. As I say, we have had our lesson, and I hope nothing of the sort will ever be permitted again. I feel very strongly, and I do not mind saying it anywhere, that the Germans have got to go out and be kept out. That should be the direction in which legisla- tion should go all over the British Empire, and I hope that is the direction in which the British Parliament itself will go. I have nothing further to say at present, and I have only dealt with the principle, not with details.

CHAIRMAN: Has anyone else any remarks to make with regard to this recommendation of the Board of Trade? Is the Conference prepared to adopt it as it stands?

Mr. LLOYD: In Newfoundland we have already adopted your Bill.

CHAIRMAN: The Resolution is: "That in pursuance of the policy of freeing " the Empire from dependence on German-controlled organisations in respect of " non-ferrous metals and ores, the Conference endorses the principle of the Non- " Ferrous Metal Industry Act of the United Kingdom, and recommends the " Governments of the Empire to adopt similar measures in so far as these have not " already been taken." Is it your pleasure that that Resolution should be adopted?

Sir JOSEPH WARD: Before that is put, Mr. Long, I want to say that, in my opinion, there ought to be included in this Bill provision for both tungsten and molybdenum, and if it is to be accepted that the essential point of dealing with the production of steel is to be left to administrative action, to any Government in power, it should be made clear that the intention of the present Government is to take the necessary action, and so to protect the British Empire from possible control by the enemy.

Now I would like to hear from the representative of the Board of Trade why there is any necessity to exclude two of the main essentials from an Act of Parliament if you are going to grip this matter and prevent any possibility of evasion. We have listened to the observations which Mr. Hughes, the Prime Minister of Australia, has made upon this matter, and those of us who have followed the matter out closely in the oversea countries know that Australia, under his administration, chiefly under his direction, took the strongest course of any part of the Empire to prevent, not alone during the war but after the war, a reversion to the condition of things whose existence was largely unknown until we got into the trouble of the

Sir JOSEPH WARD—*cont.*

war. But if there is going to be a weakness in this legislation of the Home Government, and it is going to allow by administration these powerful, influential concerns here, by nominating other people even, to continue to be in a position of great financial power, and to be able in a year, or two or three years, from now to commence building up their organisation with a view to the future destruction—if they can do it, but I am sure they will never be able to do it—of this Empire, that should be removed, and there should be no question about it. That should be done, in my opinion, by Act of Parliament, and it should not be left to the Administration, whoever they may be, to say who shall receive a licence and who shall not. It will be the easiest thing in the world in the course of six or twelve months after this war is over for any new set of names to be created here. It is only a repetition of the old thing. People know very well they have only to go to someone and get a licence and we shall be right back to where we were when this war started. On this question it seems to me to be beyond all doubt that the whole Empire is one, not only in its desire, but in its determination, to prevent a possibility of the enemy having the use of these metals which were so valuable to them in the past. I cannot see, and I have not heard any good reason—if there is one I should like to know what it is—why there is any question of leaving ferrous metals out of the net and for not making it compulsory—making it impossible for powerful financial people to get into a position which we are all trying to stop. If the Home Government, who are masters of their own business—if at the heart of the Empire they are not going to make the foundations right and sound and strong, what is the use after all of any of the individual portions of the oversea countries putting legislation upon their statute-books to help to bring about a better condition of things? Such legislation will be quite useless if the foundation is not sound. If that foundation is to be left in a rotten condition the whole structure will tumble down about our ears before we know where we are.

I hope before the Conference is over we shall go a great deal further than has been proposed in connection with some of these matters. I want later on to test the feeling of the Conference to see whether they are going to allow our enemies to be on the same basis with regard to the Suez Canal as are the British and French. I want to know—to get back to the policy of the British Government, which is the kernel of the whole matter—I want to know if, after we have done all these things, the raw materials are to come in, and if, when those raw materials are converted into manufactured articles, they are going to be available for our enemies at a very much increased profit to the people who are getting our raw materials here. For instance, as an illustration, I may take the case of wool. It is perfectly well known with regard to the wool that we are selling here, and which is converted into manufactured articles, that there are people here who have raised their wholesale prices 100 per cent., and we are helping the Empire by getting our people to enter into arrangements to supply the raw materials which are being converted into manufactured articles, the makers of which are making an enormous profit out of the very wool we are supplying in order to help the Empire during the war period. As a matter of fact, if we do not do something drastic, and if it is not done in the Parliament of this country here, we are going to get back to as bad a condition as we were in before, if not worse. I want to say that I think the subject has got to be gripped determinedly, and no loopholes left, particularly in the Motherland. The young countries will come into line and do what is required, but if there is weakness here it will extend right over the whole Empire.

Mr. MONTAGU: Mr. Long, the Government of India are prepared to introduce a Bill on the principle of the Non-Ferrous Metal Industry Act. But I would ask, before this Resolution goes to the vote, whether after the very strong things which have been said at this Conference, we could not have a copy of the Act which has been passed in Australia circulated to the Conference. We are ready to undertake, so far as India is concerned, to pass a Bill on the same principle, but we have a natural desire to choose the best, and the point which I am interested to know is this—whether when you draw up a statutory prescription which does not leave anything to the dangers of administration, although it looks better, is it really better? Can you draw the net as wide? Can you prevent by a statute things which you

Mr. MONTAGU—*continued.*

can prevent by a licensing system? That is the whole point. I venture to express the belief with the utmost emphasis that there is no part of the Empire as determined in trying to find the best way of doing this as the centre of the Empire, and before copying the example of Australia or of the Board of Trade, I should like to have an opportunity of studying the alternative methods, so that I could see which to recommend to the Government of India as the most watertight in practice as well as in principle.

CHAIRMAN: You do not propose that the Resolution to-day be adjourned for that?

Mr. MONTAGU: No, sir. I support the Resolution, but I ask that the Australian Act be circulated.

Mr. COOK: I should like to say in reference to this matter that we are apt to place administration and statutory power in a somewhat false relation to each other. After all, administration is intended to carry out the duties and functions proposed by statute in a reasonable and practicable and effective way. I take it everyone of us in our long experience as administrators of affairs agrees strongly that whilst the terms of a statute may well be mandatory, large powers should be left to the exercise of our own discretion. But I think this German cancer, if I may so call it, as it shapes itself with regard to the metal industry, will not be stamped out either by licence or by administration solely, nor yet by a statute solely, however powerful and comprehensive that statute may be. It is a many-sided thing—indeed, it is a hydra-headed thing, and as fast as you chop one of its heads off others come. We have found that it is by a combination of all the possible powers which can be got together that we have been able to root it out from Australia, and I suspect that the same thing will be found here. Not only have we provided for it by a pretty tightly drawn statute, but we have relied also upon our administration, backed by the powers of the War Precautions Act, which, I take it, corresponds largely with your Defence of the Realm Act. I do not know how you exercise those powers here, but we have exercised them very, very freely in Australia, and done a great deal more under them, and by them, and because of them, than we could have done by any statutory powers that we might have sought to impose upon ourselves. So I do not want it to be understood here, although I think the Prime Minister will have made the point clear, that we rely purely and solely upon our statutory powers in dealing with this matter. In fact, the Prime Minister has done these things very often, and done them, I was going to say, without troubling very much as to whether he had the power to do them. They have been done, and that is the main thing. We have attacked the evil whenever and wherever we have found it to be in existence, and that is what you have got to do, after all, in wartime. When the enemy is thundering at the gate, it is no time to stand on technicalities. And that is the point I want to make—that when you have a very serious danger to meet, the thing to do is to go out and meet it, and to rely upon that principle of the safety of the realm, which, after all, lies at the back of all our legislation and administration. I want to point out that we have done a great deal in Australia, not only by passing these statutes, but by the exercise of drastic powers of administration on the part of the Prime Minister himself, backed up by the War Precautions Act. You will have to do the same here. Administration will have to come in, but I ask you to draw your statute and make it as comprehensive as you possibly can, strengthening the hands of the Minister to do good rather than merely limiting his powers to do evil. These dangers that Sir Joseph Ward referred to are undoubtedly real. One knows what private interests can do sometimes in the way of influencing Government agencies, and you will be all the stronger if you make your statute as strong as you can. I do not see that we can do wrong in passing this Resolution as it stands, but I do hope you will review the position, and see if you cannot tighten up that legislation a little more.

Sir ALBERT STANLEY: May I say one word on this? First of all I should like to confirm what Mr. Montagu has said about the earnestness of this Government in completely excluding German association with this essential industry. There can be no possible doubt about that. And I should like to say that this is a

Sir ALBERT STANLEY—*cont.*

problem that has engaged the attention of the Board of Trade for a very long time indeed, and also the activities of a committee which was set up to investigate and advise the Board of Trade on this matter; and we found it to be exceedingly difficult to draft a Bill which would fully meet the situation. We discovered that a statute which indicated what the Government should do and what it should not do, would not give us the powers that were really necessary, when we came to apply it practically. We had to consider two things. One was the existing situation. We had to take into consideration the very large number of firms engaged in this industry. We had to consider, too, not only the possible activities of naturalised enemy aliens, but also the activities of naturalised Allies, and also the activities of our own people. There are many ways in which the Germans could secure an interest, and possibly a controlling interest, in this industry. Naturalisation in itself could not possibly be the only bar. That in itself would not begin to operate sufficiently, and so we found it necessary, after reviewing the whole problem, to give a Government Department the very widest powers in dealing with this question. The principle underlying it all is that German association, German control, shall be completely eliminated from this industry—completely eliminated; and, having eliminated that, we propose to set up an all-British organisation which will be competent to deal with this situation—in other words, which shall be just as powerful financially, just as powerful in its organisation, and just as powerful in its technical skill as the German. Mr. Hughes has quoted somebody as saying in Australia that we cannot get on in this industry without the Germans. They have said exactly the same thing here, and it was not said by a German. They have said we have not the ability, we have not the skill, we have not the knowledge to carry on this business. Well, we are going to have a try at it. This legislation will put us in a position so that we can establish an organisation here that will be thoroughly British, and in which there will be no possible chance of there being German association—an organisation which I myself believe will be quite competent to deal with the position.

A point that was raised by Sir Joseph Ward will illustrate one of our difficulties in this matter. He raised the question about somebody at some future time becoming established in this industry, making application for and securing a licence, and being really in effect only a cloak for this German organisation. Now that is our difficulty. If an Englishman comes forward and asks for a licence and desires to operate in the metal trade, we cannot refuse to give him one. But I must confess that the mere fact that he is English does not mean that he has no German associations at all; and it is because we must have an opportunity of always reviewing the activities of these people that we thought it necessary that the Bill should take this form. The mere fact that a man has got a licence does not take him away from the control of the Board of Trade. We watch his activities all the time. The moment he does any one of the things prescribed in the schedule which brings him under German control or German association, or in any association which makes him dangerous to this country or the Empire, we take his powers away. Those are the wide powers we have got, and, with all respect, I venture to think that when Mr. Hughes comes to review carefully the powers conferred by this Act he will be satisfied that they are fully as wide as could be given by any Act of Parliament. Under this Act we are given all the power we need to accomplish the object we have in mind, and that is the complete elimination of German association or German interests in this industry in this country. I should not like the thought to go out that we are not really genuine and sincere, and that we have not taken the fullest possible power to secure the object which we all have in mind.

Mr. COOK: Have you considered what the result would be, for instance, of limiting, by statute, your powers of granting licences? You could do that by statute; you could extend the number of reasons for refusing licences.

Sir ALBERT STANLEY: That is the principle of this Bill, Mr. Cook. We say a licence shall not be granted if certain things have happened, unless the Board of Trade deem it expedient. Suppose there is a British company which has a mere fraction of its capital held by the enemy. Now, that mere fraction of its capital might or might not carry the control of that company. It might carry full voting rights, or,

Sir ALBERT STANLEY—*cont.*

on the other hand, it might be a mere accident of the transactions of the Stock Exchange in the years which have gone by that these few shares had passed to some enemy alien. If that was the fact, that should not in itself be a bar to that company being allowed to operate in metals. But if, on the other hand, the opposite was true—if that small share did carry with it the control of the company, then we should refuse the licence. There are so many problems which arise in connection with the operations of the past. There is the difficulty of bearer shares, which, of course, are more or less common. Who knows where bearer shares are, or what control they carry? What we are proposing here is that we shall give every undertaking which has bearer shares the right to cancel its bearer shares and make them registered shares. If they fail to do that—which of course brings them in as English shareholders—then the mere fact of the existence of these bearer shares brings them within the schedule, and they must satisfy us that those bearer shares do not carry the control of the company or any enemy association. If they prove that these bearer shares are held by right people, English people, we shall give them a licence, but we shall put a watch upon them to see that these bearer shares do not get into enemy hands. We cannot very well refuse to give them a licence. If, on the other hand, these bearer shares were held by an enemy, we should refuse to give a licence. These are administrative difficulties, and unless some Government Department has a certain discretion in dealing with these things you will either tie yourself up so completely that you can really do nothing, or, if you do observe all the conditions provided by statute, you will wipe out at once a very large percentage of the legitimate British undertakings operating in this country, and you will not overcome the difficulty which has been mentioned, of British people establishing themselves not as *bonâ fide* British traders, but acting really on behalf of Germany. And those are the people you have got to look after.

Mr. COOK: I would not emphasise that point too much. The same thing is said in our country: "You will kill the industry; you are going to do innumerable things which will have most disastrous effects." It is constantly being dinned into our ears: "We shall hurt ourselves more than the enemy." But none of these things have happened. You will be surprised with what facility keen Englishmen will adjust themselves to new conditions when they are imposed upon them. I do not pay too much attention to that. The only thing is to hit this thing when you see it, or, by heavens, it will threaten the Empire, or come very near to it.

CHAIRMAN: I gather, then, the decision of the Conference is to pass this Resolution, with a strong expression of the desire that, if possible, His Majesty's Government shall strengthen their action rather than weaken it in that direction.

Mr. BURTON: I should just like, before we finish, to ask Sir Albert Stanley a few questions. * * * * * I understand that there is legislation in existence now, not merely in the United Kingdom, but also in Australia, and, I think, in Newfoundland.

Mr. LLOYD: It is the same as here.

Mr. MASSEY: We have legislation dealing generally with enemy property, which we have used very extensively indeed in relation to enemies holding shares in New Zealand companies, and traders in Samoa, and all that sort of thing. We have taken very drastic steps in regard to these matters. But we have no legislation dealing with non-ferrous metals—directly, at all events.

Mr. BURTON: I understood from Mr. Meighen there is some legislation in Canada bearing on this subject.

Mr. MEIGHEN: The Committee of experts appointed by the Government have reported favourably on the British Bill, and have recommended in Canada a Bill of wider scope. That was shortly before we left.

Mr. BURTON: So that it seems that South Africa is the only one of the Dominions in which nothing has been done in this direction.

Mr. MEIGHEN: Canada has done nothing in the way of actual legislation.

Mr. COOK: Our experience generally is that you will want every bit of statutory power you can cram into your Bill, and you will want strong administrative powers as well.

Mr. BURTON: I have just been reminded that we are in this position. It is thought that our smelting and refining operations in connection with non-ferrous ores are on so small a scale that it would not be worth while our having any legislation on the subject. It is like your New Zealand position in that respect. But I want to ask Sir Albert Stanley with regard to these non-ferrous metals. I suppose gold is a non-ferrous metal?

Sir ALBERT STANLEY: Yes.

Mr. BURTON: Gold is not in the Act.

Sir ALBERT STANLEY: The particular object of this Act was to break up, to destroy, this German combination, and to give an opportunity for a British undertaking to be established in this country in its stead. Germany has no control whatever over gold. It has no control over the other non-ferrous metals which have been mentioned. The Act does make it possible, of course, at any time, to add any other non-ferrous metals if deemed expedient. But we were dealing with an immediate situation. There were certain metals which the Germans were controlling or attempting to control. That we have endeavoured to stop, and, as I have said, the Act is wide enough for other non-ferrous metals to be added to the schedule as circumstances may require.

Mr. BURTON: Is it chiefly with regard to smelting, and that class of trade? My colleague and I want to know the position. As this Act is worded, according to your Memorandum,* it looks as if it were dealing with the whole business. Our gold industry is the most important thing we have got in South Africa, and if this means that we are to pass legislation to give us the power of saying to certain people, "You may be a member of this company," or "You may not be a member of that company, and you cannot be allowed to do business," it opens up rather broad issues for us. It is an enormous thing. We have dealt, during the war, with enemy property, as others have; we have dealt with their shares, and their shares have been to a large extent eliminated from the gold companies.

Sir JOSEPH WARD; In that case, do you not exclude gold? Surely you would exclude it legally? It was never intended to apply to gold.

Mr. COOK: After all, the whole intention is to deal with a present difficulty, and there is no difficulty with regard to gold.

Mr. BURTON: I only want to point out that these other things, so far as I know, do not affect us at all.

Sir ARTHUR STEEL-MAITLAND: An Act of this kind would give you power to deal with gold, if a similar sort of difficulty arose in connection with that metal. But at present it does not affect you at all.

Mr. BURTON: As we read our position in South Africa, legislation of this sort is quite unnecessary for us.

Sir ALBERT STANLEY: It may be so in one sense, but in another sense it may be of some importance, because this Act deals with trading as well as with questions of manufacturing and mining. Here we propose to exclude the enemy from trading in this country, and it is for you to consider whether the trading aspect of the matter in South Africa is not of importance. If the Germans did interfere with your trade in South Africa, then you would find yourselves just in the same position that we were in before the war. They had control of this industry, and by securing the market in that way they not only controlled the price, but determined the markets to which the materials should go. But more than that, they determined where the process of manufacturing, smelting, and refining should be carried on, which was to the great disadvantage of this country, as was discovered when the war broke out, because those factories were on the Continent of Europe and not in the British Islands.

* See pp. 229-231.

4th Day.]

NON-FERROUS METAL INDUSTRY.

[24 June 1918.

Mr. BURTON : You are referring now to non-ferrous metals, and not to gold ?

Sir ALBERT STANLEY : Quite so.

Mr. BURTON : But I want to make it as clear as possible that so far as South Africa is concerned, if we commit ourselves to similar measures we have to be very careful as to the effect this Act is to have on our gold business. If trading is to be an important element in your Act, it opens up a very big field for us. We should have legislation which would say : "The Government will license trading." By "trading" I take it you mean shareholding in a gold company ?

Sir ALBERT STANLEY : Acting as merchants, or as owners in a company. But it is a mere form, Mr. Burton, after all, the licence. I know there is an objection to it. People do not like the expression "licensed trade." We had a lot of difficulty here.

Mr. BURTON : If you do not mind, I should like to have a talk with General Smuts about this. I want to agree with my colleagues as far as possible, but I do not want to do anything which may be subject to misunderstanding. I should like to see General Smuts before agreeing to the resolution, because the recommendation is that we should pass legislation on similar lines to this Act.

CHAIRMAN : Then we will leave the formal passing of the resolution to the next meeting, and in the meantime Mr. Burton will consult General Smuts.

Mr. BURTON : If you please.

FIFTH DAY.

Wednesday, 26th June 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 11 A.M.

PRESENT :

The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).
 The Right Honourable Sir ALBERT STANLEY, M.P., President of the Board of Trade.
 The Right Honourable C. ADDISON, M.P., Minister of Reconstruction.
 Mr. W. A. S. HEWINS, M.P., Parliamentary Under Secretary of State for the Colonies.

Canada.

The Right Honourable Sir R. L. BORDEN, G.C.M.G., Prime Minister.
 The Honourable A. MEIGHEN, K.C., Minister of the Interior.
 The Honourable J. A. CALDER, Minister of Immigration and Colonization.
 The Honourable N. W. ROWELL, K.C., President of the Privy Council.

Australia.

The Right Honourable W. M. HUGHES, Prime Minister.
 The Right Honourable J. COOK, Minister of the Navy.

New Zealand.

The Right Honourable W. F. MASSEY, Prime Minister.
 The Right Honourable SIR JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

Lieutenant-General the Right Honourable J. C. SMUTS.
 The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

The Right Honourable E. S. MONTAGU, M.P., Secretary of State for India.
 Major-General His Highness the MAHARAJA OF PATIALA, G.C.I.E., G.B.E.
 The Honourable Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.

Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.

Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT :

Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under Secretary of State for the Colonies.
 Sir H. LLEWELLYN SMITH, K.C.B., Permanent Secretary, Board of Trade.
 Mr. VICTOR A. A. WELLESLEY, Controller of Commercial and Consular Affairs, Foreign Office.

Mr. GARNHAM ROPER, C.B., Assistant Secretary, Harbour Department, Board of Trade.

Sir THOMAS BILBE ROBINSON, K.C.M.G., K.B.E., Agent General for Queensland.

Mr. U. F. WINTOUR, C.B., C.M.G., Secretary, Ministry of Food.

Sir H. REW, K.C.B., Assistant Secretary, Board of Agriculture and Fisheries.

Mr. L. CHRISTIE, Legal Adviser, Department of External Affairs, Canada.

SIR R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.

Lieutenant-Commander J. G. LATHAM, Royal Australian Naval Board.

Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.

Mr. H. W. CARLESS DAVIS, C.B.E., Deputy Chairman, War Trade Intelligence Department.

And Private Secretaries.

Non-Ferrous Metal Industry.

* * * * *

CHAIRMAN: The non-ferrous metals question was held over for Mr. Burton to tell us whether, as a result of consultation with General Smuts, he could agree to the draft Resolution before the Conference, which is this:—

“That in pursuance of the policy of freeing the Empire from dependence on German-controlled organisations in respect of non-ferrous metals and ores, the Conference endorses the principle of the Non-ferrous Metal Industry Act of the United Kingdom, and recommends the Governments of the Empire to adopt similar measures in so far as these have not already been taken.”

Mr. BURTON: We have had an opportunity of considering the matter, and the position is this. As far as we are concerned, that Resolution really does not affect the conditions in South Africa any more than it does the conditions in New Zealand. There are none of these industries there which can be affected, and therefore, while we see the necessity in other portions of the British Empire of dealing with this matter, and do not wish in any way to stand in the way of the passage of the Resolution on that account, I would suggest, to meet cases like that of New Zealand and our own, that you might insert after the word “these” in the last line “may be necessary.” In our case we submit it is unnecessary, and there is no reason why we should be asked to introduce legislation which is not necessary. I suggest that the words should be: “and recommends the Governments of the Empire to adopt similar measures in so far as these may be necessary.”

Mr. HUGHES: What are we dealing with now, sir? I am getting a little mixed up.

CHAIRMAN: The non-ferrous metals Resolution. We discussed it at the last meeting of the Conference, and it was held up for final adoption until Mr. Burton had discussed with General Smuts. It is now proposed on the part of South Africa that the words “may be necessary” be inserted after the word “these”

Mr. HUGHES: Well, I do not agree with the form of the Resolution, quite apart from the amendment of Mr. Burton, and for the reason I put forward the other day. What is the principle in the Non-Ferrous Metal Industry Act? If you mean by the Resolution to secure for the Empire control of certain raw materials to the exclusion of our enemies, then I, of course, heartily endorse that. But if it is meant to secure this by administration, and by those loose methods that are set out in the Act, then I cannot. I am horse, foot, and artillery against it, and if you ask me to vote for such legislation in the Commonwealth Legislature, I shall not do so. I shall not be a party to passing such a measure, which, I am perfectly sure, even if we were exposed, as we should be, to very much less pressure than you would be here, would be a futile and unworthy expedient. I am as certain as I live that nothing but statutory prohibitions will be sufficient here. You must assert plainly, unmistakably, so that no man can possibly misunderstand it, that you propose to take these raw materials, and to prevent Germany having an opportunity of controlling them—that

Mr. HUGHES—*cont.*

you do not propose to allow persons of doubtful origin to deal in them. In short, that you mean really to keep them for our friends, and not for our enemies. And to think you can do that by administration, in the face of all that we know has taken place here in this country, is altogether too great a draft on human credulity. I am against it. And therefore, if you are going to recommend to the Empire "to adopt similar measures," personally, speaking for the Commonwealth, I think that we should not adopt similar measures. We should adopt effective measures, and if you strike out "similar" and substitute "effective measures to secure that purpose," then that will leave us a free hand.

CHAIRMAN: You are welcome to have that.

Sir ALBERT STANLEY: We are perfectly agreeable.

General SMUTS: I think that is a very good suggestion, because, undoubtedly, the circumstances of the various Dominions and of the United Kingdom are different. I think Mr. Hughes's formula meets the case of all of us.

Sir ALBERT STANLEY: I should like, if I may, to make this suggestion to Mr. Hughes personally—

CHAIRMAN: May we just put this amendment? It is proposed to strike out the word "similar" and substitute the word "effective."

[*The amendment was agreed to.*]

CHAIRMAN: It is proposed to insert after the word "these" the words "may be necessary."

[*The amendment was agreed to.*]

CHAIRMAN: Perhaps I may put the Resolution as amended now.

Mr. HUGHES: I was going to say, sir, that the wording now seems to call for a little consequential amendment—"to adopt effective measures to give effect to this policy."

Sir ALBERT STANLEY: That would come at the end.

Mr. LLOYD: "To adopt measures."

CHAIRMAN: "To carry out this policy." Well, as a further amendment, it is proposed to add the words at the end—"to carry out this policy."

Mr. BURTON: How does it read now?

CHAIRMAN: "That in pursuance of the policy of freeing the Empire from dependence on German-controlled organisations in respect of non-ferrous metals and ores, the Conference endorses the principle of the Non-Ferrous Metal Industry Act of the United Kingdom, and recommends the Governments of the Empire to adopt effective measures, in so far as these may be necessary and have not already been taken, to carry out this policy."

Mr. HUGHES: Very well; I am content. Yes, that will do.

CHAIRMAN: Is it your wish that the Resolution as amended be adopted?

[*The Resolution as amended was agreed to.*]

Sir ALBERT STANLEY: Mr. Long, may I just say this in connection with this non-ferrous metals matter—that we at the Board of Trade have now had a fair amount of experience in dealing with this particular Act. We have learned a good deal since the Act was passed in connection with the activities of a number of undertakings in this industry, and if any of the Prime Ministers would like any of their representatives to have a talk with somebody at the Board of Trade who is familiar with what has transpired in connection with this matter, we should be very glad to see them and to give all the information to them that we have there, and which might be helpful to them in dealing with the situation in their own countries.

Mr. HUGHES: Certainly. I am sure it would.

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SEVENTH DAY.

Monday, 8th July 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 3 P.M.

PRESENT:

The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).

The Right Honourable Sir ALBERT STANLEY, M.P., President of the Board of Trade.

The Right Honourable J. R. CLYNES, M.P., Parliamentary Secretary, Ministry of Food.

Mr. STANLEY BALDWIN, M.P., Financial Secretary to the Treasury.

Mr. W. A. S. HEWINS, M.P., Parliamentary Under-Secretary of State for the Colonies.

Canada.

The Right Honourable Sir R. L. BORDEN, G.C.M.G., Prime Minister.

The Honourable A. MEIGHEN, K.C., Minister of the Interior.

The Honourable J. A. CALDER, Minister of Immigration and Colonization.

Australia.

The Right Honourable J. COOK, Minister of the Navy.

New Zealand.

The Right Honourable W. F. MASSEY, Prime Minister.

The Right Honourable Sir JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

The Right Honourable E. S. MONTAGU, M.P., Secretary of State for India.

Major-General His Highness the MAHARAJA OF PATIALA, G.C.I.E., G.B.E.

The Honourable Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.

Mr. H. C. M. LAMBERT, C.B.,
Secretary to the Conference.

Mr. E. J. HARDING C.M.G.,
Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT:

The Right Honourable Sir DONALD MACLEAN, K.B.E., M.P., Vice-Chairman, Enemy Debts Committee.

Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under-Secretary of State for the Colonies.

Sir H. J. READ, K.C.M.G., C.B., Assistant Under-Secretary of State for the Colonies.

8 July 1918.] ADDRESS TO THEIR MAJESTIES THE KING AND QUEEN [7th Day.
ON THE OCCASION OF THEIR SILVER WEDDING.

Sir MALCOLM RAMSAY, K.C.B., Assistant Secretary, Treasury.
Mr. GARNHAM ROPER, C.B., Assistant Secretary, Harbour Department, Board of Trade.
Sir THOMAS BILBE ROBINSON, K.C.M.G., K.B.E., Agent-General for Queensland.
Mr. PERCY ASHLEY, Assistant Secretary, Industries and Manufactures Department, Board of Trade.
Mr. U. F. WINTOUR, C.B., C.M.G., Secretary, Ministry of Food.
Sir H. REW, K.C.B., Assistant Secretary, Board of Agriculture and Fisheries.
Mr. F. T. BOYS, Director of Meat Supplies, Ministry of Food.
Mr. H. MEAD TAYLOR, Secretary, Enemy Debts Committee.
Mr. L. CHRISTIE, Legal Adviser, Department of External Affairs, Canada.
Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.
Lieutenant-Commander J. G. LATHAM, Royal Australian Naval Board.
Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.
Mr. H. W. CARLESS DAVIS, C.B.E., Deputy Chairman, War Trade Intelligence Department.
And Private Secretaries.

Address to Their Majesties the King and Queen on the occasion of
Their Silver Wedding.

CHAIRMAN: The first business to-day is to move a resolution expressing loyalty from the Conference to Their Majesties the King and Queen.

SIR ROBERT BORDEN: Mr. Long, I esteem it a privilege and an honour to move this resolution. In doing so, I have little to add to what was said on the first day of the Conference, except to express our very warm congratulations to Their Majesties upon the twenty-fifth anniversary of their marriage. The King came to the Throne at a very difficult and critical period in public affairs; and we rejoice that, notwithstanding the momentous character of the problems which have met him, he has, throughout, so conducted himself as to maintain the confidence of the people of the United Kingdom and of the whole Empire. It is particularly appropriate that Ministers representing the Oversea Dominions should join in such a resolution. Their Majesties came to the Throne after an opportunity of fuller acquaintance with the various Dominions and Possessions of the Empire than had ever been obtained by any previous Sovereign. We all recollect the visits which Their Majesties have made to different parts of the Empire in days gone by, and we recall the stirring message of His Majesty to the people of the United Kingdom on the occasion of his return from one of those visits. It is particularly gratifying, also, to extend our congratulations, because the example which Their Majesties have afforded to the whole people in their family life has been inspiring. Notwithstanding the vastness of the heritage of the British people in all parts of the world, and notwithstanding all our wonderful material advancement and development, especially during the past half-century, we should never forget that the greatness of any Commonwealth, however powerful or extensive, must rest upon the character and the ideals of its people. And in that respect the King and the Queen have given to the people of these Islands and all the Dominions and Dependencies of the Empire the highest example that could be desired. To preserve unsullied the ideal of family life is one of the highest purposes that should command the aspiration of the people of our Empire. It is most fortunate that in these days the example which has thus been given has been so inspiring. Their Majesties have been blessed with a large family, and we do not doubt—indeed, we know—that their children have been brought up with ideals and with a purpose which are worthy of the best traditions of our people, and which may be pointed to throughout the Empire as an example to every family. We join most heartily in congratulations to the King and Queen, and we can assure them that throughout the wide Dominions of this Imperial Commonwealth there is a real affection for them, and that the Crown does to-day constitute

7th Day.] ADDRESS TO THEIR MAJESTIES THE KING AND QUEEN [8 July 1918.
ON THE OCCASION OF THEIR SILVER WEDDING.

Sir ROBERT BORDEN—*cont.*

a truer bond between the different parts of the Empire than at any time in the past. I beg to move this Address:—

“We, the Members of the Imperial War Conference now in session, at this our first meeting after the return of our Members from France, desire to convey to Your Majesties our loyal and heartfelt congratulations on the occasion of the twenty-fifth anniversary of your wedding.

“We have been privileged to join with Your Majesties in your Metropolitan Church of St. Paul’s in giving thanks to Almighty God for the blessings of the past five-and-twenty years of your married life. During these years the affection of your people at home and beyond the seas has been constant and increasing. It is their fervent wish and prayer that you may long be spared to live and reign over an Empire which is united in loyalty to its King and Queen.”

Mr. MASSEY: In seconding the motion, Mr. Long, which has just been moved by Sir Robert Borden, I may say that, like other members of the Conference, I had the privilege of being present on Saturday in St. Paul’s at the Celebration Services, and I want to say how greatly I was impressed with the loyalty and affection of the great crowd of citizens of London and citizens from every part of the British Empire who were assembled there. The citizens of London, particularly, have always taken the very keenest interest in the attitude of the Sovereign on any public questions which happened to be uppermost. When they have disapproved of his actions, they have not been backward in saying so. When, on the other hand, he has won their affection and esteem, they were always ready to admit it. Such was the case yesterday, and I think it is a splendid thing that, at a time like this, when the Empire is engaged in the most serious war in its history—a war in which we have suffered great losses, but which we mean to see through to a successful issue—I say at a time like this it is a splendid thing to know that from one end of the Empire to the other there was no single discordant note, but only congratulations and expressions of loyalty. I hope that the King and Queen may live to see many happy returns of the anniversary of their wedding, and that they may continue to possess not only the respect, but the love of their people in the way that they undoubtedly possess it at present. I second the motion.

Mr. COOK: Mr. Long, I greatly regret our Prime Minister is not here to-day. It therefore falls to me to express the views which I know him to possess regarding a proposal of this character. I count myself happy, in his absence, to be associated with a proposition of the kind. I think it is a very happy conjuncture of affairs which brings us here to London at this particular time. I, too, have been greatly impressed with the evidences I see all about me here, in the heart of the Empire, of the solid, affectionate loyalty of the people. There is really no wonder that this is so. We are fortunate in our Rulers, and have been so for many a decade past. The King typifies what is best in all those illustrious scions who have preceded him. And not only that, but he typifies also the best that is in the nation. First in public service, and particularly through these tragic days, Their Majesties set an example of devotion to public duty and care and attendance on the wounded, all those things which intimately concern the home life of the people, which has very much endeared them to the hearts of the whole Empire. They have set us, also, one of the very highest standards that it is possible to conceive in the purity of their home and family life. And, after all, the domestic virtues are the basis on which an enduring nation can hope to rest. And because the Royal House represents all that is best in our national life, and represents all that is best in the individual life, it is a very natural feeling that is expressed as the people acclaim their King on this anniversary of his wedding day. And certain it is, Sir, that in every part of the Empire the furnace of affliction through which all our people are passing has only served to weld the affection of the people for their Sovereign into an indissoluble bond. Never was the Throne more firmly enthroned in the hearts of the people. If I remember aright, His Majesty ascended the Throne in a time of German menace; I very well remember the days. And that menace has been hanging over us, like a nightmare, ever since. I hope sincerely that the days and weeks will not be

8 July 1918.] ADDRESS TO THEIR MAJESTIES THE KING AND QUEEN [7th Day.
ON THE OCCASION OF THEIR SILVER WEDDING.

Mr. COOK—*cont.*

long before we have lifted it entirely from the Throne and Empire of our race. I very cordially join my brethren here in assenting to the terms of the address, which I think are very happily expressed, and in wishing very long life and prosperity to Their Majesties.

Mr. BURTON: I am very glad to be able to say a word or two on behalf of South Africa in support of this resolution. South Africans have, I am afraid, of recent years been acquiring a reputation for disturbances of the public peace in various directions, which I am sure have been, to a very large extent, superficial; they do not do justice to their true and real character, for they are a people who have great regard for constituted authority, and for law and order. And amongst the features of South African character which stand out, perhaps, more than any other in this respect, is their traditional high respect and traditional regard for the Person of the Sovereign. I shall never forget how, in the days of Queen Victoria, men who were actually in the field against your Flag were exchanging messages of sincere sympathy and regret when they heard of her death. Well, Sir, Their Majesties are not unknown to us in South Africa. We had the privilege and pleasure of a visit from them some years ago, when they were the Duke and Duchess of York, and I think we all remember the favourable impression which they created upon us at that time. If there is anything which stands out in the person of their Majesties, it is those qualities which have been referred to already by previous speakers. The things which impress us, perhaps, most of all, are the simplicity of family and social life, in which regard the King and Queen have set a high example in the virtues which are absolutely essential for the permanent greatness of a nation. We have been greatly struck, also, with their earnestness and steadfastness in the performance of their numerous and, very often, extremely trying public duties. But King George has conveyed to us as, perhaps, the quality which we recognise most strikingly, his dominating sense of duty, duty to his country and to his people in these great traditions. I have very great pleasure indeed in supporting the resolution.

Mr. LLOYD: I esteem it a privilege, Mr. Long, to associate the people of the oldest Colony with this expression of loyal and heart-felt congratulations. Undoubtedly we should at all times cherish, and on all occasions endeavour to strengthen, the feeling of loyalty to the King, because the Crown is the one and the only undisputed form of recognition of the unity of the Empire. That unity of the Empire is undoubtedly strong and sound, and the effort of all parts is to conserve and strengthen that Empire. And while we are working out the more elaborate organisation of that Empire, we have one Institution, the Crown, to which we are all most devotedly attached. And as the people of Newfoundland are a most loyal Colony, I am proud, as I said in my opening remarks, to be able to be associated with the words of this resolution.

Sir S. P. SINHA: On behalf of my colleague, the Maharajah of Patiala and myself we desire to associate ourselves with every word of the loyal congratulations which have been expressed by the previous speakers. We have had the privilege of more than one visit from their Majesties to our country, and it is scarcely possible for anyone, except those who witnessed the scenes which took place during those visits, to realise in what a peculiar sense, and to what an exceptional degree, the Royal House of England embodies, is the visible embodiment of, all that is good and beneficent in the connection of England with India. Their Majesties, by their visits, drew closer than ever the bonds which unite India to the rest of the Empire; and, if possible, the affection and the loyalty which the millions of India feel for their Majesties have been a hundred-fold enhanced by the personal solicitude and the high interest which their Majesties have evinced in the hundreds of thousands of my countrymen who have come across the seas for the purpose of fighting the battles of the Empire. We desire to echo fervently the prayer embodied in the resolution, that their Majesties may long be spared to live and reign over the Empire which is united in loyalty to the King and Queen. (Hear hear!)

CHAIRMAN: In putting the resolution, I may be allowed to say that we all recognise, I am sure, in all parts of the Empire, that the period of time during which their Majesties have reigned has been one of altogether exceptional anxiety, imposing upon their Majesties an extraordinary burden. And it seems to me that, perhaps,

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ORDER OF BUSINESS.

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CHAIRMAN—*cont.*

one thing stands out more clearly than anything else, and it is that in everything, great or small, in every detail of our life—before the war it was so, and it is so since the war—their Majesties have thought of the Empire, of the Allies, and, above all, of the great cause for which we are all fighting, and they have never thought of themselves. They have placed themselves entirely at the disposal of the Empire, and I believe it is impossible to exaggerate the service they have rendered to their people by their remarkable devotion to duty. They have given us of their very best, and I am sure they have tended thereby not only to strengthen the foundations on which the Empire rests, but to bind the Empire still closer to them by the bonds of love. And I am very proud that I should have the privilege of transmitting this resolution to their Majesties. May I assume that the resolution is passed unanimously?

[*The resolution was carried unanimously.*]

Order of Business.

CHAIRMAN: The Committee which the Conference appointed at their last meeting met to-day, and we have drawn up a programme, which will be circulated to the members of the Conference this afternoon. We tried, before the Committee met, to group the subjects, so far as we could, and I think we were able to do so fairly successfully. One group contained all the questions relating to aliens; they are very allied, one to the other, and the Committee has recommended to the Conference that these subjects should be referred to a special Committee, under the Chairmanship of the Secretary of State for India, to consider how they can best be dealt with—many of them emanated from the Indian representatives—and possibly to consolidate them and save time, and for them to bring up a Report. The Secretary of State for India has been good enough to say that he will take charge of the Committee, with one of the Indian representatives, and we thought if two or three other members of the Conference would be good enough to serve on the Committee, business might be thereby greatly expedited. Is it the pleasure of the Conference that this group of questions—the treatment of aliens, &c.—should be referred to the Committee for examination and report?

Mr. MASSEY: Does that include the motion of which I gave notice some time ago, on the question of naturalization?

CHAIRMAN: Yes, it would include that, I presume. There are some minor questions which could be grouped under the head of naturalization, and we shall get rid of them and discuss them on your motion.

Mr. MASSEY: Yes.

CHAIRMAN: Then if that is your pleasure?

[*Agreed.*]

CHAIRMAN: The Secretary of State for India and an Indian representative are agreed. Will you serve on it, Mr. Massey?

Mr. MASSEY: If I can find time I shall be glad. I should like to serve on it if I can arrange it.

Mr. MONTAGU: I do not imagine we need hurry over this, because your agenda takes the Conference to the end of next week; therefore we have a fortnight, and we can find time to do our work in that period.

Mr. MEIGHEN: Mr. Calder will represent Canada.

CHAIRMAN: You will probably not want to be represented on it for Australia, Mr. Cook?

Mr. COOK: No.

CHAIRMAN: Mr. Burton, do you want to be on it? We have got a representative of Canada, and of India, and of His Majesty's Government.

Mr. BURTON: About aliens?

CHAIRMAN: Yes.

Mr. BURTON: As far as I am concerned, I do not want to be on, but I shall probably not be doing justice to my country if I do not serve on it.

Mr. COOK: I think Mr. Burton is peculiarly interested in it.

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MESSAGE FROM HIS MAJESTY THE KING.

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Mr. BURTON: Personally, I would rather not, but I think I ought to.

CHAIRMAN: Newfoundland?

Mr. LLOYD: No.

CHAIRMAN: That will be the Committee, then. Mr. Montagu will be good enough to act as convener. There is to be a meeting of the Raw Materials Committee in Mr. Hewins's room to-morrow at 3 o'clock. Now we come to the agenda. The first subject is meat supplies, on which Sir Joseph Ward is to speak. Mr. Clynes of the Ministry of Food is here.

Mr. MASSEY: I wish to ask a question, if you will allow me, at this point. This morning I was interviewed by the President of the Empire Producers' Association, who asked me to ascertain from you, or from the Conference, whether they would be willing to accept a small deputation on matters connected with the trade of the Empire. I was not able to say Yes or No, as you can imagine, but I ask you to-day, whether the Conference will accept a small deputation on matters connected with the trade of the Empire.

CHAIRMAN: As a matter of precedent, I believe we never have received a deputation. We have had a good many suggestions that we should receive deputations. It is not for me, it is a matter for the Conference, but I think it would be creating a rather dangerous precedent.

Mr. MASSEY: I am not pressing the matter, I am simply asking the question.

CHAIRMAN: It is entirely for the Conference to decide.

Mr. COOK: I think we ought not to.

Mr. MEIGHEN: I think it is quite impossible.

CHAIRMAN: I think, in that case—Mr. Massey does not press it—unless anybody else recommends it, it will be better to adhere to our precedent.

Mr. MASSEY: I simply consulted the convenience of the Conference.

* * * * *

Message from His Majesty the King.

CHAIRMAN: Before we take the next subject, I have to communicate to the Conference that I have received the following message from His Majesty the King:—

“The Queen and I thank the members of the Imperial War Conference for their message of congratulation on the occasion of the twenty-fifth anniversary of Our wedding day. Among the many congratulations that We have received on this happy occasion, there is none that We more warmly and sincerely appreciate than the loyal and loving message which the Oversea representatives, now gathered at the heart of the Empire, have just sent to Us. It affords Us great pleasure that the Prime Ministers of the Dominions and other representatives from oversea were able to be present at the service at St. Paul's Cathedral on what will always be one of the memorable days of Our lives. The community of feeling on those family occasions makes all hearts akin, and helps to draw closer the ties that bind together the Throne and all classes of Our subjects whether at home or beyond the seas. We thank the members of the Conference for their good wishes and pray that under the Divine providence the blessings of peace may soon be restored, bringing again the reunion of that home life which is the basis of the well-being of the whole Empire.”

Mr. MASSEY: That will go on record?

CHAIRMAN: Oh, yes, that will go on record, and be published. It is sent from Buckingham Palace. The King and Queen have received our Address, and send that reply.

Imperial Bureau of Mycology.

CHAIRMAN: The next subject is a very small question put up by the Colonial Office. It is a suggestion as to an Imperial Bureau of Mycology. I do not think it need take any time at all.—It is a subject as to which Sir Herbert Read will be able to enlighten us. I am informed it has to do with fungus.

Sir JOSEPH WARD: If we knew the authority from whom it sprang, we might be able to leave it with the authority.

CHAIRMAN: Sir Herbert is coming in.

Sir JOSEPH WARD: If this Bureau of Mycology is to get rid of objectionable insects, I think it is worth the money.

Sir HERBERT READ: The matter is clearly set out in the memorandum* which has been circulated to the Conference.

CHAIRMAN: The resolution before the Conference is as follows:—

“It is agreed that it is desirable to establish an Imperial Bureau of Mycology for the purpose of supplementing the work of the Imperial Bureau of Entomology, and to obtain the necessary funds for its maintenance by suitable contributions from the Imperial Government, the Governments of the Dominions and India, and of the other Oversea Possessions, as suggested in the Memorandum laid before the Conference.”

Sir S. P. SINHA: On what principle is the amount of the contributions based?

Sir HERBERT READ: Practically they are half the contributions made at the present time to the Imperial Bureau of Entomology. The idea is to raise 2,000*l.* for a period of three years and see how we stand at the end of that time. I suppose the Conference knows of the work which the Imperial Bureau of Entomology has been doing, and this proposed Bureau of Mycology is merely to do for fungoid diseases what the Imperial Bureau of Entomology has been doing for insect pests.

Mr. COOK: I think we could agree to this without debate.

Mr. MASSEY: Do the Universities do anything in connection with this work?

Sir HERBERT READ: One brings in every agency in this country interested in entomology, and one would do the same, of course, with regard to plant diseases. The headquarters of the Imperial Bureau of Entomology are at the Natural History Museum, and in the same way the headquarters of this Bureau would be at Kew, where they would have the run of the very fine library which is there, and where there is also a fine museum of specimens of different fungoid diseases.

CHAIRMAN: Does any member wish to ask any further questions?

Mr. MEIGHEN: The proportions of the contributions are the same as in the other scheme?

Sir HERBERT READ: Yes.

Mr. COOK: Does this propose to do any more than identify these pests?

Sir HERBERT READ: The idea is to furnish information. In the case of the Bureau of Entomology they publish every month certain publications dealing with the whole of the entomological literature throughout the world. The Bureau takes this literature, extracts the material part, translates where necessary; in fact brings up to date the whole of the scientific literature relating to these investigations, and circulates it throughout the Empire, and so saves a lot of unnecessary labour on the part of people who are working on the same subject there.

Mr. MASSEY: Rust in wheat would come under this head, would it?

Sir HERBERT READ: Oh yes. One would hope to secure for this Committee a person like Professor Biffen, who is the great authority on rust in wheat, and to deal in the same way with all the other fungoid diseases.

Mr. COOK: When you know it is there, what do you do with it?

Sir HERBERT READ: Well, one would give the results of the latest investigations into it. Personally I am not a scientific expert, but I suppose it has been worked at.

Mr. COOK: My question was directed to ascertain, if possible, whether you are merely a statistical bureau with regard to these particular matters, or whether you have any real scientific functions. Have you remedies for these insect pests? If so, we will give you a few millions.

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IMPERIAL BUREAU OF MYCOLOGY.

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Sir HERBERT READ: That really scarcely comes within the scope of the Bureau. The Entomological Bureau, in the past, has formed Sub-Committees to advise on special problems and it has had working under it a couple of experts in Africa, doing original work. But with 2,000*l.* a year I do not think we should be able to find salaries for experts.

Mr. MEIGHEN: I am not sure that I have the principle of this. Of course, I know the amount is very small. Each Dominion has scientific institutions for the purpose of exterminating these pests—for example, rust in wheat—and we pursue pretty thorough enquiries. And we have experts on salaries, and we have laboratories for these enquiries.

Sir HERBERT READ: That point was made at the meeting that was held here in 1911, when Lord Cromer took the chair. Various representatives from the Dominions said that they had experts, but at the same time they were most anxious to have the benefit of the advice of people with very high qualifications in this country and elsewhere.

Mr. MEIGHEN: You are here in England, and you cannot investigate something which is not in England.

Mr. CALDER: As I understand it, the purpose of this Bureau is to gather information with regard to research and experimental work throughout the world, and to put it into such shape that it may be available in the Dominions. If an investigation is carried out in France, or Russia, or anywhere else, your Bureau gathers the information relating to it, and puts it into such form that it may be available to others who may be carrying on similar investigations elsewhere. It does not do research work here.

Sir HERBERT READ: Precisely. On 2,000*l.* a year you cannot do it.

Mr. COOK: As a matter of fact it is an entomological statistical department.

Sir HERBERT READ: It is more than that, really. Here I have some of the publications. This (*indicating*) is original research work; here again is the ordinary routine work, which is a digest of the whole entomological literature of the world. Before the war the Bureau dealt with Russian publications; and it deals now with Japanese, Swedish, Danish—in fact with the whole literature. There are no less than some 1,300 of these publications, and it is a great advantage to have all this information available in a condensed form.

Mr. COOK: This Bureau will really be a bibliography of mycology. What is mycology as distinct from entomology?

Sir HERBERT READ: There are two main destructive agencies in agriculture—there are what are called insect pests, which come within the domain of entomology, and there are these fungoid diseases, which come under the heading of mycology. The Mycological Bureau will simply be a counterpart of the Entomological Bureau.

Mr. COOK: I think it is worth the money.

[*The Resolution was put to the Conference, and carried unanimously.*]

EIGHTH DAY.

Wednesday, 10th July 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 11 A.M.

PRESENT :

- The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).
- The Right Honourable A. BONAR LAW, M.P., Chancellor of the Exchequer.
- The Right Honourable Sir ALBERT STANLEY, M.P., President of the Board of Trade.
- The Right Honourable C. ADDISON, M.P., Minister of Reconstruction.
- The Right Honourable Lord BEAVERBROOK, Minister of Information.
- Mr. STANLEY BALDWIN, M.P., Financial Secretary to the Treasury.

Canada.

- The Honourable A. MEIGHEN, K.O., Minister of the Interior.
- The Honourable J. A. CALDER, Minister of Immigration and Colonization.
- The Honourable N. W. ROWELL, K.C., President of the Privy Council

Australia.

- The Right Honourable W. M. HUGHES, Prime Minister.
- The Right Honourable J. COOK, Minister of the Navy.

New Zealand.

- The Right Honourable W. F. MASSEY, Prime Minister.
- The Right Honourable Sir JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

- The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

- The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

- The Right Honourable E. S. MONTAGU, M.P., Secretary of State for India.
- Major-General His Highness the MAHARAJA OF PATIALA, G.C.I.E., G.B.E.
- The Hon. Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.

Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.

Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT :

- Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under-Secretary of State for the Colonies.
- Mr. W. A. S. HEWINS, M.P., Parliamentary Under-Secretary of State for the Colonies.
- Sir H. LLEWELLYN SMITH, K.C.B., Permanent Secretary, Board of Trade.
- Sir EDMUND NOTT BOWER, K.C.B., Chairman, Board of Inland Revenue.

Sir BERNARD MALLET, K.C.B., Registrar-General.
 Sir H. REW, K.C.B., Assistant Secretary, Board of Agriculture and Fisheries.
 Mr. A. W. FLUX, Assistant Secretary, Department of Statistics, Board of Trade.
 Dr. T. H. C. STEVENSON, C.B.E., Superintendent of Statistics, Registrar-General's Department.
 Mr. PERCY ASHLEY, Assistant Secretary, Department of Industries and Manufactures, Board of Trade.
 Sir ALMERIC FITZROY, K.C.B., K.C.V.O., Clerk of the Privy Council.
 Sir RODERICK JONES, K.B.E., Department of Information.
 M. L. CHRISTIE, Legal Adviser, Department of External Affairs, Canada.
 Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.
 Lieutenant-Commander J. G. LATHAM, Royal Australian Naval Board.
 Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.
 And Private Secretaries.

Double Income Tax.

CHAIRMAN: The first item on the agenda to-day is a statement by the Chancellor of the Exchequer on Double Income Tax. We had a discussion upon it last year, and a Resolution, and I thought that, if the Chancellor would be good enough to come and make a statement to the Conference, it might not be necessary to have a Resolution this year.

Mr. COOK: He might say, "It is all off so far as you are concerned; we shall charge you no more, and there will be no need of a discussion at all."

Mr. BONAR LAW: I am afraid that is not quite the way in which I would like it to be "all off."

CHAIRMAN: The Resolution last year was* :—"The present system of Double Income Taxation within the Empire calls for review in relation (i) to firms in the United Kingdom doing business with the Oversea Dominions, India, and the Colonies; (ii) to private individuals resident in the United Kingdom who have capital invested elsewhere in the Empire, or who depend upon remittances from elsewhere within the Empire; and (iii) to its influence on the investment of capital in the United Kingdom, the Dominions and India, and to the effect of any change on the position of British capital invested abroad. The Conference, therefore, urges that this matter should be taken in hand immediately after the conclusion of the War, and that an amendment of the law should be made which will remedy the present unsatisfactory position." The Chancellor will now make a statement to the Conference.

Mr. BONAR LAW: Gentlemen, I was sorry last year not to be able to be here when this subject was discussed, because I know how much importance is attached to it in the Dominions, and I can say also that there is a very strong feeling about it in this country as well.

Now I think the main idea in your minds—and I can say the whole Government is in absolute sympathy with it—is that there ought to be a preference within the Empire in every possible direction. We have been in favour of it in many ways about which there has been much controversy; but I have always thought that, from the point of view of finance, encouraging British money to go to the Dominions rather than to any other parts of the world was one of the directions in which we ought to do everything we possibly could.

Mr. MASSEY: Is that the policy of the Government?

Mr. BONAR LAW: Yes, absolutely; this Government is pledged to that. I am not speaking merely for myself, but this Government is pledged to that.

But there is a difficulty about this particular thing, which has no relation whatever to the question of encouraging investment within the Empire in preference to investment anywhere else, and that arises from the point of view of fairness as

* See p. 6 of [Cd. 8566.]

Mr. BONAR LAW—*cont.*

between one British taxpayer and another—the fairness with which one is taxed as compared with another.

You all know that the Income Tax law as it stands at present is unfair in a tremendous number of ways. It is not necessary to go into them, but they are very numerous. This was not felt seriously as long as the rate was comparatively low, but it has become a very gross injustice now that the Income Tax has reached 6s. And it would, I am quite sure, be impossible to attempt to deal with one aspect of that by legislation until we had examined the whole.

Now the Treasury would have liked, even during the war, to have set up a Committee to examine into this whole question; but this it is very difficult to do, as you can understand, because not only are the officials up to their eyes in work—and this could only be done by those who are actually best at their work—but even people outside, who would be capable of taking part in this inquiry, are very full too. In spite of that I am still trying, even now, to see whether we could not get this Committee started, though I have not very much hope of it.

Now as regards this Double Income Tax, I think I may say there are three aspects of it. There is first of all the encouragement of the investment of British capital within the Empire. As to that everyone is agreed. In the second place there is the case—and I think this is a very hard case—where individuals from the Colonies or Dominions come to live in Great Britain. That, of course, must be good for the Empire, and it is obvious that we should not do anything to discourage that, but should do all we can to encourage it. On the other hand, there is another aspect of this question which I should like you all to have fully in your minds. It is the case of people who have invested, not from patriotic motives or anything else of the kind, but simply as a good investment; and one cannot look at it without considering whether or not it is fair that, as compared with other British citizens, they should escape a reasonable share of taxation at home. For instance—I think it always brings a point of this kind more home if a concrete case is given—when I went out of business myself, I happened to know a good deal about Canadian securities. I invested a fair amount of what I had in those securities. Well, I did it, as everyone else does—on the same basis—considering the risk of the investment, and considering the yield. Of course the yield was much better at that time than one could get at home. Well, of course, one of the risks one takes is the possibility of the return falling off in those Dominions either from increased local taxation or any other cause. And I think you will agree with me that nothing could be more unfair than that a very great preference should be given to a man who invests his money abroad, even within the Empire, as compared with a man who invests his money in the United Kingdom itself.

Now that shows the difficulty of the position. It is quite clear that there ought not to be a double income tax to this extent, but I think you will agree with me—I hope so, at least—that it is a question of what proportion of the loss should be borne by the two Governments concerned. It would not be fair, would it, for instance, to say that a very rich man in England who invested all his money in the Dominions, where there was an income tax, should live at home, have all the advantages of our laws and everything else in this country, and contribute nothing to the income tax, which after all forms the great bulk of our taxation—that he should contribute nothing towards the support of the country in which he lives? So that I think it is a case which calls for a fair arrangement between the Exchequers of the Mother Country and of the Dominions.

It certainly is essential that this whole question should be settled, and I think it should be settled immediately after the war. It is even in our interest that it should be done—I mean in the interest of the British Exchequer—because it is quite obvious that with the income tax as high as it is likely to be after the war, unless adjustment of this kind is made, businesses which can be conducted in the Dominions without having an office in London will all be transferred there, and we shall lose the whole of the revenue. So that it is in our interest that there should be no delay in doing this. But I do not think it would be wise, nor do I think it would be right, to attempt to deal with more than we have done during the war. To begin with, the Exchequer needs all the money it can get. That is one consideration.

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DOUBLE INCOME TAX.

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Mr. BONAR LAW—*cont.*

But I want to point out to you that we have done a very great deal to meet this evil of the double income tax. Full income tax was paid on investments within the Empire till the tax reached 3s. 6d. When it reached 3s. 6d., by the Finance Bill of 1916 we arranged that the extra between 3s. 6d. and 5s. should not be charged in the case where there was corresponding income tax in the Dominions. Now in the Finance Bill of the present year, we raised the income tax to 6s., and I carried the same principle there: I did not put any of the additional 1s. on in the case of incomes which came within the Empire. Now that is really a very big concession in itself. It means that the Dominions pay 3s. 6d., whereas other people pay 6s.; and of course if the income tax continues to rise, and this differentiation is continued, it will mean increasing preference—which all comes, remember, out of the British Exchequer—that is to say, none of this revenue, which is a very big amount, falls on any of the Dominions, it all comes out of the British Exchequer, and if at any time it were possible to send money abroad this inducement, represented by the 2s. 6d. saving in sending it to somewhere within the Empire rather than to the United States, for instance, would in itself be an enormous preference to the Dominions.

Well, gentlemen, I think that is all I have to say. I assure you that from the point of view of the encouragement of investment within the Empire, we are as anxious as any of you to do whatever can be done. I think, however, the concession which we have made is as large as is possible during the war, and I hope, with the Chairman, that you will either be satisfied with the statement I have made, and not have a Resolution, or that you will be content with the Resolution which was passed last year. That is all I wish to say.

Mr. MEIGHEN: Mr. Long, I have listened with very great interest to the remarks of Mr. Bonar Law. The subject is not one which has excited very great interest in the Dominion of Canada since the Resolution of last year was passed. The policy pursued by the British Treasury since seems to me on the whole satisfactory. I am disposed to agree with the suggestion that we rest on the Resolution of last year. There are cases of severe hardship, and, as the Chancellor of the Exchequer says, nothing can be said for a double income tax, and nothing can be said in defence of the taxation of one man on a principle which is entirely different from that on which you tax another. But on this and other questions there are very practical difficulties, and these appeal to us just as much as to other representatives. I therefore think that we should concur in the suggestion.

Mr. HUGHES: Mr. Long, Mr. Law, I do not feel, for many reasons, able to add very much, either by way of comment or suggestion, to what the Chancellor of the Exchequer has said. He has covered the ground fairly well, and, after all, the matter rests with him. He has to consider the financial situation of Britain, which in effect is that of the Empire during the war. And so I do not propose to discuss this matter, at least just now. But I would like to read carefully what he has said, and to see just how far it takes us, and what possibilities there are. I would just like to add, Mr. Law, that since I had the honour of submitting to you, or rather to your predecessor, Mr. McKenna, a petition, and I think of introducing a deputation too, which set out some reasons against the continuance of the double income tax, certain circumstances have occurred which intensify the trouble and make the necessity for relief more urgent. These arise out of the purchase of raw materials by your Government through the Government of the Commonwealth, acting as agent for certain vendors. We have organised the metal industry and other industries, and as a result of this organisation, persons who formerly made their sales in Australia now find that the only buyer is, in effect, the British Government, and they have appointed agents in England. They would not have done so, of course, had we not organised the industry, and freed it from German control, and had you not bought the whole of their output, or the greater part of it, in one deal. Now because they have done this—not for their own advantage—they are saddled with this double income tax, and the income tax here, of course, is very severe, while the income tax in Australia is by no means light. And between the two they are in rather a bad way.

Mr. BONAR LAW: Mr. Hughes, I think this bears on the point you are putting. Mr. Long wrote to me before the last Finance Bill, pointing out part of what you are saying, and the gist of it was that since this arrangement these people were liable for income tax on the whole of the profits on their sales here. That was unfair, and I at once introduced in this Bill an amendment which has done away with that.

Mr. HUGHES: I am very glad to hear that, because they were under the impression—I think they are now——

Mr. BONAR LAW: They would pay income tax on the share of the business that is done in this country, but not as if it were an entirely English company.

Mr. HUGHES: I see. I will leave that where you have put it. I do not wish to say any more except to ask that an opportunity may be afforded later of further considering the matter. I do not pretend to say that very much can be done in view of the position you have stated, but the matter is one of very great importance to the Dominions, and perhaps an opportunity will be offered of referring to it again.

Mr. MASSEY: Mr. Long, as the member who proposed the Resolution last year, and which was agreed to unanimously by the Conference, I may say at once that I do not propose to move another Resolution this year, or to ask the Conference to amend this in any way. The Resolution of last year still stands, and we have the assurance of the Chancellor of the Exchequer. I hope the Chancellor will make his statement a little more definite when he replies, but I understood him to give the Conference an assurance that the matter would be taken in hand as soon as the war came to an end—and I should like to add to that, if possible before it. I know the difficulties that are in the way. The Chancellor of the Exchequer must get the finance he requires—we all understand that—and we do not want to hamper him in the very slightest degree. But there is no question that this law as it stands at present causes hardship among people in the Dominions, and to many people in Great Britain who do business with the Dominions. I was very glad to hear the Chancellor's statement with regard to preference within the Empire, and I should just like to add that I hope a great deal more will be done, as soon as opportunity offers, in the way of giving legislative effect to the principle affirmed just now by the Chancellor. This is another of the directions in which preference may be given, and a direction which will give a very great deal of satisfaction to many people, both on this side of the world and on the other.

Now just let me refer for one moment to the Resolution of last year. In the first clause it says: "The present system of double income taxation within the Empire calls for review in relation (i) to firms in the United Kingdom doing business with the Oversea Dominions, India, and the Colonies." Now one can easily imagine two firms, one belonging to the United Kingdom, a British firm, and one belonging to some other country—I am not going to suggest any other country in particular—both producing the same commodity. The British firm will be hampered by the imposition of this double income tax. It is not to be supposed that the firm in the other country will have double income tax to pay, and therefore the firm in the other country will have an advantage over the firm in Britain. Now that is not preference in the ordinary sense of the word—at all events it is not preference as I understand the term; and that is one of the reasons why I hope an amendment of the law will be made at the earliest possible date to do away with the hardship which undoubtedly exists in the position to which I have just referred.

Then there are the cases of private individuals resident in the United Kingdom who have capital invested elsewhere within the Empire. I suppose what has happened to New Zealand in this connection has happened to every one of the Dominions. We have at present resident in the United Kingdom quite a colony of New Zealanders, who are here, at all events, for the term of the war. I have met hundreds of them during my present visit to London—I am not exaggerating when I say I have met hundreds. These people are paying income tax in the country to which they belong, they are paying income tax on any revenue which they may derive from their property in New Zealand, they are also paying land tax there if they are owners of land, and they are paying income tax of the special form that is

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Mr. MASSEY—*cont.*

being raised, for the purpose of the war, in Great Britain. Now there is no question that that is a very serious hardship to these people, and these again, I think, are instances which call for relief.

But from the Dominions' point of view, taking the Dominions as a whole, I have not looked up what I said last year, but I simply want to repeat, in effect, the argument which I brought forward last year. This is the most important direction in which it affects us, like the other Dominions, in ordinary times—not during the war period I am glad to say, but in ordinary times. We have to depend upon Britain for the greater part of the capital we require for the development of the country, for carrying out public works, for railways, for making roads, perhaps even for the purchase of land for settlement purposes. Very well. If the people who lend us that money are called upon to pay income tax in the country where they lend it, I think it is only fair that we should have the right to charge income tax on the revenue which is produced in our country. But if they are called upon to pay income tax in New Zealand and also in Great Britain, what is going to happen? Well, one of two things will happen. They will either charge us more for the money, or they will refuse to lend it. In either case the Dominion will be in a difficulty. Again, I say New Zealand is only an instance of the others.

However, coming back to the point which I mentioned at first, the Conference does not want to handicap the Chancellor of the Exchequer nor the Imperial Government, and so far as I am able to judge, the Conference will be satisfied with the assurance which has been given by the Chancellor of the Exchequer, and which, as I said before, I hope he will make a little more definite, that this matter will be put right at the earliest possible moment. We do not ask that any injustice should be done to Great Britain, but that some arrangement may be made which will be fair both to the taxpayers of Great Britain and also to the taxpayers and citizens generally in the different Dominions.

Mr. COOK: What amount of money is involved in this, Mr. Law?

Mr. BONAR LAW: Oh, if it were done away with altogether, it would be an immense sum.

Mr. HUGHES: May I interpolate a word about these mining companies? I wish to see if this concrete case is covered by the new Act. I was speaking about copper mining companies in particular. Before the war they sold their output in Australia. Now, under the regulations of our Metal Exchange, and under the arrangements we made with your Government, they sell it here; they appoint agents to sell it here. But the ore is mined in Australia, it is treated in Australia, and it comes to England—practically all of it—in the form in which it reaches the ultimate consumer, the manufacturer. And yet they have to pay income tax merely because of this arrangement which was not suggested by them, which was certainly not put forward mainly in their interests, and which undoubtedly handicaps them very much. Now, against them there is the Spanish competitor, the neutral and other competitors; they come to England and they do not have to pay this very heavy income tax. And as we live—and in this respect we are in exactly the same position as Mr. Massey—by the sale of these raw materials, it is a very serious thing for us, because it amounts to this—that when we are selling our lead or zinc, or copper—and it would make a difference of 5%, 10% or 15% a ton on copper—5% a ton more at any rate—it is a handicap we can hardly stagger under. I was wondering whether such companies were covered by the new arrangement or not.

Mr. BONAR LAW: I do not like to speak positively from memory about something which I have not looked into, but I do not think it covers at all the whole of the ground you refer to. I will tell you what the concession was. Under the law as it stood, the appointing of an agent meant that the firm was liable for income tax on the whole of its profits on the sales here. The amendment I have provided limits the income tax to the part of the profits earned here, and they no longer have to pay income tax on the part of the profit derived in Australia from the material they sell here.

Mr. HUGHES: Apart from being a human being, I am a lawyer. I will try and see what that means; I will have a look at the clause and see to what extent it covers it, and I will make such representation to you privately as I think necessary.

CHAIRMAN: Have you anything to say, Mr. Burton?

Mr. BURTON: No, I have nothing to say. It appears to me the position is the same as last year, and the explanation given by the Treasury is the same. I quite understand the difficulty which the Chancellor of the Exchequer has. For my sins, I have been Finance Minister myself, and I know that to embark upon a change of this sort brings other anomalies of legislation which lie at the root of the trouble. I quite understand that, and in view of that I am entirely satisfied with the explanation of Mr. Bonar Law.

Sir JOSEPH WARD: Mr. Long, I think after what the Chancellor of the Exchequer has stated, we have to recognise that the whole Empire has to wait until there can be a settlement which the conditions here will enable to be provided. But I should like to take the opportunity of saying this upon one point referred to by Mr. Bonar Law. I hope when he does get to the point of considering this matter, this question which is cited as an illustration, of a rich man going from this country to our country, will be carefully examined into before the perpetration of double income tax on that basis is allowed. Now I am not suggesting for a moment that we are right in our country—I am not egotistical enough to suggest that over anything—but we provide for an absentee tax, and in my opinion, if you are going to have a rich man going away from this country to New Zealand for the purpose of living there in peace and happiness and contentment—

Mr. BONAR LAW: It is not the man, but his money. It is the men who stay and send their money.

Sir JOSEPH WARD: I beg your pardon. I thought you spoke of a rich man going to New Zealand.

Mr. BONAR LAW: It was a differentiation between two British taxpayers, involving one man investing all his money in the Dominion and living here and escaping taxation here, and another man with all his money invested at home paying the full tax. That was the point I was bringing out.

Sir JOSEPH WARD: That is a very different point, of course, and that must, from your point of view, call for settlement. All I want to say regarding this is from the standpoint of people who are affected in New Zealand. We have made provision in our Act to meet, under certain conditions, double income tax derived in any part of the British Empire where a concession is provided for and has been made. But if this war, which has lasted now for nearly four years, goes on for another three or four years—and no one can forecast how long it will go on—and the need continues which exists and has already taken place since this last Conference for an increase in the income tax both in the motherland and in the oversea countries, it is going to become, in my opinion, next door to impossible for some people to live. If they have to pay increased income tax in the motherland and income tax on exactly the same earnings in any of the oversea countries, then you are going to get pretty close up to the position whether it is worth their while to trade at all, and in my opinion it is going to drive people who are trying to pay their way and have something over, to some country where they can get free from the income tax at least at one end of the British Empire. We have already had some instances of firms taking their head offices to America, as the Chancellor of the Exchequer knows, and it looks to me that the matter is of such urgency from the Empire point of view that, while we recognise that the Chancellor of the Exchequer desires to wait until after the war is over, I am rather afraid myself of the consequences in some parts of the Empire which this is going to have on some of the people who are willing to pay the money required, but will get close up to having nothing left after paying the double income tax. I shall be very glad to see preference established, but I want to make this reservation. We have enough knowledge of the world generally—I mean public men in our country—to recognise that we are not going to have that until your Parliament puts upon your Statute Book what your fiscal system is going to be; and how long you are going to take to do that I cannot tell, and I do not know whether the Chancellor of the Exchequer can tell.

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Mr. BONAR LAW : No, I cannot.

Sir JOSEPH WARD : This question of relationships within the Empire is a very big one, and I think we are all waiting—those of us who know that from the practical standpoint we have to help the trade of the Empire as far as we can—we are waiting not only for the fiscal system of the British Government to be declared, but we are waiting to see what is going on the Statute Book, and whether our countries are going to be subjected again to the vicious system which existed in the past, of the dumping from enemy countries of goods into the Motherland, and their being sent out in the name of British firms and entering into competition with British people in the Empire. We are waiting for those very difficult things, so that we may all know what we have got to do.

Mr. COOK : Besides, look how we have all not been ruined by it !

Sir JOSEPH WARD : I do not suggest that for a moment. I suggest that the genius of the British mercantile world all over the Empire is quite up to that of the people who are opposing us, and a little better, but I only want to say—and the Chancellor of the Exchequer knows probably better than anyone else—that this is a very far-reaching business we are dealing with, and while it may be, and is, necessary for us to comply with the suggestions of the Chancellor of the Exchequer and wait, all I say is that we are going to eat into the vitals of the trade of the British Empire if we do not alter it, and the after-war conditions, if continued on present lines, will be very detrimental to the trade of the British Empire.

Mr. COOK : I should like to support Sir Joseph Ward in his statement that it would be a good thing if something could be done. To put on another screw, and still another screw, on our people over there to help to solve this question is right enough, but the taxation now amounts in the aggregate to 15s. or 16s. in the pound, and there is not very much more to come.

Mr. BONAR LAW : It is not quite that, because we only tax on the balance. You do not add the two together.

Mr. COOK : It is nearly all going, anyhow, and, at the present rate of progress, it will be dissolved entirely before the end of the war is reached; we shall simply take the lot between us. This is a question which seems to me to strike at the very root of the common citizenship of the Empire which we are all aiming at. Something must soon be done to remove these toll bars between us. If we are to have a common citizenship it must not be subject to these enormous fines and impositions. I quite recognise your difficulty, Sir, but I should be glad, and so would a great many other people, if some evidence were furnished that some remedy was in contemplation, and that some steps are going to be taken to formulate a remedy.

Mr. BURTON : May I just ask this with regard to the concession? Did I understand rightly that it was 1s. 6d.?

Mr. BONAR LAW : It is now 2s. 6d.

Mr. BURTON : And the idea is that that will be kept going in future rises?

Mr. BONAR LAW : I hope so. In our country you can never commit yourself for a year beyond, but I hope so.

Mr. MASSEY : It will not be beyond 3s. 6d.

Mr. MEIGHEN : 3s. 6d., not 2s. 6d.

Mr. BONAR LAW : Our tax is 6s.

CHAIRMAN : Does any other member of the Conference wish to make any remark?

Mr. BONAR LAW : The Cabinet is sitting and I have to go, if you will excuse me. I wish to express my appreciation of the way in which you have all dealt with this question, which really is a very difficult one, and the only point I would add to what I have said is that we have made a concession which represents a great deal in money in this 2s. 6d. In reality it has got to be dealt with between the two Exchequers. We cannot permanently go on the basis that whatever concession is made must be at the expense of the British Exchequer. I am sure you recognise that. We are all one country, and the loss of revenue, to put this completely right, ought, I think, to be borne on a fair basis between the different Exchequers. And

Mr. BONAR LAW—*cont.*

for that reason, when the enquiry takes place, it is obvious that this part of it must be an enquiry not confined to the British Government, but that the Dominions must have their say in the changes which are to be made.

CHAIRMAN: I am sure the Conference would wish me to thank the Chancellor of the Exchequer for coming here at a time when it is difficult for him to come. He was unable to be with us last year, as you will remember, and it is kind of him to come to-day.

Mr. BONAR LAW: You will excuse my running away.

Imperial Statistics.

CHAIRMAN: The next question is that of Imperial Statistics, raised by Mr. Meighen.

Mr. MEIGHEN: I have read the correspondence circulated by the Colonial Secretary, and there is a Resolution ready. The Resolution is not in my hands just now, but if I rightly recollect, it provides for an assembly of experts, representatives of the Governments, after the war, and that is the only operative part of the Resolution. In that we heartily concur. In our own country we passed a statute this session looking to the centralisation of our own statistical work. The object of this Resolution—at all events the object of the Conference which will be held—is simply an extension of the principle into the Imperial sphere which we have already adopted in the Federal sphere in Canada. We are anxious for the establishment of an Imperial Statistical Bureau—we are very anxious for it—and we have not the slightest hesitation in supporting the Resolution which is before the Conference. The correspondence clearly sets out the wisdom of addressing ourselves to the subject in the form proposed in the Resolution. Nothing can be done until the war is over.

Mr. HUGHES: Which correspondence are you alluding to now?

CHAIRMAN: That headed "Imperial Statistics."* There is a despatch to the different Dominions, and their replies are overleaf.

Mr. MEIGHEN: The proper men to bring it about and to give form to the system are the experts of the Dominions. We have in our country what we regard as a real expert in statistical work; he is a man of the type whom we should like to see taking part in the work of the proposed Conference. That is all I have to say now.

Mr. HUGHES: The purpose of this is set out in the correspondence?

Mr. MEIGHEN: Yes. The correspondence gives the reasons for the proposed Conference, and the Resolution takes the form of approving it.

Mr. HUGHES: Trade statistics—statistics of production.

Mr. MEIGHEN: Trade, resources, financial, railway statistics.

Mr. HUGHES: Will there be a permanent Bureau?

Mr. MEIGHEN: Oh, yes.

Mr. HUGHES: Who is to constitute it? Who is to pay for it?

Mr. MEIGHEN: That is for the Conference to consider.

Mr. HUGHES: I will put it in this way. In what sense is it to be Imperial? So far there is no Imperial body. It would only be Imperial if, first of all, it were composed of representatives of Great Britain and also of the Dominions; and, secondly, if the Dominions paid their share as well as the Mother Country. Is that your suggestion?

Mr. MEIGHEN: That is the suggestion—on the same principle as these other two Bureaux which are already in operation.

Mr. HUGHES: What are they?

* See pp. 232-236.

Mr. MEIGHEN: Those which were referred to yesterday, one of which the principle was adopted at the last sitting, and the other which has been in operation now for some years—the Entomological Bureau.

Sir JOSEPH WARD: The other is the Bureau of Mycology.

Mr. HUGHES: Of course, we might investigate those secret and fascinating processes by which the Pharaohs were wont to embalm their dead on an Imperialistic basis. But this is really different from those other Bureaux.

Mr. MEIGHEN: It is wider.

Mr. HUGHES: Yes, I have no objection to it, but I am bound to say that I look with a certain amount of—I do not say suspicion or distrust, and I will not say amusement, because neither of those words precisely expresses my meaning—on the creation of these bodies and the passing of these Resolutions which seem to carry us no farther. Supposing we knew very nearly everything these gentlemen could, after a series of profound investigations, tell us—probably we can know that already if we like to look round and find out—what are we going to do? If this proposal is to be of any service at all, it must have relation to some Imperial policy. Now what is that policy? Surely we are not going merely to set out on a chart in bold black type the fact of how many feet of lumber there are, or rubber, or how many barrels of oil we can produce, or what is the flow of migration to New Zealand, Australia, or even Canada. What we really want to know is this. We get our living by selling things, by making things, by doing things. Will this help us to make things—to sell them? Will it promote trade? Will it bind the Empire any closer together? Will it secure the Empire any more certainly in its political, its economical, or its general position? Because if so, then it is very good. But if it will do none of those things, then I do not know—although it may add to our knowledge, which is a very useful thing, of course—that it is very important.

Mr. MEIGHEN: In paragraph 3 of the despatch, Mr. Hughes, the subjects for discussion are set out in detail.

Mr. HUGHES: I have read that. Do not think for one moment that I am criticising the proposal in itself. Not at all. You cannot be responsible in any way for that lack of co-ordination, if you like to call it so, which exists. We are all equally blameable. But the fact remains that the Empire has no policy. There is not the slightest doubt about that. As an Empire it has no policy, either of finance, of economics, or generally. No man can say that it ought not to have one. Mr. Massey, Sir Joseph Ward, and Mr. Cook and myself, and you and all of us are citizens of this Empire, yet we walk these streets as much aliens, as far as regards any right to say a word in the government of this country, as if we were inhabitants of Timbuctoo. If you ask me what is the policy of Britain, I do not know. I am told definitely here, in fact, that in one respect it is not declared. Well, I say that we ought to direct our efforts towards a definite goal. However, I shall support your proposal.

CHAIRMAN: I think we are tending in that direction, Mr. Hughes. The machinery is not as satisfactory as we should like to have it yet, but, after all, the Prime Ministers of the other nations who are here have an actual right of presence in our Cabinet, where they have a full right to discuss every matter that arises and take part in the decisions. Now, if I were in Melbourne, I should be in the position described by Mr. Hughes—I should have no right of entrance.

Mr. HUGHES: I do not mean that at all. I think I must have made myself very ill understood. What I mean is that it makes a great deal of difference to Australia whether, for example, you are going to have a policy of Imperial preference. It does not make so much difference as some people imagine, but it makes a difference. If Jones comes to me and says, "Will you give me first option for your wheat or wool?" and I say, "Yes, I will," and he does not exercise that option and I thereby lose the market, that is a serious matter for me. I am not concerned with the domestic policy of Britain. I do not wish to interfere with that at all. I think that is one of the great outstanding features of the Empire—that each part pursues the even tenor of its way with perfect freedom and without interference

Mr. HUGHES—*cont.*

from anybody. But at the same time, by your action you do interfere with us very much, or you can. So can we with you. If I came here to-morrow morning and said: "We have sold all our raw material to some other country—we have a perfect right to do it"—it would make a good deal of difference to Britain. And supposing you said that you would buy none of our products because you had made arrangements to buy from somebody else from whom you could get them cheaper, that would make a great deal of difference to us. Those are the things I meant, Mr. Long—the want of an Imperial policy, nothing else.

CHAIRMAN: Does any other member wish to address the Conference?

Mr. MASSEY: I think, Mr. Long, Mr. Hughes hardly meant what he said when he left the impression that, in his opinion, we as citizens of the Empire had no voice in the policy of the Empire. We are here for the purpose of attending the Imperial War Cabinet, and I think Mr. Hughes will admit we have had some little voice there since we came over, though the discussions have been private and confidential. However, I have no doubt improvements will be made even in that respect. I agree with him in thinking that with regard to the policy of the Empire, neither the economic policy nor the policy of defence is clearly defined, and I think it ought to be defined at the earliest possible moment. We are now partners in the Empire to a very much greater extent than we ever were before, and it will be our fault if we do not do everything we possibly can to have the Imperial policy on those two very important points raised by Mr. Hughes placed before the citizens of the Empire much more clearly than they have ever been up to the present. I know the difficulties, of course, with regard to the war period. It is almost impossible to get any important legislation at all through the British Parliament, and the same difficulty applies to the Dominions. If we ask them to take in hand and deal with the policy of preference, or anything of that sort, to a greater extent than has been done up to the present, they will say they cannot possibly do it during the war period; and they will say, "We want to know the policy of the United Kingdom before we can go any further." There is no question about that. I see the position and the difficulty in the way. But our duty is perfectly clear, and that is to keep hammering away until we are able to improve things to a very much greater extent than they have been improved up to the present.

So far as this proposal is concerned, I see that the New Zealand Government, when it was referred to them, did not see its way clear to be represented at the proposed Conference. I remember it coming before the New Zealand Cabinet, and my recollection is that we did not clearly see sufficient proposed advantages in the intended Conference to induce us to send a representative from the Dominion itself. Our position is just this. So far as the Statistician's Office is concerned, we have a gentleman at the head of the office (who, by the way, is a very able man and does his work very well indeed) whose time is very fully occupied, and has been very fully occupied during the war period, and is likely to be very fully occupied until the war comes to an end; and it would put us in New Zealand to a very great deal of inconvenience if we were to send that officer to represent us at the Conference. That is our difficulty. While I do not say that there is no other capable man in New Zealand, I know we should find a very great deal of difficulty in selecting a man to take that gentleman's place during an absence of eight or ten months, and if he came to a Conference in that way, I am quite sure the whole of that time would be occupied, and perhaps a great deal more.

Then we were not clear about the possible advantages of the Conference, and I am bound to say I am not clear about them yet. The money involved will not be very much—only a few hundreds to each Dominion—and I am not troubling about the money so long as we can see that the Empire is going to get some return for the money which this Conference may cost. It is not an unreasonable thing to suggest, I know, but I also know that when we have to ask Parliament to vote money, even small sums, for such purposes as this, some of the members want to know all about it; they want to know how the money is going to be expended, and whether the taxpayer is going to get anything for it. And before we can ask them for the money, we have to be perfectly clear about the conditions ourselves, and be able to give them satisfactory reasons for providing the money.

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Mr. HUGHES: The first thing they will ask is: "What are you going to use this information for when you get it?" And what are we to say? Nothing.

Mr. MASSEY: Just so. I do not think there is a member of the present Conference who has not sat up till the early hours of the morning trying to get these small items through the Estimates. It is not the big things which cause difficulty, it is the small matters about which men want to know all particulars, and which Ministers are not always able to supply.

Mr. CALDER: Might I add a word there?

CHAIRMAN: Certainly.

Mr. CALDER: It is just possible that if this Conference is held, it will not involve any expenditure at all for this Bureau here. One of the main objects of this Conference is to suggest plans whereby each of the several Dominions would keep their statistics along the same lines. As it is now, there is no uniform method. It is just possible that the conclusions of the Conference might not meet with any acceptance on the part of the Dominions in the way of establishing a Central Bureau. But with reference to what Mr. Hughes has referred to time and time again, it seems to me that before we are in a position to take action along any lines which may be necessary, we must have the facts. One of our great difficulties in the past has been that we have not had the necessary information upon which to base action. I think you will agree that in order to take action you must have your facts, and you must get them into proper shape.

Mr. HUGHES: Yes. Well, we have a few facts that are staring us in the face now.

Mr. COOK: I think this matter is one of the greatest possible importance. I do not agree with the Resolution that this Conference should be postponed till after the war. I think it should be held as soon as we can get it, and that we should study the situation in the light of the war and its developments as they are taking place from day to day. I entirely agree with my colleague that the Resolution at present and the report, too, are somewhat vague, and do not lead us very far. Some of the suggestions here in paragraph 3 seem to be more or less impossible. For instance, I cannot conceive how it could be possible to prepare a monthly report of the Empire trade. We cannot do it for Australia, or for Canada, or for New Zealand even.

Mr. CALDER: We do it now.

Mr. COOK: I know, but how much behind are you?

Mr. CALDER: Not more than two weeks behind.

Mr. COOK: I cannot conceive of it being done for the Empire upon any reasonable basis, but I can see the function which this Imperial Bureau will fulfil, and it is a very useful one. That is in the direction suggested by my colleague, the Prime Minister, just now. It is in the direction of forecasting the Empire's requirements—a thing which none of the statisticians yet seem to me to have attempted in any of the States. That is to say, not only ascertaining the facts from time to time, but so shaping those facts as to be of use to the traders, the producers of the Empire, and even to suggest suitable employment for the capital of the Empire. At present we are in a state of haphazard in these higher spheres of State action. It seems to me that a little socialism would not be a bad thing at all, as it applies to this question of ascertaining the Empire's requirements, the Empire's resources, and the possibility of fulfilling those requirements. That is a function that we have never yet attempted. After all, the Dominions Royal Commission that has just concluded its labours and made its final report, might very well have been called an Imperial Statistical Bureau. That is really all they have been doing for five years—collecting Empire statistics. And this Bureau, if rightly set up, could take those statistics, analyse them, and see what they mean as to our Empire resources, as to the Empire's requirements, and as to the possibilities for the employment of our labour and capital up and down the Empire. In that direction alone I think it would be fulfilling

Mr. COOK—*cont.*

a very useful function. I think, first of all, you want an enquiry made, before committing yourself to any scheme, and I suggest that this thing should be got going now. It seems to me there could not be a better chance for useful work, while the developments of the war are unfolding themselves from time to time. I would suggest that the Conference should be appointed at once, if necessary, and that we should confine it to the making of proposals for the establishment of this Bureau. Until they report, what can you do? For instance, they will require to report on this question of the supply of monthly statements and improvements in the comparability of trade statistics throughout the Empire—and statistics as to migration within the Empire. All those are matters for report, and it seems to me that the Conference might very well agree to the establishment of this enquiry at once. I cannot conceive what could be a better thing for the Empire in the future than to collect all the facts, and collate and analyse them, and make suggestions for the use of these facts in the development of our Empire resources generally. The mere collection of dry figures means nothing. As Mr. Hughes has just said, unless you are going to turn these statistics to practical use, there is no use in collecting them, but there is a very useful function, I think, for a Committee of this sort if you get the right men on it. I am in favour of this motion, but I would eliminate those words “after the war, and also agrees in principle,” and substitute “with a view to making proposals for the establishment of a Bureau.”

CHAIRMAN: Do you move that amendment?

Mr. COOK: Yes, I think so, Mr. Long.

CHAIRMAN: Mr. Cook moves to amend by leaving out the words “after the war, and also agrees in principle,” and substituting “with a view to making proposals for the establishment of a Bureau.”

Mr. HUGHES: I hope my colleague will not press that. I do not mind spending money, and I do not mind going to Parliament and explaining why we are spending the money, if some definite and clear object is to be gained. But this vague groping after facts for a purpose which is not declared is not satisfactory.

Mr. COOK: I agree.

Mr. HUGHES: I quite agree with what my colleague says about the necessity for collecting facts, and I agree absolutely with what Mr. Meighen said. We want all the facts. I think that a great many are available now, but the first thing, and to this I stand, is that we ought to have some clear, definite ground as to what the policy of the Empire is on the matters that are covered by this proposal, because this covers practically all statistics excepting defence—it does not touch defence, but that we can deal with. Trade statistics, for instance. What is the good of getting trade statistics unless you know what the trade policy of the Empire is, or what is the good of statistics on the raw materials of industry unless you know what is to be done with them? For that reason I should hesitate to ask the Parliament of Australia to agree. This would mean 5,000%. You cannot send a man over here for less.

Mr. MASSEY: I wish they would give me 5,000%.

Mr. HUGHES: He has got to have a secretary. It costs nearly as much to insure a man's life as you could buy four or five men for before the war.

Mr. MEIGHEN: But this is after the war.

Mr. HUGHES: Yes, your proposal is after the war. But I am speaking about the amendment. I should not oppose your resolution, Mr. Meighen.

Mr. COOK: It would not take 5,000% at all.

Mr. HUGHES: I should prefer my colleague's amendment if the Government would say what they propose to do. Then I should say now is the time to do anything provided the Government will do it. But they will not do it—at least they do not do it.

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IMPERIAL STATISTICS.

[8th Day.

CHAIRMAN: That would seem to be a question to be raised in the Imperial Cabinet.

Mr. MEIGHEN: Of course, Mr. Long, in one sense policy is never declared—that is to say, complete policy is never arrived at. It is a matter of evolution and growth. Already, on last year's Conference there is a substantial advance in the matter of policy—a substantial advance. If we are to wait until anything like completion is arrived at before seeking to get rid of the confusion which now exists—lack of comparability in our statistics—so that we may be in a better position to know the Empire's requirements, and where they can be supplied within the Empire—if we are to wait until such a consummation is reached, then we must simply stop altogether.

Mr. COOK: There is nothing so much needed, in my opinion.

Mr. MASSEY: Like Mr. Hughes, I hope Mr. Cook will not press this amendment.

Mr. HUGHES: I am speaking now on behalf of the people of Australia, who have to get their living, as I say, by selling things. Britain wants to buy some of these things, or some other people do. Well, we can tell you what we have got. We can tell you the price at which we are prepared to sell it, and so on. This is a business question—an ordinary business transaction. You want to buy so many thousand tons of wheat or wool, or whatever it is, and we can sell them. We know what your statistics are, and if you will allow me to say so, they are very well done. Ours are also very well done, and so are those of New Zealand.

Sir JOSEPH WARD: Ours are exceptionally well done.

Mr. HUGHES: You can get "Pearson's Year Book" and get the whole lot.

Mr. BURTON: I do not profess any particular virtue for ours.

CHAIRMAN: Do you wish to press your amendment, Mr. Cook?

Mr. COOK: No. The Conference appears to be against me, but I certainly think we ought to take action at once.

Mr. BURTON: May I say a word, Mr. Long?

CHAIRMAN: Certainly.

Mr. BURTON: I do not take the view that it is necessary before we agree to the proposal here that we should either have a status as representatives of the Dominions in respect of British policy, or have Imperial policy defined. Nor do I think it is necessary for us to have a statement as to the policy of Imperial defence, or even as to the general economic policy. These things, I agree with Mr. Meighen, cannot be simply written on the wall at once. They are evolved gradually and slowly. If they are not evolved gradually and slowly, they generally tend to break down. But I regard this proposal as really an attempt to start some sort of definite ground for the promotion of trade relations within the Empire. One of our greatest obstacles, as far as I know, in the past in competition with other people, has been our ignorance in one part of the Empire of what can be done, and of what is produced, and of what is to be found in other parts of the Empire.

Mr. COOK: Hear, hear.

Mr. BURTON: I am afraid there is no doubt about it that the lack of co-ordination of our information, the lack of exact, scientific, and full knowledge of the facts, has been largely responsible for such successful competition against us as there has been in the past; and to my mind the very first requisite, if you want to make a success of your promotion of trade relations within the British Empire, and to compete successfully against the powerful competitors which you have had, and which you will have again, is that you should endeavour as far as possible, to get available from all parts of the Empire an accurate statement of what your actual capacities of production, of manufacture, and so forth, are. So that I welcome this proposal of Canada's, and to my mind if we pass it it will be one of the best things we have done at this Conference.

Mr. BURTON—*cont.*

Now the question has been asked by Mr. Hughes how this money is to be expended, and what guarantee we have as to what the operations of the Bureau are to be. I take it that the real operative part of this motion is the proposal to hold a conference of these statisticians. That is what Mr. Meighen wants, and it is what the Dominions Royal Commission recommended. To that, on behalf of South Africa, I not only have no objection, but I am glad to give my hearty support, because I am perfectly certain it will be of the greatest use to us in the future. I would ask Mr. Meighen, however, with regard to the wording of the last part of his motion—that which “agrees in principle to the establishment of an Imperial Statistical Bureau.” That seems to me to be open to the criticism that if you are going to have a conference of statisticians to examine the whole matter, they might report otherwise. My idea would be to take the motion and say we are in favour of the proposal to hold a conference of statisticians, and let that conference make its recommendations to us later—striking out the last part.

Mr. MEIGHEN: I see the force of what Mr. Burton says, but the Order in Council passed in Canada on the 18th May contains the words, “approved by His Excellency the Governor-General,” and that approval was given on the recommendation of the Minister of Trade and Commerce and the Secretary of State for External Affairs. In the presence of that I do not feel free myself to agree to something else.

Mr. LLOYD: May I suggest that there might be a slight amendment which would meet the case. First of all, I agree heartily with the Resolution. I think in any case the establishment of an Imperial Statistical Bureau would be the foundation of better trading within the Empire. Whether that trade is to be on the free trade principle or on preference makes no difference. It would be a distinct advantage to all concerned, and I consider that it is a foundation which will make more effective our trade within the Empire.

Now there has been a suggestion that the latter part of the proposal be omitted. What I would suggest is this, that the words “and also agrees in principle” be struck out, and the words “with a view to the establishment” substituted. The suggestion would be there, without committing the Conference to any definite principle. The suggestion that the statisticians should meet and consider the question would still be left there.

Mr. MEIGHEN: You would be just as much committed as by the present words; but you might put the words “and that such Conference consider the establishment.”

Mr. LLOYD: Yes, but “agreeing” and “considering” are two distinct matters.

Mr. MEIGHEN: I agree to changing the words “and also agrees in principle to” to the words “and that such Conference considers.” It then reads, “and that such Conference considers the establishment of an Imperial Statistical Bureau.”

CHAIRMAN: Then you move it in that amended form.

Mr. MEIGHEN: Yes.

Mr. MONTAGU: I should like to say that the policy which I consider it my duty to advocate is the development of the resources of India, not only for her own sake, but for the sake of the Empire. I think if we are to have such a policy, statistics of this kind must be collected, and I therefore heartily support the resolution.

Mr. MASSEY: Are these to take the place of the present Board of Trade statistics?

Mr. MEIGHEN: They are confined to the United Kingdom.

Mr. MASSEY: In a way they are. But you get the exports from the different countries of the Empire in the Board of Trade statistics, and the imports.

Mr. MEIGHEN: The Conference would consider, of course, the embodiment of the Board of Trade statistics in the Empire statistics.

Mr. MASSEY: That is what I want to get at.

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IMPERIAL MINERAL RESOURCES BUREAU.

[8th Day.

Mr. COOK: As I understand, the point is not so much the collection of new statistics, but collating them, and trying to find their meaning—making them more useful.

Mr. LLOYD: Putting them on definite lines.

Mr. BURTON: Co-ordinating them.

CHAIRMAN: I think that is very important.

Sir JOSEPH WARD: On that point referred to by Mr. Massey, are the Board of Trade statistics to be furnished by a statistician outside the Board of Trade, or within the Board of Trade?

Sir H. LLEWELLYN SMITH: The Board of Trade figures are compiled within the Board of Trade, but statistics with regard to other parts of the Empire are furnished by the statistical officers in those parts of the Empire; we send out inquiries and collect information. I should think a good deal of that would probably go over to an Imperial Bureau.

Sir JOSEPH WARD: I am inclined to think, if that is the case, that what Mr. Meighen is proposing now is quite all right. It does not set up an organisation of any kind, but it would be very valuable to get these statisticians in conference to indicate upon what lines the general statistics of the whole Empire should be based, and how they should be utilised. I do not think the proposal can do us any harm.

Mr. COOK: I am sure we are wasting millions of our capital every year for want of this information.

CHAIRMAN: Then, is the Conference ready to agree to the Resolution as amended?

The Resolution was then put and carried as follows:—

“The Imperial War Conference having considered the correspondence as to the improvement of Imperial Statistics arising out of the recommendations of the Dominions Royal Commission, is in favour of the proposal to hold a Conference of Statisticians after the war, and that such Conference consider the establishment of an Imperial Statistical Bureau under the supervision of an Inter-Imperial Committee.”

Imperial Mineral Resources Bureau.

CHAIRMAN: We must postpone the question of Dyes, as Sir Albert Stanley has been obliged to go to the Cabinet, and is not back yet. We will take the next business—the Imperial Mineral Resources Bureau. Dr. Addison, the Minister of Reconstruction, is here.

Dr. ADDISON: This arose out of a proposal made by the President of the Board of Trade and myself at the Imperial War Conference last year, and it was agreed in principle.* Subsequently, the detailed proposals were examined by a Committee, and their Report was sent out to the different Dominions. You will see that the Dominions, India and the Colonies nominated their representatives, and their names appear upon the Memorandum† which has been circulated. I was then instructed, in accordance with that, to set up a Bureau, and I have done so. But there were three matters which it was felt should be submitted to this Conference, as being in addition to what was agreed to last year and to what appeared in the Report of the Committee.

The first point relates to the numbers. When I came to have to set up a Bureau in accordance with the resolution of last year's Conference and the agreements of the Dominions, as we want to get that gap bridged which Mr. Hughes speaks of, between statistical and commercial development, it was felt that we must, on the specialist side, bring in men who had sufficient knowledge in the different departments so as to make the Bureau as fully representative as we could. And when I came to examine the different subjects which required representation, I was bound to suggest that the number of expert representatives should be increased from four to six. The names

* See p. 6 of [Cd. 8566].

† See pp. 236–38.

Dr. ADDISON—*cont.*

are set out on the Memorandum which is before you, and if you will look at them you will see that the first is a gentleman interested in coal; then there is a metallurgical expert from the Royal School of Mines, and President of the Institute of Metals; and then we have a geologist. Then I asked Sir Lionel Phillips, because he has been dealing with the practical development of the minerals in the United Kingdom during the war for the Ministry of Munitions, and he has obtained valuable experience of our domestic difficulties, anyhow, and has rendered great help to us. And then there are Mr. Edgar Taylor, an authority on gold and precious metals, and Mr. Thorneycroft, representing iron and steel. I seek the approval of the Conference to the addition of two names, making six instead of four.

With regard to the finances, it is suggested here that the Bureau should be established under a Royal Charter, and that the Dominions should contribute their share to the general expenses as indicated in paragraph 7 of the Memorandum. You will see there that it is suggested that the current expenses of the Bureau should be divided into tenths, of which one-tenth, in general, should be provided by, respectively, Canada, Australia, New Zealand, South Africa, and India, the mother country being responsible for the remaining five-tenths. That is current expenditure, and then, as occasion arises, it will be necessary to set up trial smelting plants, and to make special experiments or researches in different Dominions or at home. In respect of these, it would be an expenditure particularly relating to any one part of the Empire, and it is suggested that there should be an agreement as to who should bear the special expenditure in respect of the particular cases. And in order to deal with the matter effectively, we take the example of one or two other bodies of a similar kind, and suggest that the funds should be dealt with under an Imperial Trust, set up under Charter for these purposes. Those proposals are indicated in paragraph 7 of the Memorandum.

The final point was as to the position of this Bureau in the general machinery of Government, and we thought that the Privy Council, having regard to its Imperial scope, was the appropriate Department, if I may so term it, to which this Bureau should be attached. It is suggested that it should be set up under Charter, and it would then be responsible to the President of the Council. That removes it from the domain of any particular Department which is concerned with purely United Kingdom questions only. And there again we have followed one or two other similar examples.

Those are the three points, Mr. Long—the numbers, the financial machinery suggested, and the attachment of the Bureau to the Privy Council.

Mr. MEIGHEN: I do not quite understand the financial machinery. This is an Imperial Trust created, no doubt, by Charter, and its only duty would be, I take it, to handle the funds of the Bureau. Why not make the Bureau itself competent to do that?

Dr. ADDISON: It would not be under the Charter.

Mr. MEIGHEN: No; but do you propose the establishment of a separate entity outside the Bureau?

Dr. ADDISON: No, the Bureau would administer it. It would belong to the Bureau.

Mr. BURTON: Why do you want a Charter?

Sir ALMERIC FITZROY: To bring the thing into being—to give it a legal status. It is established by the King in Council—by the Government in the name of the King.

Mr. BURTON: You do not require Charters for the Government to pay its various institutions and servants.

Sir ALMERIC FITZROY: It is to create a body corporate.

Mr. BURTON: Why do you want a body corporate?

Sir ALMERIC FITZROY: To have a status—a definite and permanent status in the Empire.

Mr. BURTON: I hope the chief object of it is not to sue or be sued.

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Sir ALMERIC FITZROY: That may be incidental to it.

Dr. ADDISON: I think it appears to be necessary. It was agreed that this should be actually a Governing Body, and not merely an Advisory Body. And in order to give it executive functions, it must be incorporated in some fashion, and I was advised that this was the proper way of doing it. I hope you will agree to this. It is quite a simple expedient.

Mr. MASSEY: Will you give us an idea of what the responsibility referred to in paragraph 7 will amount to, approximately?

Dr. ADDISON: It is very difficult to answer that question, but we thought that in the first year the current expenses might amount to 10,000%. I could not give you any forecast beyond that, Mr. Massey. It would be for the Bureau itself to get together and discuss it.

Mr. MASSEY: We have got to give some explanation of this expenditure and every other expenditure to the Parliaments we represent, and naturally Ministers have to be prepared. Is not this to a certain extent overlapping the functions which were intended to be exercised by the Imperial Institute?

Dr. ADDISON: No. This body will no doubt in the main associate with itself a good deal of the work of the Imperial Institute; it would perform certain parts of the work. But this goes a good deal beyond that; it conducts experiments, and examines into mineralogical and other processes.

Mr. MASSEY: The Imperial Institute also conducts experiments.

Dr. ADDISON: That work would all be linked up with the Bureau.

Mr. MASSEY: The Imperial Institute was intended to be a very big thing, and should have been; and I am disappointed with what has taken place in connection with the Imperial Institute. Would it not be possible to allow the Imperial Institute to take over the work which is proposed to be done by this new organisation, even if it is to cost more money?

Dr. ADDISON: I suppose it would be the business of the Bureau to get a working arrangement with the Imperial Institute which could be provided for in the Charter. In Sir James Stevenson's report and my recommendations we make use of the existing organisations. One of the evils so far is, that we have had a number of organisations all pursuing their independent courses, whereas here you have something which will make use of the Geological Survey, or of the Imperial Institute, or other bodies, and use the organisations of different Dominions, and bring them into proper working, the one with the other. It simply reinforces the machinery of the Imperial Institute, it does not duplicate it.

Mr. MASSEY: If that could be made clear it would be a good thing. I am afraid this is duplicating work which was supposed to be taken in hand by the Imperial Institute. I do not know what the Imperial Institute is like at the present time; I have not been over it, but I understood that some part of it was taken up for some purpose connected with the war. My recollection was that these were the things that were to be done by the Imperial Institute, and it made a particularly good start, but it did not get the support it expected, and I think the support should come not only from the British Government, but from the different Dominions.

Dr. ADDISON: You will notice the second function of the Bureau, as set out, is to ascertain the scope of the existing agencies with the view of avoiding any unnecessary overlapping which may prevail. That was deliberately put in to prevent the duplicating of establishments. I think one of the drawbacks of the Imperial Institute was that it never had the power to get on.

Mr. MEIGHEN: Why not give the Imperial Institute power to get on? Why do you duplicate it?

Dr. ADDISON: We do not duplicate it. This scheme is linked up with the practical developments in a more effective way, and the Imperial Institute did not appear able to cover the ground which the war experience showed ought to be covered.

Mr. MEIGHEN: Why not?

Dr. ADDISON : I cannot say, except that it had not the power.

Mr. BURTON : My difficulty is, that you have got a body which is supposed to do it.

Dr. ADDISON : No, it is not supposed to do this; it is a matter of statistics.

Mr. BURTON : We all subscribe funds to the Imperial Institute from our Dominions, and we have to answer our people's questions on this. There is now involved here a sum of 10,000£, of which we each have to pay 1,000£ for the first year, and we know these things always tend to expand. They will ask why have we to pay an extra thousand? They will say we are already paying a body, and it is not doing the work.

Dr. ADDISON : The Imperial Institute has a vast variety of functions outside this. This is for a specific purpose.

Mr. MEIGHEN : A statistical bureau, which will have some scientific and industrial research added.

Dr. ADDISON : It will use that. If a body wants an experiment done on such a subject as low temperature distillation of coal, for instance, it will get the Department of Scientific and Industrial Research to do it for them.

Mr. MASSEY : Have the authorities of the Imperial Institute been consulted in regard to this?

Dr. ADDISON : Yes, they were represented on the Committee which formulated the proposals.

CHAIRMAN : The Conference will note that we are bound by Resolution XIII of last year, and this is only carrying out the Resolution of last year in regard to the finances and the actual numbers of the Governing Body. The Resolution of last year laid it down that there was to be an Imperial Mineral Resources Bureau, and the Prime Minister of New Zealand will remember we had then some discussion about the Imperial Institute. And since then we have had a Committee which has enquired into the Institute; and I hope it may be possible to put things on a more satisfactory footing in future. But the relations between the Institute and Dr. Addison's new proposals to-day have been very carefully considered, and I think it will be easy to avoid friction, and if necessary, if it will meet the wishes of the Conference, some words can be put into the Charter.

Mr. MASSEY : I am not suggesting the possibility of friction. We know the Imperial Institute has languished, there is no question about that. Whether it has not been doing the work which it was intended to do, or whether it has not had the funds for that work, I am not able to say, but here is an opportunity for helping it along by giving it additional duties, or additional funds for the purpose. That is what I am anxious to get at.

Mr. COOK : This first part of the Resolution has been agreed to.

Dr. ADDISON : At Sir James Stevenson's Committee this was circulated and agreed to.

Mr. COOK : The only thing for consideration is the Charter of Incorporation.

Dr. ADDISON : And the numbers, and finance.

Mr. COOK : The numbers have been agreed to.

CHAIRMAN : They have been added to. There were four in the original proposals of the Committee, now six are wanted.

Mr. BURTON : Can you tell us how it was proposed that the work should be carried out? I mean the scheme generally, Dr. Addison. We have got a governing body here, all, I suppose, gentlemen of —

Dr. ADDISON : They are all six practical men.

Mr. BURTON : But you do not say Sir Lionel Phillips and the others will actually sit down and do the work?

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Dr. ADDISON: They will collect such statements as they can as to the resources, also as to the requirements, and as to methods of dealing with these; and they will have the machinery in the Bureau for supplying gaps in the knowledge which will be required. Some may have to be filled by experiment, and others in other ways.

Mr. BURTON: What I meant was, that you would require to have somebody to do your executive work. He would require to be a gentleman of very good standing, and he would want a big salary.

Dr. ADDISON: It is for them to consider their staff when they get going.

Mr. BURTON: Is it contemplated that that ten thousand a year shall include payment of the staff?

Dr. ADDISON: Yes, for the first year, but afterwards, when there are experiments carried on, it may require a considerable expenditure then.

Mr. MEIGHEN: Do the Dominions contribute to the Department of Scientific and Industrial Research here?

Dr. ADDISON: No.

Mr. MEIGHEN: It has a Charter?

Dr. ADDISON: Yes, it is, as a matter of fact, one of my own productions.

Mr. MEIGHEN: The Imperial Institute has a Charter?

Dr. ADDISON: Yes.

Mr. MEIGHEN: And the Dominions contribute to that?

Dr. ADDISON: Yes.

Mr. MEIGHEN: Under any fixed scheme?

CHAIRMAN: They give what they like.

Mr. MEIGHEN: The organisation is under the control of its chartered members, fully, and if we commit ourselves to a definite scheme of contribution it means that over the money we so contribute we lose control?

Dr. ADDISON: For current expenditure. They would have to make reports to Parliament.

Mr. MEIGHEN: But we would be, in a measure, helpless if we committed ourselves to a scheme of contribution now.

Dr. ADDISON: There is one precedent for this at least, the War Graves Commission, for instance; that is financed in that way.

Mr. MEIGHEN: There is a scheme of representation there, but there is none here.

Dr. ADDISON: Yes, if you look at the constitution of the Bureau, each of you have nominated your representatives.

Mr. MEIGHEN: We do not nominate him, he is not nominated by the Dominion itself, is he?

Dr. ADDISON: Yes, directly by the Dominion; you nominated him by yourself, selected him, and appointed him.

Mr. MEIGHEN: You say, "It is proposed to nominate the following."

Dr. ADDISON: That is the six.

Mr. MEIGHEN: Was not he nominated in the same way as the subsequent ones?

Dr. ADDISON: I was entitled to nominate four, and I want to nominate six.

Mr. MEIGHEN: Would it not be better to nominate on the basis of the contributions to the Imperial Institute rather than to bind our countries to a definite contribution?

CHAIRMAN: Each Dominion to give what they think fit?

Mr. MEIGHEN: Perhaps we can consider that for a little time before committing ourselves?

Dr. ADDISON : How do you think the thing will work in a regular way if you do that, the portion which relates to ordinary expenditure? It does not relate to special researches, it only relates to general maintenance as a going concern. How will it be possible to have a going concern under that idea?

Mr. CALDER : It is continuing the work on the part of the Dominion?

Dr. ADDISON : Unless you want to alter it.

Mr. BURTON : You are asking us to give you a blank cheque. You set no limit to the expenditure; you control the thing here. We may have a representative here, but it is not a Dominion body in the proper representative sense of the word. So you are asking us, representing our countries, to say, "We will bear one-tenth of this, whatever it may be."

Dr. ADDISON : Will you put in a limit to the tenth?

Mr. MEIGHEN : I think if we give some thought to it we can conceive of some solution. It is not that the sum is large, it is the principle involved, on which the Dominions are somewhat sensitive.

CHAIRMAN : You propose to leave that finance part open?

Mr. MEIGHEN : I should like to.

Dr. ADDISON : Will you approve of the six and the attachment to the Privy Council?

Mr. MEIGHEN : There is no objection to that. We might return to the subject at the next Session of the Conference.

CHAIRMAN : I hope it is an understood thing that if it is raised at the next meeting of the Conference it is solely on the one point, and not to re-open the whole thing.

Imperial News Service.

CHAIRMAN : The next item on the Agenda is that of an Imperial News Service, and Sir Roderick Jones has come to represent Lord Beaverbrook.

Mr. ROWELL : This subject was raised by Canada. Lord Beaverbrook has submitted a Memorandum* on the matter. The reason for raising it and bringing it to the attention of the Conference I should think will be obvious to all the members of the Conference. We must all realise the value of full information from each part of the Empire, that each part should receive as full information as possible of what is going on in other portions of the Empire. Misunderstandings usually arise from lack of knowledge or from want of appreciation by one country of the view-point of another, and we believe it would materially contribute to strengthen the ties that unite and bind together the different nations of the Commonwealth, if each had full knowledge of what is going on in the other, and we would be able to understand each other better. That would be true in times of peace, and we regard it as particularly true in war time. I know from personal experience in Canada, how difficult it has been to obtain accurate information as to the war efforts of other portions of the Empire, and on three or four occasions during the past three years I have had cables sent to Australia, New Zealand, and South Africa to learn the character and the extent of their war efforts, in order that that information might be communicated to our own people. I know the result of the communication of that information has been not only to awaken interest, but to stimulate effort in Canada when we knew what the other parts of the Empire were doing. Therefore we feel, not only because of the conditions in peace time, but particularly now in these times of war, it is in the real interests of the Empire that we should develop more extensively than in the past a real Imperial News Service. I have discussed the matter, on two or three occasions since I arrived in England, with the Minister of Information, and he has now submitted a Memorandum which contains a proposal, made by the Imperial Government, for dealing with this question. The members of the Conference will have read the paper circulated by the Minister, in which it is proposed that under an arrangement between the Ministry of Information and the Press of Great Britain, the news of the Empire should be gathered

* See pp. 238, 239.

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IMPERIAL NEWS SERVICE.

[8th Day.

Mr. ROWELL—*cont.*

here in London and pooled, so to speak, and made available for the Press of the other portions of the Empire. The suggestion would be that each Dominion should arrange with its own Press to take advantage, as fully as it desired, of the information gathered here in London. I should think there are one or two considerations which would have to be kept in view. I imagine that from the standpoint of the Press, and I am sure it would be true of the Canadian Press, they would like to feel that the collection and distribution of this information was under their own control, rather than under the control of the Government, and I imagine they would feel that that was an important consideration. I understand the suggestion of the Minister of Information is that an arrangement might be made with the Press of Great Britain to collect information, and that our Press in Canada and the other Dominions might arrange for its distribution, each to its own Dominion, being assisted by its own Government. I had hoped that we from Canada should have had the opportunity of discussing this matter with the representatives of our own Press, who were expected to arrive two or three days ago, before going on with the discussion. They have not yet arrived, but will be here, perhaps, to-day or to-morrow. But I should think the principle would be accepted by the Conference, and the details can be worked out later. It seems to me that the suggestion made on behalf of the Imperial Government is a very fair and generous one: that they will undertake the expense, in association with the British Press, of gathering the news here. Each one of the Dominions might very well arrange to undertake to have the news made available each within its own Dominion, that is, such news as it felt, or as its Press felt, would be of value to the Dominion. That in brief, Mr. Chairman, is our proposal.

CHAIRMAN: It has been suggested that a resolution somewhat of this character might be adopted to further matters: "The Imperial War Conference is impressed with the importance of securing, (a) that an adequate news service should be available in all parts of the British Empire, and (b) that this service should be supplied through British sources. The Conference requests His Majesty's Government to formulate a scheme with these objects in view, on the lines indicated in the Memorandum prepared by the Minister of Information, and to submit this scheme for the consideration of the Governments represented at the Conference." I do not know whether that would meet your views.

Mr. ROWELL: The only point I would suggest is, I think it is desirable we should carry the judgment of the Press with us, and if it were changed to "in consultation with the Press," that might be accepted. May I see the resolution? (*Copy handed to Mr. Rowell.*)

CHAIRMAN: Lord Beaverbrook is now here, gentlemen. Mr. Rowell has expressed himself in general terms as approving this Memorandum which you have circulated, Lord Beaverbrook. Mr. Rowell considers that the proposal on the part of the Government is a generous one. I do not know whether any other member of the Conference wishes to make any remark on this question. I think it is of immense importance. In fact, I do not think its importance can be exaggerated.

Mr. BURTON: I think it is quite satisfactory. We can agree to it.

Mr. MONTAGU: May I call your attention to one point in the drafting? The first sentence in the resolution reads: "The Imperial War Conference is impressed with the importance of securing, (a) that an adequate news service should be available in all parts of the British Empire, and (b) that this service should be supplied through British sources." If you look at what (a) is, and what (b) is, they do not seem to be of comparable importance: (a) is a matter of extreme importance, (b) is a question of machinery. Would it not be better to say: "The Imperial War Conference is impressed with the importance of securing that an adequate news service should be available in all parts of the British Empire, and suggests that this should be supplied through British sources"?

Mr. MEIGHEN: I think (b) is as important as (a).

Mr. LLOYD: The whole trouble is with (b) on our side of the water.

Mr. ROWELL: We can accept the resolution as proposed or with the suggested amendment. Much of our news does not come through British sources. It is selected for the consumption of the American public rather than the Canadian. We feel it is important that this should be changed.

8th Day.]

ORDER OF BUSINESS.

[10 July 1918.]

Mr. MONTAGU : You do not like my form ?

Mr. ROWELL : I have no objection.

CHAIRMAN : The Secretary of State for India qualifies (b) by the word "suggestion." I rather regret that, because I attach great importance, especially in the case of Canada, to the news passing being supplied by British sources. I think it is imperative.

Mr. MONTAGU : I do not press it.

CHAIRMAN : If no one wishes to make any further comment, I will put it in its original form.

[Agreed.]

Lord BEAVERBROOK : I apologise for not being able to be here at the start of the sitting. I have been giving evidence.

Order of Business.

CHAIRMAN : Before you go, gentlemen, may I suggest to you something about the meeting for next Monday ? If you have no objection, I should be glad if the Conference can meet at 11.45 instead of 11 on Monday, and possibly we can have an afternoon session, so that we might get on. We will talk about it on Friday, but I mention it now so that you may consider what you can do about an afternoon session.

Mr. COOK : It is a very good suggestion, Sir.

NINTH DAY.

Thursday, 11th July 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 11 A.M.

PRESENT:

The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).

The Right Honourable Sir ALBERT STANLEY, M.P., President of the Board of Trade.

The Right Honourable Sir JOSEPH MACLAY, Bart., Shipping Controller.

The Right Honourable A. H. ILLINGWORTH, M.P., Postmaster-General.

Canada.

The Honourable A. MEIGHEN, K.C., Minister of the Interior.

The Honourable C. C. BALLANTYNE, Minister of Marine and Fisheries and of the Naval Service.

The Honourable J. A. CALDER, Minister of Immigration and Colonization.

Australia.

The Right Honourable W. M. HUGHES, Prime Minister.

The Right Honourable J. COOK, Minister of the Navy.

New Zealand.

The Right Honourable W. F. MASSEY, Prime Minister.

South Africa.

The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

The Honourable Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.

Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.

Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT:

Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under Secretary of State for the Colonies.

Mr. W. A. S. HEWINS, M.P., Parliamentary Under Secretary of State for the Colonies.

Sir H. LLEWELLYN SMITH, K.C.B., Permanent Secretary, Board of Trade.

Sir KENNETH ANDERSON, K.C.M.G., Ministry of Shipping.

Mr. PERCY ASHLEY, Assistant Secretary, Industries and Manufactures Department, Board of Trade.

Mr. L. CHRISTIE, Legal Adviser Department of External Affairs, Canada.

Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.

Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.

Mr. H. W. CARLESS DAVIS, C.B.E., Deputy Chairman, War Trade Intelligence Department.

And Private Secretaries.

Dye Industry.

CHAIRMAN: The first item on our agenda to-day is Dyes. The President of the Board of Trade is here. Then there is a group of subjects dealing with Transportation, and a resolution by Mr. Massey. We will take Dyes.

Sir ALBERT STANLEY: Mr. Long, we have circulated a memorandum,* which we have tried to make as concise as we possibly could. The memorandum sets forth the whole dye position, not only the position of dyes before the war, but also what steps have been taken in this country since the war, with the object of establishing a dye industry in this country, so that we may be independent of any need for certainly any substantial amount of German dyes after the war.

It might interest the Conference if I just briefly mention two particular aspects of the post-war situation, because I am sure the members of the Conference will recognise the importance, the vital importance, of making us independent of German dyes as speedily as possible, so that when we come to discuss peace terms we shall not be placed at the disadvantage of Germany being able to say that the vast amount of trade in this country cannot be successfully carried on unless we secure from them assistance in the way of dyes. Well, we are doing all we possibly can to establish an independent position, and a great deal of progress has been made during the war. We have assisted in the establishment of large factories, and a great deal of work has been done. We are now actively supporting a fusion of interests of some of these important dye undertakings, so that the very limited amount of material which is available may be used to the best advantage, material needed for the development and extension of these plants, and that the very limited amount of expert technical skill that is available in connection with this enterprise may also be used to the best advantage; and I am very hopeful that some fusion of interests among the dye manufacturers will be brought about. We are proposing to add to the financial assistance we have already given, by advancing money to manufacturers in the form of loans, and also by assisting them by contributions towards the cost of any needed extensions; and we also, of course, give them help in securing the necessary skilled assistance. But perhaps the most important point of all is, and no legislation is required in this country for the purpose, that we are proposing to place an embargo on German dyes into this country for a period of at least ten years after the war, so that during that period no German dyes, or dyes from any foreign source, will be imported into this country.

Mr. BURTON: "Foreign" in this connection meaning anything which is not British?

Sir ALBERT STANLEY: Yes, anything which is not British.

Mr. BALLANTYNE: Pardon me, but what about the United States in regard to these dyes?

Sir ALBERT STANLEY: That will apply to the United States as well. No dyes will be imported into this country except by licence. That does not mean that no foreign dyes will be brought into this country; not at all; but we do propose to have the direction of these dyes, and to encourage and to stimulate the development of the dye industry in this country, and to allow only such dyes to be brought in as are absolutely necessary. As I say, no legislation is required for that purpose, since the necessary authority exists. The dye industry in this

* Not published.

Sir ALBERT STANLEY—*cont.*

country, at the outbreak of war, was upon a very small scale indeed, a very small scale. So it would be true to say that, as regards a majority of the different colours, we were entirely dependent upon foreign dyes. We were making here a limited quantity of the commoner kinds of dyes, but as regards the great range of colours, the majority came from foreign sources, and particularly from Germany. Therefore, to establish this industry, which, although not great in bulk is really very great in variety, as it takes a considerable range of colours, takes time, and it is not to be expected that it will all be done in a moment. But, as I say, we are making great strides in that direction.

And what I have said about Great Britain applies also to other parts of the Empire as regards this question of dependence upon foreign sources for their dyestuffs. India, which, of course, aside from Britain, is the largest user of dyestuffs, imported the greater part of her dyes from Germany, and while, as I have said, we have made great strides during the war in establishing this industry in this country, still we have not been able to meet all the demands from all parts of the Empire. And I could not say, at this stage, that we shall be able fully to meet that demand when the war comes to an end. But we shall do our very best in that direction, and our object in bringing this matter before the Conference is to secure, so far as we can, the co-operation and assistance of the Dominions and the other parts of the Empire in helping us to establish a dye industry, an industry vital not only in peace, but in war, so that it may be made entirely independent of the need for securing these essential materials from foreign sources, and in particular Germany. And just exactly in what direction that assistance and that co-operation could be given by different parts of the Empire must, of course, be left to them. I have indicated the steps we are taking, and it is, of course, for those representing the different countries of the Empire to say to what extent they can help us in a problem which, we suggest, is of vital importance to every part of the Empire.

I do not know that I can add anything else, Mr. Long. I have not attempted, of course, to go into details. The memorandum we have circulated gives, I hope, the information which the members of the Conference desire, and we shall be glad to add to that information if we can.

CHAIRMAN: There is a resolution which the Board of Trade asks the Conference to adopt. It runs, "The Conference takes note of the action taken and contemplated by His Majesty's Government with a view to freeing the industry of the United Kingdom from dependence on German dyestuffs, and recommends the Governments of the Empire to consider immediately the steps to be taken to co-operate with the efforts of the Imperial Government and to free their own industries from enemy domination as regards this essential material." Does any member of the Conference wish to ask any questions, or to make any remarks?

Mr. MEIGHEN: If we confine ourselves to the discussion of the Resolution nothing need be said at all, except in emphatic endorsement. The subject is one that is of peculiar importance to the United Kingdom and to the Empire. We look upon it, perhaps, with especial interest in its illustrative phase. The position the Empire found herself in at the outbreak of war with regard to the supply of dyestuffs was little short of humiliating and little short of disastrous. But there is no reason for distinguishing dyestuffs from other commodities; the lesson which we have to apply to ourselves in regard to dyestuffs must apply universally. But from it we get the chief illustration, and, I think, perhaps the chief light, as to what should be the general trend of our economic policy in the future. Now, consistency will demand that we, as a Dominion, hold up both hands for this resolution, and that we do something to make it effective. The subject, from that phase, is really one factor in the general situation of control of imports and exports, and the discussion from the standpoint of Canada on that subject applies here. I could not carry the discussion further with advantage. But I repeat my own view once more: that the emphatic endorsement of the Resolution demands that we do the utmost in our power from our own standpoint, from the standpoint of our own concrete benefit, to make it effective.

Mr. COOK: Mr. Long, I should like to ask the President of the Board of Trade as to whether there is any difficulty in this matter from the point of view of the laboratory. We have always been led to believe out yonder that our people at home originally discovered these dyes, and know all about them. Your Memorandum tells us that we only know a little about the commoner sorts of dyes, at any rate those commoner sorts of dyes were the only ones which have materialised or fluidised up to the present moment. Is there any real difficulty, from the chemical side, in this matter? Are you in the investigatory stage, or is it the commercial difficulty of getting these dyes in a shape to put on the market? Or is it a preliminary difficulty in the laboratory of finding out the constituents of some of these finer dyes? What is the present stage of your knowledge over here as to them?

Sir ALBERT STANLEY: Perhaps I might give the answer in this form: that those who are now engaged in the industry in this country advise us that there is no reason whatever why the industry should not, in this country, given the necessary materials, be made completely independent of any foreign source, so that it will meet not only the full demands of this country—covering dyes of the widest range of colours—but also the whole of the needs of the Empire, and also enable us to take our fair share in the foreign trade of the world. From the point of view of research, too, there is no reason at all why we should not be able to provide in this country the necessary skill for dealing with the matter. It is only a matter of establishing plants on a large enough scale, and of utilising those plants exclusively for the manufacture of dyes, which is not the case to-day; owing to the war demands they are in part used for military purposes. But if they can be freed so that they can be engaged exclusively in the manufacture of dyes, then, given a little time for research work, we have all the skill in this country that is necessary to establish the industry.

Mr. COOK: To do all that Germany is doing?

Sir ALBERT STANLEY: Yes.

Mr. COOK: You might establish the industry, for instance, by prohibiting the importation of things from elsewhere; you can establish it by saying, for instance, to the people of this country: "You cannot have this and that kind of cloth, we cannot make it here, and we will not import it." That is one way of establishing the dye industry here. But it would not be an effective way of competing with the foreign markets of the world.

Sir ALBERT STANLEY: No, and along that path lies disaster. The dye manufacturers must meet, to the fullest extent, in this country, and in every other part of the Empire, the fullest demands of those who use the colours, and I say that in the widest sense, I mean the wide range of colours which other parts of the world manufacture to-day.

Mr. COOK: There is no doubt about that. This question is bound up, as a previous speaker has said, with the general question of imports and exports, and the moment you shut out these dyes absolutely, there is a tendency to drive the trade in clothing into German hands. Something more will have to be done than to prohibit dyes. It seems to me you will have to take care that clothing, into which the dyes which you prohibit enter, does not come into the market readily and swamp our own. Something more than mere dealing with dyes is required, something to cope with the subject as a whole.

Sir ALBERT STANLEY: Yes; that raises the question of the control of raw material.

Mr. COOK: I think nothing could be more important than this Resolution, and I shall have no difficulty whatever in agreeing to this.

Sir S. P. SINHA: I take it that this Resolution will not preclude us, in India, doing what we can to develop the dye industry in our own country?

Sir ALBERT STANLEY: Not at all, as long as it is not controlled by Germans.

Sir S. P. SINHA: As long as we preclude ourselves from buying from Germany, we do not preclude ourselves from making dyes ourselves?

Mr. COOK: On the contrary, the intention is to enable you to do that.

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DYE INDUSTRY.

[9th Day.

Sir S. P. SINHA: And we shall obtain Government assistance with regard to materials and knowledge, on the understanding that efforts are made to encourage the industry here?

Sir ALBERT STANLEY: We shall do all we can to assist India to be free from German control.

Mr. COOK: That last is a very pertinent question, with regard to the priority of India.

Mr. MASSEY: This is evidently the result of the fact—which is very well known now, not only in Britain but all over the Empire—that when war broke out it was discovered we had become almost wholly dependent, for some of the more important dyes, upon enemy countries. I heard a great deal about this when I was here on the last occasion, a little over a year ago, and I know, from my personal observation at that time, that a great deal of research work was being undertaken, a great deal of work was going on in laboratories of this country, with the object of freeing Britain from its dependence upon enemy countries for the dyes required. And from what has been said this morning by the President of the Board of Trade, it is clear that the research work has been, to a certain extent at all events, successful, and is likely to be more successful as time goes on. This will be good news to every one of us; but it seems to me, looking back on what has taken place, that Germany's policy was that if they were not able to control any important industry itself, they sought to control some part of it. For instance, take the subject which was discussed by us only a week or two ago, that of the steel-making industry. Germany did not attempt, so far as I can understand, to control the whole steel-making industry, but did attempt, and was to a considerable extent successful in attempting, to control the tungsten ores, which cannot be done without in making steel. So in this instance too: while not attempting to control the whole cloth industry, they did succeed in controlling the aniline dyes, and therefore we were at their mercy to a great extent. I hope that will not occur again. It is one of the matters in regard to which we have had a very severe lesson, and one which should not be forgotten. While I agree with the principle entirely, I would call your attention to the last line of the Resolution, where it speaks of efforts to free our own industries from enemy domination as regards this essential material. That seems to imply we shall be content to allow the Germans to go on controlling other essential materials. I know that is not what is intended, I know that perfectly well, but I suggest to the Board of Trade that the word "this" in the last line should be deleted, and the word "other" inserted. It should read "this and other essential materials." I do not push that; I suggest it for what it is worth.

Mr. COOK: I think it is all right as it is. We are only discussing this question.

Mr. MASSEY: I know; but it implies what I have said.

CHAIRMAN: Would not your object be better met, Mr. Massey, by ending at the word "domination"?

Mr. MASSEY: Yes. It is the same thing.

Sir ALBERT STANLEY: Thank you very much for the suggestion. I think it improves the Resolution.

CHAIRMAN: Will the Conference agree to strike out the words "as regards this essential material"? Which means that the Resolution ends at "domination."

Mr. BURTON: Before we settle the form of the Resolution, I would like to say that as far as we are concerned in South Africa, we, like the rest of the Dominions, entirely favour the promotion of the dye industry within the British Empire, and whatever we can do in that direction to assist, I am sure we shall do. The President of the Board of Trade has pointed out that it is intended by His Majesty's Government to prohibit the importation of foreign dyes, which means all dyes not British, except under licence, for ten years. And I take it—Sir Albert Stanley will be able to tell me if I am right—that the following paragraph in the Memorandum which recommends the adoption of a similar prohibition throughout the Empire is intended to be read into the last paragraph of the Resolution. Well now, it has been pointed out, and quite rightly, that this matter is on exactly the same footing as other questions we have considered with regard to the legislative

Mr. BURTON—*cont.*

control of exports and imports, and, as far as we are concerned, I must be consistent about that. If the idea is that there is to be legislation passed in the Dominions which is going arbitrarily to prohibit the importation of any dyes except of British manufacture or character, I am afraid I could not think of binding my Government or say that, in South Africa the Government, any Government there, is likely to do that. And the more so in this connection because I notice—and this seems to me a vital point in the matter—that it is admitted that after the war certain German dyes will, in all probability, be imported into Britain. That is so, Sir Albert Stanley?

Sir ALBERT STANLEY: It is possible.

Mr. MASSEY: It is only possible.

Mr. BURTON: I think it is probable. Anyhow, it is admitted by the Board of Trade itself, in its Memorandum, that, as far they can judge at present, the importation of certain dyestuffs, anyhow for a time, is probable after the war.

Mr. COOK: It is evidently provided for in the paragraph.

Mr. BURTON: Quite. And therefore you have, at the beginning, the fact that here in Great Britain, where the ten years' prohibition is going to be imposed—and here you can impose it, I understand, without legislation——

Sir ALBERT STANLEY: Yes.

Mr. BURTON: Here you have admittedly a loophole in that respect. I would suggest, in view of what I have said—it may be a question of wording—that, instead of putting words into the Resolution which would appear, in conjunction with the Memorandum, to bind us to the recommendation of our Governments to legislative action in the matter of prohibition, it might be well to word the Resolution in some way like this, which perhaps would meet the case of the Board of Trade. My suggestion is to leave it as it is worded in the first half, and say, after “dyestuffs,” “and recommends the Governments of the Empire to consider immediately”—here comes the change—“what steps it is possible to take in order to promote the successful development of the dye industry in the British Empire.” That we can accept whole-heartedly, and it seems to cover the ground.

Mr. COOK: I do not think the words you suggest carry it further.

Mr. BURTON: If you say what steps it is possible to take in order to promote the successful development of the dye industry in the British Empire, I am perfectly certain the people there would be content to say, We are prepared to help all that we can in every way that it looks possible to help. But when you come to prohibition by law, you strike a snag.

CHAIRMAN: I do not think it quite does that, does it? Does the Resolution confront South Africa with the difficulty which you anticipate? Because the words “to consider immediately the steps to be taken” must surely be held to be interpreted in the ordinary way, that no steps would be taken if you found it impossible to do so without injury to your Union.

Mr. BURTON: You see, I was struck with (c) on page 3 of the Memorandum, which is very important indeed from the British point of view, and I have nothing to say in regard to that as to the policy, but it concludes by saying “The expediency of the adoption of a similar prohibition throughout the Empire is a matter which the Board of Trade commend to the consideration of the Governments represented at the Imperial Conference.” I read that last paragraph into this Resolution.

Mr. COOK: Except under licence.

Mr. BURTON: I know. I do not know whether you were here, but we had all this up before. Is it not so, Sir Albert Stanley, that in the concluding portion of your Resolution you really had in your mind that paragraph with regard to the expediency of similar procedure?

Sir ALBERT STANLEY: Of course this draft Resolution was prepared before the Conference met, and we have had a good deal of light thrown on the whole situation since it was drafted. And of course I am sure we all recognise the difficulties that some parts of the Empire have in dealing with this question of

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Sir ALBERT STANLEY—*cont.*

restriction of imports, not only in one particular commodity, but others, and also in dealing with the question of exports. And the steps which we have taken here—the important one being the restriction upon imports—are, in our opinion, vital. Of course, it is to the United Kingdom that the different parts of the Empire will probably look for the establishment of the greater part, the more important part, of the dye industry, and for a time at least the main problem would lie with the United Kingdom.

Mr. COOK: After all, it is exceedingly improbable we should establish an industry of this kind yet.

Sir ALBERT STANLEY: I am not clear it is necessary that all parts of the Empire should take the same drastic steps that we are taking here, it may not be necessary.

Mr. BURTON: That is why, in order to prevent misrepresentation and misunderstanding, it would be better—it certainly would from our point of view in South Africa—if the form of the Resolution, in the latter part, were altered to what I suggest, to consider what steps it is possible to take in order to promote the successful development of the dye industry in the British Empire. Sir Albert Stanley admits it does contemplate legislative control. I must be consistent about that. I have stated my difficulty about that before, and most of us agreed they were substantial difficulties.

Mr. COOK: Do I take it, in regard to South Africa, Australia, New Zealand, and the bigger nations, we depend on the extent to which we can get these dyes from you people at home here as to what our action out there will be? We shall not be likely to prohibit dyes absolutely, for the result of that would be to crush our industries.

Sir ALBERT STANLEY: We could have that spirit of co-operation in dealing with this matter, and mutual assistance.

Mr. BURTON: It seems to me that, anyhow as far as we are concerned, the Resolution will leave us in a more favourable position if my proposed amendment is accepted. And I think it really is very largely a question of wording.

CHAIRMAN: I think it is entirely a question of wording, because underlying all these Resolutions is the desire of the Government not to use any language which would appear to compel or even bind the self-governing nations to take a line which they might not find it desirable or possible to take.

Sir ALBERT STANLEY: So far as I am concerned, the amendment is acceptable.

Mr. COOK: Very well, alter it.

Mr. MASSEY: We say here that it is intended to free our own industries from enemy domination. I think the words "recommends the Governments of the Empire," &c., should remain in; they are not too strong as they are. The mere fact of striking them out is a weakness in itself.

Mr. COOK: I think the substitution of those words may have that result.

Mr. BURTON: The reason I propose this different wording is, because I read into it that statement in the memorandum of Sir Albert Stanley, as to the adoption of a similar prohibition throughout the Empire, and he agrees that is what was in their minds.

Mr. COOK: But there is the door left ajar—"except under licence."

Mr. BURTON: This Conference recommends it, and I must be taken to recommend to my Government steps which I know perfectly well they cannot take and will not take. That is my objection.

Sir S. P. SINHA: Is there anything to prevent our taking steps to free our own industry from enemy domination?

Mr. BURTON: No, but it is the idea of legislative control.

Mr. COOK: You do that by co-operating with the British Government.

Sir S. P. SINHA: Even recommend them to take steps.

CHAIRMAN: Will you say that the Conference takes note of the action contemplated by His Majesty's Government, &c., down to "immediately," and then say, "what steps may be necessary in order to promote the successful development of the dye industry in the British Empire, and to free our own industries from enemy domination."

Mr. BURTON: Why should we refer to our industry as under enemy domination?

CHAIRMAN: Because it is.

Mr. BURTON: I do not like this expression about freeing our industries from the domination of the enemy. We are going to look after them and promote them, and that will be done by our endeavouring to do our business well. I am sure that it is the South African point of view, instead of these legislative restrictions. It is the principle of the thing which is the difficulty. I do not like that phrase; it is rather an admission of weakness on our part, to introduce a phrase like that into the Resolution. Be content with developing the dye industry by every means in your power.

Mr. COOK: This is not a bit too strong.

Mr. BALLANTYNE: I think the United States have pretty well solved this question, and they are making dyes in a very large way. And as far as Canada is concerned, I think in the very near future Canada will be making these dyes. Speaking for our English plant, I think they will be made here before long.

Mr. BURTON: Have you got American plant?

Mr. BALLANTYNE: No. At the same time we are closely allied with America, and they immediately took this question up at the outbreak of war, and are making dyes very similar to what we imported from Germany. We shall be getting the full benefit of the American experience.

Mr. MEIGHEN: Our industries are well under weigh now.

Mr. BURTON: I say that the best way of meeting the enemy, in this and other matters, is by perfecting your own industry.

CHAIRMAN: Can we possibly find any words which will enable us to pass it with unanimity, which is desirable if possible?

Mr. COOK: I hope Mr. Burton will not press that; we want to make it strong.

Mr. BURTON: You want to make the dye industry strong, not your Resolution.

Mr. MASSEY: Have you got a cloth-making industry in South Africa, Mr. Burton?

Mr. BURTON: No.

CHAIRMAN: I take it the Conference agrees to the first two amendments, the substitution of "what" instead of "the," and "may" instead of "to." Mr. Burton makes a more serious proposal lower down.

Mr. COOK: He does not press it.

Mr. BURTON: Yes, I do; I cannot blow hot and cold about this. I have taken up a perfectly clear attitude, as Sir Albert Stanley knows, about this proposed legislation imposing artificial restrictions. And it seems to me that this particular matter is on exactly the same footing. I cannot draw a distinction. I cannot see why in the matter of the dye industry the argument is stronger than in the case of raw materials. We stated perfectly clearly there—and I think the Conference accepted that position—that we could not be bound to anything of that kind. Now, except for these restrictions by legislation which you have not got to introduce into the United Kingdom, but which we would have to introduce into the Dominions—at least, I speak for South Africa—except for that, it seems to me that the best way in which to meet what is called enemy domination is the successful development of your own industry, in which the whole of the British Empire would be only too glad to assist in every way it can. But I confess I do not like the reference to enemy domination.

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Mr. BALLANTYNE: It is as broad as it is long. There is a great similarity between them.

Mr. MEIGHEN: It suits us.

Mr. COOK: Are you sure, Mr. Burton, that you are not mixing up domination with competition? This does not necessarily mean the competition of Germany. Domination is quite another thing.

CHAIRMAN: It does not mean to prohibit participation.

Mr. BURTON: Yes, but you see what will be read into this. Let us be quite frank and clear about it. You say it does not prevent competition. Then it means that anybody in South Africa can import Germany's dyes if he likes. Is that so? How is competition to be allowed unless you allow importation of German dyes? You must know your policy, and stick to it.

Mr. COOK: My policy is to be rid of this as soon as we can.

Mr. BURTON: Quite. And no one feels more strongly than I do, about this, as about other things. This is a very striking case, but the reason for the enemy domination has been, if one may venture to say so, our own negligence in the past, rather than Germany's success.

CHAIRMAN: I think it will be very disappointing to people who will read our Resolutions and judge of our actions by them if we do not make some reference to domination, because although I agree with Mr. Burton that a contributory cause, and a very grave one, has been negligence on our own part, yet there is a very general feeling that Germany pushed herself and her industries by every sort of means, many of which were secret and concealed. And there is a very general desire that we should commit ourselves to a definite policy to put an end to that which is enemy domination.

Mr. BURTON: All I want to know is what we mean by this. There are certain industries in South Africa using dyes. Are these people to be allowed to import from Germany dyes which they will not be able to get from the United Kingdom or from anywhere else? Very good, then German competition comes in. By what steps, other than by this legislation, are you to free yourself from enemy domination? What steps are these people to take? I am to recommend them to take steps to free themselves from enemy domination. What steps are they to take?

Mr. COOK: I take it all this means is, you will take dyes preferably from the British Empire. That is all it means.

Mr. BURTON: Mr. Long, do not let me delay the work of the Conference. I have stated my views about the matter for the simple reason that I cannot blow hot and cold. I have taken up a clear line about the matter generally, and it appears to me this is in exactly the same position as the other matters. But I do not wish to press that against the views of the other members of the Conference.

CHAIRMAN: Very well. I have read the Resolution.

Mr. BURTON: I do not want to press this argument further, but do not take me as agreeing: that I cannot do.

CHAIRMAN: Do you want your dissent recorded, Mr. Burton?

Mr. BALLANTYNE: Mr. Burton's idea is one and the same thing, no matter whether the phraseology as drawn is accepted, or Mr. Burton's.

CHAIRMAN: It is a question of leaving out "domination," and I think that is to be regretted.

Sir ALBERT STANLEY: Would this meet your point, Mr. Burton? "What steps can be taken to co-operate with the efforts of the Imperial Government to promote the successful development of the dye industry in the British Empire, and so to avoid enemy domination over our essential industries."

Mr. BURTON: Yes, that I can accept, because it points to that method, about which I am very clear. I shall be prepared to accept that.

CHAIRMAN: Then the Resolution will read—

"The Conference takes note of the action taken and contemplated by His Majesty's Government with a view to freeing the industry of the United

CHAIRMAN—*cont.*

Kingdom from dependence on German dyestuffs, and recommends the Governments of the Empire to consider immediately what steps can be taken to co-operate with the efforts of the Imperial Government to promote the successful development of the dye industry in the British Empire, and so avoid enemy domination over our essential industries."

Mr. MASSEY: I think you had better let that go.

Mr. COOK: Yes, let it go; I think it is stronger than the other.

CHAIRMAN: Is it your pleasure that this be adopted?

[*Agreed.*]

Shipping.

CHAIRMAN: Now the next subject is Shipping. We have a group of questions here, and we have Mr. Massey's motion:

That in order to maintain satisfactorily the connections, and at the same time encourage commercial and industrial relations between the different countries of the British Empire, this Conference is of opinion that shipping on the principal routes, especially between the heart of the Empire and the Oversea Dominions, including India, should be under the supervision of an Inter-Imperial Commission on which Britain and the British Dominions and Dependencies should be represented.

I do not know whether Mr. Massey proposes to move his motion now, or to reserve it until after we have had the general discussion.

Mr. MASSEY: I am willing to adopt either course, Mr. Long. Of course, I want to get the opinion of the Conference on the question, and it was with that object that I gave the notice of motion. I do not mind whether I move it now or later on. I want to mention this—I shall have to go away a quarter of an hour earlier, as I have an appointment which I must keep at a quarter to one.

CHAIRMAN: Would the Conference like to have a general discussion, or to have Mr. Massey's motion moved now? If there is no feeling either way, we will have the general discussion and reserve your motion, Mr. Massey.

Mr. MASSEY: Just as you like, Mr. Long.

CHAIRMAN: The President of the Board of Trade will make a general statement.

Mr. MASSEY: Mr. Burton has just suggested that probably there will not be much discussion on mine, and that it might be better to get it out of the way.

Mr. BURTON: Mr. Massey might give the principle of it in one minute. It may not be the phraseology of the Board of Trade Resolution, but it is just the same thing.

Sir ALBERT STANLEY: Perhaps it would shorten the discussion if we might deal with Mr. Massey's draft resolution, but I should like to suggest some slight amendment to it if I may.

Mr. MASSEY: Yes.

Mr. BURTON: Sir Albert Stanley has a recommendation at the end of his Memorandum,* which I would like to hear more about.

Sir ALBERT STANLEY: If I may refer, Mr. Massey, specifically to the sixth line of your Resolution, which reads, "under the supervision of," &c.

Mr. MASSEY: Yes.

Sir ALBERT STANLEY: I take it, you do not mean that this Inter-Imperial Commission should be vested with any powers over shipping.

Mr. MASSEY: Only to recommend.

Sir ALBERT STANLEY: They can only make recommendations to the Government.

* See pp. 239-41.

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Mr. MASSEY : Yes, that is so ; but it will be for the Government to accept the recommendations.

Sir ALBERT STANLEY : Or otherwise.

Mr. MASSEY : As a matter of fact, I had some doubt as to whether this was strong enough. I felt doubtful whether the words "supervision and control" should not be in. I thought it better to lay it before the Conference in its present form. Something is necessary—I do not want to discuss it now, but something is necessary, and I want to get the opinion of the Conference.

Sir ALBERT STANLEY : We agree that something is necessary. What we suggest is—we are more or less, I take it, with Mr. Massey—we suggest it might be divided under two different headings, one would be to deal with the question of freight rates, and the other with the development of the shipping services within the Empire. Now our suggestion is that both these subjects should be treated separately, and that the first question—that of freight rates—should be referred to a Committee which would prepare a detailed scheme, and which would provide for the establishment of an Investigation Board on which would be represented the shipping interests and the trading interests of all the different parts of the Empire, and which should have power to take evidence to secure all the necessary information.

Mr. MASSEY : That is the same commission ?

Sir ALBERT STANLEY : Yes. That would deal only with freight rates. On the other question, the development of steamship services, we suggest that another Committee should be set up upon which all parts of the Empire should be represented, and that they should go into the whole question of shipping facilities, not only the character of the shipping, the services which are rendered, but also the necessary development of harbours and other shore facilities. I think it is more or less in agreement with Mr. Massey's resolution that those two separate Boards should be established, one dealing with freight rates, and the other with development of services. That is our suggestion.

Mr. MASSEY : Personally, I do not see why one Board should not be sufficient for the two purposes. If you are going to have two Boards and each Board is to be representative of the Dominions and of the United Kingdom, I think you are going to get an unnecessary number of officials and an unnecessary number of members of the Board, all of whom would have to be paid, and you would rather complicate the proceedings.

Sir ALBERT STANLEY : I quite agree with Mr. Massey that the representatives of the different parts of the Empire, the Governments of the Empire, might be the same persons in each case, but we do suggest that certain additions to the Boards are necessary, and that those additional people would not be the same persons. For instance, you want experts to deal with the construction of ships, and of the docks and harbours, and works of that kind. They are different people from those who would deal with the question of freight rates, because there the shippers and traders are mainly interested, and probably they would not be so competent to deal with the more technical side of the problem as experts who would have knowledge of shipping construction and so on.

Mr. MASSEY : That is a matter of detail. I quite agree that experts are necessary, so long as we do not get too many interested parties there.

Sir ALBERT STANLEY : I agree, Mr. Massey. It is only to secure the right sort of interest. We have two Resolutions. I can move them if Mr. Long will agree.

Mr. MASSEY : As a matter of order, I want to know what you said about moving a Resolution.

Sir ALBERT STANLEY : I say if it is in order, we should propose to move these Resolutions.

Mr. MASSEY : Where do I come in ?

CHAIRMAN : I will protect you, Mr. Massey. It is only that Sir Albert proposes to move the Resolutions.

Mr. MASSEY : If Sir Albert could have seen me privately, we could have arranged a Resolution together.

Sir ALBERT STANLEY : I agree it would have been very much better, but we are so busy. If I may refer to page 3 of the printed document, prepared by the Board of Trade,* it says: "(a) That the Conference accepts in principle the establishment of an Imperial Investigation Board on the general lines indicated in this memorandum, and refers it to a Committee representing the various Governments of the Empire to frame a detailed scheme for such a Board. (b) That it be referred to a Committee of experts, representing the various Governments of the Empire, to consider the question of the development of Imperial communications to the best advantage, with special reference to the probable size of vessels and the consequent demands upon harbour accommodation, for the purposes of Imperial requirements."

Mr. MASSEY : You are proposing to refer it to a Committee representative of the various Governments of the Empire—that is to say, representatives of various parts of the Empire would have to come to London, to sit on this Committee. When do you suggest this Committee should sit—before the end of the War, or after it?

Sir ALBERT STANLEY : Well, I was hoping you would have representatives here, to deal with it at once.

Mr. MASSEY : We cannot get the experts.

Sir ALBERT STANLEY : I am dealing with the first—the Imperial Investigation Board.

Mr. MASSEY : Just let us follow this out. You suggest that we may have representatives in England at the present time who will be able to do this work. Can you suggest who they are?

Sir ALBERT STANLEY : Are you dealing with (a) or (b)?

Mr. MASSEY : With (a).

Sir ALBERT STANLEY : That is only a Committee which will be set up to arrange details of a scheme for the establishment of this Investigation Board which will deal with freight rates—its composition and powers.

Mr. MASSEY : I want to deal with your suggestion that we may have men here who will be fit representatives to sit on this Committee. I do not know them.

Mr. MEIGHEN : Mr. Massey might be one.

Mr. MASSEY : I cannot stay here. I have to go back to my own country.

Mr. MEIGHEN : It would not take a great length of time.

Mr. MASSEY : If it is only a day or two, I could do it. If it could be a Subcommittee of this Conference, I should agree with you.

Sir ALBERT STANLEY : All right. By all means.

Mr. MASSEY : Then let us make that point clear. I accept that at once, because I think that is right.

Mr. MEIGHEN : What I am in doubt about is the necessity for two Boards. What you say is quite correct—a Board which might quite well be able to deal with the questions of ocean rates, and the taking care of preferences, and the provision of facilities, might not be an appropriate body to deal with the provision of a proper type of vessel. But while that is true, would it not be better that only one Board should be established, and that that Board should attach to itself experts by the powers given to it by this Committee? We now have, in Canada, a Board that has powers and duties analogous to those embraced within both (a) and (b)—a Board that fully controls our railway rates as an absolute power, and that further has duties which only experts can perform, or which it can only perform in the light of expert knowledge, such as questions of terminal facilities and the like. Now, why could not the same dual capacity be given to this Board, and so avoid duplication of machinery? Could it not do the work contemplated in (b) through the assistance of experts which it could employ? I do not like multiplication of mechanisms if it can be avoided.

* See p. 241.

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CHAIRMAN: Could not that be put before the Committee which it is proposed to set up specifically?

Mr. MEIGHEN: That was to be my suggestion.

CHAIRMAN: I thought you were asking the question.

Mr. MEIGHEN: My suggestion would be that we should leave that to the Committee. Let us appoint a Committee now and let them do their work, and we could return to it after their report.

CHAIRMAN: The Government and the Board of Trade would accept that—that whether there are to be two Committees or one should be specifically referred by the Conference to the Committee.

Mr. COOK: If that is going to the Committee, I suggest that the lines of this development should also be fixed by the Committee. It seems to me the lines sketched here do not go far enough to be effective; they stop short of the one thing. They say, "You must not suggest any fixation of prices." Will they look into it and report.

Mr. MEIGHEN: I think it would be a very great thing if they could go further and get into the sphere of fixation, but conceive all the complications and limitations which are imposed by sheer necessity. Here is the United States, with their lines of steamers competing—a whole lot of tramp steamers.

Mr. MASSEY: The United States take very great care of their own shipping.

Mr. MEIGHEN: In the face of that, could we give power of fixation? I think the Board of Trade is right.

Mr. MASSEY: Not over the United States or foreign shipping. There is no question about that.

Mr. MEIGHEN: Even over our own. We can over roads within our own country, because we have a monopoly, and we control the whole thing. On the ocean there is freedom there for others to come in, and the rates vary from day to day. I would like to see it done, but it seems to me you have got to include more than the Dominions and the United Kingdom before you can have a Board which will fix rates. It will have to be more international in character.

Mr. MASSEY: Does that Commission in Canada do satisfactory work with regard to fixing rates?

Mr. MEIGHEN: Yes.

Mr. MASSEY: Do you think the same principle could apply to shipping? I am asking for information.

Mr. MEIGHEN: The principle I urge should apply is this—that the same Board which has to do with making recommendations as to rates—they cannot fix rates—that that Board might very well handle also questions as to the determination of the sizes and character of vessels, as to schemes of providing port accommodation and so on, in the light of expert knowledge, on the same lines as our Railway Commission handles similar questions within the sphere of the Dominion of Canada.

Mr. MASSEY: I think it better to say this—that so far as I am concerned I am quite willing to accept the suggestion that the subject-matter of the paper circulated by the Board of Trade and my motion should be referred to a Sub-Committee of the Conference to deal with and report upon at a very early date, because I take it that we are not going to be sitting very many weeks longer. It will not be possible for many members of the Conference to stay. My time is going, too, but I have still a few weeks in hand. I did not know this was coming on to-day. I am sure the Australian representatives will agree with me, because we are in the same position with regard to shipping, and it is one of the most important matters which could possibly be dealt with.

Mr. COOK: I think we are in a much worse position than you are.

Mr. MASSEY: Well, I would not like to say that. I do not think that the position of any country could possibly be worse at the present day than that of our country, though I hope there will be a very much improved position in the near future. Fortunately, the scarcity has come in our off season, just as it has come

Mr. MASSEY—*cont.*

in the Australian off season. If it had come three or four months later, or four or five months earlier, we should have been in very serious difficulties indeed, and I am not sure that we shall not be in very serious difficulties now. * * *

* * * With regard to the future, when the war comes to an end, when we have to get our ships back, what then? Even before the war producers complained of the very high rates of freight, and there is a feeling of intense anxiety among producers at the present moment in my country, and in Australia as well. I am not one of those who think that the Government can manage a business better than a private individual or a firm or company established for the purpose. I think in nine cases out of ten a private individual manages a business better than any Government. But I do say that with regard to businesses which are of a national character, then it is the duty of the Government to step in and see that on the one side exploitation is avoided, and that on the other side sufficient encouragement is given to the individuals or firms interested to provide a proper service, and one which will be satisfactory to the travelling and trading public. As far as I am concerned, I would put freights before fares, but we want a service which would be satisfactory for the transportation of goods and of passengers from one country to another, and especially from the Oversea Dominions to the heart of the Empire, and *vice versa*. I see that the Prime Minister of Britain last year, when this subject was referred to in another place, said that he believed in the old Roman plan, of opening up the country by roads, being applied to the shipping of the Empire—meaning, of course, that our highway was the sea, and that we should make the best and the most of our highway, just as the Romans made the best and the most of their roads. Well, if we are going to make the best of the highway of the sea, then we have to ask not only the Imperial Government to assist us, but we have got to bring in the Governments of all the Dominions to co-operate as far as shipping is concerned. And let me say that if the shipping companies are going to meet us in a reasonable manner—and I believe they will—that will solve the difficulty to a certain extent. But I got so far as to say that if subsidies are necessary in order to provide a proper service between England and Australia, between England and New Zealand, between England and South Africa, between England and Canada, or any other part of the Empire. As far as I am concerned, I am willing to accept that and to agree to a system of subsidies, and I do not think there will be any objection on the part of the public, because they will get their money back in another form. If they are contributing a certain amount by subsidies, they will have the benefit of reduced freights and fares when travelling or sending goods from one country of the Empire to another. And in the case of reduced freights; it is not only one section of the public which would benefit, but the producers on one side of the world and the consumers on the other will all benefit. I think there is a very great deal to be done in connection with this question of shipping, and it is because I feel it very strongly as representative of a producing country that I bring the matter before the Conference. I am not going to say anything more at present, except simply that I accept the suggestion that the whole question be referred to a Sub-Committee to be dealt with at the earliest possible date, and then to come before the Conference again.

Mr. HUGHES: Is there another Resolution besides this of Mr. Massey?

CHAIRMAN: Yes. There is one handed in by the President of the Board of Trade, who had to go just before you came in. Shall I read it? It has been altered and now runs thus:—

“(a) That the Conference accepts in principle the establishment of an Imperial Investigation Board on the general lines indicated in this Memorandum, and refers it to a Committee representing the various Governments of the Empire to frame a detailed scheme for such a Board. (b) That it be also referred to the Sub-Committee to consider the best machinery for promoting the development of Imperial communications to the best advantage, with special reference to the probable size of vessels and the consequent demands upon harbour accommodation, for the purposes of Imperial requirements.”

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Mr. HUGHES: Now Mr. Massey's resolution—does that in any way conflict with the other? It appears to me that it deals with an entirely different matter.

Mr. MASSEY: No, I do not think it conflicts.

Mr. HUGHES: I have listened to you very carefully, and I entirely agree with all you have said. But the Board of Trade recommendation seems to aim at something which is more remote—I will not say less pressing, because it is an investigation into the state of things now existing, and which will exist after the war. But unless we are to content ourselves with Resolutions that do not take us very far, I think that Mr. Massey's Resolution ought to have consideration, and to have the endorsement of this Conference. At any rate, those matters which he brought up are of the most pressing importance. I do not know to what extent it is permissible to deal with the matter, but I say this, that the position in Australia to-day is not less serious—indeed, it is more serious, in my opinion—than that of New Zealand. We have positively millions of tons of produce there, and we have lent or handed over to the British Government thousands of tons of our own shipping. Now, we are remote from the heart of the Empire, and we have done this, of course, very willingly, it being for our benefit as part of the Empire, just as much as for yours. But the effect has been that you have withdrawn shipping, which is the life-blood of the Empire, from the extremities of the body to the heart, and in doing so you have left these extremities in an ill-nourished condition, and they will inevitably perish or suffer from the effects of malnutrition unless you do something, and that speedily. I think the broad principle which this Conference ought to lay down is this: This Empire is in this war for a great purpose, for a great cause, for great principles. It is also fighting for its existence. Australia is fighting for Australia and for England, England is fighting for Australia and for England, and that applies to all the other parts of the Empire. New Zealand is fighting for Australia, Canada is fighting for Australia, we are fighting for both Canada and New Zealand, and England is fighting for all of us and for herself. Now, there should be an equality of sacrifice as far as that is humanly possible. There should not be imposed upon one section of Imperial citizens a greater burden than upon others by reason of their distance, of their geographical situation. Take the position of the farmer in this country. Are his circumstances seriously worsened by the war? They are not. Whether he be a dairy farmer or a wheat farmer, his circumstances are better, indeed, during the war than they were before. To an extent, that is true of Canada. But it is most certainly untrue of Australia and of New Zealand. And yet those countries absolutely live, and must continue to live, and depend for their expansion upon the development of agriculture and those primary industries which are akin to it. Now the Government of Australia has endeavoured to encourage agriculture—wheat farming—or to prevent it from dwindling to a vanishing point, by guaranteeing a certain amount per bushel. That amount, unfortunately, barely pays the cost of production. Here the farmer may do very well. In Canada he gets twice as much for his wheat, or very nearly twice as much, as he did before. In Australia he probably gets 4*d.*, 5*d.*, or 6*d.* a bushel more than before the war, and it costs him about 1*s.* or 1*s.* 6*d.* more to put it in and take it out, and about 2*s.* 6*d.* more to get it away; in fact, he cannot get it away. By one stroke his cost of production is increased and his opportunity for sale has vanished. He can sell only to one buyer, and that is to you.

I come now to deal with this question. Some of these goods will keep. Whether we ship concentrates, or lead, or copper this year or next year is not of so much importance; they will keep. To an extent wheat will keep. But butter will not and cheese will not.

Mr. MASSEY: And meat will not.

Mr. HUGHES: No. I am sure that you realise that it is upon the breed of our sheep, the quality of our wool, the quality of our dairy herds, the quality of our cattle for beef purposes, that the very existence of these two Dominions which Mr. Massey and I, with Mr. Cook and Sir Joseph Ward, represent here to-day, absolutely depends. We cannot keep dairy herds going unless we sell the butter, and we cannot keep butter indefinitely. I do not know how long, but as far as

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Mr. HUGHES—*cont.*

I recollect, after three months cold storage butter begins to deteriorate. And besides, there is not enough cold storage in Australia—I do not know whether there is in New Zealand.

Mr. MASSEY: There is not. Our cold stores are full now.

Mr. HUGHES: Yes, and so are ours. So here you are up against a problem. What will you do? What are you going to tell these people? Look at it from a direct military point of view, which is of less importance, if you like, to New Zealand than it is to Australia. We have to get troops by voluntary enlistment, and the flower—I say it advisedly—of our army is made up of men many of whom have come from the country, who are the sons of farmers, who have been brought up on the land. Are you going to say, in order to encourage the others to enlist, “Well, we cannot take your butter. We are very sorry, but we cannot give you a reasonable price for your wheat. It is perfectly true we are giving it to Canada and to farmers competing with you in England, but we cannot give it to you. Fight for the Empire.” Clearly, that is not advice that is calculated to help us to keep up our strength at the Front. And there is no other way in which you can do it except by the goodwill of the people. You have to keep the burning spirit of patriotism alive. You know what the British farmer is, and when you know the British farmer you know the farmer in Australia, and the farmer elsewhere. He is a man who thinks for himself. He is not one of those who labour under the delusion that this is the best of all possible worlds, for he continually tells you that it is not. I support Mr. Massey: I say there ought to be an Inter-Imperial Commission to deal with this question of shipping. But I go further, and I say to you, although perhaps this is not the proper place to say it, and I shall not press it now, that the problem of the perishable products for which shipping space cannot be found, must be treated as an Imperial problem, and you must apply the principle of equality of sacrifice to all citizens throughout the Empire without respect to geographical position. You are not to impose upon some who, like Australia and New Zealand, are hit very hard by this war, burdens that are not imposed upon others in Great Britain or elsewhere.

Mr. BURTON: Perhaps Sir Joseph Maclay could tell us whether he thinks there will be a reasonable opportunity of getting one Board to carry out these functions.

Sir JOSEPH MACLAY: I entirely approve of one Board. I think it would be a mistake to have two. I think there would be no difficulty in dealing with it.

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Mr. BURTON: Is your Resolution intended to deal with the existing state of affairs?

Mr. MASSEY: Oh, no.

Sir JOSEPH MACLAY: Mr. Massey and Sir Thomas Mackenzie have been in close touch with us, and I hope Mr. Hughes will come too.

Mr. MASSEY: I must go now.

CHAIRMAN: You agree to this Committee for the whole question?

Mr. MASSEY: Certainly.

CHAIRMAN: I will read it now: “That this Conference accepts in principle the establishment of an Imperial Investigation Board on the general lines indicated in this Memorandum, and refers it to a Committee representing the various Governments of the Empire to frame a detailed scheme for such a Board. (b) That it be also referred to the Committee to consider the best machinery for promoting the development of Imperial communications to the best advantage, with special reference to the probable size of vessels and the consequent demands upon harbour accommodation, for the purposes of Imperial requirements.”

Mr. HUGHES: You are reading a modification of the Board of Trade recommendation?

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CHAIRMAN: Yes. Then Mr. Massey's motion which is on the paper and the other questions which are grouped together will be referred to that Committee, and the whole question will be brought up again.

Mr. MEIGHEN: And can be dealt with when the Committee reports?

Mr. HUGHES: This Resolution is dealing, as I have said, with the future. Mr. Massey's proposal says, in effect, that shipping should be under the control of an Inter-Imperial Commission.

Mr. MEIGHEN: This Resolution of Mr. Massey's does not go off the Agenda. It returns when the Committee reports.

Mr. MASSEY: What I think will happen will be this—that the Committee will take the ideas out of the motion of the Board of Trade and from mine, and make one of them.

Mr. HUGHES: Let us be careful to see whether the terms of reference to the Committee are such as will bring this within the order of leave. The Resolution says that the Conference does so and so, and the Committee will do so and so.

Mr. MASSEY: It will take my motion. I am very sorry, Mr. Long, that I must go.

Mr. HUGHES: What is the Committee to do?

CHAIRMAN: The Committee is to take Mr. Massey's Resolution and the Memorandum of the Board of Trade, and to report to us as rapidly as possible what is the best way to carry out what is expressed in the two.

Mr. HUGHES: Is that quite clear in the terms of the Resolution as you put it, sir? Is it clear that we are to consider Mr. Massey's Resolution as well as the other, and to consider what is the best to be done in every aspect of the case? I do not think the Resolution makes that quite clear.

CHAIRMAN: I think the words "on the general lines indicated" should go out. "That the Conference accepts in principle the establishment of an Imperial Investigation Board, and refers it to a Committee of the Conference to frame a detailed scheme for such a Board." Then the next words have been taken out, and instead we put in these words: "That it be also referred to the Committee to consider the best machinery for promoting the development of Imperial communications to the best advantage." That seems to cover everything.

Mr. HUGHES: No, I do not think so, because the reference is in the first part to a post-war problem. Mr. Massey's Resolution deals with the present conditions.

CHAIRMAN: We can put Mr. Massey's Resolution in.

Mr. HUGHES: Very well.

CHAIRMAN: "With reference to Mr. Massey's Resolution," &c.

Sir S. P. SINHA: As regards a definite scheme, may I point this out—that as regards "a Committee to frame a detailed scheme for such a Board," I do not think there is a representative of the Government of India who can usefully take part in framing that detailed scheme. I am not sure we have any representative of the Government of India who can take part, or make any useful suggestions in framing a detailed scheme for the Board contemplated. The original motion as recommended by the Board of Trade was that it should be referred to a Committee not of this Conference, but a Committee representing the various Governments of the Empire. I am not sure that there is anyone here who can, so far as India is concerned, take a useful part on this Committee.

CHAIRMAN: Would not the Indian representative on the Committee probably suggest that there should be a reference to the Government of India before the matter is finally decided here?

Sir S. P. SINHA: Of course, that does not carry us very far.

CHAIRMAN: If you could not make a recommendation, you could do nothing else.

Mr. HUGHES : I take it by this reference we are submitting to a Committee of this Conference the matter of the recommendation of the Board of Trade and of Mr. Massey's Resolution.

CHAIRMAN : Yes, that is so.

Mr. HUGHES : And that that Committee is to report to this Conference, and we may consider the matter again.

CHAIRMAN : Yes, that is right.

The Resolution was then put to the Conference and carried in the following form :—

“ The Conference accepts in principle the establishment of an Imperial Investigation Board and refers it to a Committee of the Conference to frame a detailed scheme for such a Board.

“ The Conference agrees that it be also referred to the Committee to consider the best machinery for promoting the development of Imperial communications to the best advantage, with special reference to the probable size of vessels and the consequent demands upon harbour accommodation for the purposes of Imperial requirements, and to the Resolution handed in by the Prime Minister of New Zealand.”

CHAIRMAN : Who will serve on the Committee ?

Mr. MEIGHEN : Mr. Ballantyne for Canada.

Mr. HUGHES : I will be on it, or alternatively, Mr. Cook.

CHAIRMAN : Mr. Massey for New Zealand. Will you go on, Mr. Burton ?

Mr. BURTON : No. If you will excuse me, I would rather not.

CHAIRMAN : Mr. Lloyd ?

Mr. LLOYD : Yes.

Sir JOSEPH MACLAY : Is it not desirable to have a representative of the Ministry of Shipping on it ?

CHAIRMAN : It is for the Committee to say.

Inter-Imperial Parcels Delivery.

CHAIRMAN : The next question is Cable Facilities.

Mr. MEIGHEN : Would it not be possible to take some subject not raised by Canada ? It would not be possible for me to go into the Cable Facilities question.

CHAIRMAN : Then we will take the Parcels Post. A memorandum* has been circulated and we have had this Resolution handed in by the President of the Board of Trade : “ The Conference considers it desirable for the purpose of encouraging Imperial trade that the present facilities for Inter-Imperial parcels delivery should be enlarged, improved, and co-ordinated, and recommends that the proposals contained in the Board of Trade memorandum should be examined by the Governments represented at the Conference with a view to the preparation of a detailed scheme designed to promote this object.” The Postmaster-General is here to take part in the discussion.

Mr. ILLINGWORTH : As far as the Post Office is concerned we are agreed with the principle. It raises a number of questions of detail. Undoubtedly the rates should be made more equal than they are. They are very different at present, and very high. On the matter of general principle it is all right, I think.

Mr. COOK : It seems to me that poor old Australia is the worst ; everybody puts upon her.

Mr. ILLINGWORTH : Rates between New Zealand and Australia are higher than between the United Kingdom and New Zealand.

Mr. COOK : Nearly twice as high.

* See pp. 241, 242.

11 July 1918.]

INTER-IMPERIAL PARCELS DELIVERY.

[9th Day.]

Sir H. LLEWELLYN SMITH: 11 lbs. from England to New Zealand costs 3s., and 5s. 8d. from Australia to New Zealand.

Mr. ILLINGWORTH: 8s. 3d. to South Africa from England.

Mr. BURTON: There would be no objection to our agreeing to the Resolution. It does not bind us.

Mr. COOK: It does not take us far.

Mr. BURTON: You cannot get further.

Mr. COOK: We have examined them. There are numbers here.

Mr. BURTON: We will see what is proposed.

Sir H. LLEWELLYN SMITH: The remedy suggested in the Memorandum is a uniform scheme at a flat rate for all Imperial parcels, extension of the limit of weight —

Mr. MEIGHEN: Irrespective of distance.

Sir H. LLEWELLYN SMITH: Yes.

Mr. MEIGHEN: That ought to suit the Prime Minister of Australia.

Mr. ILLINGWORTH: A flat rate for parcels, and to raise the limit of weight. That may turn out to be impracticable.

Mr. COOK: I think the proposal to pay the duty and make all the arrangements at this end is a very good one. It should be done at the export end, if possible.

Mr. ILLINGWORTH: Yes, if possible.

Mr. BURTON: We should be prepared to accept your flat rate suggestion if that means less than we are paying now.

Mr. ILLINGWORTH: It is to suit people in the Colonies.

I should like the question of cash on delivery dealt with. That is a very difficult question in this country. If it could be done, it would create more increase in trade between the United Kingdom and the Colonies than the proposed alterations in the postal rates themselves.

Mr. COOK: What do you mean by cash on delivery?

Mr. ILLINGWORTH: People have parcels sent, and the postman delivering the parcels collects the money for them. A shop from London could send goods to Australia with the certainty that they would be paid for. The postman delivering in Melbourne would collect the money on the delivery of the parcel. It is a system which is used very largely on the Continent, but it has not been brought in much in this country because of the opposition of the shopkeepers.

Mr. BURTON: There are shopkeepers in the Dominions.

Mr. COOK: What applies to a small country like this is difficult to carry out in our big country over there.

Sir H. LLEWELLYN SMITH: You would probably have to limit it in some way.

Mr. ILLINGWORTH: That is rather another subject, and apart from this Resolution.

Mr. LLEWELLYN SMITH: The point is simplification of rates and simplification of procedure.

CHAIRMAN: Does the Conference want to discuss it any more? If not, I will put the Resolution. I read it just now. It does not commit you.

[The Resolution was carried.]

* * * * *

TENTH DAY.

Monday, 15th July 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 11.45 A.M

PRESENT:

The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).

The Right Honourable C. ADDISON, M.P., Minister of Reconstruction.

The Right Honourable H. PIKE PEASE, M.P., Assistant Postmaster General.

Mr. STANLEY BALDWIN, M.P., Financial Secretary to the Treasury.

Mr. W. A. S. HEWINS, M.P., Parliamentary Under-Secretary of State for the Colonies.

Canada.

The Honourable A. MEIGHEN, K.C., Minister of the Interior.

The Honourable J. A. CALDER, Minister of Immigration and Colonization.

The Honourable N. W. ROWELL, K.C., President of the Privy Council.

Australia.

The Right Honourable W. M. HUGHES, Prime Minister.

The Right Honourable J. COOK, Minister of the Navy.

New Zealand.

The Right Honourable W. F. MASSEY, Prime Minister.

The Right Honourable Sir JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

The Right Honourable E. S. MONTAGU, M.P., Secretary of State for India.

The Honourable Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.

Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.

Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT:

Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under Secretary of State for the Colonies.

The Right Honourable Sir FREDERICK PONSONBY, K.C.B., K.C.V.O., Keeper of the Privy Purse.

The Honourable Sir GEORGE PERLEY, K.C.M.G., High Commissioner for Canada.

Lieutenant-General Sir C. F. N. MACREADY, G.C.M.G., K.C.B., Adjutant-General to the Forces.

Rear-Admiral A. F. EVERETT, C.B., Naval Secretary to the First Lord of the Admiralty.

15 July 1918.]

IMPERIAL MINERAL RESOURCES BUREAU.

[10th Day.

Sir W. H. MERCER, K.C.M.G., Acting Chairman, Pacific Cable Board.
 Sir ALMERIC FITZROY, K.C.B., Clerk to the Privy Council.
 Mr. GARNHAM ROPER, C.B., Assistant Secretary, Harbour Department, Board of Trade.
 Mr. J. S. RISLEY, C.B., Legal Adviser, Colonial Office.
 Mr. A. V. SYMONDS, C.B., Assistant Secretary, Local Government Board.
 Mr. T. C. MACNAGHTEN, C.B.E., Chairman of the Managing Committee, Emigrants' Information Office.
 Brigadier-General B. F. BURNETT-HITCHCOCK, C.B., D.S.O., Director of Mobilization, War Office.
 Mr. A. R. MCBAIN, War Office.
 Mr. HUGH WINDHAM, C.B.E., Ministry of Labour.
 Mr. L. CHRISTIE, Legal Adviser, Department of External Affairs, Canada.
 Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.
 Lieutenant-Commander J. G. LATHAM, Royal Australian Naval Board.
 Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.
 And Private Secretaries.

Imperial Mineral Resources Bureau.

CHAIRMAN : The first subject this morning is the Imperial Mineral Resources Bureau. We only have to deal with the financial side of that. And then there is the Settlement of ex-Service Men, Cable Facilities, and Medals. There is not a War Cabinet meeting to-day, but a meeting of the Prime Minister's Committee. As regards the Imperial Mineral Resources Bureau, the Ministry of Reconstruction has handed in the following amended Resolution :—

“The Imperial War Conference, having considered the memorandum by the Minister of Reconstruction on the Imperial Mineral Resources Bureau, agrees that the number of representatives of the mineral, mining, and metal industries on the Governing Body of the Bureau should be increased from four (as originally agreed) to six. The Conference further approves the proposal for a Charter of Incorporation as set out in paragraph 6 of the memorandum, and the proposals in paragraphs 7 and 8 as to the allocation of expenditure and the establishment of a Trust in the name of the Chartered Body.

“The Conference considers that the current expenditure, as distinct from the cost of special enquiries, should not exceed 20,000*l.* in any one year without the previous consent of the participating Governments.”

Dr. ADDISON : The point, you will remember, was that the Dominion representatives raised objections to giving a blank cheque. This new proposal would mean a maximum of 2,000*l.*—that is one-tenth. That would be the maximum contribution which anyone would be committed to.

Mr. BURTON : Dr. Addison saw me about this 20,000*l.* I have no objection to that, but I want to raise once more the point I raised the other day about this question of a Charter and Trust. I suppose the other Dominions are in much the same position as we are, but let me put to you the position of South Africa on this matter. We have got, in our own Dominion, a body called the Scientific Research Committee, I think, which investigates all this kind of thing in South Africa, and that is, of course, costing the country money. It is a body of the best scientific minds that we have got, the best scientific information. And they are at work now constantly, and they have been at work for some years, making all these investigations and researches. We pay for that, and, in addition, we contribute every year for the Imperial Institute. And I suppose we shall have to go on with that. I understand that, as far as the mineral business is concerned, they really do work, or are supposed to do work, which overlaps this, that they do investigate mineral resources. And now we come to this new Bureau, which, I think, if it is properly developed, will do the work. But it is an experiment : you are starting in an experimental way now. It may be a great success,

Mr. BURTON—*continued.*

or it may not. Why fix it by this Charter when it is in this preliminary condition? You may want to modify it, to alter the constitution of a thing of this character; you may want to alter the way in which it is managed. You will have the greatest difficulty in doing that if you fix it by Charter, and you may have to do it over again. It strikes me that in the state you have got the Bureau now, to put its constitution in a Charter would be to fix its character and deprive yourself of the power of easily altering it if you want to do so. It therefore seems to me to be a mistake.

Dr. ADDISON: The point about that, Mr. Burton, was that we were advised that in order to make the Bureau Imperial it should be attached, in some form, to the Privy Council, and if you are going to have special funds, they will have to be vested in some body, and therefore the creation of a Trust was suggested. I think a Charter would be a very flexible thing, you could easily alter and adjust it. The point as to the expenditure in your own organization would, I think, only mean that in this case that would be the body which would be used for the South African researches. This Bureau would not duplicate its efforts. It would be a body which you would agree to use in South Africa; for special researches special agreements would have to be come to. That is the intention of the whole scheme, if you will look at the papers—so that by means of your research organization, you would be contributing to the common stock. The original proposal was simply that the Bureau should be in charge of a Committee of the Privy Council, but they had to construct some device for dealing with the funds, and this was the way in which it was suggested they should be dealt with. But I think a Charter could be just as easily altered. It would mean that the funds would be held for these kindred purposes, and you could alter the Charter quite readily. It would not affect in any way the flexibility of the scheme itself. It is simply a device for getting the funds in a Trust of an Imperial character.

Sir ALMERIC FITZROY: The Charter is a most flexible instrument, and almost every Charter contains a provision within itself for its own amendment, by the easiest and most expeditious means known to the Administration. And therefore it is in the hands of the persons who constitute the body corporate to suggest, as they go along, such amendments or modifications in its Constitution as will facilitate and develop their work on the most economical and efficient lines.

Mr. BURTON: But you have not even got your Body yet.

Dr. ADDISON: Yes, we have, the Governing Body is already nominated. It is set out in the memorandum. They are ready to go ahead as soon as this question of finance and constitution is agreed.

Mr. BURTON: Unfortunately, for our sins, we have always to consider the other end, and we have to account for putting down sums in our Estimates for all these things. And this is the third body now which will be dealing with these matters. We have our own Institute, the Imperial Institute, and this is the third of the kind. Our people will say: "What is all this about?" I think the suggestion was made that the contributions to the Imperial Institute should be dropped, and there is something in that, I think.

Dr. ADDISON: We are going into the whole question of the Imperial Institute. Mr. Long himself appointed a Committee some time ago which investigated the work of the Imperial Institute. But the general scheme of this Bureau is to bridge the gap in the statistical form in which data are accumulating. The commercial and industrial community want to make use of them.

Mr. BURTON: I hope this overlapping business will be gone into carefully. I only want to emphasize once more the point I made. You must remember the difficulty you have in persuading people in the Dominions to pay up for all these things which seem to be doing the same kind of work. I do not oppose, I have never thought of raising any opposition to this Bureau, because I think if it is properly managed and does its work as it is intended it should, it can do very great service, not only to the Empire but to South Africa in particular, where our mineral resources are of great interest and importance. But it is these little features of it, with regard to other bodies doing the same kind of work, that I do not feel satisfied about.

15 July 1918.]

IMPERIAL MINERAL RESOURCES BUREAU.

[10th Day.

Dr. ADDISON: The general idea was that you should have one body, a central body, to prevent overlapping. I agree with you, Mr. Burton, that it will, no doubt, result in the activities of some of the other bodies being merged, and so prevent overlapping. I agree with you there should not be a dozen bodies doing bits of it; that is the reason for getting it pooled.

Mr. BURTON: It is not sufficient to tell these people, "Here is something being designed of an Imperial character." They will say, "We have to pay 2,000l. a year, what benefit are we going to get out of it?" They are very sensitive about that.

Dr. ADDISON: That is right. You cannot prophesy in advance, but if they do their work well, they ought to get a lot out of it.

Mr. BURTON: Well, I hope so.

CHAIRMAN: The question raised by Mr. Burton about the overlapping between the new body and the Imperial Institute already in existence is of vital importance. It is essential that we should make such re-arrangements as will avoid overlapping and also secure a more definite knowledge as to what the work is that is being done. It is of no use asking the Dominions, or any part of the British Empire, to make contributions out of their funds for work which they do not understand; they do not know what is being done. I appointed a Committee, and I think the report has come in. As soon as this Bureau is set up and is financed, or rather as soon as arrangements are made for financing it, the next step will be to see that overlapping is prevented, and that, if it appears necessary, there should be an amalgamation.

Mr. CALDER: Would it be possible to carry on this work without creating this Charter? I understand the Committee is now at work, and has been for some months, and we feel very much the same as Mr. Burton feels, that it would be very much better to let matters run along as they are until such time as you can be more certain as to the manner in which this body should be really constituted, and as to what its work will be.

CHAIRMAN: The desirability of the Charter arises from the need for having a statutory body in existence. We have followed the precedent of last year, which, as the Conference knows, worked extremely well. We had to deal with a question which was in a somewhat similar position, the care of the graves of those who had died in the war. This was apparently, at that time, the duty of more than one body, and in order to concentrate the work in one hand, and to go on gradually making our alterations, we passed a Charter, and took the necessary steps to bring a Charter into existence. And that certainly worked extremely well, as I think the Conference realises. As we went along we did what was necessary to consolidate all the work into the hands of one body. We presented a Report at one of the early meetings of the Conference—it was on the second day, I think—and it was very favourably commented upon. And we have followed that precedent in this case. But it is quite obvious we cannot have two bodies working side by side for each of which subscriptions are being invited. We shall have to concentrate. But I do not think we can concentrate until we have got a statutory body of our own which we can deal with.

Sir S. P. SINHA: With regard to the question of finance, I understood the matter was dealt with by a Departmental Committee, on which the India Office was represented, and that the maintenance was estimated at 10,000l. per annum; it was suggested that this should, in the first instance, be voted by the Imperial Parliament, and that the different Dominions and India, besides maintaining their own local institutions for similar purposes, should also be represented on the Governing Body, and meet the expenses of keeping those representatives on the Governing Body, and that that should be their share of expenses for the maintenance of this Bureau. I do not know why we should not adhere to that recommendation, and why the finances for this Bureau should not be provided for in the manner recommended by that Committee.

Dr. ADDISON: That was recommended for the first year. But it was said the matter would have to be put upon some standing arrangement which would have to be arrived at as soon as possible. That was to cover the first year, but it was not proposed that that should be a permanent arrangement.

Sir S. P. SINHA: Would it not be better to adhere to that arrangement until the Dominions and India become convinced that the work is such that it would be worth more than is contributed now, for example, to the Imperial Institute?

Sir JOSEPH WARD: I think this proposal for an Imperial Mineral Resources Bureau is a very valuable one for the overseas countries which are to participate in the advantages of these valuable reports, and I do not see how they can expect to come into it without paying for it. This Memorandum that we have before us makes a distinct provision for the administration costs, as well as the costs of obtaining information. I can only speak as far as New Zealand is concerned. There we have an organised, fixed and continuous Department, dealing with minerals and mining and the metal industries in that country, and whatever additional we may give towards the working of this Imperial Bureau, is not going to add in any way to our work of the past, nor is it going to diminish it. But if the uses for which it is intended to set up this body are as valuable as I think they are, we should all agree to pay for it. But I do not think we should be prepared to start with 10,000*l.* a year.

Dr. ADDISON: That is the maximum.

Sir JOSEPH WARD: The oversea Governments are expected to contribute a half, and the British Government the other half. With regard to the question of the Imperial Institute, I think it should be a direction—if not by resolution at least by expression of opinion of the members of this Conference—that it should cease to undertake work of this kind. If we are to have a conflict between two bodies getting reports—the Imperial Institute and the Imperial Mineral Resources Bureau—you will find the special friends of the Imperial Institute urging all they know how that body shall be used against the Imperial Mineral Resources Bureau. If you want to get effective work there should be one body only. I am inclined to think that if the maximum was fixed at 20,000*l.*, 10,000*l.* to be provided by the British Government and 10,000*l.* by the Oversea Dominions, it would take away some of the objections of some gentlemen, and the possible criticisms of our own countries on the maximum amount which would be required to be provided for in our Estimates. It goes without saying that in the different countries, New Zealand certainly, if it is to be responsible for 2,000*l.*, we should put it down in our Estimates, and we should ask for that. We should have to make provision for that, because of the total amount which will be required.

I do not attach very much importance to the point raised about the Charter. As Mr. Long said, the Charter in connection with graves was a very valuable and necessary statutory provision to have to enable that work to be carried on on behalf of the interests concerned. I think a Charter is necessary, and in the working of it it would be a very easy matter to alter it; it is not inflexible, and it can be made to meet the requirements of any part of the Empire. I do not think this Imperial Mineral Resources Bureau can be of any use unless you make provision for the payment of it. If the Imperial Institute ceases to do this work, that will make the position much easier.

CHAIRMAN: It is obvious we could not have the two doing the same work side by side.

Sir JOSEPH WARD: That is so.

Mr. MEIGHEN: I realise that the Conference last year was committed to something of this nature. A Committee was appointed to formulate concrete proposals, and we are at that stage now. But something has taken place in the meantime. What is contemplated here is set out in the Memorandum of the Minister of Reconstruction*, and after studying it, I am not able to see what the Bureau can accomplish of value to our country except of a statistical nature. That is of great value; we all realise that; but I fear, if it goes beyond that, if it attempts work of exploitation, or even makes recommendations for such work, then instead of

* See pp. 236–38.

Mr. MEIGHEN—*cont.*

advancing, we may be doing quite the contrary. In so far, of course, as it becomes a statistical bureau, it is immediately invading the scope of the bureau we have just agreed to, of a much wider character.* In fact, this is an illustration of the need of the bureau which we did determine to establish. Consequently, we should not, at all events, give definite charterhood shape to a bureau whose only purpose is that. We should not do that, I think, now. If it has other aspects and other spheres of usefulness, such as mentioned in paragraph 3 of this Memorandum,† it occurs to me as rather remarkable that each of the six representatives of the actual industries who are to be invited are United Kingdom men; there is no recognition of any industrial interest in this for any men outside—in the Dominions. If an enlargement is to take place, it seems to me remarkable that it should take place entirely here. It is true we have representation in so far as it is scientific, in the officering of it, but in so far as it becomes a representation of industries, the suggestion is that they should all be from Great Britain. In view of the work we do in Canada—and I have some knowledge of that—in view of the efforts which are made there from our own standpoint to develop the industries, and the organisation which we have in our Mines Department for that purpose, I do not see that, beyond the distribution of statistics, beyond being a bureau where information may be had, as to the mineral resources of the various Dominions, that this serves any particular purpose to us. Consequently, I think it well to defer chartering and getting a definite scheme of contribution. The amount is not large, and certainly if a system of continuous proportionate contribution is to be made at all, Canada has no cause to complain. But, for the reasons I have just given, I should like to see deferred the specific steps as to chartering and as to the commitment to contribution.

Dr. ADDISON: May I say a word on that? As far as my experience during the war is concerned, I cannot think of any body the lack of which we have suffered from more than a body for doing work such as is contemplated for this bureau. I hope sincerely that it will not be confined to statistical work; I think we have had, in some respects, a plethora of statistics, but a very grave deficiency as to practical means whereby those statistics may be translated into possibilities of industrial effort. For instance, whatever material you look at, you will find we have a considerable abundance of statistics; but there is a gap somewhere between the knowledge of the existence of the mineral and of the chemical constitution of the ore and its actual working. For instance, take the case of the Burmese and the Australian zinc concentrates. We knew about them, but what we lacked, and what to a great extent we still lack, in order to promote the use of those minerals, is proper experimental knowledge on the best method of smelting, because you find that the product is impure. A body of this sort, finding we are held up by a difficulty of that kind, would be competent to have some experiments made to discover what was the best way to get rid of the impurities, &c. There is not only one, there are at least 20 cases which I could cite, if required, without much difficulty, which we have found during the war, where we have been held up in consequence of some gap in the process which has not been considered in a methodical and scientific way. And it is because we have had no body of men first to ascertain what the problems are, and, next, to deal with them when we have discovered them, that we have suffered so much in our inability to develop our minerals. It is quite impossible to say, in advance, whether Canada, or South Africa, or the United Kingdom will be benefited more than the others; you cannot tell, it depends on how much success you have in one direction, and what success you have in another. But I am clear about this: that if we were to limit these things to statistical compilations, we might just as well not have the bureau. Many of those statistics which we have had have not been sifted in a proper way.

So far as the six outside representatives are concerned, you will remember there were four originally recommended, and the reason I asked permission to go outside the four and put in six was, that I wanted to introduce the commercial and the industrial elements to a greater extent than they appeared to be introduced; when I looked at the whole list of nominations I thought there was very good reason, and

* See Resolution VIII.

† See p. 237.

10th Day.]

IMPERIAL MINERAL RESOURCES BUREAU.

[15 July 1918.]

Dr. ADDISON—*cont.*

you seemed, last week, to concur generally in that. So far as leaving it vague is concerned, I hope the Conference will not do that, because I am sure, again, that bodies of this kind which have a sort of fragile tenure, and as to which nobody knows what is going to happen next year, have half their value taken away from them at the start. I would rather know at the start that I was going to have 10,000*l.* for five years, or 20,000*l.*, or 30,000*l.*, or whatever it may be, regularly, than have 50,000*l.* in one year, and the possibility of nothing the next. It is the certainty which is half the battle, for then you can plan and work ahead: you can undertake your scheme of research work, which may take two years, and you feel you can have confidence in going on. I am sure it would enormously detract from the usefulness of the body unless we put it on a fairly secure basis, so that they may know how they have got to work, and you can get men with a reasonable security of doing continuous work on it. For all those reasons, we have found it essential, instead of leaving the thing vague, as it was, that it should be put on a proper basis, as it was suggested it should be last year, and I have brought this up in consequence. I think it is of the greatest importance, if possible, to get the thing on some basis of that kind.

Mr. MEIGHEN: That is to say, it would be a function of experimentation, briefly put.

Dr. ADDISON: Yes, certainly. And that, you would agree——

Mr. MEIGHEN: Those expenses are entirely over and above the contribution; there is no contribution for them in any way?

Dr. ADDISON: Yes, in current expenses. It is when you have special researches which may involve considerable expenditure outside this.

Mr. MEIGHEN: Experimentation on the development of resources would be extra, of course?

Dr. ADDISON: Not necessarily, unless it was a big item.

Mr. MEIGHEN: I do not know where the line would be drawn. I thought this was of the nature of extra expense.

Dr. ADDISON: No, they are men whom you would employ, who would be, I hope, spending their life in experimental work.

Mr. MEIGHEN: If there is to be anything in the nature of experimental development, that grant, it is contemplated, shall be extra?

Dr. ADDISON: Not necessarily. Let me give you a parallel case. We have had a body set up during the war called the Medical Research Committee. That has a standing, and it does research work. If anything special arises, a problem which specially concerns one place or is specially extensive, you would deal with that by a special body. In the ordinary way the current expenses cover the work of the staff. Here there will be a staff which is paid out of this 20,000*l.*, which would not, I hope and trust, always be clerical expenses.

Sir JOSEPH WARD: In any case, you keep the administration expenses separate?

Dr. ADDISON: Yes, quite.

Mr. COOK: My feeling is that this matter is well worth doing, and I do not think we need trouble very much about the cost. There are companies spending five times as much, and this matter will, of course, affect hundreds of millions of pounds of operations, and this is the first time a really serious effort has been made to get common standards for the Empire as to the scientific treatment of these metals, as with everything else required for efficient competition with other nations of the world; and really, it seems to me, it is a very modest beginning in connection with a matter of such immense importance. I think we ought to pass the scheme and, at the same time, to express the hope that the bureau will get to work as soon as possible. There are many complex questions awaiting it, whether these gentlemen devote themselves to zinc manufacture, or the by-products from coke, or steel for shipbuilding, particularly for the Navy; and distant as we are from many parts of the Empire, it seems to me we should get this thing going at the earliest possible

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IMPERIAL MINERAL RESOURCES BUREAU.

[10th Day.

Mr. COOK—*cont.*

moment, so that we may have some court of appeal to shape our own standards by. For instance, there is one matter, the question of making the right kind of steel for the manufacture of our own cruisers and battleships; that is a matter which we might very well consult this kind of bureau about. And there is the question of coke by-products for every kind of coal in the Empire. We have all those problems, to say nothing of the other metalliferous concerns, such as zinc, gold, and the complex ores. I think we have long needed a bureau of this kind. Moreover, it seems to me, if it is worked properly, it should not entail great cost, nothing inordinate, at any rate. I have no doubt in my own mind that these experts who will be called in here, if they have a concrete proposition to put, many of these big firms which are operating will be glad to make experiments for the sake of what they will get out of it themselves; and, altogether, I do not see why it should mean a tremendous amount of money to run, if the right course is taken with it. If these people set up an expensive institution of their own instead of trying to utilise the agencies that we have, whether private concerns or otherwise, it can be as costly as you like to make it; but if they do their work as they ought to do it, it seems to me it should not cost very much.

Dr. ADDISON: In connection with that very important observation, the Chairman does not propose to accept any salary, and he does not want to take any special buildings for it; he proposes to work in an existing building.

Mr. BURTON: The Chairman of the governing body, you mean?

Dr. ADDISON: Yes.

Mr. BURTON: It is not the expense, the actual amount of money, which troubles us, it is the stage at which the thing has arrived. I think we are wanting to go too fast with this. Last year a Resolution was taken* in consequence of which we are now, rightly, developing the thing to a further stage. I think we all agree, but I think the crystallization of the whole thing is a little too rapid, and it ought to be given an opportunity of developing further before it takes a more definite form. I agree with Sir S. P. Sinha, and I think we ought to strike out the words from "The Conference" in the middle, and say, "The Conference considers that each Government should pay the expenses of its own representative, and that the other expenses of maintenance of the Bureau should, for the time being, be voted by the Imperial Parliament on the advice of the Minister of Reconstruction, in accordance with the recommendation of the Special Committee." Because that is their actual recommendation, and then we can see how it works, and you will get on a little further too.

CHAIRMAN: By that you mean not to have a Charter.

Mr. MEIGHEN: Would it not be better to stop at what each one should do? I do not like asking the Imperial Government; they can decide that for themselves.

Mr. BURTON: I do not like that either, but it is the recommendation of the Committee which we are taking over now.

Dr. ADDISON: I would not like the Conference to adopt Mr. Burton's suggestion, because I am sure a body on those lines would be sterile from the start; we should not get anything done.

Mr. MEIGHEN: The Scientific and Industrial Research Committee, are not they within this scope?

Dr. ADDISON: The Bureau would use them for some purposes, but for some it might not.

Mr. MEIGHEN: That is a matter of money, but is not that body designed to meet the very needs of the case?

Dr. ADDISON: No.

Mr. MEIGHEN: Ours is.

* See page 6 of [Cd. 8566.]

Dr. ADDISON : It would be for this Bureau to ascertain what the problem was. If you wanted an experiment done, and the Committee of Scientific and Industrial Research was capable of doing it, they would ask that body to do it; but the Committee of Scientific and Industrial Research is not a body which, in connection with minerals, can ascertain what the problem is, and that is the thing we have been lacking. It is not competent to do it, but these people are.

Mr. MEIGHEN : It is not competent?

Dr. ADDISON : They are not set up for dealing with it.

Mr. BURTON : Our South African Committee deals with all those things.

Dr. ADDISON : But you have a Ministry of Mines, in a highly-developed form. We have not anything of the kind; I wish we had.

Mr. MEIGHEN : Our trouble is that we have that, and we are conducting researches in Canada under our own conditions. Our experiments in coke, for instance, turned out successfully with our coal, but they might not do so somewhere else. It is a thing peculiar to Canada which we are attacking, and we hoped we should be assisted by men sitting here.

Dr. ADDISON : Suppose these people were doing something which would assist the commercial development of nickel, from the manufacturers' point of view, at our end : that would profoundly affect Canada.

Mr. MEIGHEN : Do you think that is at all likely or possible? These experts in nickel are the best in the world.

Dr. ADDISON : All I can say is that nothing has disappointed me more during the war than the amount of work which has been done by those people on their own in these technical problems arising out of mineral development. We had to undertake the treatment of a great many of them before we could get along at all. They have not been dealt with.

Mr. COOK : My experience of Government Departments is, that you get what you pay for, and in many of our Departments we do not pay the salary which will command the best men, and so we do not get the best services. And here it is proposed to get the very best ability that the Empire can furnish us with, with a view to original investigation, and the co-ordination of various efforts relating to the mineral industry. Theirs is a function which, I think, will be distinct.

Mr. MEIGHEN : Perhaps we have an unnecessary fear of scientific associations launched on Government money : we have had a little experience of that in Canada.

Mr. COOK : So have we.

Mr. MEIGHEN : And we know what size a commission of this character can grow to, and how difficult it is to root it out after, perhaps, its sterility has become well established. If we are to have in addition an Imperial foundation, then I despair of ever getting an idea of any magnitude from it, and can see how difficult it would be to reduce it. That is our experience.

Mr. COOK : We had the same problem in connection with our defence. We used to get men out of much the same rank as our own highest men and when they rubbed shoulders it was seen that they were not much better than the men we had. The result was that whatever scheme they had to submit had not a chance to get itself embodied, because there was not the requisite authority and status behind it. That is why I got Lord Kitchener out there. When the scheme which he suggested had been framed nobody questioned it. It was Kitchener's scheme and that fact secured for it an opportunity of being realised. That is just what we want here. We want to get the best ability pressed into the service of this bureau for the common benefit of the whole Empire.

CHAIRMAN : Perhaps I may venture to make a suggestion. There is a decided difference of opinion in the Conference as to the steps we ought to take to-day. I think it would be a very great misfortune if a Resolution on the lines of

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CENTRAL EMIGRATION AUTHORITY.

[10th Day.]

CHAIRMAN—*cont.*

the Resolution proposed by the Minister of Reconstruction were not adopted. I think experience has shown that if you want to make progress, you want the simplest form of statutory body; you want one set up by Charter. There is no question as to the flexibility of the Charter, or of subsequent alteration becoming possible as you come abreast of your work. There is also the question of finance, and the very serious question of possible overlapping of this and other similar bodies. And there has been special reference made to the Imperial Institute. I find myself very much in the same difficulty as other members of the Conference find themselves in, namely, in giving a satisfactory answer to the question constantly asked,—What are the precise functions attached to these two bodies, which keep them distinct, and which render it necessary you should have, side by side, bodies apparently charged with the same function, but enable any one of them to do the whole work? The difficulty in answering it is evident. A variety of suggestions has been made, and it occurred to me that it might be for the convenience of the Conference if we appointed a small Committee of the Conference and referred this resolution to them; also the question, especially, of finance, and the Report which has been drawn up by the Committee over which Mr. Hewins presided, upon the Imperial Institute. If we could get a small Committee to meet at once, I think they might be able to make a report upon this, which we might be able to adopt. Meanwhile, I do not know if the meeting—

Mr. COOK: I think that matter wants doing. We do not want two bodies.

CHAIRMAN: I do not know whether that will be likely to meet with the acceptance of the Conference. What do you say, Mr. Burton?

Mr. BURTON: Yes, I cannot raise any objection to that. I think this requires clearing up. Unless it is cleared up, we are in for something we do not know anything about.

Sir S. P. SINHA: I agree to that.

Sir JOSEPH WARD: Yes.

Mr. MEIGHEN: Sir George Perley will act on that Committee for Canada.

CHAIRMAN: Very well, Sir George Perley for Canada.

Mr. COOK: I will go on, if Mr. Hughes does not.

Sir JOSEPH WARD: Mr. Massey may want to go on it. I will leave it to him.

CHAIRMAN: You will go on it, Mr. Burton?

Mr. BURTON: I do not think it is necessary.

CHAIRMAN: It will not take you very long. Will you go on, Sir Satyendra?

Sir S. P. SINHA: Yes.

CHAIRMAN: That is, therefore, adjourned for reference to this Committee.

Central Emigration Authority.

CHAIRMAN: The next question is the Settlement of ex-Service Men. There is a Resolution suggested on the subject which reads as follows: "The Imperial War Conference re-affirms the principle laid down by Resolution XXI. of the 1917 Conference in favour of arrangements being made by which intending emigrants from the United Kingdom may be induced to settle in countries under the British flag. It is of opinion that the representatives of the Oversea Dominions in the United Kingdom should keep in the closest touch with any new Body established by His Majesty's Government to supervise emigration from the United Kingdom on the lines indicated by the Dominions Royal Commission. The Conference is of opinion that the appointment of a Consultative Committee, on which Representatives of the Oversea Dominions should sit, to advise any such Body, would afford the best means of co-operation."

Mr. CALDER: There is one suggestion, and that is that the words "on the lines indicated by the Dominions Royal Commission" should be struck out of the resolution. It would leave the constituted body a little freer hand, and not bind

Mr. CALDER—*cont.*

them down to the terms. And there is a question I should like to ask, namely, how large a Committee is it proposed to create? It seems to me that the body should be a comparatively small one, but it would be a useful body.

CHAIRMAN: You mean the Consultative Committee?

Mr. CALDER: Yes.

Mr. HEWINS: The course of the discussion at the Grand Committee in the House has been in favour of a small, rather than a large body. But the difficulty arises in representing different interests on such a Committee, and at the same time keeping it small.

Mr. CALDER: If you establish a new Authority, as is suggested by this resolution, or somewhat along those lines, it seems to me that this might be kept within very narrow limits. For instance, if we have a representative on that body, and each of the large Dominions one, then there would be a body composed of seven or eight members. I think it would be a mistake to have a body of more than, say, ten members.

CHAIRMAN: Did not you have some difficulty about the States and the Provinces of Canada?

Mr. HEWINS: Yes, there would be some difficulty about that. What do you think, Mr. Calder, about the representation of the different States as distinct from the Dominions?

Mr. CALDER: One representative from each of the Dominions, and not more than two or three from Great Britain on this particular body would be sufficient.

Mr. COOK: The fewer the better for this.

Mr. HEWINS: I am in favour of a small body.

CHAIRMAN: Mr. Calder proposes to omit the words—and so far as His Majesty's Government is concerned I have no sort of objection—"on the lines indicated by the Dominions Royal Commission." I think it improves the Resolution, and gives it more scope. We will strike them out if you agree. Then the question is whether there should be any direct expression of opinion by the Conference here as to the numbers. I take it it will be sufficient if you say "the appointment of such a Committee not to exceed."

Mr. CALDER: Not to exceed ten members.

Sir GEORGE PERLEY: There would be about eight, I think.

CHAIRMAN: It is proposed to insert "not to exceed ten members" after the words "Consultative Committee."

[*Agreed.*]

CHAIRMAN: If nobody has any remarks to offer on this Resolution, as amended, I will put it.

Sir JOSEPH WARD: I have got the impression that public opinion here is working in the direction of retaining as many men as possible in the old land who come from the Front, and I think that a natural thing. The Consultative Committee, which is working in co-operation with the home representatives, are bound to be in a position, on behalf of their separate countries, of working independently to get emigrants to go out into their separate countries. All I want to point out to those who will work in the opposite direction here is, that the whole of the oversea countries will require population, and in larger numbers, and if the effect of the working in the old country is going to be to stop British residents from going overseas, the countries will have to fill up from somewhere, and the people who are responsible for emigration here must remember that a British citizen, from any part of the British Empire, is a valuable asset for the homeland—although you lose the advantages of his expenditure at home and for the whole Empire as long as he goes to a British Colony. And I am inclined to think that if the tendency of the attitude taken up here is going to stop emigration from the old country of many men—and one finds in speaking to, them that there are many who have made up

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Sir JOSEPH WARD—*cont.*

their minds to go oversea—it will be a very bad policy for the Empire. I am only hoping that public sentiment on the large question of the settlement in the Empire will not be subordinated to parochialism, but will yield to some extent to what one may call necessity.

CHAIRMAN: I do not think there is any fear of that, Sir Joseph. There is a very strong feeling, in some quarters, that our man-power will be wanted for productive purposes, but I think this question will settle itself, whatever may be the views of people in Parliament, or elsewhere. It will be settled by the desires of the men and the opportunities afforded to them in different parts of the world. I put the resolution as amended.

[Carried.]

* * * * *

Cable Communications.

CHAIRMAN: Now the next question is that of Cable Facilities. There is a Resolution of which Sir Joseph Ward gave notice last year. (*At this point Mr. Calder left the Conference Room.*) Mr. Pike Pease is here on behalf of the Post Office, and Sir William Mercer, who is Acting Chairman of the Pacific Cable Board is here to render what help he can.

Sir JOSEPH WARD: The Resolution, Mr. Long, is:—

“That it is in the highest interests of the Empire that the rates for telegraphic communications between the United Kingdom, Canada, Australia, South Africa, and India should be further materially reduced. That there is real necessity for improvement in the news service of the Empire, and that it is essential that Imperial news should reach the various countries of the Empire through British rather than foreign channels. That in order to ensure generally the cheapest and most secure telegraphic communication between the United Kingdom, Canada, Australia, and New Zealand, it is necessary they should co-operate in the provision of a State-owned cable across the Atlantic and a connecting land line from Nova Scotia to Montreal, which should communicate with the line across Canada now leased by the Pacific Cable Board. That it is of vital importance that the United Kingdom, Canada, Australia, New Zealand, South Africa, Newfoundland and India should co-operate in the maintenance and further development of a chain of British State-owned high-power wireless stations within the Empire.”

I do not profess to have the remotest conception of what this war has cost the different Empire Governments in cables since the war started. But I should hazard the opinion that it has cost them ten or twenty millions easily. I would not be surprised to find that since the beginning of the war it runs probably into the latter figure. It is only a general approximation one can make upon an important matter such as this. And though the present period, since the currency of the war, is not a good one from the point of view of making changes, I think it will scarcely be denied that it is a proper time for considering what the Motherland and the oversea countries, including India, should discuss with a view to seeing how far such changes can be made after the war is over.

On the general principles contained in this Resolution I think there cannot be very much difference of opinion. I am referring particularly to that portion of it which states that it is desirable to have a State-owned cable across the Atlantic: between the Motherland and Australia and New Zealand. We do own a Pacific cable, which is a very good cable as far as it goes. But the full value of the State ownership of a cable across the Pacific can never be obtained, in my opinion, until the State owns a line—inclusive of Canada, of course—across the Atlantic. I am bound to say that we people in the oversea countries who have looked closely into this matter from time to time, really because of the fact that we are so far distant from the pulse of the Empire, and the need for cheap and rapid communication has naturally more impressed itself upon the people out there than, in all human probability, it has here. The fact remains that while we have a State-owned cable across the Pacific—for

Sir JOSEPH WARD—*cont.*

which we had a long fight before we got it—we have never had, for some reason, the sympathetic co-operation of the British Government or the British authorities in the matter of obtaining a cable across the Atlantic, or cables across the Atlantic. And to that extent it has to a very large extent mitigated against what many people believe to be the advantages of State-owned cables.

It would be a very queer sort of public man, or official, or private individual, to-day who would suggest that the internal telegraphs or telephones of the British Empire should not belong to the respective Governments. They are all State-owned. One of the Anglo-Saxon races, another country, the United States of America, have their telephones, telegraphs, and cables owned by public companies, but on the point I am urging at the moment there is the very significant fact, cabled over here in the last week, that even in the United States, in the present war period, the Government has obtained power to take over the telegraphs and telephones, at least during the war period. Now I do not suppose it will be contended that from the point of view of general communications over the United States telegraphs and telephones they would be as numerous as they would be under State ownership at much lower rates than privately-owned services charge, and the reason for State ownership, I apprehend, during the war is because to a greater degree efficiency and unity of management are obtained by having one supreme control over those great public services. And, at any rate, apart from the United States, not many people to-day would urge that the telegraphs and telephones of England should be public company-owned or privately-owned, or that they have not given great satisfaction under State ownership. They are one of the branches of the public utility services, in my opinion, whose acquisition can rightly be defended from the nationalisation point of view. The only way in which you can effect large reductions to the users of them is by the State owning them, because the State does not require such high dividends out of them as the private companies do, nor does it require so much provision for depreciation as the public company requires, because the State never ceases to keep its telegraph and telephone lines up to date by way of repairs and replacements out of revenue every year; and the result is that they are in a position from time to time to make great reductions to the public in these necessary public services.

Now I am going for a moment to show what the position of New Zealand is with regard to this matter of cable communication with the outside world. To all parts of Australia we pay 4½*d.* a word; to Great Britain we pay 2*s.* 8*d.* a word; to the principal countries of Europe 3*s.* a word; to the Dominion of Canada 2*s.* to 2*s.* 2*d.* a word, according to the locality; to the United States 2*s.* to 2*s.* 4*d.* a word, according to the locality; to South Africa 2*s.* 7*d.* a word; to China and India 2*s.* 10*d.* a word, and varying rates to other parts of the world. I am one of those who believe in the British Empire; the cables are the greatest engines for drawing us closer together, and that, working from our respective standpoints, we should do all in our power to bring all parts of the Empire closer together; but even though we co-operate, as I hope we will do, and as we must do, in improving our transport services across the sea, I do not believe we will ever have the British Empire brought properly together until we can enable the people at distant parts of the Empire and the people at the centre of the Empire to talk over the cables at the rate which the ordinary man can afford to pay. To-day the person using the cables, outside the Governments, is very largely the business man; it is a very small percentage of the people who belong to the social or industrial world who use the cables; and it is clear that if we are going to get the cables into the position which the telegraphs are in, you will want to have full wires during the 24 hours. It is quite obvious to me, as one who has pretty closely studied the question of telegraphs and telephones, that nothing like the rates which are ruling in England, even with the increase in war-time, or in the oversea countries, could be given by the Governments but for the cheapness which attracts people to use the wires. I am quite satisfied in my own mind, that the way in which the telegraph and telephone revenue is kept up is due to the fact that their cheapness holds out an incentive to the people to use these services every day of the year. I have not the actual position before me, but I think I am right in saying that the cables before the war, to Australia and New Zealand, were not half full, or anything approaching it. It is quite true that during the war, in consequence of Government

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and commercial telegrams connected with the war, and of individual soldiers' telegrams, they have been overtaxed; but this war period seems to me to be a time when we should consider whether the Empire after the war is going to utilise one of the greatest means of bringing about unity, closeness, and cheapness by making this great service State-owned. My own feeling is that it should.

Now those rates that I have given from New Zealand are typical of the rates from other countries. They may, and must, vary, of course, according to distance to some extent. But I look forward to the time when these rates will be down to 6*d.* per word, or even lower; and there is no one can bring this about but the Governments. Public company owners of cables cannot do that, because they cannot run the risk, on behalf of the shareholders who own their businesses, of reducing the revenue, and so materially affecting the value of the shares which these people have bought, and whose money has enabled the companies to be financed. But there are none of the Governments who expect to obtain more than 4 to 4½ per cent. in addition to sinking fund. If it came to 5 to 5½ per cent. it would be a high rate for a Government service to obtain from these services. If you could get the cost of the cables between the Motherland and the oversea countries upon the basis of not having to return a comparatively high dividend to shareholders—which would not be the case if the Government became the owner—and in addition to that, if, as Governments usually do both in relation to railways, telegraphs, and telephones, the services were kept up to date out of revenue, in addition to providing interest and sinking fund on the cost of them, there can be no doubt that the large depreciation such as public companies annually provide now out of revenue would not be necessary.

I want to say that the practical sentimental side ought to come into such matters as this of bringing the great masses of the people closer together. If these rates were now, as they were in the old days, 10*s.* 2*d.* a word, or 9*s.* a word, or, as they were afterwards, 7*s.* 6*d.* a word, and then 6*s.* a word, or whatever the exact high rates were, the ordinary business man would carry out his work, because he would only cable when he had business to do, and he would expect to cover his expenditure by increasing his ordinary business. I do not know what the rate ruling from India is at the moment, though I have the information in my possession, but this question arising to-day came upon me rather suddenly.

Mr. PIKE PEASE: It is 1*s.* 8*d.*

Sir JOSEPH WARD: I am much obliged. Now, what a great thing it would be from the point of view of India, where a general movement has been made, not only by thinking people in India, but by thinking people in the motherland and all over the British Empire, towards alterations in the direction of self-government—what a grand thing it would be for the Empire if we were able to cable from New Zealand to India at 6*d.* a word, or if India could cable to London at 6*d.* a word. Everything regarding cables, telegraphs, and railways, in my opinion, depends upon the rates being made low enough so as to induce the ordinary person, who does not want to travel, and who has not got a business, to use these means of communication and so increase the volume of revenue. That is what we depend upon to make a great success of all similar undertakings. I do not require to give local illustrations, which are much better known to you than to me, but in my own country, until we reduced our railway rates nearly half, they never did much good; and when we brought them down to about half what they were before, we added to the gross revenues of those railways enormously, and to the net revenue very greatly indeed. The history of the penny postage is much the same. I am not going to occupy much time over that; I merely mention it for the purpose of saying that when the Canadian and New Zealand Governments, about the same time, were considering the bringing in of penny postage, I know that in my case, as Postmaster-General in New Zealand, I had all the experienced and high officials in the Department against me, their strong belief being that it could not possibly be made to pay. At that time we were paying 6*d.* for a letter going to England *viâ* Brindisi, 2½*d.* to Australia, 2*d.* between points in our own country; and when I brought in a proposal to have our rate made universally, all over the world, a penny, the high officials in the Department genuinely and honestly believed that it was going to bring about financial disaster. Now, I believed that we were going to recover the whole of our revenue within a

Sir JOSEPH WARD—*cont.*

period of two and a half years—and we did. I remember quite well discussing this matter with Sir William Mulloch, then Postmaster-General of Canada, before they brought in the penny postage system in Canada. I had a long conversation with him, and he held a view similar to mine. He had many people opposing that view. But the experience of Canada in the matter of bringing the postage down to a penny was almost identical with that of New Zealand, and it was the lowering of the rate to that extent which caused not only the business people to send out hundreds of thousands more letters, but brought in also hundreds of thousands of people who had used the Post office very little previously.

I do not, at this stage of the Conference, wish to take up unnecessary time with the advocacy of these proposals, but I want to say that the greatest deterrent to the use of the cables in peace time, from the point of view of the motherland and the oversea countries, is the high rates charged for messages on those cables. I am of opinion, personally, that the British Empire should own the whole of the cables—apart, I mean, from the Pacific cables. I think it would be a perfectly justifiable thing to buy out the existing cable companies, giving the full price of their businesses, and so not causing the shareholders to lose money, and not doing them any injury. As a matter of great State-Empire policy, I believe that it would pay this country to treat them liberally, and to have the whole of the cables between the motherland and the Dominions State-owned and State-worked, just as the Governments of the British Empire are working telegraphs and telephones on the land.

I am not going to propose anything about the proposal in the Resolution regarding wireless. I am sensible of the fact that the organisations at present working over war matters have done, upon battleships and merchant ships, as well as on the land, immense services, and have been of incalculable advantage during the war. That is a matter which may well come up for consideration at a future Conference. I believe that these services should be State-owned as well as the ordinary cables.

I should be glad to see the Conference affirm the view which I have endeavoured to sketch, and which I can only briefly outline to-day.

CHAIRMAN: The Resolution which Sir Joseph Ward moves is the one on page 123 of the published Report of last year's Conference.* (*Mr. Long read the Resolution.*)

Mr. ROWELL: With reference to the Resolution submitted by Sir Joseph Ward, I heartily concur in the views he has expressed as to the importance of cheap cable communication between the different parts of the Empire. Undoubtedly it would strengthen the ties that bind the Empire together if we could facilitate communication between the different parts, particularly those that are more remote one from the other. With reference, however, to the actual Resolution before us, I notice that the second paragraph deals with the question of an Imperial news service, which has been already covered by the Resolution passed by the Conference.† That matter, therefore, is already dealt with.

Sir JOSEPH WARD: Yes. I gave notice of this motion at the previous Conference.

* * * * *

Mr. COOK: I think, in the circumstances, Sir Joseph might let his Resolution go. I agree entirely with what he has said about the importance of this matter to the Empire. I was one of those who were with him, I do not know how long ago—I am almost afraid to say—and we eventually got the Imperial Government to agree to this Imperial cable. I believe, too, in just as much socialism as is necessary to take the whole of these cables over, on defence grounds alone, apart altogether from the question whether it is a better or a worse service. I would take over all the necessary cable communications. I think the Government ought to own the whole of them. But that, of course, cannot be carried through just now, nor can the other project for cheapening the service. Sir Joseph knows well that the tendency is rather to increase the price of these services since the war broke out, and each country is

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† See Resolution IX.

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looking to its means of transportation for additional revenue. So far from cheapness, they have decided to double, and in some cases to treble, the cost of their transport for the purpose of making up deficiency, and Sir Joseph Ward's soul is lacerated as pioneer of penny postage to the Outer Dominions. I cannot understand how he came to put that other halfpenny on; his necessity must have been very great. Altogether, this is no time to think of cheapening these matters of transportation and communication, though I very much regret to say it. But I think, at the same time, the Empire ought to own these means of communication itself, and appropriate whatever revenue is derived from them. With the assertion of my belief in that principle, however, I think that is as far as we need go now, after the explanations made by our friend over here. You have practically got what you set out to achieve by this motion, Sir Joseph, and I think we might at present let the whole matter go.

Mr. BURTON: I agree with Mr. Rowell. It seems to me there is only the first paragraph left, and that we can affirm if it is desirable to do so, although I agree with Mr. Cook that it is not very likely to be carried into practice just now. I think it is rather a pious Resolution. There is not much business in the matter.

Mr. ROWELL: It cannot be done at present.

Mr. COOK: At the first favourable opportunity, Sir Joseph, we will have a go at it.

Mr. LLOYD: I also think it better to withdraw the matter. I agree with the principle, but the time seems inopportune.

Sir S. P. SINHA: I agree with the Resolution, both with regard to the cheapening of the rates and with regard to the ownership of cables; but I am very much afraid it is no good saying they can be cheapened now. It is therefore a pious expression of opinion

CHAIRMAN: If no one else has anything to say, I will ask Mr. Pike Pease, who represents the Post Office, to give us his views.

Mr. PIKE PEASE: Mr. Long, it is impossible, of course, for me to say anything with regard to the potential position. Acquirement of the lines would be a very great question. The present position is that there are 14 cables to Newfoundland and Canada; 13 are controlled by United States Companies, eight by the Western Union Telegraph Company, and five by the Commercial Cable Company. * * * * With regard to the rates which Sir Joseph Ward mentioned, I think there is a chance that we might get the rate to Australia and New Zealand, which is at present 3s. and 2s. 8d. respectively, reduced to 2s. 6d., but the rates have been reduced very considerably in many respects since 1908. For instance, the ordinary rate to Australia in 1908 was 3s. and the Press rate 1s. At the present time the ordinary rate is 3s., the deferred rate 1s. 6d., the week-end rate 9d., the Press rate 7½d., and the deferred Press rate 4½d. Well now, as far as Canada is concerned, the ordinary rate in 1908 was 1s. and the Press rate 5d.; while the ordinary rate to-day is 1s. and the deferred rate 4½d. Then there is what is called a night-letter rate, 3s. for 13 words and 2½d. a word after. The Press rate —

Mr. ROWELL: That is suspended at present.

Sir WILLIAM MERCER: Oh, yes, these are all deferred at present.

Mr. PIKE PEASE: With regard to India, the ordinary rate at present is also very considerably less than it was in 1908. In 1908 the ordinary rate to India was 2s., and the Press rate 1s. The ordinary rate now is 1s. 8d., the deferred rate 10d., and the Press rate 4d. To New Zealand the rates were 3s. and 1s. in 1908, and now they are 2s. 8d., 1s. 4d., and 7½d. or 4½d. The rate to South Africa was 2s. 6d. in 1908, and the Press rate 1s. 0½d. Now the rates are 2s. 6d., 1s. 3d., and 3½d. And I could give various other rates with regard to British East Africa and British West Africa, and the British West Indies. As far as the British Post Office is concerned, naturally I am not in a position to say whether it would be possible to obtain facilities for taking over these various cables which have been suggested this afternoon, but I would point out that in view of the fact that 13 are controlled by the United States, the amount of capital required to take over so many of the lines would be very great. * * * *

Mr. COOK: I remember when that cable was first projected, my idea was that the Dominions should get news at a nominal rate every day from London to Australia, when the cable was not so busy. That has never been carried out, and there is no doubt that down there we feel very much isolated from the cable point of view.

CHAIRMAN: Does anybody else wish to make any remarks?

Sir JOSEPH WARD: Mr. Long, may I remove a misapprehension in the mind of Mr. Pease? I have not suggested that we should purchase the United States cables across the Atlantic at all.

Mr. PEASE: I think it was suggested afterwards.

Sir JOSEPH WARD: Oh, was it?

Mr. PEASE: Yes.

Sir JOSEPH WARD: I recognise that the people of the United States must control their own cables, and I recognise their rights in every possible way. I would not like it to be supposed that I had suggested that there should be any attempt by the British Empire to purchase them in any way, because I do not hold that view.

I want just to say a word or two upon another aspect of this matter that has arisen during the discussion. If Imperial Conferences are going to meet from time to time, and, when great and absolutely Imperial policy questions come up for consideration you are going to defer them upon sentimental grounds, well, that means that the advocates—and I have been one for I do not know how long, 30 years, anyhow—of bringing the British Empire closer together, are going to be continually put off because the time at which proposals of this kind are brought up is said not to be opportune. Now, personally, I do not believe in such a view either as a matter of policy or of expediency. I hold very strongly that the only way to carry out reforms is to carry them out gradually, and that at Conferences such as this, when the time is opportune for the views to go on record, it should be seen by the owners of private cables and by the public at large, that the concentrated view—even if there is no prospect of putting it into operation for the moment—of the representatives gathered from all parts of the Empire is in the direction of bringing about greater cheapness and State ownership. That was my object in submitting this resolution. I fully recognised that during a great war was not the time for this proposal to be put into operation, and I said so, but I believe that as a matter of policy we ought not to wait until the war is concluded, but that we should advocate a reform such as this, the results of which will be so extremely valuable to the Empire, and that we should allow at least the benefit and the value of the opinion of this Conference to go on record with a view to dealing with the matter later on, when the times are better and easier than they are now.

Now, holding those views, I think the Conference might, without any derogation from the opinions which have been expressed by members here to-day, pass that first portion of the Resolution even if it should be regarded by some as a pious resolution. I think that is in the highest interests of the Empire. I gave notice of the motion last year, and on account of pressure of time, I suggested towards the end of the Conference that it might be held over till this year. If it is the belief of every member of this Conference—and I think it is—that we should work in the direction of bringing about greater reduction, then I want to remind the Conference of the fact that every one of those reductions which has been referred to by the British Postmaster-General was only brought about as a result of continuous agitation in the oversea countries. It has been the continuous agitation for the last 25 years that has brought about a reduction from 10s. 2d. a word to 2s. 8d. a word. I am of opinion, as I have said, that we have not yet gone far enough, so that I think with a view to moving further in the same direction, it would be at least a mistake not to reaffirm the necessity and desirability of having cheaper rates.

* * * * *

I want to say a word more, and I have finished. I hope that the representatives of Canada and also of Newfoundland will pardon me for saying—I do not know whether Mr. Lloyd referred to it or not by the way—that the leased land lines * * * do not, in my opinion, carry out the necessary functions of a State-owned cable, and the Pacific Cable Board, which controls very largely the rates ruling

Sir JOSEPH WARD—*cont.*

subject to agreement with the respective Governments whom they represent upon it have no voice whatever in the rates ruling outside the agreement under the leased land lines, and those rates are really fixed very largely by the Canadian Pacific Railway. I think the Canadian Pacific Railway have done good service in allowing the line to be used across Canada, and I have nothing whatever against them—quite the contrary—but if we are going to get the full benefit of a State-owned service between the Motherland and the oversea countries, we require to own not only the Atlantic cables, but the line across Canada to the Pacific, wherever it may be, and you require to have an authority, a central control, to fix rates for messages over the whole line under sea and over land. To-day you cannot fix rates across Canada, and you are to a very large extent losing the benefits of a State-owned cable. I suggest that the first part of the Resolution be carried, and that the third part be carried down to the word “Atlantic.” That certainly is moving ahead. I recognise that we cannot take any action until after the war, and therefore the first part of the Resolution will stand as it is down to the word “reduced,” while the third part will read “That in order to ensure generally the cheapest and most secure telegraphic communication between the United Kingdom, Canada, Australia, and New Zealand, it is necessary they should co-operate in the provision of a State-owned cable across the Atlantic.”

CHAIRMAN: In that case you leave out the second paragraph?

Sir JOSEPH WARD: In submitting this Resolution to-day I made no allusion to the Imperial news service, because that had been already carried while I was absent through illness.

CHAIRMAN: Sir Joseph amends the Resolution by omitting the second paragraph. Is it the pleasure of the Conference that that be omitted? [*Agreed.*] A further amendment is that the third paragraph ends at the word “Atlantic”—all the words from “and” to “Empire” go out. Is that agreed?

[*Agreed.*]

CHAIRMAN: Then the Resolution before the Conference is as follows:—“That it is in the highest interests of the Empire that the rates for telegraphic communications between the United Kingdom, Canada, Australia, South Africa, and India should be further materially reduced. That in order to ensure generally the cheapest and most secure telegraphic communication between the United Kingdom, Canada, Australia and New Zealand, it is necessary they should co-operate in the provision of a State-owned cable across the Atlantic.”

Sir JOSEPH WARD: Yes, leave the last paragraph out.

Mr. LLOYD: And what about the wireless? Is it not on the same basis? Your own suggestion was that it should be dropped on the ground that it was inopportune at the present time. I remarked that it was inopportune at the present time. Surely they are on the same footing.

CHAIRMAN: There can be no harm in putting in wireless.

Sir JOSEPH WARD: I have no objection to putting it in.

CHAIRMAN: It is only the affirmation of a strong view.

Mr. LLOYD: The same thing applies. There is no reason why you should drop the last one if you take the first.

Sir JOSEPH WARD: Thank you very much. Then I will leave that in.

CHAIRMAN: Then it will run on to the word “Empire.”

Mr. BURTON: You still leave out the reference to Montreal?

CHAIRMAN: Yes.

Mr. BURTON: I do not understand paragraph No. 3, but as South Africa is not concerned with this, I shall not say anything.

Mr. ROWELL: Do you see any objection, Sir Joseph, to adding to the first paragraph the words “as soon as practicable”?

Mr. LLOYD: “as soon as feasible.” Let it cover the whole Resolution.

10th Day.]

CABLE COMMUNICATIONS.

[15 July 1918.]

Mr. ROWELL: Then I see no objection to paragraph 3 as modified by Sir Joseph. I suggest instead of the word "necessary" the word "desirable"; * * * * it is desirable that the Dominions should share in it. Make it "desirable" instead of "necessary" in paragraph 3. With reference to paragraph 4, I do not know anything about the present situation. What is the present situation with reference to the provision of wireless stations throughout the Empire? I understood the British Government had plans some years ago with reference to establishing wireless communications in many sections of the world, but that you had not been able to complete them by reason of the war situation.

Mr. COOK: You could leave out the words "it is of vital importance."

Sir JOSEPH WARD: Commencing at "That the United Kingdom"?

Mr. COOK: Yes.

CHAIRMAN: Do you accept those amendments, Sir Joseph?

Sir JOSEPH WARD: Yes.

Mr. ROWELL: Could we have a word as to what the present position is with regard to wireless?

Mr. PIKE PEASE: I am not in a position to state anything about that without notice.

CHAIRMAN: Cannot you tell the Conference the general position?

Mr. PIKE PEASE: I am sorry I am not in a position to make a statement with regard to wireless without notice.

Mr. ROWELL: My position is that I have no information about it, and I have some difficulty in assenting to it without knowledge.

(Mr. Pike Pease here made a statement which was ordered not to be recorded.)

Mr. COOK: We are picking up messages now regularly from Berlin.

Mr. ROWELL: We have established a number of new wireless stations since war broke out, but this is a large matter of policy which I have not discussed with my colleagues.

Sir JOSEPH WARD: I do not want to delay the Conference, and if Canada is asking for time, I am quite agreeable to leave the paragraph as to wireless out.

CHAIRMAN: Very well. Then I put the Resolution as amended.

The Resolution as amended was carried in the following terms:—

"That it is in the highest interests of the Empire that the rates for telegraphic communications between the United Kingdom, Canada, Australia, South Africa and India should be further materially reduced as soon as practicable. That in order to ensure generally the cheapest and most secure telegraphic communication between the United Kingdom, Canada, Australia and New Zealand it is desirable that they should co-operate in the provision of a State-owned cable across the Atlantic."

CHAIRMAN: That is the end of to-day's business. We now adjourn till Wednesday.

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ELEVENTH DAY.

Wednesday, 17th July 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 11 A.M.

PRESENT:

The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).

The Right Honourable Lord FINLAY, G.C.M.G., Lord Chancellor.

Canada.

The Right Honourable Sir R. L. BORDEN, G.C.M.G., Prime Minister.

The Honourable N. W. ROWELL, K.C., President of the Privy Council.

Australia.

The Right Honourable W. M. HUGHES, Prime Minister.

The Right Honourable J. COOK, Minister of the Navy.

New Zealand.

The Right Honourable W. F. MASSEY, Prime Minister.

The Right Honourable Sir JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

The Right Honourable E. S. MONTAGU, M.P., Secretary of State for India.

The Honourable Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.

Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.

Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT:

Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under-Secretary of State for the Colonies.

Mr. W. A. S. HEWINS, M.P., Parliamentary Under-Secretary of State for the Colonies.

Mr. J. S. RISLEY, C.B., Legal Adviser, Colonial Office.

Mr. C. H. L. NEISH, C.B., Registrar of the Privy Council.

Mr. W. R. WALLACE, Chief Clerk to the Judicial Committee of the Privy Council.

Mr. L. CHRISTIE, Legal Adviser, Department of External Affairs, Canada.

Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.

Lieutenant-Commander J. G. LATHAM, Royal Australian Naval Board.

Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.

And Private Secretaries.

11th Day.]

IMPERIAL COURT OF APPEAL.

[17 July 1918.

* * * * *

Imperial Court of Appeal.

CHAIRMAN: Then the Lord Chancellor has been good enough to come for this first motion on an Imperial Court of Appeal. He has an important engagement at 12 o'clock.

Mr. HUGHES: The Lord Chancellor is here in relation to this Resolution of mine?

CHAIRMAN: Yes.

Mr. HUGHES: Very well. If you remember, Mr. Long, in 1916, I set out some views on an Imperial Court of Appeal and left them with your predecessor. I refer, my Lord Chancellor, to that memorandum.*

THE LORD CHANCELLOR: Is that headed "Memorandum on an Imperial Court of Appeal?"

CHAIRMAN: Yes.

Mr. HUGHES: In addition to this Memorandum which I had the honour of presenting to the Colonial Office on the matter, the question has been brought up previously at Imperial Conferences, and representatives of the Oversea Dominions have, in their speeches, and by way of Resolutions, spoken strongly on the matter. I may be pardoned, no doubt, for referring to the matter from the Australian standpoint, although it is not in any sense of the word one that concerns Australia more than any other part of the Oversea Dominions, but the circumstances of Australia are such that the working of the present system has been most unfortunate.

In 1900, when the Commonwealth of Australia Constitution Bill was before the Imperial Parliament, and the question of appeals from Australian Courts to the Judicial Committee of the Privy Council was under discussion between the Secretary of State for the Colonies and the Australian Delegates, Mr. Chamberlain, as an inducement to Australia to accept the appeal, made the suggestion that the House of Lords and the Judicial Committee should be merged in a single Imperial Court of Appeal for the whole Empire--the United Kingdom and the Dominions and other British Possessions alike. Mr. Chamberlain said that nothing would better symbolize the unity of the Empire than that we should have one Court of Appeal. Unfortunately his suggestion fell on stony ground, and nothing has been heard of it. I am not aware whether anything was done with the Memorandum that I had the honour to read here two years ago.

At a subsidiary Conference held in 1901, at which representatives were present from the Dominions, India, and the Crown Colonies, this proposal was discussed. It is reported in Parliamentary Paper [Cd. 846]. The Australian representative, Mr. Justice Hodges, supported it; but it had not at that time received serious consideration from the other Possessions; and in the result a majority of the Conference recommended that the appeal to the Judicial Committee should continue, but that the Self-governing Colonies should be represented on the Judicial Committee, and that arrangements should be made for a larger attendance of Lords of Appeal at its sittings. Three members of the Conference, including the representatives of Australia, and of New Zealand, signed the report subject to the understanding that they favoured the establishment of a single Imperial Court of Appeal.

At the Imperial Conference of 1907, Mr. Deakin, representing the Commonwealth of Australia, submitted a resolution "That it is desirable to establish an Imperial Court of Appeal." This was discussed, but proved again not to be ripe for decision.† Sir Wilfrid Laurier thought that Canada as a whole was satisfied with the Privy Council, though he admitted that there was not unanimity on the subject. The South African Premiers were, for the time being, chiefly concerned in a scheme of

* See pp. 243, 244.

† [Cd. 3523], pp. 200 ff.

Mr. HUGHES.—*cont.*

their own for establishing a Supreme Court for South Africa, without waiting for full political union.

The only outcome of this Conference was an Act of 1908, which increased the number of the Dominion judges, who might, if eligible, sit on the Judicial Committee of the Privy Council.

At the Imperial Conference of 1911 notice was given by the Commonwealth of Australia of the following Resolution:—"That it is desirable that the Judicial function in regard to the Dominions now exercised by the Judicial Committee of the Privy Council should be vested in an Imperial Appeal Court, which should also be the final Court of Appeal for Great Britain and Ireland."

Notice was given by the New Zealand Government of the following Resolution:—"That it has now become evident, considering the growth of population, the diversity of laws enacted and the differing public policies affecting legal interpretation in His Majesty's Oversea Dominions, that no Imperial Court of Appeal can be satisfactory which does not include judicial representatives of these Oversea Dominions."

The Commonwealth Resolution was moved by Mr. Fisher. In the course of the discussion, Lord Loreburn appeared to be prepared to agree to any alterations in the Constitution of the Judicial Committee which the Colonies might desire, but not to be prepared to make any change in the personnel of the House of Lords as a Judicial Body; and Lord Haldane interpreted the Lord Chancellor's proposal as really to make one Court, and to keep the old forms.

As a result of the discussion Mr. Fisher withdrew his Resolution and submitted the following:—

"That having heard the views of the Lord Chancellor and Lord Haldane, the Conference recommends that the proposals of the Government of the United Kingdom be embodied in a communication to be sent to the Dominions as early as possible."*

This resolution was then agreed to, but it does not appear that the proposals of the Government of the United Kingdom have ever been formulated as suggested.

A Colonial Office Memorandum on the subject is also printed as an appendix to the proceedings.† The matter is mentioned again in the Colonial Office Report for 1913-14 relating to the self-governing Dominions.‡

In 1916 I prepared and signed a memorandum on this subject (dated 16.5.16).§ It does not, however, as I have already said, appear from the reports of the Imperial Conference of 1917 that the subject was brought up before the Conference.

Now, then, I come to the case for an Imperial Court. This matter has been repeatedly pressed by Australia because of a strong conviction that it is not only important in itself, but that it has an important bearing on Imperial relations. The existence side by side of two supreme tribunals of appeal—one for appellants in the United Kingdom, the other for appellants resident in other parts of the Empire—is not compatible with the idea of Imperial unity.

There should be one final Court of Appeal for the whole Empire—a Court on which Dominion as well as British judges are not only qualified but available to sit; and to which appellants from all parts of the Empire should have recourse.

Now I want to direct your attention, my Lord Chancellor, to what I said in my memorandum of 1916. I want to point out that we do not ask for representation on the Imperial Court of Appeal as a sop, as a recognition. We do not ask you to put our judges there in order to placate us. Our request is made, not as a matter of grace, but as a matter of right and common sense. We do not want a Canadian judge or an Australian judge, or a New Zealand judge put on to the Court because he is a Canadian, an Australian, or a New Zealander, but because he is a very capable man. We want, in short, to be treated exactly as Scotland, and England, and Ireland, and Wales are treated in this country; not to have a Dominion judge sitting in certain cases like some rare exotic, enrobed and placed for the time being where he is in a position, at any rate, to hear those who are in authority, even if he does not venture

* [Cd. 5745], pp. 214 ff.
 † [Cd. 7507], p. 6.

‡ [Cd. 5746-1], p. 229.
 § See pp. 243, 244.

Mr. HUGHES—*cont.*

an opinion himself, but to have Dominion judges who are part of the Court, and an integral part, so that there shall be no sensible and real distinction between those who come from the Dominions and those who come from these islands.

Now there is every reason to believe that if steps are not taken to place the appellate system of the Empire on a basis which embodies these fundamental principles, the alternative, sooner or later, will be the progressive limitation and ultimate disappearance of the appellate jurisdiction of the Privy Council as regards the Dominions. I want to emphasise that. You will remember, perhaps, that we in Australia had so determined—we had really cut out the Judicial Committee of the Privy Council altogether. We were induced, by the exercise of those rare powers of persuasion which the statesmen of this country have, to reconsider our somewhat hasty decision, and to grant the right of appeal; but I say that the tendency is centrifugal and not centripetal, and you will strain these ties to the breaking point unless you clearly recognise the equality of status, which under the present system you do not.

There has been a tendency of late years in the Dominions to limit the appellate jurisdiction of the Judicial Committee. Thus the Commonwealth of Australia Constitution excludes any appeal from a decision of the High Court on a certain class of constitutional questions unless the High Court certifies that the question is one which ought to be decided by the Privy Council, and both the Australian and the South African Constitutions abolish altogether the appeal as of right, and empower the Dominion Legislature to limit the matters in which the prerogative right of granting a special leave to appeal may be exercised.

One reason for this tendency is clearly that the present system of appeal is not regarded by the Dominions as satisfactory. The idea of an Imperial Court of Appeal—the apex of the whole Judicial system of the Empire—is one that inspires enthusiasm and finds support from reason. But the Judicial Committee never did, and does not now, embody that idea; and in spite of the eminence of the Judges composing it, it does not enjoy throughout the British Dominions that confidence which is essential to its survival.

In the first place, it is not an Imperial Appeal Court at all. It is only a Court of Appeal, in England, for the Colonies, which is a very different thing.

Sir ROBERT BORDEN: For India and for the Channel Islands, and for certain appeals in the United Kingdom also, I think.

Mr. HUGHES: Well, I am not going to split hairs. For those millions of British subjects who live in the United Kingdom, there is no appeal to the Privy Council, except in a special jurisdiction such as Patent cases. So that we have two co-ordinate final Courts of Appeal—the House of Lords for England, and the Judicial Committee for the British possessions abroad. The decisions of the Judicial Committee are not binding on the House of Lords. And where—as occasionally happens—the decisions of the Judicial Committee and of the House of Lords are at variance, a Colonial Court must follow the Judicial Committee, whilst an English Court must follow the House of Lords. This dualism cannot be defended as having any Imperial value. It has been suggested that the dualism is more apparent than real because the membership of the Judicial Committee has been extended to include all persons who are entitled to sit judicially in the House of Lords. But this is not convincing. When the two Courts sit at the same time, the whole of their joint personnel cannot be available for each; and there is a prevalent impression that the House of Lords is regarded as having the first claim. Whether that impression is correct or not, it can hardly be doubted that, in the estimation of lawyers, the House of Lords stands higher as a Court of Appeal.

Nor can the Dominions regard the Judicial Committee in itself as being Imperial in its membership. It is true that, in answer to criticisms on this point, the membership includes a limited number of Judges or ex-Judges of Dominion Courts, if they happen to be Privy Councillors. But this provision is almost entirely ineffective, because no provision is made for their payment. For instance, Sir Samuel Griffith and Sir Edmund Barton, Justices of the High Court of Australia, are both members of the Judicial Committee. But they are not ordinarily available for that purpose—

Mr. HUGHES—*cont.*

though Sir Samuel Griffith, when in England for a few months on furlough, some years ago, utilised his holiday by sitting in a few Appeals.

An Imperial Court of Appeal, to be worthy of the name, should have Dominion members who are paid and available in the same way as the British members and the Indian members of the Judicial Committee. They must have the same salary, and the same status as the British members.

Another fact that emphasises the dualism of the present system is that the judgment of the Judicial Committee is collective and does not disclose whether the report is unanimous, whereas in the House of Lords each Judge gives his opinions and reasons. Each system has its merits, but it is quite anomalous to have both systems in use, one for Great Britain and the other for the Dominions. And the anomaly, as it happens, tells against the Judicial Committee. If there were only one final Court of Appeal it would not matter so much which system was adopted, the system of individual judgments or the system of collective reports. But where there are two such Courts and one gives individual judgments and the other collective reports, the latter shows to disadvantage. The reasoning on which a decision on the House of Lords is based is open to inspection and analysis. A report of the Judicial Committee, though it purports, of course, to give the reason on which the conclusion is based, tends naturally to be less precise in its enunciation, to present a "composite photograph" of the views of the concurring majority, with the high reliefs toned down. Naturally, therefore, its reasoning tends to carry less weight.

Especially in relation to its decisions on the Commonwealth Constitution, the Privy Council has not proved a satisfactory tribunal. That Constitution has special features of its own—features which differentiate it from the Canadian Constitution, and some of which bear closer resemblance to the Constitution of the United States. It is a complex instrument, almost every line of which has its roots in Australian history, and bears the marks of an ultimate compromise between conflicting views. The eminent Judges ordinarily available on the Judicial Committee, for all their legal learning and judicial experience, have not among them a single man who is intimately familiar with this Constitutional document, or with the vital processes underlying it, a knowledge of which is, in the case of any Constitutional document, necessary to a full appreciation of both letter and spirit.

Australia's experience of the Privy Council in constitutional cases has been, to say the least of it, unfortunate. It began with the State income tax cases in which the question was as to the constitutional power of the State Parliaments to tax the salaries of Federal officers. The Australian High Court, in considered judgments, decided against the power and refused to certify, under Section 74 of the Constitution, that the question was one which ought to be decided by the Privy Council. Means were found by the State Governments, however, of getting to the Privy Council an appeal from the State Supreme Court, behind the back of the High Court, and the Privy Council decided in favour of the State power, a decision which the High Court refused to follow. It is not only that the Privy Council differed from the High Court on a question on which the Constitution made the High Court the final arbiter; a more serious matter was that the Privy Council judgment gave good grounds for suspecting a want of familiarity with the fundamental principles of the Constitution.

A more striking instance of this was the more recent Royal Commission case, *Colonial Sugar Refining Company v. Brown*. In that case the High Court had certified that one specified question was proper to be decided by the Privy Council, namely, the question whether the Federal Parliament could empower a Royal Commission to compel answers to questions relating to matters not within the direct legislative sphere of the Federal Parliament. The Privy Council, however, went quite outside the scope of the certificate, and dealt with constitutional matters which had not been referred to it. Its decision is one which must have caused great embarrassment and confusion, if it were not for the fortunate fact that the reasons for the Judicial Committee's decision are stated in such a way that no court and no counsel in Australia has yet been able to find out what they were. That is what must happen when a tribunal on the other side of the world, no matter how eminent

Mr. HUGHES—*cont.*

and experienced its members may be, has cast upon it the duty of interpreting a complicated constitutional document with the history and principles of which no member of the court, and perhaps no counsel practising before the court, is especially familiar. If you extend those remarks to the circumstances of South Africa, of Canada, or of New Zealand, additional weight will be lent to them.

Sir ROBERT BORDEN: Is not that rather an argument that each Dominion ought to determine its own constitutional questions?

Mr. HUGHES: But where? We have to deal with the facts as they are. If you propose to abolish the right of appeal absolutely in all cases, that is a reasonable alternative to the present proposal. But if you allow the right of appeal, then there ought to be one Court of Appeal for the Empire, and on that Court of Appeal judges ought to sit who know something of the circumstances of the Empire and of those parts from which the litigants come.

Attempts have been made, without much success, to cure the weakness of the present system by removing some of the superficial symptoms, by minor reforms directed to the personnel and procedure of the Judicial Committee. The disease lies deeper. What is wanted is a radical change of system, the substitution of one final Court of Appeal, properly Imperial in structure. Whether it should be developed from the House of Lords or from the Judicial Committee, or whether it should be a new tribunal compounded of both but purely judicial in form as well as in substance, and dissociated from both the Legislature and the Executive, are questions for consideration when the general principle has been accepted. Logically it would appear that preference should be given to a new Court of Appeal, purely judicial in form, which is neither an Advisory Board like the Judicial Committee of the Privy Council nor yet a legislative chamber like the House of Lords.

It is important that the matter should be dealt with now, while Imperial relations are in a plastic state. If its consideration is left over till dissatisfaction with the present system has atrophied the jurisdiction of the Privy Council—and as regards some of the Dominions that may well happen within no great period of time—an important and significant link of Empire will have been lost.

Perhaps it is hardly necessary to add—but Mr. Burton mentioned this matter to me yesterday—that the proposal which I have made does not contemplate any change in the restrictions and limitations which are embodied in the Constitutions of different Dominions, for example, in those of the Commonwealth of Australia and in the Union of South Africa—upon the right of appeal from the Courts of those Dominions. So far as the decisions of those Courts are final at present, they would remain final under the proposed change. What is proposed is not to enlarge the right of appeal beyond its present dimensions; but, where the right of appeal from a Dominion Court exists, that it should go to a Court which is Imperial in its constitution, and which is the Court to which all British subjects, wherever they may reside, have access as the final appellate tribunal. And that tribunal should comprise representatives of the whole Empire, and there should be no distinction between judges of the United Kingdom of Great Britain and judges of the Dominions Oversea.

Now, very shortly, without enlarging further upon the matter, that is the position which I submit to you for your consideration and of which I ask your acceptance. The present system is most unsatisfactory. It is not Imperial; it is the very negation of an Imperial system. It is one of those glaring anomalies which have grown up under our system of developing an organ to suit the circumstances as they arise from time to time. Now, here is an organ which is clearly atrophied.

I wish to call attention to one thing which I have omitted. I commend this to your notice, my Lord Chancellor. This is an extract from the proceedings of the Court of Appeal of New Zealand in 1903, arising out of a certain decision of the Privy Council, which bears directly on this matter. It is a resolution of the final Appeal Court of New Zealand: "That the decisions of this Court should continue to be subject to review by a Higher Court is of the utmost importance. The knowledge that a decision can be reviewed is good alike for judges and litigants. Whether, however, they should be reviewed by the Judicial Committee as at present constituted is a question worthy of consideration. That Court, by its

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“ imputations in the present case, by the ignorance it has shown in this and other cases of our history, of our legislation and of our practice, and by its long-delayed judgments, has displayed every characteristic of an alien tribunal. If we have spoken strongly, it is because we feel deeply. And we speak under grievous and unexampled provocation.”* Now, I venture to say it is very seldom a Court has felt called upon to make remarks of so strong a character. I have quoted to you something of the case of the Colonial Sugar Refining Co. v. Brown and of the income tax cases of Australia. No doubt one could multiply instances, but these are directed against the Judicial Committee as such. It may be alleged that its defects could be cured by a change in the personnel. But I submit, Sir, that the defect I have urged lies much deeper than this, and that there is only one remedy—that there should be one Court of Appeal for the Empire. I am not saying that the House of Lords should be that Court of Appeal. I am of opinion that what we want is neither the Judicial Committee of the Privy Council nor the House of Lords, but an Imperial Court of Appeal purely judicial in its functions and independent of either of those bodies.

I beg to move the Resolution which stands in my name :—“ That the Conference is of opinion (1) that there ought to be established one Imperial Court of Appeal as the supreme tribunal for appellants in all parts of the Empire; and (2) that this Court should comprise members from the Dominions with the same status and pay as the members from Great Britain, and continuously available for judicial duty.”

CHAIRMAN: Do you move them together, as a whole?

Mr. HUGHES: Oh, yes: unless it is desired by the Conference to take them separately.

CHAIRMAN: It would be more convenient, I think, to take them together. The Lord Chancellor will have to leave early.

The LORD CHANCELLOR: I have a long-standing engagement with the Home Secretary.

Sir ROBERT BORDEN: I would have said something now, but I will postpone my remarks until after the Lord Chancellor has spoken.

The LORD CHANCELLOR: I should naturally have given place to you, Sir Robert, because I wanted to hear what you had to say, but under the circumstances I may perhaps say a few words.

I think everyone must sympathise with the idea held out in this Resolution, that there should be one Court of Appeal for the whole Empire. It is a great ideal, and one cannot fail to be captivated by it. Of course, as regards carrying it out, everything must depend upon the way in which it is worked out in detail, and I should not like to express any definite opinion until I had the details of the proposed scheme before me. I have had taken out for the year 1916 an analysis of business before the Judicial Committee, and I find that in that year—I am taking the figures in the order in which they appear in the paper—there were 10 days occupied in hearing appeals from Australia.

Sir ROBERT BORDEN: How many cases, My Lord Chancellor?

The LORD CHANCELLOR: Well, the cases in 1916 were six; but this return, I am told, is of appeals entered, not actually heard, so that there may be some danger of confusion in that. But here we have got the days taken. There are 10 from Australia, Canada 35, Newfoundland 1, New Zealand 4, South Africa none, India 107, the Crown Colonies 13, and then under the special jurisdiction of the Prize Court, which of course will die away when the war is over, 25, so that we will leave that out of account. Now, taking first India, the Conference will see that India contributes half, and sometimes more than half, of all the appeals before the Privy

* See “ Proceedings in the Court of Appeal of New Zealand with reference to comments made upon that Court by the Judicial Committee of the Privy Council in the case of ‘ Wallis and others, Appellants, and His Majesty’s Solicitor-General for the Colony of New Zealand, Respondent.’ ” Dunedin, 1903.

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Council, and for the hearing of Indian appeals the presence of judges who are experts in Indian law, and have special knowledge of that subject, is absolutely essential. I do not say that they should sit alone. I think the strongest tribunal is one composed partly of experts in Indian law and partly of those familiar with the general aspects of law and who sit in other appeals. But it would not be necessary that the experts in Indian law should sit on all other appeals—appeals, say, from Canada, from Australia, or from South Africa. I do not suppose that that would be desired, and what I wish to point out is this—that there must be a certain amount of selection with regard to those who, in respect of special qualifications, should be present and hear the appeals from particular Dominions. I do not want to put any questions as to detail, but would it be desired that those whose presence is necessary in Indian appeals should sit in all the other appeals from all parts of the Empire? I doubt its being either necessary or desired.

Now take Australia. Mr. Hughes has spoken with very great force about constitutional questions from Australia. Well, I agree with him in thinking that it is most desirable that there should be present, when appeals from Australia come up, a judge of eminence from Australia, qualified, from his experience there, to deal, as an expert, with any matters which have special Australian features about them. The same thing may apply to Canada, and, of course, you have got in Canada this peculiar feature. You have got the French law in Quebec; you have got what, speaking broadly, is English law subject to statutory qualifications in other Provinces. Well, Quebec, of course, would have a strong claim for separate representation on matters of Quebec law, as Scotland has for a member of the supreme tribunal on appeals from Scotland, the Scotch law, as we are all aware, being different from the English. But then you have got the whole of the rest of the great Dominion of Canada, and probably the matter could be adjusted by arranging, if it is desired by the Dominion of Canada, that on the hearing of Dominion appeals, there should be present some judge of eminence selected from Canada.

Mr. HUGHES: That is what I deprecate altogether. I could not agree to that at all. What you are saying is that we should have a sort of assessor or adviser—somebody who will assist the judges as to the facts and the law. And that is not what we want. We want a tribunal.

The LORD CHANCELLOR: I am not making any definite proposal, but emphatically what I am suggesting, if possible, is not what Mr. Hughes understood me to say. I did not suggest an assessor in any sense. I suggested a member of the tribunal in the fullest sense, with an equal voice with the others, but he would have that special capacity for dealing with matters affecting his own Dominion which those who come from the other parts of the Empire would not have.

Mr. HUGHES: And would a judge from, say, Australia, hear only Australian appeals?

The LORD CHANCELLOR: Well, of course, that would be a matter for adjustment. You would find a great difficulty if you provided that every judge who came from any part of the Empire was to sit on all cases from all parts of the Empire.

Mr. HUGHES: Yes, I see that.

The LORD CHANCELLOR: I am not expressing any formal plan because, as I said, the thing has not yet been worked out in detail. I have only thought it respectful to Mr. Hughes and to the Conference to state what occurred to me as Mr. Hughes was speaking.

Mr. HUGHES: You are speaking of the Judicial Committee now?

The LORD CHANCELLOR: I am speaking of the Judicial Committee.

Mr. HUGHES: Oh, well, I am against that.

The LORD CHANCELLOR: Then, of course, there is the question involved in this Resolution of the fusion of the House of Lords and the Judicial Committee into



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one supreme court. That, of course, is a question of enormous importance. It is a most attractive idea, and no one can help being fascinated by it; but it does require most careful working out in detail.

Sir ROBERT BORDEN: Might I ask a question, my Lord Chancellor? It is my impression that the Chief Justice of Canada has come over here to sit as a member of the Judicial Committee of the Privy Council, and that he has sat on cases other than those which have come from Canada.

The LORD CHANCELLOR: Oh, yes.

Sir ROBERT BORDEN: In that case he has been regarded as a member of the Judicial Committee in every respect.

The LORD CHANCELLOR: In every respect—on a footing of absolute equality; and the same thing has applied to the very distinguished judge from Australia.

Mr. HUGHES: My Lord Chancellor, is not that exactly the same as the extension of the Roman franchise to all the Italians? They had the franchise, but they had to go to Rome to vote; it was worth nothing. What is the good of saying to Sir Samuel Griffith, "You are a member of this court"? He is 14,000 miles away. He cannot get there.

The LORD CHANCELLOR: But some arrangement would need to be made, in the case of a member from Australia, for having cases fixed at a particular time when he could be here, if he were not already resident in this country; or we might have cases of very eminent judges who might come to reside in this country when their judicial career in Australia had come to an end. But what I am very strong over is that any representatives on the tribunal from the Dominions should sit there on a footing of absolute equality with the other members. And of course, for convenience, if a case came on while they were there, or while they could easily attend, they might sit on a case from another part of the Empire on which they might be of great use. But the point I wished to make was that there may be many cases where the presence of one with special experience of a particular Dominion may be essential on matters from that Dominion.

Mr. HUGHES: You have not dealt at all with the question—beyond saying that it is an extremely difficult one—of having one Court of Appeal. Your remarks have been chiefly directed to remedying the obvious defects of the Judicial Committee. In short, does it not amount to this—that you admit all that has been said by way of criticism of the Judicial Committee? You do not deny, for example, the case of New Zealand; you heard what the court said there. I never heard of a case where a court said anything like that before. As to the suggestion of Dominion judges visiting England for particular sittings—how can an Australian or a New Zealand judge do this? Of course it is all very well for Canada.

The LORD CHANCELLOR: I do not wish to be misunderstood. I do not in the slightest degree admit the justice of the criticism of the judge which was quoted in that New Zealand case with regard to the Judicial Committee of the Privy Council. What the particular case was I do not know, but I am perfectly certain that the Privy Council has never deserved to be spoken of in the terms which were quoted. I do not want to go further into the matter.

Mr. HUGHES: I am not saying that the New Zealand criticisms were deserved.

The LORD CHANCELLOR: I should not have referred to it unless Mr. Hughes had said that I admitted the truth of everything that had been said about the Privy Council.

Mr. HUGHES: I must not be held to agree with that in any way. I am only saying that the statement is there on record; and, as far as the position in our own case is concerned, it is a fact that the Judicial Committee do not understand our law, and they have gone outside the ambit of their authority.

The LORD CHANCELLOR: I think it would be most desirable that, on hearing cases from Australia, there should be present a judge with special Australian experience; and Sir Robert Borden knows better than I do how far

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that is desirable in the case of the great Dominion which he represents. I need not pursue the thing further in detail, and I am not going to hazard any extemporary plan for the fusion of the House of Lords and the Privy Council. It is a great idea, and I wish it could be realised; but it does require most mature consideration. I have not heard any scheme sketched on the subject, and it would be rather rash if I were to voice any ideas that may occur to my own mind. I reserve what I have to say until the matter is in a more mature state.

Mr. HUGHES: It has now been discussed for many many years.

Mr. BURTON: The Resolution is one of principle, my Lord Chancellor, as you see, and it is on the principle of the thing that I should like to have heard what your view was. Without going now into the details of any practical scheme to set up such a tribunal, this Resolution before us now affirms the desirability of one such tribunal for the whole of the Empire.

The LORD CHANCELLOR: I am very favourable to the idea, but of course, with ideas of that kind, everything depends on how they are worked out; and, until one is faced with a concrete proposal, I think it would be very rash to express a definite opinion one way or the other.

Sir ROBERT BORDEN: Mr. Chairman, this subject came up for discussion in 1911 at the Imperial Conference of that year. I have not had the opportunity of refreshing my recollection by recent perusal of what was then said. I do recollect, however, that Canada was not in favour of this proposal at that time, and, without more mature consideration, I should not be at all inclined to depart from the position which Canada then assumed. The statement which Mr. Hughes has made is a very interesting one indeed, and it affords much ground for careful consideration of his proposal. But I have seen his Memorandum for the first time to-day, and I saw his Resolution for the first time about 24 hours ago. It seems to me that it is far too important a subject to be dealt with in that off-hand manner, and I should not care to vote for the Resolution without more consideration than I have been able to give to it yet. There is, of course, this consideration—that perhaps we in Canada, on account of our proximity, are in a better situation with regard to representation of the character that has already been established than other Dominions which lie at a much greater distance. So far as we are concerned, it is quite possible for the Chief Justice of the Supreme Court of Canada to sit at any time in the Privy Council when his judicial duties in Canada will permit of his absence. I have always understood that when he does sit there it is on a basis of absolute equality with the other members of the Judicial Committee.

The LORD CHANCELLOR: Oh, certainly—absolutely.

Sir ROBERT BORDEN: With respect to what Mr. Hughes has said as to the desirability or otherwise of dissenting opinions in the Privy Council, we had that subject under consideration in 1912, and the Minister of Justice made a recommendation to the Council which was communicated to the British Government at the time, and in which we expressed the opinion that in our judgment it would be undesirable that the Judicial Committee should depart from the practice in that respect which had prevailed hitherto. I realise the anomalies which Mr. Hughes has stated. I believe the decisions of the Privy Council are not regarded by the English courts as binding upon those courts. That is the case, is it not?

The LORD CHANCELLOR: They are not regarded as binding upon the English courts. Of course, they are binding upon the courts whose decisions are appealed from.

Sir ROBERT BORDEN: And sometimes we have this anomaly, that a decision of the House of Lords which is binding upon English courts, and a decision of the Privy Council which is binding upon the courts of the various Dominions, may not be entirely consistent. I am a good deal impressed by what has been said by the Lord Chancellor with regard to the necessity of a flexible constitution of the Judicial Committee of the Privy Council. That court, if one may call it a court, has probably a wider range of jurisdiction in respect of subjects that come before it than any court in the world. It has to interpret the English Common Law

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in force in the various Dominions of the Empire; it is called upon to interpret the Statute Law of all the Dominions of the Empire; it is called upon to interpret the Civil Law of the Province of Quebec and elsewhere; it is called upon to pronounce upon the Dutch Law in South Africa, I presume. And in addition to all that it is in very many cases called upon to pronounce upon an amazing range of laws and customs in India. The appeals entered in the Privy Council during the years 1911 to 1917, both inclusive, are as follows:—From Australia, 45; from Canada, 180; from Newfoundland, 6; from New Zealand, 18; from South Africa, 3; from India, 514; from the Crown Colonies and miscellaneous sources, 113. I omit altogether the appeals from the Prize Courts which, during the past three years, have numbered 72. Therefore, omitting the Prize Courts, we find during that period 879 appeals entered in the Judicial Committee of the Privy Council, of which 514 came from India and 180 came from Canada.

Mr. HUGHES: Does a judge of your country sit on all those?

Sir ROBERT BORDEN: I do not think that any judge from Canada has sat in the Privy Council since the commencement of the war. Before that, Sir Henry Strong, then Chief Justice of the Supreme Court of Canada, and latterly Sir Charles Fitzpatrick, now Chief Justice of the Supreme Court of Canada, have sat nearly every year, I think, in the Judicial Committee. I realise perfectly that we have opportunities on account of our proximity in that respect which are not enjoyed by other Dominions, and I do not wish to be understood as putting our convenience forward as a convincing reason why no change should be made. I am merely giving my experience in reply to your question.

The LORD CHANCELLOR: I think a judge from Quebec sat for some time.

Sir ROBERT BORDEN: Yes, I omitted to mention Sir Henry Taschereau, who was for some time Chief Justice of the Supreme Court of Canada.

The LORD CHANCELLOR: I have had the honour myself of arguing before him.

Sir ROBERT BORDEN: Now with respect to the whole question of Appeal Courts, I am inclined to think that according to opinion in Canada we really have about enough of them. Perhaps we may have too many of them.

Mr. HUGHES: That is what I am coming at now; you may have too much of them.

Sir ROBERT BORDEN: Yes, you have had some experience of the same kind in Australia, but I think you have come through very well. I hope our courts may be wisely guided along the same lines. However that may be, I think we have just about enough Appeal Courts, and I think the tendency in our country will be to restrict appeals to the Privy Council rather than to increase them. As a matter of fact, I believe the opportunities for appealing from Canadian courts are greater than they are from the courts of other Dominions.

With respect to the status of the Privy Council and its decisions, I think that its decisions command the confidence of the Canadian people and of the Canadian Bar. It is perfectly true that there have been criticisms of them from time to time, but there are also criticisms of the judgments of our own courts. I suppose that is true in all the Dominions. On the whole, however, I have not heard any general or widespread expression of dissatisfaction with the judgments of the Privy Council. Mr. Rowell, who has more recently practised at the Bar than I, will speak with more authority than I could on that subject. I think Mr. Hughes might let the matter rest until we can give the subject more consideration, because as it stands at present, with the little opportunity we have had, I should hardly like to commit myself to his proposal.

Mr. MASSEY: I am somewhat at a disadvantage in this, Mr. Long, because I believe I am the only member of the Conference left to take part in this discussion who is not a lawyer. I have listened with a very great deal of interest to what has been said by Mr. Hughes in moving the motion standing in his name, and have also

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heard with a great deal of attention and interest what has been said by the Lord Chancellor and by Sir Robert Borden. Of course, I have to look at this matter from my own point of view, that is, from the point of view of New Zealand, and I should just like to say that, as far as New Zealand is concerned, I know of no agitation or demand for any reform or amendment of what is looked upon—looked upon, I say—as an Imperial Court of Appeal. That does not say, however, that no amendment is possible, and I do not suggest that for one moment. As a matter of fact, I was very much impressed with the argument put forward by Mr. Hughes, and the opinion expressed that there should be one Imperial Court of Appeal for all the citizens of the Empire. Apparently that is not the case at present, as the Court of Appeal provided for the citizens of the British Dominions differs from the Court of Appeal provided for British citizens in the United Kingdom. I was very glad to notice that the Lord Chancellor admitted that an improvement was possible there, and that there should be one Imperial Court of Appeal. That far I go with Mr. Hughes without any reservation or qualification whatever.

I noticed with a certain amount of interest the reference made to the opinion expressed of the Privy Council by the Court of Appeal in New Zealand. As a matter of fact, I had forgotten the case. It is a very old case. It came on in 1903, and attracted a very great deal of attention in New Zealand at the time. It was a particularly complicated case arising out of a grant of land which had been set apart by the native owners in the early days in New Zealand for the purpose of establishing a school or college—I am not quite sure which it was, but at all events, it was intended for the education of young men of the native race. As time went on, however, most of the natives left the locality, and the land was never used for the purpose for which it was set apart. I do not recollect in what way the case came before the Supreme Court, but, at all events, it was defended by the Trustees, who happened to be representatives of what is generally spoken of, in New Zealand at all events, as the Church of England—the Anglican Church. The case came before the court, and the Supreme Court of New Zealand gave judgment against the Trustees. I am speaking from memory, and subject to correction. Before it went further, however, it came up again and an amendment was made. Now, there my legal knowledge fails me, and I am not able to explain this, but an amendment was made by the Chief Justice and a highly respected and experienced judge, Judge Edwards. In that form it was appealed against by the Trustees, and the Appeal went to the Privy Council. The Judicial Committee of the Privy Council seem to have detected what they thought was a want of independence on the part of the Supreme Court, and especially on the part of the judges who made the amendment, the Chief Justice and Mr. Justice Edwards, and they expressed themselves in very plain terms with regard to it. I have turned the case up, and I just want to quote about half a dozen lines. This is Mr. Justice Williams speaking, who, by the way, afterwards became a member of the Judicial Committee of the Privy Council himself. He says:—

“After our judgment had been delivered an amendment was made by a court consisting of His Honour the Chief Justice and Mr. Justice Edwards, and with the consent of the parties, for the purpose of raising the point, if necessary, before their Lordships on Appeal. Their Lordships criticised the amendment severely. It is ‘derogatory to the court.’ One of its propositions ‘is not flattering to the dignity or independence of the highest court in New Zealand.’”

I emphasise that.

Well, I am not going to quote further. Naturally, I suppose—because after all, judges are only human—the members of the Appeal Court in New Zealand were very much annoyed at the adverse criticism which had been advanced by the members of the Judicial Committee of the Privy Council, and they replied in the language quoted by Mr. Hughes, and which I am bound to say was very strong and very plain. I am not going to take any part in what appears to have been a quarrel between the Appeal Court in New Zealand and members of the Judicial Committee of the Privy Council in England. I am simply stating the case as it appears to me. The thing, however, has been almost forgotten. Possibly there was an error of

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judgment on both sides, and I can only come back to where I started and say that, as far as I know, there is no strong demand, at all events, for any reform or improvement in the Judicial Committee as it is constituted to-day. On the contrary, confidence has been expressed, to my own personal knowledge, over and over again in the Judicial Committee of the Privy Council. I had some personal experience of the Judicial Committee some few years ago, and though the case went against me, I accepted the judgment and left it at that. I certainly did not express any want of confidence.

Reference was made in the motion to the necessity for a representative from each of the Dominions, but I noticed from the statistics quoted that New Zealand had had only in one year four cases before the Privy Council. Well, it would be scarcely worth our while to send a judge from New Zealand for the purpose of hearing four cases or anything like that number. Judge Williams, by the way, the learned judge referred to in the extract I have already quoted, retired some time afterwards from the Supreme Court in New Zealand and came over and lived in England. He was not a Chief Justice, but he was a Puisne Judge, a man of long experience, highly respected, and when he came to live in England, the Government at the time requested the Authorities here to appoint Judge Williams to sit on the Judicial Committee of the Privy Council, and he was so appointed and sat on the Privy Council on New Zealand and other cases until his death, perhaps two years ago. That of course is always possible. I mean that where a judge retires from the Supreme Court Bench of any one of the Dominions, it is possible to have him appointed to the Judicial Committee of the Privy Council, and I have no doubt the arrangement would work equally well in other cases.

CHAIRMAN: Would that be on the recommendation of the Government of New Zealand, or the spontaneous action of the Government here?

Mr. MASSEY: I am not certain. I think it was done on the recommendation of the Dominion Government, but with the approval of the whole of the people and, I may say, of the Parliament of New Zealand. But there was no motion.

CHAIRMAN: Would you attach the condition that before a judge retiring and coming to live here was appointed to the Judicial Committee of the Privy Council, a recommendation should come from the Dominion Government to that effect?

Mr. MASSEY: I think it would be a very good thing to do. Of course, as I say, I am not a lawyer, and I do not like to express any opinion on a point like this.

Mr. HUGHES: I think you are all the more qualified on that account.

Mr. MASSEY: I can only say the arrangement worked very well in our case and the whole of the citizens in New Zealand were satisfied with what was done. I think in Mr. Hughes's motion he said the pay of the members of the Imperial Court of Appeal appointed from the Dominions should be the same as that of members for Great Britain. I presume in that case the pay would be provided by the Dominions concerned.

Mr. HUGHES: All I mean by that is that in order to get equality of status you must have equality of emoluments. Otherwise it is unimportant.

Mr. MASSEY: Very well then; so far as I am concerned, I cannot possibly commit my country to anything more than the first paragraph. I support that unreservedly; the other is a matter for consideration. I should have to consult with my colleagues in New Zealand, especially, perhaps, with the gentleman who to-day occupies the position of Attorney-General, and who is a barrister and solicitor of very long experience, and I may say the same of our Solicitor-General, who is also a lawyer of very long experience and very highly qualified as a jurist. When I was here on the last occasion a gentleman whose name is very well known throughout the Empire, and who occupies the Bench very frequently in England in some of the more important cases that come before legal tribunals here, expressed the opinion to me that there was probably, as a jurist, no better lawyer in the British Empire than the gentleman to whom I have referred. I should like to have an opportunity of consulting these gentlemen, but I support the first part of the Resolution.

The LORD CHANCELLOR: May I say that as Mr. Long has been good enough to make my peace with the Home Secretary—and I am very glad, because I have become very much interested in the discussion—I shall be able to remain to the end.

Mr. BURTON: Mr. Long, there can be no doubt whatever about the high importance of this matter, and I am bound to say it impresses me in much the same way as it has done the Lord Chancellor. That is to say, one cannot help being attracted by the magnitude of the scheme, its importance, and its far-reaching relations to the Empire at large. But I also agree with the Lord Chancellor—I am myself a lawyer of sorts, as most of us are—that this matter requires a great deal more threshing out in detail before we can really say that we agree to a scheme of this kind.

Now, as far as we are concerned, you know what our position is in South Africa. In our Constitution we have abolished the right of appeal to the Privy Council as a right. There is no such right with us at all, but the Constitution merely says that any right residing in the King in Council to grant special leave to appeal shall not be interfered with.* In your case, Mr. Hughes, it is your court which grants special leave, while in our case the right to appeal to the Privy Council is to all intents and purposes abolished, unless the Privy Council gives special leave in any particular case. You see the result in one respect in this analysis which the Lord Chancellor has given us. Throughout the year there has been from South Africa nil appeals to the Privy Council. Now, if you are to appoint an Appeal Tribunal for the whole Empire, the first difficulty that strikes one in connection with it is, who is to make the appointments? That is a matter which would have to be considered; that is one of the first questions which would have to be carefully considered and decided; are the appointments to be made here or are they to be made by the Dominion, or how? The second one is this matter of the continuous availability.

Mr. HUGHES: How are Privy Councillors made now?

Mr. BURTON: Our Chief Justice sits here simply because he is a Privy Councillor.

Sir ROBERT BORDEN: It might be accomplished in this way. We had a somewhat similar problem in connection with the International Waterways Commission between Canada and the United States, and it was worked out in this way—that the Canadian Government recommended to the British Government and the British Government acted upon their recommendation.

Mr. BURTON: Well, something of that sort I was going to say might be a way out of it. We could recommend, and the recommendation could be acted upon. Very good. This, of course, is one of the points which arises at once, and no doubt a very large number of others will arise. But I just want to say at the outset that any such scheme, if it ever is to be set going, must be, as far as we are concerned, clearly on the basis that our Constitution is not affected as far as that is concerned—that is to say, in attempting to multiply the right of appeal. But I understood you to say that the particular body which was to grant the appeal was to be a new body instead of the existing body. If that is your scheme then I am bound to say from a practical point of view I see considerable difficulty in the matter of continuous availability. Take our South African representatives—one or more, whatever it may be. We have our own system of Common Law, the Roman Dutch Law, and if you had a South African Judge sitting permanently on the Final Court of Appeal for the British Empire here in London, his usefulness at that court, so far as South African Law and South African Appeals was concerned, would be hopelessly disproportionate to the mass of work which would be cast upon him in other directions.

Mr. HUGHES: Of course he would be eligible to sit in any case, just as a Scotch or English Judge is.

Mr. BURTON: But your proposal assumes that he should be a member of that Court of Appeal permanently.

Mr. HUGHES: He must be a permanent member, but that does not mean that he would sit continuously.

* South Africa Act, 1909, s. 106.

17 July 1918.]

IMPERIAL COURT OF APPEAL.

[11th Day.

Mr. BURTON: No, but your Resolution says he must be permanently available.

Mr. HUGHES: He would be available.

Mr. BURTON: Well, the huge bulk of these appeals come from the United Kingdom—I suppose over 90 per cent. of its work would be British.

Mr. HUGHES: I do not know whether that is so or not; we have not had statistics.

The LORD CHANCELLOR: There is a very great volume of work, of course, in the House of Lords.

Mr. HUGHES: More than from India?

The LORD CHANCELLOR: Well, I cannot at the moment tell you, but there is a very great body of work in the House of Lords.

Sir ROBERT BORDEN: I should be inclined to think that the appeals to the Privy Council would outnumber those to the House of Lords.

Mr. HUGHES: That is the answer to Mr. Burton.

Mr. BURTON: I should have thought it was the other way round.

Mr. HUGHES: I think you will find that it is not so.

The LORD CHANCELLOR: Including Indian Appeals, I think it is as Sir Robert says.

Mr. HUGHES: This court would deal with both—it would take all appeals.

Mr. BURTON: Yes. Well, I do not want unduly to extend the discussion, but I want to say, before I conclude, that our experience in South Africa of the Privy Council certainly does not justify any representative of South Africa expressing the same sort of view, or endorsing the view, which has been put in the Judges' remark which has been quoted. We have, I think, very good reason in South Africa to entertain respect for the decisions of the Privy Council in the cases which have come before it. There is no demand—as far as I know there has been no demand at all—in the Union for a radical and highly important change of this description, and although the idea appeals to one, and I do not say for a moment that I oppose that idea so long as it is clear that our Constitutional position remains unaffected, still on the whole I am disposed to take Sir Robert Borden's view that a matter of this kind is of such vital importance, and there are so many questions connected with it which require to be threshed out first of all very much more than we have been able to do yet—we have not even approached the details of the thing, and we have had no plan put before us yet, it is only put as a matter of principle—on the whole, I say I am disposed to agree with Sir Robert Borden's view that for the present we had better not put our seal on the proposal.

The LORD CHANCELLOR: May I just mention, *à propos* of what Mr. Burton has said, that Chief Justice de Villiers at the Cape sat on the Privy Council, and was most useful, not only in Cape cases, but in others. I remember perfectly that I argued a case which came from Malta and which was heard before the Privy Council. It arose on a question of Maltese entails, and the Chief Justice's knowledge of Civil Law was most useful to the tribunal. That is very interesting as showing his usefulness because there he sat on a case which came not from South Africa at all but from Malta, and he was of most essential service to the Privy Council.

Mr. BURTON: I remember the case. I am not sure that he did not deliver the judgment.

The LORD CHANCELLOR: He did. He wrote and delivered the judgment.

Mr. LLOYD: Mr. Long, the first part of the Resolution certainly appeals to me strongly, but rather and merely as a matter of principle. I do not see that there is any real need to work the matter out in the near future. I may say, as far as Newfoundland is concerned, we value the opportunity of having appeals to the Judicial Committee of the Privy Council, and that we have every confidence in it. Though at times some of us feel, and have felt, that something has gone wrong, that has in no way affected our confidence in the Judicial Committee of the Privy Council as the final Court of Appeal.

Mr. LLOYD—*cont.*

Now as to the second part of the proposal, it is hardly practicable as far as Newfoundland is concerned. The figures which have been advanced by the Lord Chancellor show that in 1916 the appeals from Newfoundland lasted for one day. It hardly comes within practical politics for any Finance Minister to recommend the payment of a very large salary to a Judge to do one day's work on a year's pay.

Mr. HUGHES: No.

Mr. LLOYD: And if you follow that out in reference to the whole of the eight years covered by the figures given, there were apparently only six cases between the years 1911 and 1917 from Newfoundland. And therefore I can hardly commit myself to agreeing to the opinion that Newfoundland should recommend the appointment of a Newfoundland Judge at the same status and pay to this proposed Supreme Court of Appeal. I would say, however, that there is a feeling that Newfoundland as a Dominion should have the privilege of having their Chief Justice, when opportunity affords, sitting on the Judicial Committee. Such an opportunity has not yet been afforded, and our people feel that they have not received the consideration that should be afforded them. But that is rather a matter which might be taken up by the Newfoundland Government with the Colonial Office. It is only since I arrived in England that I have received correspondence on that very matter—that there is a desire, and a strong desire, that the Chief Justice of Newfoundland should have an opportunity of sitting on the Judicial Committee should he be in England.

Sir S. P. SINHA: I should hardly have thought it necessary to make any observations at all, after what has fallen from Sir Robert Borden and the other speakers before me, but for the fact that India is so vitally interested in the question sought to be raised by this Resolution. Like others, I also am captivated by the idea of one Imperial Court of Appeal, as a Supreme Court for appellants from all parts of the Empire. But, like others, I feel difficulties about agreeing to the principle of the thing without, first of all, realising how it is to be worked out, and what its details are likely to be. I should fear to rush in where the Lord Chancellor of England fears to tread. In the first place, it involves the constitutional position of the House of Lords, as a part of the legislature of Great Britain and Ireland. In the next place, it also affects, perhaps, to my thinking, the prerogative of the Crown as the fountain of justice, because I take it that in constituting this Supreme Court of Appeal you will have to take away the jurisdiction—if you can call it jurisdiction—of the Privy Council to act as an advisory body, in order that the Crown might exercise its prerogative of justice. Those are questions which require solution before we can determine upon the feasibility of an Imperial Court of Appeal. And, without further consideration, I, for my part, would be afraid to venture on any decided opinions with regard to that point.

Now, speaking with regard to the Privy Council, in which we are more vitally interested than any other part of the Empire, judging by the statistics which have already been given, both by the Lord Chancellor and by Sir Robert Borden, I desire to say that the Privy Council has, throughout, commanded the entire confidence of litigants in India, though that confidence has varied from time to time according to the personnel of the Judges who have taken part in its work. So far as India is concerned, the Indian judicial experience has been throughout represented in that body, firstly, as assessors, in the earlier years and now as equal members of the Privy Council. I will only suggest for consideration, especially as the Lord Chancellor is present here to-day, as to whether it would not assist us to procure the best judicial assistance, the best judicial trained assistance from the Indian High Courts—I am not speaking merely of Indians—whether we could not get that more easily and more certainly if in the point of emolument they were placed on the same footing as other Judges taking part in the work of the Judicial Committee. However, that is a point which, I daresay, can be settled later on between the Home Government and the Government of India, because I recognise that if the pay is to be raised we shall have to pay it ourselves, as we did in those days when a distinguished Chief Justice of the Indian High Courts occupied the position of assessor, and drew 5,000*l.* a year, whereas the Indian Judges acting now on the Judicial Committee—there are only two of them—get only 400*l.* a year each, which, of course, is totally insufficient to secure, the

Sir S. P. SINHA—*cont.*

assistance of persons of that eminence and of those attainments, except for the fact that some of them happen to reside in the country. With those observations, I desire to support both Sir Robert Borden and Mr. Burton as to the impossibility of our accepting, *in toto*, the resolution as proposed by Mr. Hughes.

CHAIRMAN: Does any other member of the Conference wish to take part in the discussion?

Sir JOSEPH WARD: Mr. Long, I had the opportunity of attending the Imperial Conference in 1911, when this matter was very fully discussed upon a Resolution not very dissimilar to that which has been proposed by Mr. Hughes upon this occasion. I had not the opportunity this morning, owing to detention as a witness concerning a New Zealand officer in the Medical Corps in a Law Court in England, of hearing the Lord Chancellor's views at the moment; but without going into details on the various aspects of the matter, the decision arrived at upon that occasion is one which, I am inclined to think, has worked well.

It will be found in the records that, as the outcome of a discussion, a motion was accepted from the representative of Australia which enabled the Lord Chancellor to advise the Oversea Governments as to the course that they were prepared to accept in connection with the general proposal. We felt then, and, I think, we still feel very strongly in New Zealand, that, apart from the Appeal Court we possess, litigants, in any important matter, should have the right of appeal to the Privy Council, which right they have in all States in the oversea countries. But we all felt strongly that upon the Judicial Committee of the Privy Council we should have the right to nominate a Judge. And the difference between Mr. Hughes's proposal and the one we were discussing then, the material difference is that in our own country, at all events, we hold the view that a New Zealand Judge sitting as a member of the Privy Council, ought not to be a paid office, as the cases to be tried were very few. I am one of those who believe that Judges, when there is work for them to warrant a paid appointment, should be well paid, and their positions put beyond all question, above and beyond everybody. But we hold the view in New Zealand that there should not be payment for a member attending the Judicial Committee of the Privy Council, because of the insufficiency of cases that would be referred to the old country in which New Zealanders were directly concerned, and our idea was that one of our pensioned Judges willing to take such a position should be appointed. And for that reason, when the time came, to which Mr. Massey referred, for the appointment of a member to the Judicial Committee of the Privy Council, the then oldest Judge in the country, the late Judge Williams, retired from our Bench and quite willingly accepted the position, without pay.

The material point, which I suspect has been considered this morning here, upon which there was a great deal of discussion—and, I think, rightly—was as to whether a Judge coming here was to be looked upon as one of the British Judges, taking part in all cases which came for consideration, whether they be cases from the United Kingdom or from oversea countries. While we were of the opinion that in the case of a Judge coming from us he should give all the information which the Privy Council thought proper to obtain from him, we were of opinion that he would come here especially to deal with cases vitally affecting our own people. We have had appeal cases coming from the Native Land Courts, and cases of that kind have been references to the old country, as those interested wanted to get right clear of the local surroundings in every possible way. And we regard it as invaluable, in cases of that sort, that we should have a voice in the centre of law in the old land. That is a great satisfaction to our people in New Zealand. The only fear I have with regard to this matter is, I do not believe our country would vote a salary for a Judge here of 5,000*l.* Of course, the matter of pay would rightly devolve on the country who sends the Judge, and I do not think it would look very nice if we were to give a decision that a representative was to come from oversea countries, and that every country should fix the salary it thought proper, for you would have one country paying a salary of 5,000*l.* a year, another paying 4,000*l.*, and another 3,000*l.*, and so on, and perhaps another paying less still.

Mr. COOK: All these differences obtain in the Army.

Mr. HUGHES : That is a different thing.

Sir JOSEPH WARD : I think in regard to the oversea countries as part and parcel of the Empire, when it comes to the all-important and the highest functions which can be discharged in the world, in the Law Courts, in matters in which it is intended this shall have application, I think they should be paid an equal salary. If the salary is 5,000*l.*, all should be paid 5,000*l.*; if it is to be 3,000*l.* a year, let all be paid 3,000*l.* a year. It would not be well, or dignified, to have one man from one Colony having 3,000*l.* a year, and the representative of another Colony 5,000*l.* People would begin to base the capacity of the man upon the salary. There would be invidious distinctions which, personally, I think should not come into any matter of the kind. I have not had the opportunity of hearing the discussions this morning, through causes beyond my own control, having been detained for an hour and a half as a witness in a Law Court. When this matter comes up for practical consideration, I think it should be considered from the standpoint of what is best in the general interests of the people, as affecting not only our own country, but all parts of the British Empire.

The LORD CHANCELLOR : I have got the figures asked for, the comparative number of cases in the House of Lords and the Privy Council. In 1916, taking out the prize cases, there were 170 days occupied in hearing appeals before the Judicial Committee. In the House of Lords, for the same year, 112 days were occupied; that is an excess of 58, you see. There were, for Indian cases, 107 days occupied in hearing.

Mr. COOK : It seems to me that what the Lord Chancellor has said only emphasises the importance of this Judicial Committee as it relates to the different parts of the Empire. On listening to the very learned observations of our learned friends this morning, it appears to me they are all very much oppressed with the weight of these judicial bodies, and perhaps we humble laymen should also be equally impressed; but what strikes me about the whole discussion is, that while everybody agrees with the view set forth by Mr. Hughes, that it is a desirable one, everybody falls short of doing anything.

Mr. BURTON : Attractive, not necessarily desirable.

Mr. COOK : That is another legal distinction—attractive, but not desirable. Very well. I am one of those who believe it is not only attractive, but desirable. I cannot conceive why you should not institute one Supreme Court of Appeal for all alike within the Empire. This setting up of differences of status, of different machinery for different portions of the Empire, seems to me to be based upon the essential inferiority which used to attach to the outer Dominions of the Empire, which we have outgrown long ago; and really what I understand Mr. Hughes to be emphasising to-day is the reorganisation of the machinery, so as to make it fit the actual conditions of to-day. What has been said about the differences of law in various parts of the Empire seems to me to be only adding emphasis to the necessity of the continuance here of members from the Outer Dominions to deal not only with our own cases, but with all cases arising from day to day. I am whole-heartedly in favour of the proposal to institute one Court of Appeal for the Empire. As to the difficulties, the Lord Chancellor and Sir Robert Borden have hinted at them, and Mr. Burton also has hinted at them. When are they to be settled? When are they to be considered? This matter has been going on seven or eight years; it has been discussed, I think, at every Imperial Conference there has been, and if something more is not done than merely by way of passing resolutions, we shall be getting no nearer to this attractive idea of one Court of Appeal for the whole Empire. I should have liked to hear some proposal for some further practical step, so as to remove the difficulties which exist, if difficulties there be—at any rate, to find out if they are insuperable difficulties; and if the attainment of this attractive idea can be carried out by any means, then those means should be taken. I think the Empire is ripe for it, and I think the opinion of the legal fraternity in the outer Dominions is ripe for it. I should be justified in saying it was quite ripe in Australia long ago, and I should say the same thing applies to other places. But there are difficulties connected with Australia on account of its distance from this Imperial Court. I think there are difficulties peculiar to Australia, and that is one of the practical

Mr. COOK—*cont.*

difficulties that I see, and, as such, it should be faced and in some way an endeavour made to overcome it; and I think we should, as far as possible and as soon as possible, realise the embodiment of the idea that every Dominion of the Crown is entitled to be heard in the same legal tribunal. I cannot see that the carrying out of the idea would involve what has been suggested by our good friend from India here, any derogation of the Imperial prerogative; rather do I think it will heighten that prerogative, and give it a shape and force and dominion perhaps greater than now. That is my view, Mr. Long.

Mr. ROWELL: I should like to say that we in Canada are not prepared to concede that the right of appeal to the Privy Council which we now enjoy, as compared with the right of appeal to the House of Lords, which the citizens of these islands enjoy, is any disability. I do not see that we occupy any inferior relation, and I consider that the right of appeal to the Privy Council is just as honourable a right as is the right of appeal to the House of Lords. The ideal of one central appellate tribunal does undoubtedly appeal to the imagination, it is rather the practical difficulties in the way of working it out which impress us. I will take the last suggestion of Mr. Cook, namely about the representation from each Dominion upon this Central Appeal Court. If we carry that principle out, we either have a Court which is so large as to make it cumbersome, or you must limit your representation to certain of the Dominions. Now is it likely that that would give greater satisfaction than the present arrangement? Unless we can have some practical proposal which would give us a Central Appellate Court which we believe would give as great satisfaction as the Privy Council now does in respect to the appeals referred to it, I think we should hesitate to ask for a radical change in the Constitution. So far as public opinion in Canada is concerned, Sir Robert Borden has correctly stated it. There is no public feeling in Canada on the question of the re-organisation of these courts, but there is considerable public feeling in favour of limiting the appeals still further, towards restricting appeals. There is a growing opinion that our own Courts should be the final authority. That is the popular opinion. It is an opinion that I am not sure is entertained by all the members of the Bar—perhaps many leading members would be opposed to that view—but there is that popular feeling throughout Canada. It is the practical difficulty in the way of giving effect to the ideal presented by Mr. Hughes, which strikes one as the great difficulty in the way of the Resolution.

Sir ROBERT BORDEN: Do not the Law Lords sit in the Privy Council? Are all the Law Lords available to sit there?

The LORD CHANCELLOR: Yes, all are available.

Mr. ROWELL: There is this further consideration. In view of the increase in the number of cases, would one Court be competent to deal with all?

The LORD CHANCELLOR: You certainly could not have one Court dealing with them; it would need to sit in at least three divisions, sometimes in four, because the Indian Privy Council will, while Indian cases are going on, sit on Indian cases. You would certainly want three divisions.

Mr. HUGHES: May I say a word, by way of comment, on some of the suggestions? Let me say clearly I am not in any way associating myself with, or joining in any way in, the criticism of the Judicial Committee made by the New Zealand judges. The reference which I made to the New Zealand Court was one which I gave for what it was worth. Mr. Massey in his remarks showed the circumstances under which the comment in question was made by the New Zealand judges. Mr. Massey, I think, interpreted it rightly; they were angry and mistaken men on both sides, and that explains everything.

Mr. MASSEY: In one case they were mistaken, in the other very angry. That is my recollection.

Mr. HUGHES: The point I wish to make is that it is clear that nobody here for a moment questions that there ought to be one Court of Appeal. Mr. Massey says there is no strong demand for it. It may be that that is so. But one thing there is a strong demand for, and if a vote on it could be taken, it would be

Mr. HUGHES—*cont.*

carried overwhelmingly, in the country I represent—that there should be no appeal to the Privy Council, or to any Imperial Court of Appeal at all. Now you will not make these changes; you say these difficulties are insuperable. You do not disclose what they are. Sir Satyendra Sinha has said that such an amendment would impair the King's prerogative. I can hardly understand that. If that be so, then the King's prerogative is impaired by the House of Lords, because the House of Lords—which cannot exercise the prerogative—is the Final Court of Appeal in Britain. It is only such a Court of Appeal—a purely judicial body—that I wish to create. Here we are meeting to consider problems of Empire. This is a problem of Empire, and surely nothing is better calculated to symbolise the unity of the Empire than one Court of Appeal for the Empire. I really cannot help expressing some surprise at the fact that though you say that there are practical difficulties in the way, you do not disclose what these difficulties are. We are told that more time must be given for consideration. Why, Sir, it is years since this problem was first brought up. Sir Joseph Ward and Mr. Massey have mentioned that fact, and you yourself, Sir Robert, mentioned it. Recollect, now is the time to make changes if at all. The time is never really ripe for a change which will disturb existing conditions and institutions—never. I remember that very much the same thing was said when it was proposed to have federation in our country, and I was amongst the greatest sinners in that respect. Time is never ripe for a change, as politicians know with regard to elections; it disturbs the existing state of things, and, naturally, difficulties are raised. But you do not tell us what these difficulties are. I affirm that the present system is unsatisfactory, that it is the negation of Imperialism—there is no doubt about it—and that it tends to draw a sharp line of distinction which hurts the pride of those Britons who are not inside these small islands. There ought to be one Court of Appeal for all citizens of the Empire. As to the difficulties, Mr. Lloyd, of course, takes a very practical view of the matter. He has only about one case a year from Newfoundland and he does not wish to be saddled with the expense of a Judge. I do not think he should be. This is one of the burdens of Empire; it is an Imperial Tribunal, and if we are to make any substantial strides in the direction of Imperial organization, here you have, surely, something which is wanted. It leaves us still that complete autonomy which we shall demand and insist upon, and which the people whom we represent will not allow us to barter away. It leaves all that. The alternative to this is, plainly, to allow the Privy Council's functions to atrophy. India will still go there, South Africa has almost ceased to go there, Newfoundland has a few cases, we also have a few, but we shall have fewer. You have the choice of taking this step or not. If you do not take it, you must not think things will go on as they are. They will not. We are now at the fork-roads. I say it is proper, it is Imperial in the real sense of the word, and the only objections are such as naturally occur to persons who fear to be disturbed. Some one knocks at your door and says "It is 8 o'clock" or "it is 9 o'clock, get up!" You say to him "Go away!" That is what it means.

The second paragraph of the Resolution, Sir, is one that may be fairly separated from the first. The first paragraph affirms the principle, and as we have done that before, I think we shall do very wrong if we do not affirm it again. But in deference to the views that have been expressed I will not press the second paragraph.

CHAIRMAN: Do you wish to say anything in reply, my Lord Chancellor?

The LORD CHANCELLOR: I will only say this. It has been a most interesting discussion, and if Mr. Hughes would have sketched a plan for carrying out the idea embodied in these Resolutions, it would have been even more interesting. I cannot say more than that.

CHAIRMAN: The Prime Minister of Australia proposes his Resolution, omitting the second part. The first paragraph only stands. Is it the pleasure of the Conference to pass that?

Sir ROBERT BORDEN: For the reasons already stated, I should not be prepared to support that.

17 July 1918.]

IMPERIAL COURT OF APPEAL.

[11th Day.

Mr. MASSEY : Not the first paragraph ?

Sir ROBERT BORDEN : No.

CHAIRMAN : Then you would dissent ?

Sir ROBERT BORDEN : Yes.

Mr. MASSEY : In that case I put it Mr. Hughes should withdraw it.

CHAIRMAN : What do you say, Mr. Burton ?

Mr. BURTON : I take the same view as Sir Robert Borden does. I think the matter should be much more freely discussed before we affirm the principle, and I am not prepared to support it.

Mr. LLOYD : I take the same view.

Mr. BURTON : I do not oppose it either, but I do not think we know our way through the thing yet.

Sir S. P. SINHA : I would rather not vote.

CHAIRMAN : There is no opposition, but there is a desire on the part of three Governments not to vote. Under these circumstances would you be satisfied with the discussion, which has been very valuable, or would you wish the motion put, Mr. Hughes ?

Mr. HUGHES : I take it that it is rejected.

Mr. BURTON : Oh, no, we do not want to reject it. Our position is really the previous question. We do not know enough about this thing.

Mr. HUGHES : I wish to know where you stand in this matter. I prefer that you should reject it or accept it. I am prepared to omit the second part, which commits you to courses of practical action to which exception might probably be taken, but the first part, which is merely the affirmation of a general principle, I should prefer the Conference either to accept or reject.

Mr. LLOYD : We cannot accept it.

Sir ROBERT BORDEN : As far as I am concerned, I think it might be possible to prepare a Resolution which would meet Mr. Hughes's view, and I think if Mr. Hughes had taken this up with us privately, we might have prepared a Resolution which would have been generally acceptable. We found that a very advantageous method last year when we had difficult subjects to deal with.

Mr. HUGHES : Then let it stand over.

Sir ROBERT BORDEN : I think it had better stand over. Let it stand over, and we will submit a Resolution after discussion. I think that is the better way of approaching these things. We had three very difficult questions last year, and we disposed of them in that way; we met together outside, and after a good deal of conference we reached a conclusion which all of us were ready to accept. And I think we could have done that in this matter. I believe it might have been done without discussion.

Mr. HUGHES : I do not agree that it could have been done without discussion.

Sir ROBERT BORDEN : I mean without discussion in the Conference.

CHAIRMAN : Then you agree to its adjournment, and you will bring up an agreed Resolution ?

Mr. HUGHES : Yes.

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TWELFTH DAY.

Thursday, 18th July, 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 11 A.M.

PRESENT :

The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).

Canada.

The Right Honourable Sir R. L. BORDEN, G.C.M.G., Prime Minister.

The Honourable N. W. ROWELL, K.C., President of the Privy Council.

Australia.

The Right Honourable W. M. HUGHES, Prime Minister.

The Right Honourable J. COOK, Minister of the Navy.

New Zealand.

The Right Honourable W. F. MASSEY, Prime Minister.

The Right Honourable Sir JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

Major-General His Highness the MAHARAJA OF PATIALA, G.C.I.E., G.B.E.

The Honourable Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.

Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.

Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT :

Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under-Secretary of State for the Colonies.

Mr. W. A. S. HEWINS, M.P., Parliamentary Under-Secretary of State for the Colonies.

Mr. PHILIP KERR, of the Prime Minister's Secretariat.

18 July 1918.]

CHANNELS OF COMMUNICATION.

[12th Day.]

Mr. L. CHRISTIE, Legal Adviser, Department of External Affairs, Canada.
 Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.
 Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.
 And Private Secretaries.

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Channels of Communication.

Mr. HUGHES: If I may be permitted, I will now address myself to the Resolution which I propose to move on the subject of Channels of Communication, and I will do so very shortly. The principle was established before the War that the Imperial Conference is a conference of Governments, of which the Prime Minister of the United Kingdom is *ex-officio* President, as *primus inter pares*, and the Dominion Prime Ministers represent their respective Governments. It is no longer, as it used to be, a Departmental affair of the Colonial Office. But in the intervals between the Conferences, when the Dominion Prime Ministers had returned to their several homes, communications reverted to their traditional channels, through the medium of the Colonial Office, the only recognised medium for the exchange of correspondence between the British Government and the Dominion Governments.

Now, to meet the stress and necessities of war, there has emerged the great fact of the Imperial War Cabinet. The Dominions, no longer infant settlements, but grown sister-nations, are taking their full share and their full responsibility in the waging of the war; the Prime Minister of the Mother-country is sitting in Council with the Dominion Prime Ministers, together with the British and Dominion Ministers, first among his peers. In the Imperial War Cabinet, all circumlocutions, all intermediaries, have been swept away, and Government meets Government face to face. It is obvious that these outstanding facts represent a growth, a development, of the Imperial relation, to which the old formulas of administration and the old methods of correspondence are no longer applicable, and that new formulas and new methods must be developed to bring the machinery of government into harmony with the realities.

It is true that something has been done in this direction. At the Imperial Conference in 1907 the question of direct communication was raised by Mr. Deakin, who suggested (*see* Proceedings, page 28),* that the business of the Self-governing Colonies should be detached from the Colonial Office and transferred to the Prime Minister. It was again raised at the Conference of 1911 by General Botha (*see* Proceedings, pages 75 and 94).† His proposal was "That it is desirable that all matters relating to self-governing Dominions, as well as the permanent secretariat of the Imperial Conference, be placed directly under the Prime Minister of the United Kingdom." Both times the British Cabinet rejected the suggestion, on the ground that it would overburden the Prime Minister, but the creation, since then, of the Imperial Cabinet is a new factor. The burden which the Prime Minister could not bear he is to bear while the War Cabinet is sitting. The machinery has had to be adapted to meet the new situation, and there appears to be no reason why it should not be made continuous, whether the War Cabinet is, or is not, sitting for the time being. The division of the Colonial Office into Dominion and Crown Colony Branches is good, as far as it goes. But the change must go deeper. Organic recognition must be given to the fact that—apart from Imperial Conferences—Imperial relations have reached a stage at which, in the course of daily administration, the Dominion Governments are conferring, negotiating, and transacting business with the Imperial Government, not inter-departmentally, but inter-governmentally. Just as, in the War Cabinet, each Dominion Government, represented by its Prime Minister, confers

* [Cd. 3523.]

† [Cd. 5745.]

Mr. HUGHES—*cont.*

with the British Government represented by its Prime Minister, so in the course of administration the head of a Dominion Government should be able to confer directly with the head of the British Government. The fact must be faced that as regards the Dominions, the present method of administration through the Colonial Office, even with the distinction now drawn between the Dominions and Crown Colonies, has, by the unanswerable logic of events, become an anachronism.

Let us look at the facts, and at the forms. As a fact the Governor-General of Australia is the King's Representative in the Commonwealth, and he acts with the advice of his responsible Ministers in Australia, the responsible Ministers of a self-governing Dominion of the Empire. But in form the Governor-General is still an officer of the Colonial Office, a Civil Servant of the highest class, but still a Civil Servant, who is responsible to, and reports to, the head of his department. The Prime Minister of a Dominion desiring to communicate with the Prime Minister of the United Kingdom, writes to the Governor-General. The Governor-General writes to the Secretary of State for the Colonies. The Secretary of State for the Colonies writes to the Prime Minister. And the Prime Minister replies through the same tortuous channel. This mode of communication is too indirect for the proper conduct of modern business, and it has to be remembered that government now-a-days is largely a matter of business, which permits neither of indirection nor of delay. I am not committed to detail, I am dealing with the great principle, and it is a great principle. In this, we formally recognise the great basic fact that the Dominions are no longer Colonies in the old sense, but self-governing nations, and the existing forms of government should be adapted and brought up to date to fit the facts as we now see them. The present system is archaic. It is a survival of a state of affairs which no longer exists. In effect, we are a League of Free Nations, every one of which is, notwithstanding theories, sovereign, or quasi-sovereign, in its own sphere, and our relations should be those which those circumstances suggest. The Colonial Office system was developed at a time when the Colonial Office exercised administrative functions. As regards the Dominions, its functions now are merely those of an unnecessary conduit pipe. It is an organ whose functions have become atrophied.

The change which is proposed is not one of form only. It symbolises a great and fundamental change in the status of the Dominions which time and circumstances have developed. A system which was developed long ago to meet the circumstances of Crown Colonies and which has since been patched and revised from time to time to conform to the early stages of colonial responsible government, is quite inapplicable to the self-governing Dominions of to-day. The old machine is past repair, and must be replaced by a new one, founded on recognition of the fundamental fact that the Dominions are nations and that their relations with each other, and with the Mother-country, intimate though they are, rest upon the complete autonomy of the several parts.

This fact is, and has been, recognised over and over again, and by no one more clearly than by you, Mr. Long; but the existing system is a negation of it and of all that it implies.

The Governments of the Dominions must, it is clear, be brought into direct relation with the head of the British Government. It is not desired to add anything to the burden which the British Prime Minister already bears. But there should be a reorganisation of the whole Imperial machine, so that Dominion correspondence goes direct, so far as official form is concerned, to the Prime Minister. It would probably be found desirable to appoint an Assistant Minister, or Minister without portfolio, to relieve the Prime Minister of unnecessary personal duties.

It is recognised that there has not been, hitherto, a Prime Minister's Department in the ordinary sense; and that it is not desirable that the Prime Minister should have on his shoulders the routine of departmental duties. But the development of Imperial relations along the present lines calls urgently for some such mode of direct communication as that outlined.

Logically, it would follow that Dominion Governors-General should be appointed by, and responsible to, the Prime Minister's Office. What is immediately necessary is that where the Prime Minister of a Dominion is negotiating with the Prime

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Minister of the United Kingdom he should be able to confer with that Prime Minister directly and not through another British Minister as intermediary. And this is, as has already been pointed out, not the introduction of a new principle, but the logical development of a principle which has already been recognised as fundamental in the relations between the British and Dominion Governments.

I am going to move a Resolution which, without committing us to the actual machinery, will carry this out. It has been suggested by me, and I think puts the matter in a form of being settled, and that without delay. In the form in which I had given notice of the Resolution, Sir Robert Borden and others have made some alterations, or suggested some alterations, which do not impair the Resolution at all. I am very pleased to indicate what these amendments are, and to say that I shall accept them. The Resolution will read as follows: "That this Conference is of the
" opinion that the development which has taken place in the relations between the
" United Kingdom and the Dominions has necessitated such a change in the adminis-
" trative arrangements and in the Channels of Communication between their
" Governments as will bring them more directly in touch with each other."

Sir ROBERT BORDEN: I gave Mr. Long a copy of that.

Mr. HUGHES: All right. In the second paragraph, Mr. Burton has suggested—and I see the force of it—adding the word "Imperial," so that the reference will be to the "Imperial War Cabinet," and we now know to what body we are referring. Without more ado I move the Resolution in this form: "(1) That this Conference
" is of the opinion that the development which has taken place in the relations
" between the United Kingdom and the Dominions necessitates such a change
" in administrative arrangements and Channels of Communication between their
" Governments as will bring them more directly in touch with each other. (2) That
" the Imperial War Cabinet be invited to give immediate consideration to the
" creation of suitable machinery for this purpose."

Sir ROBERT BORDEN: Mr. Chairman, I am very glad to support the Resolution in its present form. I think it embodies an idea which is present to the minds of all of us and in which I know you fully concur and which I have discussed with you and with the Prime Minister of the United Kingdom more than once during the past three weeks. It should be said, of course, that the presentation of this Resolution at the present time is not in any way connected with the tenure of this office by you. We all realise the great ability, the strong devotion to duty, and the broad vision which you have always brought to bear upon questions which are submitted to you from time to time in the important office which you hold.

Mr. HUGHES: Hear, hear.

Sir ROBERT BORDEN: All that goes without saying, and it is hardly necessary to mention it. At the Conference last year a question was raised as to the relations between the Mother-country and the Self-governing Dominions of the Empire, and India as well—a very important portion of the Empire. It was felt at that time that so great a subject ought not to be taken up in the midst of a war, and, accordingly, this Resolution was passed: "The Imperial War Conference are of
" opinion that the readjustment of the constitutional relations of the component
" parts of the Empire is too important and intricate a subject to be dealt with during
" the war, and that it should form the subject of a special Imperial Conference, to
" be summoned as soon as possible after the cessation of hostilities. They deem it
" their duty, however, to place on record their view that any such readjustment,
" while thoroughly preserving all existing powers of self-government and complete
" control of domestic affairs, should be based upon a full recognition of the Dominions
" as autonomous nations of an Imperial Commonwealth, and of India as an
" important portion of the same; should recognise the right of the Dominions and
" India to an adequate voice in foreign policy and in foreign relations, and should
" provide effective arrangements for continuous consultation in all important matters
" of common Imperial concern, and for such necessary concerted action, founded on
" consultation, as the several Governments may determine."* It does not appear to

* See pp. 40-61 of [Cd. 8566.]

Sir ROBERT BORDEN—*cont.*

me that the Resolution in the terms proposed by Mr. Hughes departs from the principle which we recognised at that time: it merely provides for a more effective and more appropriate method of communication between the Governments of the Dominions, and of India as well, no doubt, and the Government of the United Kingdom. The initiation of the Imperial War Cabinet by the Prime Minister of the United Kingdom in December 1916, was a very important development, and the proposal which Mr. Hughes has brought forward became quite inevitable from that step in advance. I have ventured to say, both in Canada and here, that the Imperial War Cabinet is really a Cabinet of Governments. Any important executive action must be carried out by the different Governments of the Empire, and must command the approval of the Parliaments of the Empire. But, nevertheless, it is a Cabinet in the true sense of the word, and its creation corresponds to that increasing consciousness of nationhood which is growing up, certainly in Canada, and I believe equally in all the Dominions of the Empire. So far as the status of the Governor-General is concerned, while he is an Imperial officer, I venture the assertion that in Canada he regards his relation to the Government of Canada as of precisely the same character as the relation of the King to the Government of the United Kingdom. That has been my experience during the past seven years in which I have held the office of Prime Minister in Canada.

Mr. COOK: That has been ours, too.

Mr. MASSEY: It is the proper position.

Mr. HUGHES: Yes.

Sir ROBERT BORDEN: I am not quite clear as to whether or not the Prime Minister of the United Kingdom can undertake the discharge of the duties which Mr. Hughes has suggested. Of course, Mr. Hughes will be the first to agree with me that it would be most undesirable to have the Prime Minister undertake duties which he could only nominally discharge. If he is to be connected with the Oversea Dominions in this way, it must be a real connection, and not a mere nominal connection. And it was for that reason I suggested to Mr. Hughes and our colleagues generally that the subject, so far as the details are concerned, might very well be taken up and thrashed out in the Imperial War Cabinet. We should have to get his own views, because we could not ask him to undertake burdens which he could not fairly and reasonably and efficiently discharge. With those observations, I am heartily in support of the Resolution which Mr. Hughes has moved, and I shall be very glad to second his motion.

CHAIRMAN: Perhaps I had better read it as altered. This Resolution has been moved by the Prime Minister of Australia, and seconded by the Prime Minister of Canada:—“(1) That this Conference is of the opinion that the development which has taken place in the relations between the United Kingdom and the Dominions necessitates such a change in administrative arrangements and channels of communication between their Governments as will bring them more directly in touch with each other. (2) That the Imperial War Cabinet be invited to give immediate consideration to the creation of suitable machinery for this purpose.”

Mr. MASSEY: I should have been very pleased, Mr. Long, if the motion could have been rendered more definite, because I am not quite clear what is intended now, except this: that I understand this Resolution refers the whole question to the Imperial War Cabinet. Is it intended to bring it before the War Cabinet during the next few weeks, while the representatives of the Oversea Dominions are here?

Mr. HUGHES: Yes, it must be done while we are here.

Mr. MASSEY: Well, I want a definite statement on that point, because, if it is going to be referred at all, it would not be of very much use referring it to them after we had gone.

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Mr. MASSEY: I am glad to hear, from both speakers, that no reflection is intended on the Colonial Office as at present constituted. My experience of the Colonial Office during the time I have been Prime Minister—and I am now in my seventh year—is that they have done their work well, thoroughly, and enthusiastically, and I have always, personally, met with the greatest courtesy from the Colonial Office, from each and every one of the staff, from Mr. Long downwards. I do not wish to go into particulars now—

Mr. HUGHES: I cordially agree with that.

Mr. MASSEY: This Resolution of Mr. Hughes contemplates continuing the War Cabinet even when the war has come to an end—under another name, of course, for it will then be the Imperial Cabinet. I do not know whether we can have any definite statement as to what is intended. I am certain the Dominions will never be satisfied to go back to the system which obtained before the war, in which they had positively no say in Imperial affairs. They will never go back to that system. Nor do I suggest, for one moment, that the British Government desires anything of the kind. My experience is that the citizens of Britain and the members of the British Government are just as anxious to give thorough and proper representation in connection with Imperial affairs as we are to get it. That is my opinion, and I think it is correct. What I think will be the real solution of the difficulty, and what I think must come in future years, will be a representation of the Dominions at the heart of the Empire by, in each case, a resident Minister. The Dominions will not be satisfied, I feel certain, with their representatives coming along here for a month or six weeks once a year. I think they will expect the setting up of a Cabinet which will meet regularly in the heart of the Empire. It may meet monthly, or weekly, or whenever it is required. But I think the members of the Cabinet should be here so that they may be called upon at any time when it is necessary for the Prime Minister to confer with them, or for the whole Cabinet to consider anything of importance to the Empire as a whole. I believe that is what is coming. And even then it will be capable of development. It will develop as time goes on and the populations of the Oversea Dominions increase, as undoubtedly they will. One cannot think of what the possibilities really are: it is almost impossible to suggest them, they are so immense, and I shall not attempt it. That is my own opinion. I believe, as I have said, the real solution is, a resident Minister in each case. It may come sooner, or it may come later. I am not thinking of New Zealand by itself, I am thinking of the Dominions as a whole, more particularly of the larger Dominions, such as Canada and Australia. I have no doubt that, when the time comes, New Zealand will follow suit. It has been said, and it is a statement with which we must all agree, that we are self-governing nations, but we are self-governing nations within the Empire, under one Sovereign. And that is really the object of the proposal—to keep us as we are, to prevent the possibility of our drifting apart, or of the painter being cut—over, perhaps, some comparatively small matter. We have known such things in the past, and they should be avoided in the future. And one of the best methods to keep the Empire together is to give its self-governing Dominions sufficient representation on the Council—whatever it may be called, Cabinet, or Council, or any other name which may be given to it—that they shall have adequate representation in Imperial affairs. I think the motive of the Resolution is a good one, and I shall look forward, with a great deal of interest, to its coming before the Imperial War Cabinet.

Mr. BURTON: Mr. Long, I am in favour of this Resolution, and as far as we are concerned in South Africa it is hardly necessary for me to say that the Resolution is not prompted by any sense of dissatisfaction or of complaint against the administration of the Colonial Office, whether under your authority, Sir, or indeed that of any of your predecessors. The days have long gone by when any such complaint could justly be made. The Resolution really seems to me to be only one arising as a consequence of more recent developments, especially during the war, in the relationship between the Mother Country and the Dominions. These developments, which we are all aware of, and which I need not specify now in detail, have been undoubtedly of the most important and interesting character. I suppose future historians will

Mr. BURTON—*cont.*

point to this period as being, in respect of the growth of the British Empire, one of the most vital periods of our Imperial development. What has been achieved now is recognition of equality of status as between the various States which form the British Commonwealth. Equality of status, we all know perfectly well, does not involve any claim on our part to equality in respect of population, of wealth, or of power. Well, I do not think the time has arrived now when any useful purpose can be served by discussing the details which would be involved in carrying out the spirit of the Resolution. That can only be done, to my mind, by referring the question, as is done in the second part of the Resolution, to the Imperial War Cabinet. But I entirely agree with the view taken that incidentally the effect which the changes which are foreshadowed here will have upon the position and the status of the Governor-General of any of the Dominions is an important one, and I think the change will be one in the right direction. The net effect of it, in a word, will be that the Governor-General will become really what he should be in the Dominions, namely, the Viceroy. He will represent the Crown in the Dominions, as the King represents the Crown in the Mother-country. He will represent the King, and not be, as he has largely been hitherto, an official, even though an exalted official, of one of the Government Departments. No doubt, as has been pointed out, there would be great difficulties in detail in carrying it out, and these would have to be discussed and dealt with; but on broad general grounds, I think, Sir, you will agree with us that this Resolution embodies only the natural sequence of events, the logical and natural outcome of the changes which are taking place now, and which are of this most highly interesting character in the growth of the British Empire. I support the Resolution.

Sir S. P. SINHA: Mr. Long, perhaps this Resolution *prima facie* does not affect India at the present moment, because I recognise that the position of the Secretary of State for India is in many essential respects different from that of the Secretary of State for the Colonies. But we have still the fact that the recent developments include the inclusion of India by a separate representative in the Imperial Cabinet. I was glad to have Sir Robert Borden's assurance that the Resolution now proposed is in no way intended to be inconsistent with the one we passed last year; and all I want to say at this stage is this—that in developing the administrative arrangements and channels of communication that are referred to in the Resolution we should not lose sight of the peculiar position of India as it exists now in reference to the Imperial War Cabinet, and that, in making these arrangements, some modification should be made of the relations now existing between the Government of India and the Government in this country.

[*Mr. Lloyd here took his seat at the Conference.*]

CHAIRMAN: Mr. Lloyd, would you like to say anything on this Resolution?

Mr. LLOYD: Is there anyone else to speak? Is the discussion closing?

CHAIRMAN: All the other Prime Ministers have spoken.

Mr. ROWELL: I will say a word or two until Dr. Lloyd gets a grip of it and my only reason for doing so is the very great importance of the Resolution now under the consideration of the Conference. Its importance, as has been so fittingly said, lies in the recognition of the equal status of the Dominions with that of the Mother-country. Undoubtedly with us in Canada, and I presume it is equally true of the other Dominions, there has been a great growth of national sentiment and national spirit during the war. That national sentiment and national spirit, however, are not incompatible with the idea of the unity—of the maintenance of the unity—of the Empire. The proposal now under consideration, if given effect to, will be a recognition of that national spirit, and I believe will be accepted as such and appreciated as such. Every recognition we can give of the national spirit of the Dominions, consistent with maintaining the unity of the Commonwealth as a whole, will, I believe, prove a step in the right direction, will give satisfaction to the Dominions, and in the long run will strengthen the ties which bind the Empire together. This war has shown that the largest liberty is compatible with the greatest unity in purpose and in action, and I believe the change, when brought about, will further promote that result. As Sir Robert Borden and Mr. Burton have so well said, it is the logical result of the events

Mr. ROWELL—*cont.*

of the past few years, and it is probably another step in the natural development of an Imperial constitution which under our very elastic system may be modified from time to time to meet the exigencies of the situation as that situation develops.

Mr. LLOYD: Mr. Long, I may say I am in general agreement with the Resolution as now drafted. I was a little hesitant about the original Resolution, as I thought it might have a tendency to make it a sub-department of the Prime Minister's Department, and probably the last state would have been worse than the first. But in the form which it now takes, that something should be done towards considering the general channels of communication, not only between the Dominions and the Homeland, but, I take it, between one Dominion and the other, I think it will give some formal shape to the recognition of what Newfoundland has, even though it is so small—that is, a national sentiment.

Sir ROBERT BORDEN: Hear, hear.

Mr. LLOYD: And so strong is it that we have never been able to convince ourselves that we should join the great neighbour Dominion. Small as we are, we still have a national sentiment, and not less so that we respect the great Dominions; but still we feel that we want to keep in actual, close, and direct contact with the great Mother-country. I do not think I can usefully add anything more. I think this is a step in the right direction.

CHAIRMAN: Does any other member of the Conference wish to add anything?

Mr. COOK: I should like to say that I concur absolutely in the proposals which have been submitted to the Conference. It is an incident in the evolution which is constantly going on in our relations. Everybody is agreed that something of this kind is inevitable, and the chief feature of the Resolution is that it proposes a practical step for the solution of the whole question.

I should imagine the Prime Minister will find that he is very overburdened at present, and certainly not able to take upon his shoulders all that now devolves upon the shoulders of the Colonial Secretary. What I think will have to be done is that you will have to set yourselves to a definition of the cases about which there shall be consultation and direct communication between the Prime Ministers of the States and the Prime Minister here. Otherwise, you will be making the Prime Minister just that same conduit-pipe which we find in the Colonial Office. A huge section of our correspondence overseas has no specific relation to the Prime Minister or his Department, and it seems to me that as regards such matters the channels might very well remain where they are. But there is no doubt that there is a larger, higher, and more important class of questions as to which there should be the closest possible inter-relation between the Prime Minister of Britain and the Prime Ministers of the outlying Dominions. There I think will be your task—in defining what that class of cases is, and so relieving the Prime Minister here of all the detail work which is now performed, and on the whole performed well, by the Colonial Office.

I should only like to say, with regard to one or two naval matters lately, that after the Naval Board of Australia trying the Navy direct here and getting no result or satisfaction, I got the Prime Minister to send these matters through the Colonial Office, and we had very prompt despatch. And therefore I think that that machinery, though perhaps it could be burnished up a little, would still be necessary for dealing with the detailed administration of the outer Dominions, while reserving for the Prime Minister that other class of correspondence on cases which have to do with the policy of the Empire generally. I concur absolutely with the proposition, Mr. Long.

Sir JOSEPH WARD: Mr. Long, in listening to the discussion to-day, I am very much struck with the tremendous change of public opinion which has taken place during the last 11 years. In 1907, when a proposal of this kind was up, not quite of the same nature, it did not meet with very much support, although an adjustment was made for the purpose of carrying on the work between the Colonial Office and oversea countries which proved to be very effective, and indeed in many respects a great improvement upon the old system.

Sir JOSEPH WARD—*cont.*

I want to add my word of recognition to the good work which the Colonial Office throughout, so far as my experience is concerned, has done. That not only applies to the present Secretary of State for the Colonies, but to his predecessors. I think from the point of view of the work of the Colonial Office none of the oversea countries have had any reason for complaint at all; on the contrary, I think they have had a great deal to be satisfied with.

In 1911, again, proposals in a similar direction to these, submitted by me, were met with practically nothing but opposition, and it all goes to show that what we are doing now is, in my opinion, tentative. I do not believe there is anybody sitting at this table who thinks of the situation in its prospective development who believes for one moment that the present transference of some of the work connected with the oversea countries to a War Cabinet is going to meet the aspirations and the necessities of the oversea countries in the years to come. I for one do not believe it. On the contrary, I believe it is a step forward which is acceptable, but it is not going to stop there. We have all to learn yet, in the years that are coming very close to us, what the British Government and British people are going to do in connection with their own governmental affairs. I have no hesitation in saying as a public man, without putting my own oar into the boat in connection with the Imperial Government at all, that the condition of things which exists here can no more go on as at present than we can go on under the system which existed before we came to these Conferences at all. There are great changes impending through necessity, and those changes, which are perhaps at the moment only in the air, are going to have a material effect upon the construction and upon the system that the Homeland is going to apply to the government of the British Isles as well as what will then be best for the oversea countries. I think, as one of the representatives from New Zealand, I would be absolutely misleading myself and misleading the people I have the honour to represent if I were to run away with the idea that this system of a War Cabinet is completely satisfactory. I think it is not. I do not believe it is satisfactory to the people of the oversea countries that representatives who are entitled to go to the War Cabinet, should come here after the lapse of ten months and attend the War Cabinet for six or eight weeks and then go away for another nine or ten months. They are treated with great courtesy and consideration, and are put upon an equality with the statesmen here, which is a fine recognition of what the people in the outstanding parts of the Empire are reasonably entitled to, and in that respect it is deserving of the very greatest recognition by us as public men. But it is no good to run away with the idea that coming here for six or ten weeks out of the 12 months is giving the people in the oversea countries the position that they ought to have in respect of Imperial matters concerning themselves. It would be misleading to our people to tell them that that is the case. You come here after a lapse of ten months, and it is a question of things having been done in the ten months, and you cannot undo them, and it is useless to run away with the idea that we are taking an active part in the shaping of our destinies in a War Cabinet when we are away from it for ten months, and irrevocable decisions vitally affecting the Oversea Dominions have in our absence been definitely settled and are actually operating. The position answers itself.

Mr. HUGHES: This does not profess to cure that disease.

Sir ROBERT BORDEN: It is not dealing with that question.

Sir JOSEPH WARD: That may be so, but I am quite entitled to refer to it in discussing it, and for a moment or two I propose to do so. It is quite clear to me that, whatever the effect of this is going to be, no Prime Minister who has ever lived, or is living at the present moment, can undertake these duties satisfactorily. It is an impossibility. I agree that the voice of the Governments in the overseas countries should go direct to the Prime Minister from the Prime Ministers. That, I think, at this juncture, due to war developments generally, is a necessity, and I think the motion is in the right direction. I am not opposing the motion—very far from it; but there is no one can make me believe that the Prime Minister of England, with the

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multitudinous and overriding duties connected with his office, can, from a practical standpoint, undertake the great and varied work which the Colonial Office has been doing for years past, on account of the tremendous ramifications from this centre right over the oversea countries. I think it is humanly impossible for any man to be able to undertake those duties, and it is no disrespect to the present holder of the office, who is a gifted man, to say that he will not be able; any more than any other man, to carry out work of that kind. It presupposes—and it is far better to say so—that, if effect is to be given to this Resolution, it should be emphasised that there should be a special Minister detailed to do that work. And when you come to a special Minister, who is to be the special Minister? My answer is, the Secretary of State for the Colonies. If you are to have a special Minister to deal with work which we are all familiar with from our point of view, then who is the man in the British Government most likely to be that special Minister, even though everything does not percolate from his present office and circulate from his office? We are blinding ourselves to the real position if we suggest that the Prime Minister can deal with these matters. I say he cannot. It is for the Prime Minister himself to say, when it comes before the War Cabinet, whether he thinks he can do it or not, but I respectfully, but emphatically, have no hesitation in saying that it is not feasible in my opinion.

I shall not take up the time of the Conference further than to say this—that in my opinion we are only at the beginning of what requires to be done for the British Empire. Those young nations out there have got their own ideas of the developments which have taken place, in the last few years particularly, and those people, who are going in the future to take their share in the cost of Naval protection, and who are taking upon themselves—and properly and rightly so—the cost of the Armies which have been sent over for the purpose of helping to preserve the British Empire—those people, who know we are going to live in a new world from the point of view of trade protection and consolidation, and from the point of view of Empire protection, know that they have got in the future to pay a considerable sum of money every year, while preserving inviolate their own autonomy, which is their preserve and their preserve only, and they will allow no one else to interfere with it—those people know that in the future they will have to provide for Naval defence alone, probably millions a year, and they are never going to be content to do that without practical representation of the people themselves, and they are never going to do it without their public men being in a position to discuss matters publicly, in the light of day, and in the Press, giving the people generally throughout the country they represent the knowledge of what is being done. They are never going to be parties, in the years that are to come, to taking up their share of the responsibilities—which they are prepared to do—under a system which gives them no real continuous voice, and under which they are bound—

Mr. HUGHES: This will involve them in no responsibility whatever which does not fall upon them now. I would not vote for it if it did.

Sir JOSEPH WARD: You cannot tell what may happen. I think your Resolution is right, and I am not opposing it. But I am pointing out the fact that it is not going to stop there.

Mr. COOK: We shall not stop for about 500 years.

Sir JOSEPH WARD: I hope not.

Mr. MASSEY: Perhaps not then.

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Sir JOSEPH WARD: * * * I do not propose to take up the time of the Conference further than to say that the natural evolution which is going on is bringing right up the necessity for changes. I think Mr. Hughes's motion is in the right direction, and I want to make it clear that in giving it support, like other gentlemen who have spoken, that does not, directly or indirectly, imply that there is any want of confidence on my part in the present Secretary of State for the Colonies or the Colonial Office, or any want of satisfaction with the work it has done in the years which are past.

CHAIRMAN: Before this Resolution is adopted by the Conference, I hope the Conference will allow me to say, very briefly, a word or two on behalf of the Department over which I have the honour to preside for the time being. Of course this motion is really one for the head of the Government, and not any other member of the Government, to express a definite opinion upon, and therefore all I can say will be connected with my branch of the case as Secretary of State for the Colonies for the moment.

First, I should like to say how gratefully I acknowledge the references which have been made to this Department. I am very much obliged for the personal references to myself, but I attach much greater value to the references to the Department, because I can speak, perhaps with more definite knowledge than anybody else, of the immense labour and trouble that every member of this Department takes to act in conformity with the obvious wishes of the great Dominions, and not only that, but to co-operate with the representatives of the Dominions in strengthening the foundations upon which the Empire as a whole stands. And, therefore, I know it will be a matter of gratification to them to feel that their labours have not been in vain.

As regards this question of what I may call the consequential changes in the form and machinery of Government, the Colonial Office is in entire accord with the views held by the members of the Conference—and I think held very generally—that it would be to act entirely in opposition to the spirit of the times, and to the quiet steady evolution of the Empire, if we were to think that machinery which was sufficient 10, 15, or 20 years ago would be sufficient after the great change in the Empire which has taken place not only since the war but which was taking place before the war. And in proof of this I may say that we have had this matter under consideration for a very long time. It is full of difficulties. I should have been compelled to point out many difficulties, which do not occur in this Resolution, had it remained in its original form. I do not think it would be possible—and perhaps I may remind the Conference, very respectfully, that I have been a member of the Cabinet since 1895, and I have served under four Prime Ministers, and therefore I speak with some small experience—

Mr. COOK: That was the year in which I first took office.

CHAIRMAN: It is a good many years ago, I am afraid. But I am satisfied that in peace time, quite as much as in war time, it would be impossible for the Prime Minister of this country to do the actual work of representation of the Dominions in the Government here at home. I am convinced of that. His work has been growing of late years immensely. Where he was called upon, when I first joined the Cabinet, to speak once or twice a week, he is now called upon to speak almost daily upon a whole variety of subjects, and he is supposed to have all the strings in his hand, and to be able to control—and has to control—the general administration. And to expect him to undertake the immense volume of work which still attaches to the Colonial Office in connection with the Dominions would, I am sure, be impossible.

There is one other aspect of the case which I am sure Prime Ministers would wish me to refer to, and that is the Governors-General. Of course, any change of this kind must materially affect them, probably more than anybody else, and I am sure my colleagues here will agree that nothing definite ought to be said or done until we have been able to communicate with them and place the facts before them. I ventured to write to the Governors-General, in accordance with my usual practice—I write to them every week—I wrote to them some little time ago telling them that I thought there was a desire for a change, and indicating, as far as I was able, the sort of lines along which I thought those proposals would run, and also what my own views were. Of course, there has not been time to hear from them yet, but, no doubt, I shall have their views before long. I think myself that changes are necessary, and I have already told the Prime Minister so—indeed I have given him a statement making suggestions of my own—and I shall be ready to discuss them whenever the question is raised in the Imperial War Cabinet, or to discuss them at any time with my colleagues on the Conference—not in the Conference itself, but privately if they so wish. My sole desire is the same as theirs is—that such changes as are necessary shall be made in a way which will tend to strengthen the foundations upon which the Empire as a whole rests.

18 July 1918.]

CHANNELS OF COMMUNICATION.

[12th Day.

CHAIRMAN—*cont.*

I hope the Conference will forgive me for making these few remarks, and, having made them, I will put the Resolution to the Conference, which, as I understand, is prepared to adopt it unanimously.

The Resolution was then carried unanimously as follows :—

“(1) That this Conference is of the opinion that the development which has taken place in the relations between the United Kingdom and the Dominions necessitates such a change in administrative arrangements and in the Channels of Communication between their Governments as will bring them more directly in touch with each other.

“(2) That the Imperial War Cabinet be invited to give immediate consideration to the creation of suitable machinery for this purpose.”*

* *Note.*—After discussion at the Imperial War Cabinet, the following resolutions were passed on 30th July :—

I.—(1) The Prime Ministers of the Dominions, as members of the Imperial War Cabinet, have the right of direct communication with the Prime Minister of the United Kingdom, and *vice versa*.

(2) Such communications should be confined to questions of Cabinet importance. The Prime Ministers themselves are the judges of such questions.

(3) Telegraphic communications between the Prime Ministers should, as a rule, be conducted through the Colonial Office machinery, but this will not exclude the adoption of more direct means of communication in exceptional circumstances.

II. In order to secure continuity in the work of the Imperial War Cabinet, and a permanent means of consultation during the War on the more important questions of common interest, the Prime Minister of each Dominion has the right to nominate a Cabinet Minister, either as a resident or visitor in London, to represent him at meetings of the Imperial War Cabinet to be held regularly between the plenary sessions.

THIRTEENTH DAY.

Friday, 19th July 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 11 A.M.

PRESENT :

- The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).
 The Right Honourable Sir GEORGE CAVE, K.C., M.P., Secretary of State for Home Affairs.
 The Right Honourable C. ADDISON, M.P., Minister of Reconstruction.
 The Right Honourable Ian MACPHERSON, M.P., Deputy Secretary of State for War.
 Mr. W. A. S. HEWINS, M.P., Parliamentary Under Secretary of State for the Colonies.

Canada.

The Honourable N. W. ROWELL, K.C., President of the Privy Council.

New Zealand.

The Right Honourable W. F. MASSEY, Prime Minister.
 The Right Honourable Sir JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

The Right Honourable E. S. MONTAGU, M.P., Secretary of State for India.
 Major-General His Highness The MAHARAJA OF PATIALA, G.C.I.E., G.B.E.
 The Honourable Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.

Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.
 Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT :

- Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under-Secretary of State for the Colonies.
 Vice-Admiral Sir H. HEATH, K.C.B., M.V.O., Second Sea Lord of the Admiralty.
 Sir T. L. HEATH, K.C.B., K.C.V.O., F.R.S., Joint Permanent Secretary of the Treasury.
 Sir E. TROUP, K.C.B., Permanent Secretary, Home Office.
 Sir ALMERIC FITZROY, K.C.B., K.C.V.O., Clerk of the Privy Council.
 Sir E. R. HENRY, G.C.V.O., K.C.B., Commissioner of Police for the Metropolis.
 Surgeon-General Sir WILLIAM NORMAN, K.C.B., Medical Director-General of the Navy.
 Lieut.-General T. H. J. C. GOODWIN, C.B., C.M.G., D.S.O., Director-General, Army Medical Services.

19 July 1918.]

IMPERIAL MINERAL RESOURCES BUREAU.

[13th Day.]

Brigadier-General B. E. W. CHILDS, C.M.G., Director of Personal Services,
War Office.

Brigadier-General E. R. FITZPATRICK, G.H.Q. Forces in Great Britain.

Mr. W. J. EVANS, C.B.E., Admiralty.

Mr. L. CHRISTIE, Legal Adviser, Department of External Affairs, Canada.

Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.

Lieut.-Colonel G. RAFFAN, Australian Army Medical Corps.

Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.

And Private Secretaries.

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Imperial Mineral Resources Bureau.

CHAIRMAN: The next subject is one which was first on the agenda. It is only the financial question regarding the Imperial Mineral Resources Bureau. The Committee have met, and they present the original Memorandum* in an amended form. Clause 7 is struck out, and a new clause substituted; and additional words are added to clause 8. The Financial Secretary to the Treasury is unable to be present, as he has to be in the House of Commons, but Sir Thomas Heath is here in his place.

Dr. ADDISON: We discussed this, Mr. Long, as you suggested last time, at the Committee, and the results of our conference, and of a conference which I had with Sir George Perley on behalf of some of his colleagues, are represented in the modified Memorandum. Substantially the point is that the Dominions did not see their way to being tied to contributing a certain amount, and it was suggested that we should leave it on the lines of Sir James Stevenson's report. The Dominions were willing to contribute on the lines suggested in the original Memorandum, so it was finally agreed that we should recommend to the Conference that the normal expenses of the Bureau should be met out of funds contributed by the Imperial Government up to 10,000*l.*, together with such contributions from the Oversea Governments as they might be prepared to make. That leaves the whole contribution the same as it was before—the half of 20,000*l.*—and that leaves it open to the Dominions to contribute as may be arranged individually, and at the end of three years' working the matter is to be reviewed. The amended Memorandum also provides for an annual report of the Bureau to be furnished to each of the Oversea Governments. And the amendments are provided for in the revised form of the Resolution which is suggested.

CHAIRMAN: Does any member of the Conference desire to make any comment or suggestion?

Mr. MASSEY: This is the report of the Committee, is it not?

CHAIRMAN: Yes; what we have now before us—the amendments—are the result of reference of this to the Committee.

Mr. BURTON: This is Dr. Addison's revised Memorandum?

Mr. MASSEY: As far as I can see, it is very satisfactory. I can see no objection to it.

CHAIRMAN: What is the effect of the amendment to clause 6?

Dr. ADDISON: It is an altered form of words—strike out "a Charter of" and put in "by Royal Charter." It is the same thing.

Sir THOMAS HEATH: I understand that this arrangement ties the Imperial Government during those three years.

Dr. ADDISON: It does not tie them, but that is the understanding.

Sir THOMAS HEATH: The Government is not tied to more than 10,000*l.* a year for an experimental period of three years.

* See pp. 236-238.

Dr. ADDISON : I do not say the period of three years is experimental, because it was agreed that it was not suggested that the Bureau should be an experiment for three years. If you have only a body which is going to live for three years you will not get such good work as if it is going to have some security of existence. It limits it financially to 10,000*l.* for three years, but it does not say what will happen after that.

Sir THOMAS HEATH : And then the question will be decided. I think the Chancellor of the Exchequer will agree to that, because that is the amount which was agreed upon originally—half of 20,000*l.* But I am sure he would not go further than that.

Dr. ADDISON : Just at this date.

Mr. ROWELL : There are one or two observations I wish to make, Mr. Chairman, with regard to our position in view of the statement by Mr. Meighen at the meeting of the Conference on July 15th.* We do not feel that this Bureau can render quite the service that others think it can. We think its chief value would be in the statistical information which it would gather, and that would ultimately come under the Imperial Statistical Bureau, if established pursuant to the Resolution of the Conference.† At the same time, action was taken a year ago, and in the meantime all the Governments have acted on the basis of the Resolution of a year ago, and the other Governments concerned feel that the matter should be gone on with. We therefore accept this modified proposal as embodied in the Memorandum and Resolution now before the Conference. But so far as we are concerned, I feel we must say that our position is that this three year period is experimental—that is to say, so far as our attitude to the Bureau is concerned. In the meantime it may develop a sphere of activity which would lead us to conclude that it should continue to enjoy support. But the reason we have suggested the change in the financial basis is because of that general view which Mr. Meighen expressed. I have not been personally in touch with the matter, and have only given what I understand to be the view formed by my colleague, who gave more particular attention to the matter.

CHAIRMAN : Does anybody else wish to offer any observations ?

Sir JOSEPH WARD : I wish to say one word about clause 7. I think the organisation which is about to be set up here will prove very valuable, and I am of the opinion that our country will appreciate very much what has been done here, and that, from the practical standpoint of being of use to the Empire as a whole, this organisation in connection with mineral resources will be very valuable to all the people in our country who take an interest in matters of this kind. The only thing I notice about clause 7 is the indefiniteness of it. I am of the opinion, however, that if we are to reap the benefits of the organisation which is going to be set up here, with technical men at the requisite salaries, and if we are going to get the benefit of their scientific knowledge, we each ought to be prepared to give our fair proportion of it. To leave it open what amount any one country will give—because one country may decide to give 2,000*l.*, and another may give nothing—does not appear to me to be the best way to bring about cohesion and usefulness in connection with the work of the Empire. I accept this proposal, as it is put forward, but I do not quite like it, as it is, in one respect, too indefinite.

The Resolution, as amended, was then put to the Conference, and carried unanimously, as follows :—

“The Imperial War Conference, having considered the Memorandum by the Minister of Reconstruction on the Imperial Mineral Resources Bureau, as amended, agrees that the number of representatives of the mineral, mining, and metal industries on the Governing Body of the Bureau should be increased from four (as originally agreed) to six. The Conference further approves the proposal for a Charter of Incorporation as set out in paragraph 6 of the Memorandum and the proposals in paragraphs 7 and 8 as to the allocation of expenditure.”

* See pp. 118–119.

† See Resolution VIII.

Preference to Empire Raw Materials in Government Contracts.

CHAIRMAN: The next subject is Preference to Empire Raw Materials in Government Contracts, raised by the Government of New Zealand.

Mr. MASSEY: I have just noticed, Mr. Long, that I am, to a certain extent, responsible for this, inasmuch as reference was made to it in a cablegram sent in reply to a cable sent from your office to the Government of New Zealand asking if there were any subjects of special concern which they desired to be brought before the Conference. This is one of them, and it is following up the theory of preference of which we have heard a very great deal lately. And it reminds me of some complaints that were made last year by a representative of Canada, that the Imperial authorities had on certain occasions gone outside the Empire for commodities which they required—sometimes for war purposes, and in certain cases before the war—when those commodities were within the countries of the Empire itself.

In New Zealand what we have done is this—and it was agreed to in a Cabinet resolution—that where the New Zealand Government require materials, such as for public works or for the Government railways, or for the Postal Department, or any other Department in the State, if it is possible to obtain those commodities or articles in British countries they should always be so obtained without going outside. That is the system we have followed, and I should be very glad to learn that that system is in operation in Great Britain. Speaking of a subject which has been before the Conference quite recently, the subject of meat supplies, we know perfectly well that the Imperial Government has been going outside the Empire for part of its meat, and we have the best possible reason to believe that the meat might have been obtained within the boundaries of the Empire. I am speaking of what is well known to be the case at the present time—I do not want to go over the whole subject again—that the stores in London are full of meat imported from outside the Empire, while, as a matter of fact, in some of the countries of the Empire the stores are blocked with meat and are unable to hold any more. That is one instance, and I think it would be a very good thing if the principle could be laid down that, where supplies are required, if those supplies are obtainable within the countries of the British Empire—within any one of the countries of the British Empire, it does not matter which—those supplies should be obtained there. I do not say that an extreme price should be given. That, of course, must be taken into consideration. If supplies can only be obtained within the Empire at an exorbitant price, then I say the British Government is justified in going outside. I admit that straight away. But, other things being equal, I do say this—that if it is possible to obtain the supplies required within our own countries, then those supplies should be obtained accordingly. That is what was in my mind when I drafted the cablegram from New Zealand, and I take the opportunity of expressing the same opinion now.

CHAIRMAN: Does any other member wish to make any observations?

Mr. MONTAGU: May I ask Mr. Massey one question? I notice in the agenda paper that your subject is called Preference to Empire Raw Materials. You do not confine yourself to that?

Mr. MASSEY: Not at all.

CHAIRMAN: You do not propose to move a Resolution this time?

Mr. MASSEY: Well, if you will give me a few minutes I will draft one. Meantime the discussion can go on.

[At this point Mr. Rowell entered the Conference room.]

CHAIRMAN: We are on this question of Government contracts, Mr. Rowell.

Mr. ROWELL: Has any Resolution been moved?

CHAIRMAN: Not yet. Mr. Massey may move one presently. He has suggested that preference ought to be given to Empire-grown and produced articles of all kinds, provided it can be done on reasonable terms.

Mr. ROWELL: I do not object to the general proposal. The question is, how are you going to work it out? It appeals to us in its general aspect.

Mr. MASSEY : We do it in our own country.

Sir JOSEPH WARD : I will give a typical case of what we do in New Zealand, and I am not egotistical enough to suggest that our example ought to be followed by other countries, because I recognise that other countries will do whatever they please, from the standpoint of their own affairs. But some years ago we invited tenders for a large quantity of rails, and our then High Commissioner invited Great Britain and Continental countries to send in tenders for those rails; and, when the prices came in, the price quoted from Germany was about 27s. 6d. per ton lower than the price from Britain. Well, the British manufacturers were asked if they would reduce their price in order to keep it within the British Empire; but they would not do so. Nevertheless, we gave the British people the order all the same, and we gave it for the purpose of keeping our trade within the Empire.

Now, that was about ten years ago, long before the war started, and it is no novel idea that we are discussing now. We are not merely suggesting now, as the result of this calamitous war, that British trade should be put into some practical shape. As far as we are concerned in our country, we make it an absolute rule, wherever it is possible, to keep our trade, from the point of view of the Government of our country, away from countries that are not in sympathy with us. We have been doing that for years, and we propose to do so still. But if, after the war is over, and when peace comes, there is going to be a happy-go-lucky system, when people have forgotten all the atrocities connected with this war, of accepting the lowest tender even from an enemy country, for Government contracts particularly, then I do not see how you can expect the ordinary, sensible, level-headed person who is carrying on a private business to adopt heroics and to say that he is going to give orders to British people at a higher price, if necessary, than he is to the enemy. Unless there is some absolute, fixed determination on the part of the rulers of the different portions of the Empire to inculcate in a practical form the necessity of dealing within the Empire as far as it is possible to do so, then, after all, what is the good of our men sacrificing their lives? If when this war is over we are going to help to build up enemy industries for the sake of a few pounds extra profit, then, in my opinion, the sacrifice of so many of these lives will have been made in vain. Because after all why are we determined to win this war unless it is that when peace comes we may ensure the future strength of the Empire as a whole? That is what we are all working for. The idea of concentrating raw materials and metals at the heart of the Empire is all with a view to enabling manufacturers in this country to have a superior position to that of the enemy. The people we have got to fear—I say this advisedly—are the manufacturers here. If after the war is over, they are going, for the sake of an extra 5 per cent. profit, having obtained the advantages of centralising our raw materials and metals here—if then, under the manufacturing process, they are going to give our enemies—and some of them, I am afraid, will do so—a position superior to that of the merchants within the Empire itself, then it looks to me as though we are all fighting a sort of illusory combat in a way that is going in the future to act detrimentally to the Empire as a whole. I agree with Mr. Massey that it is the duty of the Governments of the whole of the British Empire to set an example to the private people, and to let the enemy, when peace time comes, clearly understand that our chief business is to try to create a practical system of preference first within our own territories, and then, by means of reciprocal treaties with those allied and friendly countries which are not within the British Empire. Our business is to set up a strong, fixed, and resolute policy of the Governments concerned, and most certainly not to assist the enemy by purchasing from them articles which we can get from our own countries or from the friendly Allies who are working with us now. It will be a very regrettable thing if when peace time comes, we get a reversion to the old system of helping Germany to dump her supplies in this country, so that the manufacturers here will buy them and send them out all over the Empire to be used by the people overseas under the impression that they are helping the British people. I think that policy is a ruinous one.

We can have little or no influence in the moulding of public opinion in this country, but so far as our country is concerned there is no question about it; we talk

Sir JOSEPH WARD—*cont.*

freely of what we think about a policy of that kind, in the hope that it may be recognised as unsound from the point of view of the Empire as a whole.

Mr. BURTON: May I ask what is the attitude of the United Kingdom?

Mr. HEWINS: Well, Mr. Long, you know this subject came up for consideration by your Committee on Trade Relations.

CHAIRMAN: That is the Committee which was appointed in consequence of Resolution XXI. of last year.*

Mr. HEWINS: We obtained particulars of the actual practice of the different departments here, and took them into consideration; and we agreed upon a report, and as that states the case briefly perhaps I had better read it. It will only take about three minutes. This has not been circulated yet.

"The Colonial Conference of 1902 unanimously resolved:—

" 'That in all Government contracts, whether in the case of the Colonial or of the Imperial Government, it is desirable that, as far as practicable, the products of the Empire should be preferred to those of foreign countries.' Even before 1902 this principle was followed to a considerable extent by Government departments in this country. It would appear, as the result of inquiries recently made by the Colonial Office, that the departments which are chiefly concerned in placing contracts have regularly since 1902 given a preference to Empire products by means of administrative action whenever it was practicable to do so. During the War some departments, such as the War Office and the Ministry of Food, have been reluctantly compelled, through difficulties connected with tonnage and with the foreign exchanges, to make purchases in foreign markets which would normally have been made within the Empire. These unavoidable departures from the general rule do not denote any change of policy in regard to the 1902 resolution.

"That resolution does not speak of raw materials. The proposal that a preference should be given to contractors employing Empire raw materials is an extension of the principle formulated in 1902. But it has already been recognised by the Army Council, who have been able in many cases, during the War, to insist upon the use of Empire raw materials by their contractors. Other departments are considering how their forms of contract can be modified, so as to give effective preference to Empire raw materials. We consider that the desired result will be best secured by action on these lines. No hard and fast rule as to the employment of Empire materials would give satisfactory results. It would be difficult to insist on proofs of British origin in the case of raw materials which a contractor only uses in small quantities, or in the case of semi-manufactured materials which he buys in the open market. Considerations of prices and quality must be taken into account when foreign materials offer a marked advantage in either respect. An absolute embargo on the use of foreign materials would probably lead to friction with our Allies. But a large measure of preference can be given by carefully considered administrative action on the part of Government departments. It is believed that their example would have an important effect on the policy of municipal and other corporate bodies, and would thus promote substantially the development of inter-Imperial trade."

10th June 1918.

That is the Report.

Mr. BURTON: I am very much interested indeed in hearing this Report, because, broadly speaking, it really states what I think is our view in the matter. The general principle of giving preference to inter-Imperial articles is, I think, one that has been recognised. There is no doubt about that. We do give preference in South Africa; the Union of South Africa gives preference to all British goods, and in effect it is a very substantial preference.

13th Day.]

PREFERENCE TO EMPIRE RAW MATERIALS IN
GOVERNMENT CONTRACTS.

[19 July 1918.]

Mr. HEWINS: Very valuable indeed.

Mr. BURTON: Now that is a policy which deals with British goods at large.

Mr. MASSEY: Customs, you mean.

Mr. BURTON: Yes. That is a matter you can deal with; that is a question of large policy. But here I cannot help thinking we are getting on to altogether too narrow a ground when you are going to discuss contracts for raw material only. You have only to think for a moment, and to get into details, to realise what it is going to be. What is going to be the preference? Are we to settle upon a percentage preference, or on a definite preference to all Dominions?

Mr. MASSEY: You cannot do that.

Mr. BURTON: Then it is simply a question to be dealt with by each Dominion separately.

Mr. MASSEY: Exactly.

Mr. BURTON: Well, we in South Africa, in addition to this important preference which we give on all British goods, have adopted what is set forth here as the practice of the British Departments. I suppose the Department which I am concerned with is the biggest operator there is in those ways in the whole of the Union. The contracts for railway and harbour material, and things of that sort, run into millions of pounds, and we endeavour always by administrative action to see that contracts are kept within the Empire. But I am very much in accord with what is said here—that it is impossible to lay down any hard and fast rule.

Mr. HEWINS: You cannot.

Mr. BURTON: You cannot lay down a hard and fast rule as to what is to be done. We have had cases, such as are mentioned here, in which it was impossible to adhere to the thing generally; and if this is the view of the United Kingdom with regard to the practical aspect of the thing, I am bound to say I agree with that view, and that the matter should be dealt with, as this is, on the detailed ground of contracts for raw materials, instead of on grounds of general policy covering the whole field. It is a matter which each Dominion Government must be left to deal with according to its circumstances. I do not see very well how we can go further.

Mr. MASSEY: No one suggests anything else. It is recognised that each Government must act on its own judgment, and that it is impossible to lay down a hard and fast rule. But I find in the last two Minutes, looking through this document, that the Colonial Conference in 1902 actually passed a resolution on the same lines which we have suggested here to-day—"that in all Government contracts, whether in the case of the Colonial or of the Imperial Government, it is desirable that, as far as practicable, the products of the Empire should be preferred to those of foreign countries." There is the principle laid down which is to be adhered to; and I would like to think the principle had been adhered to in every case by the Imperial Government, but I am doubtful.

Mr. BURTON: Perhaps it was not practicable in those cases.

Mr. MASSEY: I do not say that preference even in this way is practicable in every case, but I do think we should adhere to the general principle, and I am very glad indeed to notice, in reading this document which has been submitted by Mr. Hewins, that the principle is emphasised there; and I think a certain amount of good will have been done by this matter being referred to a Committee, by the circulation of this Report, and by the discussion which has taken place about it. I do not think it is necessary, Mr. Long, to move another Resolution. The Resolution of 1902 stands.

Mr. HEWINS: The reports which we got in show that there is a great deal of preference given in this way, but you could extend that system almost indefinitely. It is the kind of thing you try to do; you do not formulate precise details; you simply do it. All the evidence we have shows there is very great willingness here to act upon that principle, and my opinion is that you can give very good preference in that way.

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19 July 1918.] PREFERENCE TO EMPIRE RAW MATERIALS IN GOVERNMENT CONTRACTS. [13th Day.

Sir JOSEPH WARD: I had not this report in my hands when I was making my observations a moment ago, but I want to remove an impression which is evidently in the mind of Mr. Burton. We have all got preference—we have had it in New Zealand in operation for some years, and we have it with Canada, with South Africa, and any other British country which agrees to give it to us. But what I want to impress upon the Conference is the aspect of this matter in another form, which was, perhaps, not before Mr. Burton when he was discussing this matter. This matter of Government contracts is at the root of the whole system of preference within the Empire. Before the war Germany was beating us clean out of sight, notwithstanding our preference. In what way did they do it? The Germans subsidised steamers to come out to our country, which created a reduction of freight, and the reduction was so great that it was easier for the people in Germany to compete successfully against the British people than it was for the British people to compete against them, even though we gave them preference. And that is the sort of thing we have to guard against. I was in Sheffield some years ago, and I was shown an importation of German goods which had come across to this country, which had been railed free to the port in Germany, carried across by a subsidised German steamer at a nominal freight, and a concession of 25 per cent. was given on the railage to and from Sheffield by a British-owned railway company. These goods were sold to the merchants in Sheffield at such a price that they were able to resell them below the cost price of British manufactured goods of the same class. We have got to recognise that after peace comes, if they get a chance, the enemy will adopt these methods again, and they will beat us every time unless we are on our guard and take precautions and determine that they are not going to do it.

CHAIRMAN: There is no Resolution required then?

Mr. MASSEY: No.

CHAIRMAN: The discussion will be sufficient. That completes the Agenda.

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FOURTEENTH DAY.

Monday, 22nd July 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 11 A.M.

PRESENT:

The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).

The Right Honourable Sir G. CAVE, K.C., M.P., Secretary of State for Home Affairs.

Canada.

The Right Honourable Sir R. L. BORDEN, G.C.M.G., Prime Minister.

The Honourable C. C. BALLANTYNE, Minister of Marine and Fisheries and of the Naval Service.

The Honourable N. W. ROWELL, K.C., President of the Privy Council.

Major-General the Honourable S. C. MEWBURN, K.C., Minister of Militia and Defence.

Australia.

The Right Honourable W. M. HUGHES, Prime Minister.

The Right Honourable J. COOK, Minister of the Navy.

New Zealand.

The Right Honourable W. F. MASSEY, Prime Minister.

The Right Honourable Sir JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

The Right Honourable E. S. MONTAGU, M.P., Secretary of State for India.

Major-General His Highness the MAHARAJA OF PATIALA, G.C.I.E., G.B.E.

The Honourable Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.

Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.

Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT:

Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under-Secretary of State for the Colonies.

Mr. W. A. S. HEWINS, M.P., Parliamentary Under-Secretary of State for the Colonies.

The Right Honourable Viscount HARCOURT, Chairman of the Petroleum Policy Committee.

Sir R. H. BRADE, K.C.B., Secretary to the Army Council.

Brigadier-General B. F. BURNETT-HITCHCOCK, C.B., D.S.O., Director of Mobilization, War Office.

Mr. E. J. FOLEY, Director of Military Sea Transport, Ministry of Shipping.

Sir JOHN CADMAN, K.C.M.G., Director of the Petroleum Executive.

Mr. J. PEDDER, C.B., Assistant Secretary, Home Office.

Mr. J. S. RISLEY, C.B., Legal Adviser, Colonial Office.

Mr. H. W. MALKIN, Assistant Legal Adviser, Foreign Office.
 Mr. J. FISCHER WILLIAMS, C.B.E., Home Office.
 Mr. PERCY ASHLEY, Assistant Secretary, Department of Industries and
 Manufactures, Board of Trade.
 Mr. L. CHRISTIE, Legal Adviser, Department of External Affairs, Canada.
 Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.
 Brigadier-General T. GRIFFITHS, C.M.G., D.S.O., Commanding Australian
 Imperial Force, Administrative Headquarters.
 Lieutenant-Commander J. G. LATHAM, Royal Australian Naval Board.
 Brigadier-General G. S. RICHARDSON, C.B., C.M.G., G.O.C., Administration
 New Zealand Expeditionary Force.
 Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.
 And Private Secretaries.

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Naturalization.

CHAIRMAN: Now we go to Naturalization, for which the Home Secretary has been good enough to come. A Memorandum* has been prepared by the Home Office, and a Resolution.

Mr. MASSEY: You are taking my Resolution now?

CHAIRMAN: Yes. Mr. Massey's Resolution is: "This Conference is of opinion that legislation should be passed throughout the Empire restricting for a period after the war, so far as in the circumstances of each country may be possible, the naturalization of citizens of present enemy countries, and also preventing them from becoming entitled to any form of political rights, or acquiring land or mining privileges." That is moved by the Prime Minister of New Zealand, I understand.

Mr. MASSEY: Perhaps I had better say a word or two in support of it. I do not suppose, Sir, that members of the Conference will allow themselves to be influenced by political opinions either here or anywhere else, but it is rather a coincidence that since I placed this upon the Order paper, nearly two months ago, quite an agitation has arisen in Great Britain upon this subject. I see it has been before the House of Commons, and apparently the Government are prepared to make some concessions. It has been discussed at sundry public meetings, not only in London, but also at every great centre of the United Kingdom, and in each case resolutions have been agreed to with regard to the necessity of controlling in some way the exercise of political rights by present enemy aliens in the period after the war. Consequently I do not think it necessary to offer any apology for bringing the question before the Conference.

I think it is certain that every member of the Conference knows what took place in the days before the war. They know perfectly well that in every quarter of the Empire we found what we now know to be enemy aliens, who were there, perhaps, for their own particular purposes, perhaps on behalf of the countries to which they belonged—there they were as clerks in our shipping offices and our wholesale warehouses, and were even employed by local governing bodies and as officials in the employ of the British Government. There is no secret about that, after the disclosures which have taken place recently. We saw them as waiters in our clubs and our hotels, not only scores, but thousands of them, and, I have no doubt, picking up information which was afterwards conveyed back to Berlin. We saw them employed as labourers and mechanics, artisans, and so on. And it all comes back to the saying of a great German war writer who was encouraged by the German Government (I refer to Treitschke), who expressed this opinion:—"that every good German subject is a latent, and, if need be, an active spy." I have thought of that a good deal many a time since the war started, and I think there is a very great deal of truth in the statement made by that gentleman. Then as far as intrigues were concerned, we have only to take notice of what happened in our own countries—there has not been a country in the Empire, and this is true of many of the neutral countries as

* See pp. 244-245.

Mr. MASSEY—*cont.*

well, but certainly there is not a country in the Empire where German intrigue has not made itself felt, not only during the war, but prior to the outbreak of the war. Everybody knows that. My friends here know what took place in India. The Germans did their level best to foment trouble among the native population, and in some places there was a certain amount of unrest, but I am glad to say that the natural loyalty of the Indian people prevented them taking very much notice of what was going on. We have had them in America; we have read of it in the past before America declared itself in the war, and we have had them since then trying to prevent America going further than they could possibly help. We have had them in Canada, we have had them in the United Kingdom, and we have had them in Australia—I do not remember noticing whether they have had them in Newfoundland or South Africa, but I have no doubt they have them in both places. Even in New Zealand there have been indications that German influences were at work.

Well, the whole question is, are we going to allow this sort of thing to continue after the war? If so, even if we nominally win the war it will have been fruitless to a very great extent if we do not deal with this question. We have only to think of what has been discussed at this Conference here. Mr. Hughes brought up the question of non-ferrous metals, and the tungsten ores; the greater part of the world supply had practically passed to the control of Berlin. So with aniline dyes, and so with sugar. The whole supply of sugar to the United Kingdom had passed under the control of Germans. We know what took place in connection with shipping. A Royal Commission was set up years ago—as a matter of fact it was set up prior to the war—and evidence was taken before the war, and it was stated by reliable men that the Germans were able to get their manufactured products shipped from Germany to the different Dominions of the Empire at lower rates than it was possible to ship similar products manufactured in the Empire to the several countries. It is very difficult to understand, I am bound to say, even now, with all the knowledge we possess, how all that influence was brought to bear; but there it was, and the proof of it was available for anyone who chose to look into it.

Then look how the German character has developed since the war. Who could have believed, before the war, that the Germans would have been guilty of all the atrocities of which we have been compelled to read? I say compelled, because not one of us takes any pleasure in reading that sort of thing. I do not need to go into the list of the atrocities of which the Germans have been guilty since the war—it would fill a volume as big as a family Bible. And it is therefore imperative that the people who are guilty of those atrocities should not be permitted to come into the British Empire if it is possible to keep them out. I feel more strongly than some who have spoken on this subject, and I think everything possible should be done to keep them at a distance.

Then they have got the Delbruck Law. The Germans have got a law which allows a German naturalized in Britain, or in America, or wherever it may be, to still possess all the rights which he had originally (before he became naturalized) as a citizen of the German Empire—that is to say, that though he becomes naturalized in Britain his first duty is to the country where he was born. I saw that the Prime Minister of Britain, referring to it only the other day, cited a very impressive instance—I do not know whether many people noticed it, or whether I can call it to mind sufficiently to explain it, but he referred to a Scriptural incident where a man who had been brought up among a stranger race, and given the best education which was possible to be given, and had been given every advantage which was possible for the people with whom he was brought up to confer upon him, still, when it came to a question as between being a member of the race to which he belonged by birth, and a member of the race to which he owed everything, he turned upon the member of the race to which he owed everything and slew him.

Mr. COOK: That is in the Shorter Catechism, surely?

Mr. MASSEY: It may be; I am not sufficiently acquainted with the Shorter Catechism to be able to say.

Then there is the question of what is to happen after the war in connection with our industries and commerce. I think every one round this table is satisfied that

Mr. MASSEY—*cont.*

when the war comes to an end we shall enter upon another struggle—a struggle for industrial and commercial supremacy. I was talking to a gentleman only yesterday, and he told me he had had an opportunity of visiting every neutral country in Europe; it had become his business to do so, and he told me—and I believed him—that in every neutral country in Europe the citizens of Germany are preparing to establish industries, the object being that when the war comes to an end German goods will be manufactured in those establishments, and they will go out not marked “Made in Germany,” but “Made in Spain,” “Made in Switzerland,” “Made in Holland,” or something of that sort—the object being, of course, to mislead the public. And it indicates to a great extent what is going on, and what we may expect when the time comes. As to their being enemies of Britain, I do not think anyone needs convincing on that point. It is evident, and it has been admitted by their leading men over and over again, that part of the object of going into the war was to smash Britain, because Britain stood in their way as far as trade and commerce were concerned. They were envious of Britain’s Colonies, of Britain’s shipping, and of British trade, and they felt that if they were going to attain world-power they must first get British influence out of the way.

Well, the question comes back to each and every one of us, especially as representative men, are we going to allow this sort of thing to go on when the war comes to an end? Are we going to encourage them? Are we going to ask these people to come back—as we have asked them before, I am sorry to say, many of us—on the understanding that they are to be given all the political advantages of British subjects? I say plainly, we do not want them at all, and I am prepared to say so openly and plainly on any platform in the United Kingdom. But if they do come back, then I say we must draw the line, and I do not think they ought to be naturalized in any country in the Empire. Sir, I feel certain every member of the Conference understands the subject as well as I do. It is impossible to go into details on such a motion as this. It has been considered by a Committee, and certain possibilities were suggested, but all we can do with a motion such as this, upon an occasion such as this, is to affirm the principle. I beg to move accordingly.

CHAIRMAN: The Resolution has been moved, and I have read it. Is it seconded?

Mr. HUGHES: I will second that. I should like to hear what the Home Secretary says.

Sir GEORGE CAVE: Mr. Long, on behalf of the British Government, I have only to say that we are strongly in sympathy with the object of this Resolution. There is no doubt whatever that the strangle-hold which Germany has sought to get on the world is one of our greatest dangers; we have found its force during the war, and I am sure all of us are determined to do what is necessary to get rid of it, both during and after the war. And whatever you may see in the Press, or hear elsewhere, you may take it, I think, as certain that that is the view of every member of the Government. There is no question of concession; the only point is what is best to be done in order to carry out the object which we all have, I think, in our minds. Mr. Massey, the Prime Minister of New Zealand, spoke to you about not admitting Germans after the war. I think that is an important matter, though it is not dealt with in this Resolution. But we are considering it, and I have no doubt we shall adopt a system both of registration of aliens in this country and of restricting much more vigorously than hitherto the admission of aliens into this country.

Mr. MASSEY: I am very glad to hear it.

Sir GEORGE CAVE: That is a matter about which each country will have to determine for itself, but the Resolution deals with matters which I think we may unite in settling, and I am, as I say, in accord with the object which the Resolution is aimed at.

May I say a word or two about the particulars which are contained in the Resolution? The Resolution proposes to declare that legislation should be passed throughout the Empire restricting for a period after the war, so far as in the circumstances of each country may be possible, first the naturalization of citizens of present enemy countries. Well, the House of Commons has, at my instance, inserted in a Bill

Sir GEORGE CAVE—*cont.*

which has now passed the House of Commons a Clause which forbids the naturalization of citizens of present enemy countries for five years after the war. The only exceptions which are made are exceptions which, I think, everybody would agree with. They are three. First, the British-born widows of alien enemies. One has sympathy with a woman who having married, say, a German, and having become a widow, has come back to her own country, and wants to be re-admitted to her own citizenship.

Mr. HUGHES: That is perfectly proper.

Sir GEORGE CAVE: The second refers to men who have fought for us or for our Allies in the war. Not everyone knows it, but we have men who are nominal citizens of enemy countries, but who are in our Armies, or in the Armies of our Allies, and are actually fighting for us. They run, I suppose, greater risks than a British soldier, because if they were taken prisoner their fate would be the fate of the three hundred Czechs who were shot only yesterday. And I think they should have their positions stabilised.

Mr. HUGHES: Is that a general exception applying to all aliens, or to enemy subjects alone; and does it include Germans?

Sir GEORGE CAVE: That exception includes all enemy subjects who have fought in the war.

Mr. MASSEY: I know several aliens who are fighting for us, and I think there should be some exception made for them. I am speaking of Slavs. There are a number of Slavs in our Forces.

Sir GEORGE CAVE: The third exception which we have allowed to the generality of the Resolution is this—men of what we call friendly race.

Mr. HUGHES: You are speaking of Czecho-Slavs?

Sir GEORGE CAVE: Yes, Czecho-Slavs, Italians in the Trentino, for instance, if it remains Austrian, Alsations who are guaranteed to be faithful friends of the French, Armenians who are subjects of Turkey, and people of that kind. I do not say that every such man should be entitled as of right to be naturalized; all we propose to do is to make them exceptions to the universal rule against naturalization.

Mr. HUGHES: Once they are in that class do they get right of naturalization *ipso facto*, or only by licence?

Sir GEORGE CAVE: Only if they apply, and, after full examination, are considered worthy of naturalization. With those three exceptions we have already passed a clause which will give effect to the first part of this Resolution. With regard to the latter part, which would prevent them having political rights, they have none in this country. I do not know what the law is elsewhere.

Mr. MASSEY: After being naturalized.

Sir GEORGE CAVE: If you prevent them being naturalized they can get no political rights.

With regard to the ownership of land, that is an important matter. The British law, as you know, was altered not very many years ago, and under the law as it stands an alien may own land. That may be right or wrong, but the proposal here to prevent an enemy alien or ex-enemy alien from owning land is certainly one worthy of consideration; and my view is that it would be right to give effect to it for a period—whatever period may be settled upon for the first part of the Resolution. I suggest to Mr. Massey that the form of the Resolution wants a little altering, because, as it stands, while there is a qualification for the first part of the Resolution—perhaps the most important—there is none for the latter part. And I suggest that he alters it in this way—let it run as it stands down to the words “enemy countries,” and then go on—“and also the acquisition by them of any form of political rights or of land or mining privileges.” So that the Resolution would run: “This Conference is of opinion that legislation should be passed throughout the Empire restricting for a period after the war, so far as in the circumstances of each country may be possible, the naturalization of citizens of present enemy countries, and also the acquisition by them of any form of political rights or of land or mining privileges.”

Mr. COOK: The idea is to make the phrase "period after the war" govern the lot?

Sir GEORGE CAVE: Yes, and reference would be had to the special circumstances of any Dominion.

Mr. MASSEY: To that I have no objection at all.

Sir GEORGE CAVE: When this Resolution has been dealt with, I want to propose another different Resolution, not affecting this in the least, but simply suggesting a Conference on other matters relating to nationality.

CHAIRMAN: Do you accept the amendment, Mr. Massey?

Mr. MASSEY: Yes, it is quite right.

Sir ROBERT BORDEN: Before the Resolution is put, I should like to say a few words about it. I must confess that after all that has been said I do not see any great advantage in passing it. In the first place, it leaves the matter very largely open, because it merely provides that legislation should be passed restricting "for a period after the war" certain things. One Dominion of the Empire might make it a month, another ten years, so that it does not secure uniformity, nor does it secure any important purpose.

Mr. MASSEY: If the Conference makes it 20 years I have no objection.

Sir ROBERT BORDEN: I am dealing with it in its present form, and I have one or two more things to say about it. And one thing I have to say is this. The position in our Dominion is very different from what it is in the United Kingdom, and it may be somewhat different from what it is in other Dominions of the Empire. You would not attain the purpose aimed at if you passed this in its present form, or with a restriction for 20 years, because there are people born not in an enemy country at all, but born in Russia, of German descent, who are quite as hostile, in my judgment, as any man born in Germany or in Austria-Hungary. We have some of them in Canada, and we know from experience.

In the next place, there are thousands, and tens of thousands, of people in Canada born in enemy countries who are as strongly loyal to the Allied cause as any person to be found within the British Empire—born in Austria-Hungary. They come under the heading of Slavs and Bohemians. There are thousands, and tens of thousands, of Bohemians who are only too desirous of going into this war and fighting against Austria-Hungary. We have invited these people to our country, and they have come there and taken up land; and although they may have resided there three, four, or five years they could not be naturalized if we passed this Resolution. I do not propose that we should bind ourselves to any such course of conduct as that. As regards those citizens from enemy countries or of enemy affiliation, we intend without fail to take all possible precautions against any such action by them after the war as would be detrimental to the interests of the Empire, but you must bear in mind that the circumstances of different portions of the Empire are dissimilar in many respects, so far as this subject is concerned, and that a particular form of Resolution might be very suitable for some Dominions and not at all suitable for other Dominions having other conditions. Take, for example, people of Austrian or German descent in the United States who have lived in the United States without being naturalized; they, or their children born in the United States, come into our country as immigrants, and make as good citizens as any we have. It would be impossible, under this Resolution, to admit them as citizens or to give them naturalization, and I do not consider it wise to commit ourselves to such a proposal.

Mr. COOK: This would not impose any fresh disability. They have not asked for naturalization.

Sir ROBERT BORDEN: They have come into our country, Mr. Cook, at our invitation, to take up land, and upon completing a certain term of residence they become naturalized and receive their homesteads; if I assented to the Resolution in its present form we could not carry that out.

Sir GEORGE CAVE: Would not the words "as far as possible" cover a case of that kind?

Sir ROBERT BORDEN: I do not propose to assent to such a Resolution. We have not been afraid of necessary action. We have exempted men of enemy nationality or affiliation from compulsory military service, and we have not allowed them to vote during the war unless they have been naturalized a certain number of years. But it is perfectly true that some of these men and their children have fought in the Canadian Army. A Resolution of this character would be regarded as offensive by people of enemy descent who have lived in our Dominion for, perhaps, half a century and who are loyal Canadian citizens. Many of those who have come to Canada in recent years from Austria are as strongly pro-Ally as any man in this room, and are animated by an intense desire to fight in the war. In the concluding days of the last Session of Parliament I had a delegation from people born in Austria-Hungary, who asked that the compulsory Military Service Act should apply to their young men, because they said they did not wish their people to stand aside from the Allied nations in this war, but desired to do their part with other Canadians.

Mr. MASSEY: Why did you exempt them?

Sir ROBERT BORDEN: For a very good reason, Mr. Massey, which I am sure will appeal to you. It is very difficult to distinguish, and for a thousand who were absolutely loyal there might be one who was not; then the military authorities at the Front would not take them. It would not be right, and it would be idle to impose compulsory military service upon them, and it would yield no men who could be allowed to fight at the Front. We exempted them from compulsory military service and deprived them of the right to vote during the war.

Mr. HUGHES: Persons who were not naturalized?

Sir ROBERT BORDEN: Who were naturalized. I am giving them as illustrations of the spirit of these people.

Mr. HUGHES: You did not give them a vote?

Sir ROBERT BORDEN: Not unless they had been naturalized a certain number of years.

Mr. HUGHES: There is something about this Resolution which does not appeal to the whole of the Conference. You cannot by Resolution cover as wide a ground as you would like, and at the same time meet those very many and great differences of conditions in the different Dominions. But I am bound to say this—that I see no middle way in this business at all. You have either to be for your own country or against it. That is what it amounts to—and you have either to be for your own race or against it. The Germans make very good citizens; there are numbers in our country, and many of them are very loyal; but we disfranchised them—we disfranchised native-born Germans in Australia because we know from experience what every man knows, that blood is thicker than water; and whether Moses said so or not, every man knows it.

Mr. MASSEY: Moses proved it.

Mr. HUGHES: What do these men do? They come into our country and grow up in it—we welcome them, treat them hospitably, and give them a great opportunity, and directly war comes they are for Germany, just as we, if we were in Germany, and had lived there twenty years, when war broke out, would be for Britain, naturally. These laws make some hard cases, no doubt, and some people will be treated unjustly. But think of the nations which will be treated unjustly if you do not legislate. There have been four years of war, rivers of blood have flowed, and you will again allow these people to come in. I am not in favour of it. I admit that this Resolution goes a good way, and it perhaps goes too far for some here, because of the conditions existing in their particular countries which make its application difficult; yet I certainly should be in favour of uniform legislation which went as far as possible on this matter.

Sir ROBERT BORDEN: What are we to do with those people of German affiliation and descent who come to us from Russia, and are therefore not born in enemy countries?

22 July 1918.]

NATURALIZATION.

[14th Day.

Mr. HUGHES: I do not know what you would do. You can pass what legislation you like to deal with them.

Sir ROBERT BORDEN: It merely indicates that you cannot have uniformity.

Mr. HUGHES: I do not know. Whatever kind of people come to Canada come here—this is the dumping ground of the earth—there is not a race which is not here. I was at Cardiff the other day, and you could go to Calcutta and see something of the same kind as you can see in Cardiff. Everybody is here, and if you go to the East-end of this city you would think you had entered the Tower of Babel.

There is a point not touched upon here, and in my opinion a very important one. It is this: The ownership of land is one thing, but the ownership of mining rights and mining privileges is another. They are both important, no doubt, but what determines the property rights, that determines the flow of the national and economic life of the country, is personal rights, and rights in shares of companies. If one had to choose, that is where the pruning knife ought to go; in Australia we have used it in that direction, and people of enemy race will not be allowed to hold shares.

Mr. MASSEY: During the war period?

Mr. HUGHES: Yes, in Joint Stock Companies—and in that way the capital which will be invested in companies will be British in the broad sense of the term. However, I shall not suggest any amendment—every Dominion must deal with this in its own way. The amendment suggested by the Home Secretary is one which Mr. Massey has accepted, and I take it there is no exception to it at all. I think it rather widens the scope of the Resolution. It would be a good thing if our legislation could go hand in hand with that of Britain—it may be that it cannot, but I do not think it should lag behind it, and as far as we are concerned, as far as I have a voice, I propose to root the enemy out wherever I see them, and to deny them the opportunity of having a voice in the affairs of the country. It is a most extraordinary thing—I have brought it up before. I mentioned the firm of Merton. It is some time since I mentioned that name, but the firm is still here, and it is still a force in this land. It is still allowed to trade here. I do not know what it is doing. I do not know what particular part of the edifice of Empire it is supposed to be holding up, but it is here, and it is time it went. When I first had the honour of dealing with the matter in Australia I called attention to this, and, as Mr. Massey reminded me this afternoon, we dealt with all these people, and we absolutely deprived them of a foothold there. But they are here. What is the good of our passing legislation there if, in this citadel of Empire, there is still a resting-place for the soles of their feet? They are not interned; in fact, I think they are enjoying whatever prosperity there is to be found in the control of a great industry in time of war. At any rate they are here. I do not know what they are doing—they may be comatose—I hope they are—they may be asleep, or on a journey. At any rate, their domicile is here.

Mr. BURTON: Mr. Long, the feeling I have about this Resolution is that the attitude and conduct of our enemies during this war have been of such an outrageous nature in many respects that one naturally tends to the feeling that we should do all we possibly can to exclude them in future from our national and social life within the British Empire. But my difficulty about the Resolution is very much that which has been expressed by Sir Robert Borden. You have got necessarily, as the terms of the Resolution show, to provide that each Dominion must really act for itself in the matter. If you are going to do that, as you must do, quite clearly you cannot have uniformity of treatment. That is obvious. You must leave it for each Dominion to deal with the matter according to its own circumstances and its own particular views.

Mr. COOK: The Resolution suggests that.

Mr. BURTON: I know. And if you are going to do that, you had better leave the whole Resolution alone, because if each Dominion deals with it as it thinks fit, as it must do, why pass a Resolution which is subject to that particular condition? I would like to say this. Sir Robert Borden mentioned the condition of things in

Mr. BURTON—*cont.*

Canada. I want to say that in South Africa the passing of a Resolution of this sort in this broad and general form—it is a sweeping Resolution—would be likely, I think, to cause a great deal of offence to a large number of perfectly respectable, loyal, good South Africans who are of German descent.

Mr. MASSEY: Their descent does not matter, so long as they are born in a British country.

Mr. BURTON: Some of these people were not born in a British country. We have got in South Africa men holding the most responsible positions in the war—military posts, posts of the most confidential nature, and to the absolute satisfaction and trust of the whole of our community, who are full-blooded Germans.

Sir GEORGE CAVE: Not naturalized.

Mr. BURTON: No, they are men full of German blood, although not German subjects.

Mr. MASSEY: Born in Germany?

Mr. BURTON: These men were not, but their fathers were.

Sir GEORGE CAVE: This does not touch those.

Mr. BURTON: But you see what I am getting at is this: You have got men of that sort—you have got a man who is of full German blood, but who is born a South African, born a British subject. You give offence to himself and his family and all his people by passing a sweeping Resolution of this kind. Let me tell you our position. The number of these men is not small. We have got, in addition, at least two—I think there are three—settlements of German colonies in South Africa, and they are all three British settlements. One was made by the Cape Government, a settlement of German peasant farmers in the Cape flats, one of the most prosperous and successful settlements in South Africa; they are perfectly loyal, quiet, respectable, prosperous, decent, good citizens. Another is in Natal, where there is also quite a prosperous colony of Germans. The biggest, most successful, and most prosperous of all is the British settlement. The original men themselves, some of them, are still alive to-day; they and their children were sent out from here by the British Imperial Government after the Crimean war, members of the German Legion; they were sent out there, and they have populated a large part of our Eastern Province, and are among the most prosperous, law-abiding, quiet, loyal citizens we have got. Their sons are fighting for us in all the fields in the war. You cannot go and pass a sweeping thing of this sort, which is going to slap all these people in the face. Some of these men—I do not want to state the case too strongly—are, through some technical legal difficulties, still technically German subjects, but we cannot possibly act so as to lay them under this ban, until we know how they will behave. I tell you their sons are fighting and dying for us in all the battle-fields, and there is nothing but German blood in them. Then, I should add, the situation in the late Republics, which is very difficult, too. There was a fair sprinkling of German population, who came along with the rest, when these countries were annexed by the British, and for our Conference now to pass a sweeping Resolution of this kind would, I am afraid, be unwise. The circumstances in one country may differ most materially from those in another. By the essence of this, you have to leave each Dominion to deal with the question for itself, and my view is that the whole of this matter should be left to each Dominion.

Sir ROBERT BORDEN: May I say just a word? The condition which Mr. Burton has described as prevailing in South Africa corresponds precisely to the conditions which we have in Canada. In a considerable part of Nova Scotia the people are of German descent, and in other parts there are Germans who have been there from 50 to 75 years. The man who moved the reply to the Address in the House of Commons in the War Session of 1914 was the son of a man who had been born in Germany, and you could not hear a finer or more patriotic speech than he made on that occasion. And thousands of men of German descent in Canada have gone out to fight in our armies. While it is true that this Resolution would not touch them

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personally, nevertheless they would regard it as a matter of offence that such a Resolution should have been passed; and so would the people from Austria-Hungary who have come to our country at our invitation, and who are thoroughly loyal in their sentiments. They would consider this Resolution aimed at them.

Mr. HUGHES: But are not these people already naturalized?

Sir ROBERT BORDEN: Some are, some are not. Some have come and taken their land, and are waiting an opportunity of taking up their homesteads. If the Conference desires to pass the Resolution, well and good. As far as Canada is concerned, we do not desire to take part in it.

Mr. BURTON: That is my point of view too.

Mr. MASSEY: Very well, let us face it. There is nothing to prevent any man acting upon his own opinion. If the Conference chooses to knock out this Resolution, that is the business of the Conference.

Sir ROBERT BORDEN: I do not suggest it should be knocked out; I only say that we should not care to join in it.

Mr. MASSEY: Each one must make his own position clear. I am not going to find fault with anybody's opinion. I have mine, and I have given expression to it in the motion. I propose to alter the motion in this way: "This Conference is of opinion that legislation should be passed throughout the Empire restricting for a period after the war, so far as in the circumstances of each country may be possible, and subject to exceptions similar to those contained in the Bill now before Parliament in the United Kingdom, the naturalization of citizens of present enemy countries, and also preventing them from becoming entitled to any form of political rights, or acquiring land or mining privileges." I think that meets some of the objections which have been raised—I think they are reasonable objections, and I am willing to alter the motion accordingly.

CHAIRMAN: What are the words you propose to insert?

Mr. MASSEY: After the word "possible" in the fourth line, "subject to exceptions similar to those contained in the Bill now before the Parliament of the United Kingdom."

Mr. HUGHES: I hope you will not put any such words in. First of all, it is a Bill; it is not an Act. We do not know what the Act will be. Then we have not seen the whole of the Bill; we have read the exceptions. This would mean that in our legislation we must make those exceptions, and that would be as bad one way as the Resolution is, in the eyes of Sir Robert Borden and Mr. Burton, the other way.

Sir ROBERT BORDEN: I do not want to be misunderstood. I say that so far as the immigration or naturalization of Germans is concerned, we propose to deal with the matter in an effective way; but I do not want this Resolution passed, because I think that we understand our own situation better than it can be understood here, and we can deal with it better than it could be dealt with here.

Mr. MASSEY: The motion admits that.

Mr. HUGHES: Well, I hope you will not tie us down to this Resolution.

Mr. MASSEY: In that case, Mr. Long, I will not move the latter part; that is to say, I leave it as it was originally, with the exception of the words suggested by Sir George Cave.

Mr. MONTAGU: How does it read now?

Mr. MASSEY: "This Conference is of opinion that legislation should be passed throughout the Empire restricting for a period after the war, so far as in the circumstances of each country may be possible, the naturalization of citizens of present enemy countries, and also the acquisition by them of any form of political rights or of land or mining privileges."

Mr. LLOYD: Are there any cases in the Empire where political rights are exercised without naturalization? I am speaking of political rights as narrower than legal rights. Legal rights are wider than political rights. Political rights mean, I take it, the exercise of some function of citizenship like the franchise, which has to do with the government of the Colony, or, for instance, occupying a Government position where the oath of allegiance is taken, or something of that kind. The very fact of a man being non-naturalized excludes that. I can understand that there may be the acquiring of mining rights; that is a common feature of citizen rights.

Mr. HUGHES: In support of what Mr. Lloyd has been saying, if you look closely you will see that these words are words of limitation. Now if you stop a man being naturalized, of course, *ipso facto*, he has not any political rights.

Sir ROBERT BORDEN: It depends upon what you call political.

Mr. HUGHES: Yes, I suppose it does. If you say a political right is something which is independent of the franchise, and the privileges of citizenship incidental thereto, political might be wider than that. But you go on to show that you use the word "political" in its strict sense, because you add "or the acquisition of land or mining privileges."

Mr. MASSEY: Aliens can acquire land and mining privileges.

Mr. HUGHES: I know. The amended Resolution is open to less objection, but it is still open to objection from my point of view—I have stated it already—for the reason that it does not go far enough. It allows an alien to take up shares in a company; that is to say, it allows him to take a part in the greater portion of the operations, economic and industrial and financial, throughout the country. If you stop at the word "countries," and say that there will be no naturalization for a period of years to be agreed upon, that is as far as you can usefully go; otherwise, I should be held to be satisfied with merely excluding the alien from having land or mining rights, which I am not.

Mr. MASSEY: That was the wording of the original motion, but the Committee who have considered this to a certain extent thought it ought to go to the length of saying that enemy aliens ought not to be allowed to acquire land or mining privileges.

CHAIRMAN: It is very important, if you can, to avoid the adoption of any Resolution by the Conference without unanimity.

Mr. MASSEY: I want a vote, Mr. Long.

CHAIRMAN: It would not be met by the suggestion contained in the Home Office amendment?

Mr. MASSEY: No, sir, I want a vote on this.

Mr. HUGHES: If you want a vote I will vote for it, but I want it set down—I do not want to move an amendment on your Resolution, but I do want it clearly understood that I am voting for this because it is a Resolution in which I believe as far as it goes, but that in my opinion the main thing we have to do is to prevent the Germans—the enemy—getting control of our industrial and financial life by holding shares in companies. That is the way in which the control is exercised now. However, having stated that—

Mr. BURTON: That is going a good deal further.

Mr. HUGHES: Oh, yes, it is.

Mr. LLOYD: I am in full sympathy with this, but at the same time I think it would be exceedingly unfortunate if there was a divided vote on it. The point about the matter is, is it possible to meet and consider a form on which we all could agree? I am strongly in sympathy, partly because in Newfoundland we have not the difficulties which apparently exist in Canada and South Africa. I hope it will go further.

CHAIRMAN: The second Resolution proposes an immediate conference following out the Resolution of last year to examine and report as to what ought to be done.

Mr. BURTON: With regard to naturalization?

CHAIRMAN: Yes, on the same subject.

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Mr. BURTON: The subject of naturalization, and the modification of the naturalization laws of the United Kingdom, opens up quite a useful field for future action, and I have no doubt each of the Dominions will feel disposed to take action along those lines. Something of the sort will have to be done, probably, in view of what has happened. What I object to is this Conference being tied down here this afternoon by a sweeping Resolution of this sort, which, let me remind you, the British Government did not wait for before it produced its Bill. They have taken, as they are entitled to take, independent action. Why should we be bound down by a sweeping thing of this kind, instead of each being left to act as may be thought fit?

Sir ROBERT BORDEN: It either ties us down in some way, or it amounts to nothing.

Mr. MASSEY: The same objection has been raised against every Resolution which has been brought forward, in some cases because they were not binding, and in other cases because they were binding; and so we could not agree, and the result has been that we have some colourless Resolutions which are not worth the paper upon which they are printed.

Sir JOSEPH WARD: If the discussion is not finished I want to have a word or two.

Mr. HUGHES: This should prevent them becoming entitled to hold land, or to acquire mining privileges, or to hold shares in any Joint Stock undertaking or in any company.

Mr. MASSEY: I do not think it would be wise to go as far as that.

Mr. HUGHES: I tell you honestly, if the Germans owned the whole of the land of England, and did not own a share in any company, they would be as powerless as beetles with pins through their backs; they could not do anything. It is the finances of England that matter.

Sir JOSEPH WARD: Mr. Long, it looks to me as though there is going to be a division of opinion as to the best way to meet what, under the circumstances in which the Empire is placed at the moment, is almost an imperative necessity for all parts of the Empire to deal with. Personally I should like to see unanimity upon a Resolution, and if it could be framed in some way to get the unanimous decision of the Conference I think it would be very useful in all our countries. There can be very little doubt that the general feeling of the great majority of the people all over the world at present in civilised countries has been roused to a degree, owing to the barbarous methods adopted by the Germans during this war. Patriotic people in our countries must feel that there must be restrictions, and very marked restrictions, put upon the people of those countries who before the war were treated with the same consideration as ordinary British subjects.

I want to say what we have done in New Zealand. I do not think Mr. Massey referred to it. I want to say what we did after the outbreak of war, and are continuing to do. We control all companies which have enemy shareholders in New Zealand at the present moment, and as a matter of fact we have put into liquidation every company in New Zealand which was controlled by enemy shareholders; we have handed them all over to the Public Trustee in New Zealand for absolute liquidation.

Mr. HUGHES: Has he sold them?

Sir JOSEPH WARD: Yes, he has. There is no such thing as holding on to the very important German companies or firms who were operating there; under our legislation we have brought them to a standstill long ago, and we have wound the most important ones up. That money is held by the Public Trustee—it happens to be one of the departments which I administer, and I speak with full knowledge—that money has been invested by the Public Trustee for distribution after the war when we know how the distribution of debt will be arranged between the several Dominions and the Mother Country. Take that very point which Mr. Hughes has referred to. We have gripped that in New Zealand. We recognised that if you wanted to control and prevent enemy subjects from operating throughout our country, the first essential was to stop them having anything to do with any business they

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had previously carried on in New Zealand; and we have done it. And, again, we have interned every German in New Zealand that there has been the least doubt about of any sort or kind. So that, from the point of view of looking after the interests of our country in those respects we have done all that we can do already.

As to the future I am of the opinion myself that there should be a longer period of years fixed for naturalization of enemy subjects particularly, and I am not at all sure that, even with regard to those who are not enemy subjects, we have not been a little too generous, as far as time is concerned, in fixing the period for which their residence in this country was necessary before naturalization was given. This war has shown me at all events conclusively that we do want a longer period of years for future naturalization in our country. I would go so far as 10 years for enemy subjects, and that is probably as long a period as this country will go in regard to legislation to control the situation which exists at the present moment, or is said to exist, here and in our countries too. My opinion is that you want to have a longer period of years before admitting a person to become naturalized, and unless you have some unity of action all over the British Empire you are not going to place those restrictions on Germans or German subjects that this Resolution is intended in some sense to apply to. I think, with all due deference, that if the period of years for each country is to be left open one portion of the Empire may do nothing, another may fix 12 months, and another two years.

Mr. MASSEY: We cannot lay down a hard and fast period.

Sir JOSEPH WARD: If we could have a period fixed it would be better, because after all if it is going to be effective we want to have it dealt with in all parts of the Empire from the whole Empire point of view. My opinion is that we do want to have a longer period for naturalization generally.

Mr. BURTON: I agree with that.

Sir JOSEPH WARD: It would be a very good thing to do if we can all do it.

Mr. MASSEY: But you must make a difference between countries like the United States and France and enemy countries.

Mr. BURTON: How long is it to last?

Mr. MASSEY: I hope for a generation.

Mr. BURTON: Next time somebody else may be your enemy.

Mr. MASSEY: Well, we will deal with that when it comes.

Sir JOSEPH WARD: I think a period should be fixed. This Resolution does not contain it. In the future if we want to prevent trouble in different parts of the Empire, we want to have a longer period for naturalization for enemy subjects, or for doubtful subjects, coming from countries which are not our enemies at the present moment.

Mr. MASSEY: The naturalization law in our country, and I think in any other country, does not fix the date at which naturalization will be granted to anyone.

Sir JOSEPH WARD: We have had in practice quite a long time of residence in New Zealand—I think at one time it was for a period of three years. Then there was the right of the Department dealing with it of refusing to give naturalization to anybody at all in the country. I think at one meeting of the Imperial Conference—I am not sure of the date—there was an effort made between Canada, Australia and New Zealand, in conjunction with the authorities of Britain, to fix a uniform period of years; the difficulty was then in regard to Canada. We are bound to come to a time, in the future, when the general question of naturalization will have to be considered. That goes without saying. I do not believe we are going to control those who are going to rule our respective countries five or ten years hence, and you will find that at some period this question of naturalization for the Empire as a whole is bound to crop up again. In the meantime I think it is very important that we should prevent even naturalized subjects in our country—those that there is the least doubt about whatever—from exercising any power whatever in the British Empire in connection with matters which are of vital concern to the

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Empire as a whole. The Japanese have a system of not allowing people outside their own country to own the freehold of land, and I am not sure that it would not be better in all our countries to adopt an Empire policy of that kind, and also to prevent enemies from holding shares in companies, which may prove to be disastrous from the point of view of the British world in the years which are to come. Then I think you would be laying the foundations of the British Empire on a broad basis and certainly on a very solid foundation. I am not sure that the Japanese in that respect have not set us all a very worthy example, from the point of view of preserving national individuality, and the perpetuation of the individuality of the race in their own country. Mr. Long, I think there is nothing in our power—and I recognise the environment and the conditions in the respective portions of the Empire, which have to be considered—which we ought not to do, as the result of the terrible, and in many respects unexpected, lessons from an utterly unscrupulous enemy, which we have had since this war began; and, apart from what is in this Resolution, I am of opinion that if we grip the development of trade in the right way, we are going to have a much more restrictive effect upon any possible chance of the enemy countries, Germany particularly, getting alongside of us in the years which are to come, than was the case during the last forty years.

* * * * *

I am of the opinion that when dealing with this, to us, very vital question of dealing with enemy people we ought to make up our minds that it is not going to be sufficient if we are going, after the war is over, to display all those generous characteristics which have marked the British people in all parts in the past to allow the enemy to have the advantage of things which we can control, and which we can regulate to a very great extent. If we are going to do that, then I think we shall take a very unwise course. It is not only by amending our naturalization laws and preventing a naturalized or unnaturalized German getting land in our countries that we can take restrictive steps; that must not be the only thing we are to do if we are going to forge ahead, and to prevent a repetition of conditions that have arisen, particularly during the last 50 years.

I want to say that, I think, in our countries—I am not talking about the Old Country, because here you have a right to do as you think proper, and in our country the people have a right to do what they think proper—in our countries we are going to be faced with this very difficult and delicate question of descent. I know of cases in the Public Services of my country of people who are the sons of German subjects, whose father was German and the mother an Englishwoman, who were educated in State schools, and had never been to Germany in their lives, who never knew a word of German, who hold responsible positions in our country, and have never been naturalized, because they were born British subjects. The stand taken by the Government of the country—which I think was right—was that if there was a suspicion, and there was in some cases, they were not only removed from their positions, but they were interned—that is to say, in cases where there was any reason of doubt about them. In cases in which there is no reasonable doubt, there is no question that action requires to be taken to prevent troubles arising. I do not know whether it is possible to alter this Resolution so as to get a unanimous decision.

Sir GEORGE CAVE: May I make a suggestion which may bring us together? It is very important to be unanimous, not only to avoid division here, but because a Resolution which is not unanimous here may not be carried out throughout the British Empire, and I think it is of the greatest importance to have the same nationality law in every part of the British Empire. Evidently Mr. Hughes is not quite satisfied with the Resolution, and I do not think Sir Joseph Ward is either, although they support it.

Mr. MASSEY: Nobody is ever quite satisfied with any motion,

Sir GEORGE CAVE: I am not able to say as to that. I have not been here enough. My suggestion is this: That a conference shall be at once appointed to consider any question of nationality law which may be brought before it, and that that body should meet at an early date. Would it be possible to refer this question to that conference?

Mr. MASSEY : It has been before a Committee.

Mr. HUGHES : What is the Conference you are referring to?

Sir GEORGE CAVE : It is a Conference to meet in London at an early date to examine and report upon any question connected with nationality or naturalization which any Government may desire to raise, and I suggest that possibly this matter might be referred to that Conference, but with the understanding that it may report specially, if need be, on the particular subject of Mr. Massey's Resolution.

Mr. MASSEY : That does not clash with my motion, and I want a division.

Sir S. P. SINHA : In connection with what has been said by the Home Secretary, may I point out that we are somewhat ignoring what has already been done in consequence of the Resolution passed last year? In consequence of the Resolution passed last year, the Bill which has now passed the Second Reading, was drafted in this country—that is, the British Nationality and Status of Aliens Bill, and having been drafted here and circulated throughout the Empire, the draft has been approved by all the Self-governing Dominions and India, with the exception of Australia. I am reading from the Home Secretary's statement in the House the other day. Australia does not yet approve the draft, but has indicated no dissent. I take it that the object of circulating the Bill throughout the Empire was to obtain, if possible, uniformity of Nationality Law throughout the Empire. So far as that is concerned, the result is that practically all the countries of the Empire have accepted the provisions of the Bill. So that although there is some difference of opinion with regard to the draft Resolution of Mr. Massey, we have, in substance, agreed with the provisions of the Bill now passed in the House of Commons. And the Home Secretary, as I understand it, says that in order that the different countries of the Empire may proceed to legislate upon lines they have approved of already, so far as that Bill is concerned, there is going to be immediately a conference of experts, because there are many technical points of law to be considered with reference to nationality and status. Surely that will be the time for us to state and decide as to whether we can accept the whole of the provisions of this Bill, or whether we require modifications on the part of the countries that we represent. Is it necessary now, having regard to what has passed before, to pass formally the Resolution which Mr. Massey now proposes? Because there is no doubt we have accepted the principle.

Mr. HUGHES : Do you say that the Act to which you refer, the Naturalization Act, which has been approved by all parts of the Empire, except Australia—do you suggest that covers the same ground as the motion?

Mr. MONTAGU : May I say a word, because I was Chairman of the Committee to which this Resolution was referred. We had a long sitting in an attempt to get unanimity, and I am afraid we cannot. The situation, as I see it, is this: that we are not dealing with the future rights and the status, for all time, of Germans in the British Empire, nor are we dealing, if I may say so with great respect to Sir Joseph Ward, with the form of punishment which ought to be meted out to citizens of enemy countries because of the horrible barbarities they have perpetrated during the war. It is simply this: that before the war, German and Austrian citizens came to this country, and we know now that they came nursing in their minds martial ambitions masked under trade aspirations, which they have revealed during the war, wholly, I am thankful to say, different from our own, and, as I think the world now admits, of a lower order. Are we going to allow them to come back with those same ideas, and allow them to exercise the same privileges as they did before the war? I say emphatically that that ought not to be so. I say emphatically we ought to allow a sufficient period to elapse before we meet them again, to see that they have got rid of the notions which led to the present war, and the horrible practices associated with it. For that reason we tried, in this Committee, to get a comprehensive Resolution. Mr. Hughes has dealt with the question of the acquisition of shares, and we also tried to get something dealing with the right of a German who enters this country or any part of the Empire to trade. The Government has announced its intention to prevent German banks, for a period after the war, being carried on here. It seemed to some of us on this Committee that it was difficult to deal with banks unless you dealt with other things. And we tried to get a comprehensive motion which, if my memory serves me aright, ran somewhat as follows:

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“or of entry into the British Empire with the view of acquiring trading interests in it.” We could not agree on this, and we tried, in order to meet the views of all who were represented there, to limit it to land or mining privileges, leaving the other and larger question to some future date, or for settlement in each part of the Empire. That, apparently, was not successful. There have been various suggestions this afternoon, one of which was to stop at the word “countries,” making it simply a naturalization rule, and getting no forwarder on the very important question of whether Germans are to come into the country, and, if so, on what conditions, immediately after peace is signed. I only say that in order to ask Mr. Massey whether I cannot speak in his name as well as my own in saying the postponement of this Resolution for further Conference is not likely to lead to further agreement.

Mr. MASSEY: It would be pointed at as a weakness all over the Empire on this question, and as a victory for the enemy.

Mr. LLOYD: Will you not have victory for the enemy if you publish to the world at large that the biggest Dominion we have, and also another big Dominion, dissent from this, and refuse to bind themselves? Is it not the intention that this shall cover both immigrants from enemy countries and present residents in the British Empire who come from Germany?

Mr. MASSEY: Each country must decide. It does not apply to naturalized British subjects, even if they came from enemy countries.

Mr. LLOYD: That does not cover my point.

Mr. MASSEY: This is not a Bill.

Mr. LLOYD: No, but there is an idea behind it, and I want to know what that idea is.

Mr. MASSEY: Each country must pass its own legislation.

Mr. MONTAGU: It was pointed out on behalf of Canada that there were already German farmers in Canada who had been promised all their existing privileges so long as they behaved themselves, therefore we cut out of the draft Resolution “acquiring or owning land,” and limited it to “acquiring.”

Mr. LLOYD: That does not answer my point. What I want to know is, is that meant to cover merely immigrants from enemy countries, or present residents of our Empire who are citizens of enemy countries? Surely there is an idea behind this? We are not asked to pass something which is not clear?

Mr. MONTAGU: What do you mean by “immigrants”?

Mr. LLOYD: I mean a person who is at present resident, say in Germany, but at the close of the war comes to Newfoundland. Is that the person you have in mind?

Mr. MONTAGU: Yes.

Sir GEORGE CAVE: Our Bill covers the German who is now resident here it covers both.

Mr. LLOYD: That is what I am asking. What I was trying to get at was this: that surely no Dominion could object to it covering immigrants from Germany. There are folks who are not immigrants at present. I mean future immigrants. Are they all that you intend to cover?

Mr. MASSEY: It is pretty comprehensive.

CHAIRMAN: I must put the Resolution, if the Prime Minister of New Zealand desires it.

Mr. BURTON: May I say a word? Is this a suggestion now about the Conference or about the Resolution?

CHAIRMAN: We are dealing with the Resolution of the Prime Minister of New Zealand.

Mr. BURTON : We have been handed a draft Resolution about a Conference.

CHAIRMAN : That is an alternative. I suggested that that should be passed if we could not adopt this Resolution unanimously, but that suggestion has not been adopted.

Mr. BURTON : I am prepared to agree to this one about a Conference.

CHAIRMAN : So was Canada.

Sir GEORGE CAVE : I was proposing to move that after this one which is now before the Conference.

Mr. HUGHES : Is this the Resolution before the Conference ?

CHAIRMAN : No. We have got Mr. Massey's.

Mr. HUGHES : What Mr. Montagu has said throws a flood of light on the matter : I wish he had spoken earlier. I now understand why the Resolution has taken this form of endeavouring to please everybody, and ends by pleasing nobody, as is usual with those who attempt that thankless task. It does not please me. If the whole Conference would vote for it, then I would vote for it without more ado. But there are some who do not propose to vote for it, and if that be so, I want to assert, quite clearly and definitely, that it is necessary to prevent aliens, or persons of enemy origin, whether naturalized or unnaturalized, from holding shares in British companies, and I say deliberately that is the crux of the whole question. I do not mind what you say about land or mining privileges : that is a sop to Cerberus, and I do not mind it going in. I think the other is the main thing. It is not Mr. Massey's fault : the Committee has put this in. If the Resolution is adopted generally in this form, as Mr. Massey moved it, I will vote for it, merely stating that, in my opinion, it does not go far enough in this respect. But if there is going to be a division, I must insist upon asserting that view in a definite way. As to the other suggestion, that we should hold this over for another Conference, to meet in London after the termination of the War—

CHAIRMAN : No, those words are struck out "after the War."

Mr. HUGHES : Well, at an early date. What is this Conference, then ? Are we going to have this Resolution put before this Conference, and then, having been emasculated here, turned over in its deplorable condition to another Conference, who probably will deal with it in the same way—to a Conference which may sit before the Day of Resurrection, but not very much before. That is what it means. I want to speak strongly on this. This alien question is a very serious question. We do not want any Resolution so far as the Dominions are concerned—we can "dree our own weird." What is this Conference for ? I thought it was to come to an understanding on questions of vital interest. As Mr. Massey has said, we pass Resolutions which are colourless, colourless to a painful degree, and when we come to something which matters, we are told to pass it on to another Conference, or we are told we have already agreed to something, or that the Empire has, except Australia. But that is not to the point, because what was agreed upon does not lessen the necessity for action in the present emergency. I hope that this Resolution will be, even in its present form, adopted. I do not know whether any further amendments are proposed than those which are included in it as it stands, but I shall vote for it as it is, only asserting that it should go further in that direction.

CHAIRMAN : Is it your pleasure I put the Resolution, as amended ?

Mr. LLOYD : As accepted by Mr. Massey ?

CHAIRMAN : Yes.

Mr. BURTON : No.

Mr. ROWELL : For the reasons stated by Sir Robert Borden, Canada desires to reserve complete liberty of action to deal with this matter under the conditions actually existing in Canada.

CHAIRMAN : You abstain ?

Mr. ROWELL : We abstain from voting for the Resolution.

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Mr. BURTON: My attitude is exactly the attitude, and my reasons are the reasons, given by Mr. Rowell. If the Resolution is put to this Conference, I do not see why I should not vote against it. I am against it.

CHAIRMAN: Canada abstains, South Africa is against it, Australia, New Zealand, India and Newfoundland are in favour. The motion is therefore carried. There is a supplementary one, which will now be taken.

Sir GEORGE CAVE: I think there will be no opposition to what I now propose: "The Conference refers to Resolution X passed by the Imperial War Conference 1917 recognising the desirability and importance of securing uniformity of policy and action throughout the Empire with regard to naturalization, and recommends that a special Conference, representative of all parts of the Empire, should meet in London at an early date and examine and report in the light of that Resolution upon any question connected with nationality or naturalization which any Government represented at the special Conference may desire to raise, and upon any suggestions which may be made for the amendment of the existing law." The kind of points I have in mind I may indicate. They are set forth in the Memorandum which was circulated to the Imperial Conference, prepared in the Home Office.* Perhaps I may—

Mr. ROWELL: May I ask the Home Secretary if the Resolution already circulated, which Sir Robert Borden understood was to be the Resolution which would follow, and which he saw before leaving, would not serve the same purpose?

CHAIRMAN: This is the one.

Mr. ROWELL: I beg your pardon: I thought it was different.

Sir GEORGE CAVE: The kind of questions I want to bring forward are such as the question of dual nationality, the question of the nationality of a married woman, and other questions such as have been referred to to-day.

Mr. MASSEY: Whom do you suggest should be members of this Conference? Our time is nearly at an end—I am speaking of the members of the Conference generally—and we cannot stay here very much longer. I have a number of things to attend to as representing my Dominion, and I find it very difficult to keep pace with things as it is.

Sir GEORGE CAVE: I am not suggesting that. I was hoping that each country would appoint an expert in the law of nationality to stay here and make a recommendation.

Mr. HUGHES: What effect would that have upon Governments? Whom could we send, being at once an expert and a person having authority? And if it was a person without authority, of what avail would that Conference be?

Sir GEORGE CAVE: I hoped the Conference, after coming to a decision, would recommend to each Government—

Mr. HUGHES: Would it be acceptable to the parties?

Sir GEORGE CAVE: If good men came, I think it would be.

Mr. HUGHES: I do not think it would be. At any rate I am opposing it.

Sir GEORGE CAVE: Sir Robert Borden told me he entirely agreed to this.

Mr. LLOYD: I do not think we could stay any longer: I do not agree to it. This is the sort of thing which should be done here, at this Conference, and not sent to a special Conference.

Sir GEORGE CAVE: It is too technical.

Mr. COOK: You see, the Canadians are within reach, we are not. It makes all the difference in the world.

Mr. ROWELL: Could not your High Commissioner attend and report on the matter, Mr. Cook?

14th Day.]

NATURALIZATION: ADDRESS TO
HIS MAJESTY THE KING.

[22 July 1918.

Mr. HUGHES: We have in London the Attorney-General and the Solicitor-General of the Commonwealth, who will confer with your draftsmen or with your Law Authorities in regard to these matters at any time you like. The authorities necessary to determine this as regards Australia are now on the spot, and cannot come here again.

CHAIRMAN: The Home Secretary meant to have a meeting immediately.

Mr. LLOYD: We should do it now, not have a separate Conference for it.

Mr. MASSEY: When do we expect to bring this Conference to an end? I am afraid I shall have to give up attending. I have done my best to do the work of the Conference and to do my other work as well, but I find it impossible to go on as I am doing. If the other members of the Conference are willing, I will stand out, and abide by their decision.

Mr. HUGHES: In my opinion what ought to be done is this: the Home Secretary has brought up certain points which are continually cropping up in these Naturalization Acts. Let him draw up a list of these, and indicate how Great Britain suggests they should be dealt with. Then we could have a sub-committee to deal with them, and they could be brought to this Conference, who could decide whether the way suggested was a good way, and could deal with the question of married women and various other things. And it would be a good thing if we could get uniformity.

Sir GEORGE CAVE: That is all I want; for everybody to send an expert of some kind, to talk these things over. I do not care when it is.

CHAIRMAN: In face of that fact, could not we pass this? Because it is recommending that this Conference be held immediately.

Mr. HUGHES: If you say immediately, it would do.

Mr. ROWELL: It seems to me that the Resolution submitted is a perfectly reasonable one, and one which we might well adopt. Whatever opinion one may have as to the last Resolution, it does not give us the basis for concurrent legislation, and we all agree that it is desirable, so far as the circumstances of each Dominion will permit, that we should have uniformity in our naturalization laws—that we should have the largest possible measure of uniformity. I see no way of reaching that except by friendly interchange of opinion by those who can take up the law in detail, and give examination to the various points raised. Therefore I think the suggestion of the Home Secretary is a reasonable and proper proposal, and Canada supports it.

Sir JOSEPH WARD: It would be a very useful thing if it is done at once.

Sir GEORGE CAVE: We will do it at once.

Mr. LLOYD: I am satisfied if it is done in two or three weeks.

Mr. ROWELL: Canada will second it.

The motion was then carried as follows:—

The Conference refers to the Resolution X passed by the Imperial War Conference, 1917, recognising the desirability and importance of securing uniformity of policy and action throughout the Empire with regard to naturalization, and recommends that a special Conference, representative of all parts of the Empire, should be held at the earliest practicable date to examine and report in the light of that Resolution upon any question connected with nationality or naturalization which any Government represented at the special Conference may desire to raise, and upon any suggestions which may be made for the amendment of the existing law.

Address to His Majesty the King.

CHAIRMAN: There is the question of the terms of the Address to the King, which we shall consider on Friday, with the view to its presentation on Friday afternoon. The proposed terms are as follows: "We, the representatives of the Governments of the Empire who constitute the Imperial War Conference,

[22 July 1918.]

ADDRESS TO HIS MAJESTY THE KING.

[14th Day.]

CHAIRMAN—*cont.*

“ desire, before returning to our homes, once again to give expression to our feelings
“ of devotion to Your Majesty and loyalty to the Throne. We have met as we did
“ last year, in a time of stress and anxiety which has had no parallel for a century,
“ But that very stress and anxiety have called forth, on the part of Your people
“ everywhere, a continuing unanimity of resolution to preserve their rights and
“ liberties, which has proved to the World that war and suffering do not tend to
“ dissolve but rather to unite the Empire. Whatever the future may keep in store.
“ we are confident that Your people in every part of Your Dominions are fixedly
“ determined to maintain Your Empire against a barbarous and perfidious enemy
“ without, while drawing closer within the bonds which tie each part to the
“ rest in a unity of which the Throne is the outward and visible symbol.”

We will bring that forward formally on Friday.

FIFTEENTH DAY.

Wednesday, 24th July 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 11 A.M.

PRESENT :

The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).

The Right Honourable LORD ROBERT CECIL, M.P., Assistant Secretary of State for Foreign Affairs.

Canada.

The Honourable C. C. BALLANTYNE, Minister of Marine and Fisheries and of the Naval Service.

The Honourable N. W. ROWELL, K.C., President of the Privy Council.

Major-General The Honourable S. C. MEWBURN, K.C., Minister of Militia and Defence.

Australia.

The Right Honourable W. M. HUGHES, Prime Minister.

The Right Honourable J. COOK, Minister of the Navy.

New Zealand.

The Right Honourable W. F. MASSEY, Prime Minister.

The Right Honourable Sir JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

The Right Honourable E. S. MONTAGU, M.P., Secretary of State for India.

The Honourable Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.

Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.

Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT :

Sir G. V. FIDDLES, G.C.M.G., C.B., Permanent Under-Secretary of State for the Colonies.

Mr. W. A. S. HEWINS, M.P., Parliamentary Under-Secretary of State for the Colonies.

The Right Honourable Sir FREDERICK PONSONBY, K.C.B., K.C.V.O., Keeper of the Privy Purse.

Sir C. F. N. MACREADY, G.C.M.G., K.C.B., Adjutant-General to the Forces.

Rear-Admiral N. P. PALMER, C.V.O., Chairman of the Admiralty Honours Committee.

Sir H. LLEWELLYN SMITH, K.C.B., Permanent Secretary, Board of Trade.

Sir CLAUD SCHUSTER, Permanent Secretary, Lord Chancellor's Department.

Mr. H. FOUNTAIN, C.B., C.M.G., Assistant Secretary, Commercial Relations and Treaties Department, Board of Trade.

Mr. C. H. L. NEISH, C.B., Registrar of the Privy Council.

Mr. W. R. WALLACE, Chief Clerk to the Judicial Committee of the Privy Council.

The Honourable C. H. TUFTON, Foreign Office.

Lieutenant-Colonel C. H. FRITH, Adjutant-General's Department, War Office.

Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.

Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.

And Private Secretaries.

Reciprocity of Treatment between India and the Dominions.

CHAIRMAN: Mr. Hughes cannot come this morning, and Sir Robert Borden is away. The first subject on the agenda is Reciprocity of Treatment between India and the Dominions, on which there is a Memorandum by Sir Satyendra Sinha, which has been circulated,* and also a draft Resolution, which I understand is the result of a meeting at the India Office. Shall I read the draft Resolution as the basis of discussion?

Sir S. P. SINHA: As you please, sir.

CHAIRMAN: The Resolution is as follows:—

“The Imperial War Conference is of opinion that effect should now be given to the principle of reciprocity approved by Resolution XXII. of the Imperial War Conference, 1917. In pursuance of that Resolution it is agreed that:—

“1. It is an inherent function of the Governments of the several communities of the British Commonwealth, including India, that each should enjoy complete control of the composition of its own population by means of restriction on immigration from any of the other communities.

“2. British citizens domiciled in any British country, including India, should be admitted into any other British country for visits, for the purpose of pleasure or commerce, including temporary residence for the purpose of education. The conditions of such visits should be regulated on the principle of reciprocity, as follows:—

“(a) The right of the Government of India is recognised to enact laws which shall have the effect of subjecting British citizens domiciled in any other British country to the same conditions in visiting India as those imposed on Indians desiring to visit such country.

“(b) Such right of visit or temporary residence shall, in each individual case, be embodied in a passport or written permit issued by the country of domicile and subject to *visé* there by an officer appointed by, and acting on behalf of, the country to be visited, if such country so desires.

“(c) Such right shall not extend to a visit or temporary residence for labour purposes or to permanent settlement.

“3. Indians already permanently domiciled in the other British countries should be allowed to bring in their wives and minor children on condition (a) that not more than one wife and her children shall be admitted for each such Indian, and (b) that each individual so admitted shall be certified by the Government of India as being the lawful wife or child of such Indian.

“4. The Conference recommends the other questions covered by the memoranda presented this year and last year to the Conference by the representatives of India, in so far as not dealt with in the foregoing paragraphs of this Resolution, to the various Governments concerned with a view to early consideration.”

* See pp. 245-248.

15th Day.]

RECIPROCITY OF TREATMENT BETWEEN INDIA [24 July 1918.
AND THE DOMINIONS.

Sir S. P. SINHA: Mr. Long, I am desired by my colleague, the Maharaja of Patiala, who is unfortunately prevented from being present to-day, to express his entire concurrence in what I am going to say to the Conference. I also regret exceedingly the absence of Sir Robert Borden, because I wanted to express in his presence my deep feeling of gratitude for the generous and sympathetic spirit in which he has treated the whole question, both last year and this year. I desire to express my gratitude to him for the very great assistance he has rendered, to which I think the satisfactory solution which has been reached is very largely due—that is, if the Conference accepts the Resolution which I have the honour to propose.

Sir, the position of Indian immigrants in the Colonies has been the cause of great difficulties, both in the Dominions themselves and particularly in my own country, India. As long ago as 1897, the late Mr. Joseph Chamberlain, in addressing the Conference of Colonial Premiers, made a stirring appeal on behalf of the Indians who had emigrated to the Dominions. The same appeal was made in 1907 by Mr. Asquith, and in 1911. During all this time India was not represented at the Conference, and it is only due to the India Office here to say that they did all they could to assist us. In 1911 the Marquess of Crewe, as Secretary of State for India, presented a Memorandum to the Conference, which is printed in the proceedings for that year,* and I cannot do better than just read one of the passages from that Memorandum, which shows the nature of the difficulties which had arisen and the solutions which had been proposed on behalf of the Secretary of State. The Memorandum presented by the Secretary of State says this†:—

“It does not appear to have been thoroughly considered that each Dominion owes responsibility to the rest of the Empire for ensuring that its domestic policy shall not unnecessarily create embarrassment in the administration of India.

“It is difficult for statesmen who have seen Indians represented only by manual labourers and petty traders to realise the importance to the Empire as a whole of a country with some three hundred million inhabitants, possessing ancient civilisations of a very high order, which has furnished and furnishes some of the finest military material in the world to the Imperial forces, and which offers the fullest opportunities to financial and commercial enterprise. It is difficult to convey to those who do not know India the intense and natural resentment felt by veterans of the Indian Army, who have seen active service and won medals under the British flag, and who have been treated by their British officers with the consideration and courtesy to which their character entitles them, when (as has actually happened) they find themselves described as ‘coolies,’ and treated with contemptuous severity in parts of the British Empire. Matters like this are, of course, very largely beyond the power of any Government to control, but popular misunderstandings are such a fruitful source of mischief that it seems worth while to put on record the grave fact that a radically false conception of the real position of India is undoubtedly rife in many parts of the Empire.

“The immigration difficulty, however, has, on the whole, been met by a series of statutes which succeed in preventing Asiatic influx without the use of differential or insulting language. It is accepted that the Dominions shall not admit as permanent residents people whose mode of life is inconsistent with their own political and social ideals.

“But the admission of temporary visitors, to which this objection does not apply, has not yet been satisfactorily settled. If the question were not so grave, it would be seen to be ludicrous that regulations framed with an eye to coolies should affect ruling princes who are in subordinate alliance with His Majesty, and have placed their troops at his disposal, members of the Privy Council of the Empire, or gentlemen who have the honour to be His Majesty’s own Aides-de-Camp. It is, of course, true that no person of such distinguished position would, in fact, be turned back if he visited one of the Dominions. But these Indian gentlemen are known to entertain very strongly

* P. 272 of [Cd. 5746—1].

† P. 277 of [Cd. 5746—1].

Sir S. P. SINHA—*cont.*

the feeling that, while they can move freely in the best society of any European capital, they could not set foot in some of the Dominions without undergoing vexatious catechisms from petty officials. At the same time, the highest posts in the Imperial services in India are open to subjects of His Majesty from the Dominions.

“The efforts of the British Government to create and foster a sense of citizenship in India have, within the last few years, undoubtedly been hampered by the feeling of soreness caused by the general attitude of the Dominions towards the peoples of India. The loyalty of the great mass of Indians to the Throne is a very conspicuous fact, and it is noteworthy that this feeling is sincerely entertained by many Indian critics of the details of British administration. The recent constitutional changes have given the people of the country increased association with the Government, and have at the same time afforded Indians greater opportunities of bringing to the direct notice of Government their views on the wider question of the place of India in the Empire. The gravity of the friction between Indians and the Dominions lies in this, that on the Colonial question, and on that alone, are united the seditious agitators and the absolutely loyal representatives of moderate Indian opinion.”

This, sir, was in 1911, three years before the war; and if the position was correctly described then, you will conceive with how much greater strength the same observations apply to the present position as between India and the Dominions. Of course, since 1911, so far as South Africa is concerned, many practical grievances which then existed have, I gratefully acknowledge, been removed, but there are still many others outstanding. Those are referred to in the Memorandum which has been circulated to the Conference,* and I trust my friends, Mr. Burton and General Smuts, to whose statemanship South Africa, including all its inhabitants, owes so much, will be able, on their return to their own country, in process of time to remove all, or at any rate some, of the grievances to which I refer. I recognise that it is a matter of time. I recognise their desire to remove those grievances, in so far as they are grievances, and I appreciate the difficulties of getting any legislation through their own Parliaments for that purpose; but at the same time I hope the matter will not be lost sight of, and that an early consideration will be given to matters which have not been the subject of agreement between us on this occasion.

But, sir, so far as the outstanding difficulty of India is concerned, I am happy to think that the Resolution which I now propose before the Conference, if accepted, will get rid of that which has caused the greatest amount of trouble both in Canada and in India. There are now about 4,000 or 5,000—I think nearer 4,000 than 5,000—Indians in the Dominion of Canada, mostly in British Columbia, I think—in fact, all in British Columbia; and the great difficulty of their position—a difficulty which is appreciated in India—is that these men are not allowed to take their wives and children with them. Now the Resolution, in paragraph 3, removes this difficulty—that is to say, if it is accepted and given effect to—and I consider that that will cause the greatest satisfaction to my countrymen, and particularly to that great community of Sikhs who have furnished the largest number of soldiers during this war, and to whom these 4,000 men in Canada belong.

The principle of reciprocity, which was accepted by the Conference on the last occasion, is again referred to with approval, and effect is to be given to it immediately as regards some of the most urgent matters concerned.

I have read from Lord Crewe's Memorandum, sir, the ludicrous position which now exists with regard to Indians of position visiting the Dominions. That position will be altogether altered if the Conference accepts the second part of the Resolution which I propose—namely, that “British citizens domiciled in any British country, including India, should be admitted into any other British country for visits,” and that the system of passports now in existence be continued, which would prevent any influx of undesirable labour population.

* See pp. 245–248.

15th Day.]

RECIPROCITY OF TREATMENT BETWEEN INDIA [24 July 1918.
AND THE DOMINIONS.

Sir S. P. SINHA—*cont.*

I think that, as the whole matter has been before the Conference so long, it would not be right for me to take up the time of the Conference further. I venture to think that if this Resolution is accepted, it will solve many of the most acute difficulties which have arisen between the Dominions and India; and, speaking for India, I can assure you that it will cause the greatest satisfaction, and will help us to allay the agitation which, particularly at a time like this, is a source of grave embarrassment. That is all I have to say, sir.

Mr. ROWELL: There are just one or two observations I should like to make, Mr. Chairman. May I say how sincerely Sir Robert Borden regrets that he could not be here this morning for this question. He has personally taken a very keen interest in the question, and I am sure he will appreciate the very kind references which the representatives of India have made to his endeavour to find a solution of the difficulties which have existed for many years between India and the Dominions in connection with this very important problem.

The Resolution as submitted is accepted by Canada. We have had several conferences, and the terms of the Resolution represent an understanding arrived at by India and the Dominions. We look upon it as a matter of importance that the principle implied in the first paragraph of the Resolution should be frankly recognised by all the communities within the British Commonwealth. We recognise that there are distinctions in racial characteristics, and in other matters, which make it necessary that, while we fully recognise the principle of reciprocity, each should exercise full control over its own population. The other paragraphs of the Resolution give effect to the proposals which have been discussed before the Committee set up by the Conference for the purpose, and give effect in such a way as I am sure we all hope will meet the general approval of the citizens of the Dominions and of India, as well as of the other portions of the Empire. We are glad to be able to remove the grounds of objection which India has felt, particularly with reference to the liberty of the Indians resident in Canada to bring their wives and minor children to Canada; but it was felt that this matter could not be dealt with except as part of the whole problem, and it is in connection with the solution of the whole problem that this forms an important part.

I think the number of Sikhs in Canada is not quite so large as Sir Satyendra has mentioned. While there was this number at one time, I think a number have returned to India, and the number is not now large. I am sure we all appreciate the splendid qualities which the Sikhs have shown in this war, and the magnificent contribution which that portion of India particularly has given to the fighting forces of the Empire, and I am sure it would have been a matter of gratification to us all if Sir Robert Borden could have been here when this important matter was being dealt with by the Conference. I am also confident that the effect of this Resolution will be to draw together the Dominions and India into closer bonds of sympathy, and to cement the bonds that bind our whole Empire together as a unit for great national purposes—for those great, humane, and Imperial purposes for which our Empire exists.

CHAIRMAN: Mr. Cook, do you desire to say anything on this?

Mr. COOK: No, I think not, sir.

Mr. MASSEY: I am very glad that this solution of the difficulty has been arrived at. So far as New Zealand is concerned, there is no serious trouble. We have very, very few Indians in New Zealand, and, so far as I know, the people of India have never shown any tendency to emigrate to New Zealand. I simply state the fact—I am not able to explain the reason. The objections, I understand, have come mostly from Canada and South Africa, and I am very glad indeed, from what has been said, to learn that those objections have been removed. Of course, we shall have the administration of the law in so far as it does apply to New Zealand, but I do not anticipate any difficulty there, and I think what has been done to-day not only removes the present difficulties, such as they are, but will prevent serious difficulty occurring in the future. I value the Resolution on that account really more than on

Mr. MASSEY—*cont.*

any other. Though New Zealand, as I have said, is not seriously interested in this matter—I have no doubt if Indians had come to New Zealand in considerable numbers, objections would have been raised, and it would have been the duty of the Government to take the matter in hand. That, however, has not taken place.

I should like to learn from Sir Satyendra Sinha whether this will affect Fiji in any way. Fiji is a neighbour of ours, and most of our sugar is produced there. It is not refined there, but is sent to Auckland for refining purposes. I understand a very large number—I am not going into details, but I believe about 60,000 Indians—are employed in Fiji at the present time in the production of sugar. I simply ask the question because the point is likely to be raised as to whether it will affect them.

Sir S. P. SINHA. In no way.

Mr. MASSEY: I am very glad to hear it. I hope as far as Fiji labour is concerned that even in Fiji some satisfactory solution of the difficulty will be arrived at in connection with that Dependency of the Empire. I know there is a little friction—not serious, but a little—but as far as I can understand the position—I do not profess to know the whole details—the difficulties are not insurmountable.

Sir S. P. SINHA: The difficulties are of a different nature. I hope they have been practically solved.

Mr. MASSEY: That is all I wish to say, sir.

Mr. BURTON: The matters which were raised by Sir Satyendra Sinha and the Maharaja in connection with this question present, I suppose, some of the most difficult and delicate problems which we have had to deal with, and which it is our duty as statesmen to attempt to solve satisfactorily if the British Empire is to remain a healthy organisation. I am sure we all feel, as far as we are concerned—I have told Sir Satyendra myself that my own attitude has been, and I am sure it is the attitude of my colleagues—sympathetic towards the Indian position generally. There are, of course, difficulties, and it would be idle to disguise the fact that many of these difficulties are of substantial importance, which have to be faced in dealing with this matter. But I do not despair of satisfactory solutions being arrived at.

✓ Sir Satyendra Sinha has been good enough to refer to the attitude adopted by Canada and ourselves in discussing this matter in Committee, and I think it is only right from our point of view to add that the possibility of our arriving at a satisfactory solution on this occasion has been due very largely indeed to the reasonable and moderate attitude which the Indian representatives themselves have adopted. But for that, of course, the difficulties would have been ever so much greater. As far as we are concerned, it is only fair to say—and it is the truth—that we have found that the Indians in our midst in South Africa, who form in some parts a very substantial portion of the population, are good, law-abiding, quiet citizens, and it is our duty to see, as he himself expressed it, that they are treated as human beings, with feelings like our own, and in a proper manner.

As to the details, I need not go into all of them. Paragraph No. 3 embodies, as a matter of fact, the present law of the Union of South Africa. That is our position there, so that our agreement as to that is no concession. I pointed out to Sir Satyendra when we were in Committee, that in some of these points which he brought up as affecting South Africa, I thought in all probability, if he were in a position to investigate some of them himself, he would find that perhaps the complaints had been somewhat exaggerated. I cannot help feeling that that is the case, but I will not go into these matters now. ✓ As far as we are concerned in South Africa, we are in agreement with this Resolution, and also with the proposal referring the Memorandum to the consideration of our Government, and we will give it the most sympathetic consideration that we can, certainly.

Mr. LLOYD: This is not a matter which directly affects Newfoundland, but I should like to express my satisfaction that some solution has been found, and also to express the feelings which have already been given utterance to by South Africa with regard to the reasonable and moderate attitude of India.

15th Day.]

RECIPROcity OF TREATMENT BETWEEN INDIA [24 July 1918.
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Sir JOSEPH WARD: Mr. Long, this is a development in connection with the Empire that I regard as one of the very greatest importance. At the last Conference we made a move in the direction of meeting the wishes of India, and this Resolution now, embodying the results arrived at by the Committee which has been inquiring into this matter, carries the matter, I think rightly so, a good deal further. I think it is a move in the right direction. The underlying recognition of the right of the overseas communities to control their own populations within or coming to their own territories is one as to which no recommendation from this Conference, if it were made in the opposite direction to their wishes, could have the least effect within any portion of the British Empire. It is laying down a foundation upon which I regard the whole of these proposals as being based.

The important factor in connection with it is this. All our countries, at all events New Zealand, have in the past, from causes or reasons one need not specially refer to, viewed with some concern the possibility of large numbers of Indians coming to them and becoming factors that would disturb, interfere with, or change the course of employment. I am of the opinion that that first proposal submitted is one that would be agreed to by every reasonable person in our country and would meet with their approval.

I take the opportunity of saying that sub-clause (c) of the second paragraph of this draft Resolution—"Such right shall not extend to a visit or temporary residence for labour purposes or to permanent settlement"—completely meets the position that otherwise there would be difficulties about accepting it, and I assume the Indian representatives are just as familiar with those difficulties as we are.

Upon the question of the introduction—although I have nothing to do with it as a representative here—of the wives of these men who have been admitted into Canada, that is, in my opinion, not only a wise thing to do, but on the highest grounds possible—moral grounds—it seems to be a legitimate corollary to what the Canadian Dominion have done with regard to the 4,000 or 5,000 men who are there.

I want to say with regard to the Memorandum* which has been placed before us by the Indian representative on those several matters, that as far as I am concerned I have read the Memorandum very carefully this morning, and I shall be glad, at the proper time, to give the matters referred to the fullest consideration in our country.

Mr. MONTAGU: Mr. Long, may I just detain the Conference one minute to express, on behalf of the Government of India and my colleagues, our gratitude for the way in which this resolution has been received at this meeting of the Conference. Sir Joseph Ward has rightly said that this Resolution takes the question a good deal further. I emphasise that by way of caution, and I hope I shall not be charged with ingratitude when I say that it would not be fair to the Conference to regard this Resolution as a solution of all outstanding questions. Many of them can only be cured by time. Many of them, as Mr. Burton has said, require careful study. But I feel sure that the spirit in which the Resolution has been met, and the whole attitude which the representatives of the various Dominions have taken towards it, will prove to India that as matters progress, and as time advances, there is every prospect that Indians throughout the Empire will be treated not only as human beings, but will have all the rights and privileges of British citizens.

Mr. COOK: Mr. Long, may I just say one word, lest my silence should be misunderstood. As my friends know, I attended the Committee meeting yesterday, and concurred in these proposals, and the reason I do not occupy the time of the Conference is because there is nothing specifically relating to Australia in them. That is to say, many of the things referred to in this Memorandum are concessions which have already been agreed to in Australia very many years ago, even with regard to the bringing of the wives and minor children. I do not think there is any trouble in Australia about that. Whatever the technical difficulties may be, I do not

* See pp. 245-248.

Mr. COOK—*cont.*

think there is trouble occurring along those lines. At any rate, I am one of those who believe that when we admit a man to our shores we should admit his wife also and his family, and if we are not prepared to admit his wife and family, we have no right to admit him. It seems to me that is among the elementary things. I concur entirely with the proposal in that respect, but that being the only outstanding feature of the proposal which can in the remotest degree affect Australia, I will not take up time in discussing the matter, but agree cordially with what has been suggested and what has been done. I think we owe a great debt of gratitude to India for the attitude she has taken since this war began. That is the feeling in Australia through and through—one of the most profound and cordial appreciation of the attitude of India in regard to this war.

Mr. MASSEY : It is the feeling all over the Empire.

CHAIRMAN: Perhaps I may be allowed to say a word in putting the Resolution. It will only be a very brief one. Last year the Conference was specially marked by the addition to our councils of the representatives of India, and I think we all feel that that made the Conference more complete and more real than it ever claimed to be before. This year sees another steady step forward, and I am bound to say that I think, having followed these proceedings very closely—I had the privilege to be present at the meeting which the Prime Minister of Canada was good enough to summon last year, when Sir Satyendra put the general case before us, and I think you will agree that that was a very useful meeting and started us in the direction which has been consistently followed since—I think this steady advance is due, as has been said, not only to the wise, moderate, and extremely able line taken by Sir Satyendra and his colleagues—last year it was Sir James Meston and the Maharaja of Bikanir who represented India with him, while this year it is the Maharaja of Patiala—but also to the very statesmanlike view which has been taken of their responsibilities by those who speak on behalf of the great self-governing Dominions of the Empire. And certainly I rejoice more than I can say to see this evidence of the steady progress of the Empire along these lines which have been always followed in the past, and which, I believe, have made the Empire what it is—the recognition of fundamental principles, and a steady refusal to deny to any citizen of the Empire the privileges of Empire simply because of the accident of birth or locality. I regard this as a very important decision. On behalf of the Conference, I may perhaps be allowed to offer my congratulations to those who represent India and the Dominions upon this very considerable step in the development of our Empire. May I put the Resolution?

Mr. ROWELL: May I add one word? It is simply that I desire to associate Canada and myself with the remarks which Mr. Burton made with reference to the very reasonable and statesmanlike attitude of the representatives of India in dealing with this matter. The Resolution which embodies the understanding arrived at is, perhaps, the best evidence of our appreciation.

CHAIRMAN: I ought to say that Sir Robert Borden sent me a communication yesterday, expressing a great desire that this should be taken when he was present, and we did our best so to arrange matters; but I need not point out to the Conference that unless we are able to take the subjects as they are put down, it is almost impossible to get our business properly forward, or to complete it, within the time at our disposal.

Mr. MASSEY: I hope we shall finish this week.

CHAIRMAN: That is what we are working for, of course. May I put this to the Conference?

[The Resolution was carried unanimously.]

* * * * *

Imperial Court of Appeal.

Mr. ROWELL: Are we dealing with the original proposition now?

CHAIRMAN: Yes. Now, Mr. Hughes's motion, the Prime Minister of Australia's motion, is before the Conference.

Mr. HUGHES: Sir Robert Borden suggested that the question should be deferred, and that we should consider it, to see if we could come to a *modus vivendi*, but we did not do so. I only desire to refer, shortly, to some remarks made by the Lord Chancellor when the matter came up before.

CHAIRMAN: I have just had a message from the Lord Chancellor to say that unfortunately he cannot come over this afternoon, as he is obliged to be at the House of Lords. He has read the draft Resolution which I understand is put forward by Canada. This Resolution reads as follows:—

“The Conference is of opinion—

“ (1) That the question of establishing an Imperial Court of Appeal as the final tribunal for appellants in all parts of the Empire should be attentively considered and studied in the immediate future in order that the subject may be taken up and disposed of at the next Imperial Conference.

“ (2) That the Lord Chancellor be invited to prepare and circulate to the Governments of the Dominions and of India as soon as possible a memorandum of such proposals as in the opinion of His Majesty's Government are practicable for that purpose.

“ (3) That each such Government, as soon as possible thereafter, shall communicate to the Government of the United Kingdom its views with regard to such proposals.”

Mr. ROWELL: The position is that if Mr. Hughes felt he could accept this proposal, then Sir Robert Borden was quite content that Mr. Hughes should move it as a substantive Resolution, which Canada would be glad to second. If Mr. Hughes felt he could not accept it, Canada would move it as an amendment.

CHAIRMAN: The Lord Chancellor is sorry he cannot be here. Sir Claud Schuster is here as his representative, and the Lord Chancellor desires me to say that he is prepared to accept this Resolution which I have just read, and to do his best to carry it out.

Mr. HUGHES: Naturally. That was his Lordship's expressed opinion when he was before us the other day. What this amendment, or Resolution, does, is to refer it back to a quarter which has had now—so far as I can recall the reports of previous Conferences—some seven years or so for the consideration of the matter. Of course, I could not accept a Resolution of that sort: it would be infinitely preferable that my Resolution should be voted down. I merely wish to say this, Mr. Long, in reference to the Lord Chancellor's arguments. He said that the difficulties in the way of adopting the proposal were great, and, although he did not state it in so many words, we were allowed to believe that he regarded them as practically insuperable; and he asked that a definite scheme should be proposed. I wish to say, first, that I do not agree with the Lord Chancellor that the difficulties are great; they are certainly not insuperable. He has asked for a definite scheme. It is really not for us to put forward a definite scheme; that is a matter which more properly falls within his own province. But, however, I will suggest the outlines of a scheme. I may preface what I have to say on this head by saying that no attempt was made by anyone to deal with the vital criticism directed against the present system. Sir Satyendra Sinha pointed out—what was very natural and proper—the extent to which India had resorted to this tribunal. On the other hand, Mr. Burton said his Dominion did not resort to it at all. Canada, evidently, has many appeals; we have very few. I think New Zealand has about four a year.

Mr. MASSEY: Yes, four.

Mr. HUGHES: We have very few. But there is a principle involved here, and this principle, I submit, affects India as much as it does us. It is the principle of the recognition of equality of status between citizens all over this Empire. To speak of Empire and then to deny one set of citizens access to a tribunal which is open to another, is to set up a bar, to make a distinction which is odious and dangerous, and calculated to divide us, not to bring us together. The present system is not even satisfactory from a judicial point of view. The reasons for its defects are obvious. I stated some of them the other day. There are two final Courts of Appeal, both competent to declare what is the law, and neither of them having any power to interfere with one another. You have there a system of juridical government of the worst form: you have dualism.

Now the law, which it is postulated every man ought to know—all men are supposed to know it, but I am sorry to say very few of them do, perhaps lawyers least of all, because they know what a vast field they have to cover—the law here is, what? As the Privy Council declares it? Not at all. It is as the House of Lords declares it. One tribunal may declare the law is so and so, and the other may say that it is quite different. The Courts of the Dominions are not bound to take any notice of the House of Lords' decisions and the courts of this country need take no notice of the judicial decisions of the Privy Council. That is a defect, obvious on the face of it. But the greatest objection to the present system is that it sends you, General Mewburn, and you and you, sir, to one tribunal, while it sends a citizen of this country to another and superior tribunal. There is no doubt whatever that the House of Lords is regarded as the superior tribunal. And that is a very odious, invidious, and dangerous distinction, and ought not to continue. We are now fighting side by side with one another: the Dominion soldier takes, alongside his British brother, the same risks, suffers the same privations, the same doom overwhelms him. He is given his common share of all the dangers, but he is denied access to the privileges and the rights freely accorded to others. It is a complete negation of the principle of Empire. Here we are, in the citadel of Empire. We have not access to the highest court of this country.

Let me direct myself, now, to the matter in detail. Let me take these two courts. The Lord Chancellor pointed out, what we all know, that the personnel of the two courts is, to a large extent, the same. That is true. Both comprise the Lord Chancellor, the Lords of Appeal, that is, those who hold, or have held, certain high judicial offices, and six Lords of Appeal in Ordinary, specially appointed to that office, and being Judges of eminence. In addition the Judicial Committee includes some British Judges specially appointed: Indian Judges who are paid a salary and sit regularly, and certain Dominion Judges who are members of the Privy Council, and who may be said to be appointed to the Judicial Committee as a matter of courtesy. They are rarely available to sit, and receive no salary.

What I am suggesting is, that there should be an Imperial Court of Appeal, which could be brought into being by an Act of Parliament of the United Kingdom, and that this Act should contain provisions for the establishment, in lieu of the two existing tribunals, of a new Imperial Court of Appeal, having all the jurisdictions now vested in the House of Lords and the Judicial Committee. As regards the members of the Court, I suggest the following as a practical personnel: The Lord Chancellor: persons who have held specified high judicial offices: a specified number of persons specially appointed, being British, Indian, Dominion, and Colonial Judges or ex-Judges, such appointment being made, in each case, with the concurrence of the Government of the part of the Empire concerned. As regards finance, I suggest the payment to each Judge, from the Imperial Exchequer, of a salary which, together with any pension or similar payment in respect of past judicial services, shall amount to (say) 5,000*l.* per annum. It should further be provided that no Judge of the Court should hold any other judicial office, and that the tenure of the Judges should be the usual tenure during good behaviour.

I do not put this forward as a hard-and-fast scheme, or one to be adopted without modification, but rather as a complete answer to the Lord Chancellor's statement that there are difficulties in the way. There are none, except those which occur on the face of it—that is to say, the difficulties which the inertia of these two bodies naturally creates. When I was speaking here last time, I said all people objected to

Mr. HUGHES—*cont.*

being disturbed. They are quite comfortable as they are, and to them it is the best of all possible worlds, and any change must be for the worse. Of course, that has been the attitude of the law towards reform from the beginning.

Mr. MASSEY : And of lawyers.

Mr. HUGHES : Of course! I am a lawyer, and it takes a lawyer to understand and realise to what extent the lawyer has impeded progress, as well as accelerated it. I am glad to say, as I am challenged on it, that this country owes more reform to lawyers than to any other class. But, on the other hand, no class has clung more to traditions and to archaic institutions, and set itself more to impede progress, than lawyers.

Mr. COOK : That is one for both sides.

Mr. HUGHES : That is the way of lawyers, to present both sides with equal facility. I am not going to attempt to push my Resolution down the throats of the Conference, even if they would permit it, but I submit that the suggestion made by Sir Robert Borden is one which I ought not to be asked to accept. Some modification of it I am prepared to accept, and I think that modification suggests itself quite naturally. We ought to affirm a principle—that is to say, the principle of there being one Court for the Empire, and then we ought to ask the Lord Chancellor, in the light of what has been said, in the light of this outline scheme which I have had the honour to put before you, to prepare such a scheme in the way Sir Robert Borden's Resolution suggests: to invite the Lord Chancellor to prepare and circulate it to the Government and send it to us. I am quite prepared to accept that. The two latter paragraphs, therefore, I shall be prepared to accept. The first one, I submit, I ought not to be asked to accept.

I affirm, without hesitation, that this Conference will not be doing justice to itself and those whom it represents, or to the Empire, if it does not affirm that there should be one Court of Appeal for all citizens throughout the Empire. The concrete scheme I do not ask you to accept. I can appreciate the difficulties of that, though I have shown, I hope, that they are not insuperable, and I ask the representatives of Canada to meet me in this way, and, by modifying the Resolution proposed, or the amendment, to affirm the principle, and then to submit the question to the Lord Chancellor in order that he may draw up, and subsequently submit to us, such a scheme as he may think desirable and proper in all the circumstances. I will look at the proposal. I wish to say, in effect, that we affirm the principle that there should be one Court of Appeal for all citizens of the Empire, and then refer the matter to the Lord Chancellor, in the terms of Sir Robert Borden's proposal. Here is the suggestion which Sir Robert Garran has put into my hands: "That the Conference is of opinion that an Imperial Court of Appeal as the final Tribunal for appellants in all parts of the Empire should be established." Then going on to paragraph 2, he suggests that it remain as in the first Resolution, down to "purpose," and then adds "with a view to decision at the next Imperial Conference." And the third paragraph stands. I move then, if I may, in order to put the matter quite regularly, for leave to withdraw my original motion and substitute what I have just read.

CHAIRMAN : The Prime Minister of Australia asks leave to withdraw the Resolution which he had already proposed, in order to propose the one which I will read to you. Is it your pleasure that the first Resolution be withdrawn?

[*Agreed.*]

CHAIRMAN : This is the draft Resolution:—"The Conference is of opinion
 " (1) That an Imperial Court of Appeal as the final tribunal for appellants in all
 " parts of the Empire should be established. (2) That the Lord Chancellor should
 " be invited to prepare and circulate to the Governments of the Dominions and of
 " India, as soon as possible, a memorandum of such proposals as, in the opinion of
 " His Majesty's Government, are practicable for that purpose with a view to decision
 " at the next Imperial Conference. (3) That each such Government, as soon as

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“ possible thereafter, shall communicate to the Government of the United Kingdom its views with regard to such proposals.”

Mr. HUGHES: The first paragraph ends in the third line with the word “ established.”

CHAIRMAN: Yes.

Mr. HUGHES: That is quite right.

Mr. ROWELL: I should like to know if His Majesty's Government are in a position to state what their view is with reference to that. I had judged, from the Lord Chancellor's remarks the other day, that, until a practical proposal was before him, he was not in a position definitely to affirm the principle, and that was the view which Sir Robert Borden took on that occasion. We thought we should have before us a proposal as to how the matter could be worked out practically, before we undertook to lay down general principles. And I shall be glad to know if the Government have in any way modified the view expressed by the Lord Chancellor the other day.

Sir CLAUD SCHUSTER: I have no instructions, I had only instructions what to do with Mr. Hughes's original proposal and Sir Robert Borden's amendment. But I think Mr. Rowell has exactly expressed what is the Lord Chancellor's view. I do not think he would be in a position, or think himself to be in a position, to indicate what the British Government's view on the proposal was until the matter had gone to the Cabinet and been considered by them. I think that is what stops him and must necessarily stop him.

Mr. BURTON: Yes, I think that is fair. We are not to assume that the British Government's view is necessarily that of the Lord Chancellor, and the Lord Chancellor felt he was not in a position to state what it was.

Sir CLAUD SCHUSTER: That must be so. I do not think we could carry it further this afternoon. It would be a different matter if the proposal had been Sir Robert Borden's amendment, because that, clearly, the Lord Chancellor could accept, because it does not commit him.

Mr. HUGHES: I submit this to you: to affirm a principle, and then say, “ We ask you to propose a scheme in accordance with it.” Surely, that is the least the Conference can do, unless, of course, it does not assent to that principle itself.

Mr. ROWELL: Speaking here, I am in a somewhat awkward position in dealing with the matter, because it is one with which the Prime Minister of Canada himself has personally dealt, not only at a prior meeting of the Conference, but in drafting this Resolution and in discussing it with Mr. Hughes and other Prime Ministers; and I simply have before me the instructions he left as to his views when the matter was considered.

Mr. HUGHES: May I make a suggestion now? Is Sir Robert Borden coming back to-morrow?

Mr. ROWELL: Yes.

Mr. HUGHES: May I suggest that the matter stand over, and that you submit the Resolution, Mr. Rowell, as I have now put it, and ask Sir Robert his view on it? Because it puts you in an awkward position, and it puts me in a very unfair one if I have to argue, not before those who can give way under my arguments, or who can meet them, but before those who say they have no instructions.

CHAIRMAN: There would be some convenience in that course. It does not necessarily mean that anybody who is ready to take part in this discussion now should not do so, on the general principle; but it will enable us to get the views of the Lord Chancellor. But I do not want to add to the work for Friday. I do not know whether we can meet to-morrow afternoon.

Mr. BURTON: How much more have we got left?

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Mr. HUGHES: I only appeal to the Conference that it is not fair to me that, having modified my proposal, I should be called upon to argue before a bench which is not itself free to hear the arguments and be moved by them.

Mr. MASSEY: Under the circumstances, I do not think any objection will be raised to Mr. Hughes's suggestion. It is only fair. But all the same, most of us are exceedingly anxious to wind up on Friday.

Mr. HUGHES: I am prepared to sit at any time, and as late as may be necessary.

Sir CLAUD SCHUSTER: I might say, out of courtesy, that the Lord Chancellor is actually sitting on the Woolsack, and he was taken by surprise. Otherwise he would have been here. I ought to have said that before. He was ready to come this morning.

Mr. HUGHES: I hope you will say to the Lord Chancellor, on my behalf, that I regret I was not able to attend the Conference this morning.

Sir CLAUD SCHUSTER: I am not making any complaint, but I do not want you to think that the Lord Chancellor is hiding behind the fact that it came on at a different hour.

CHAIRMAN: If the motion is likely to take time, we shall have to meet earlier on Friday, or we shall not get through. On Friday we have two reports of Committees—on Raw Materials and Shipping, on which latter subject the Prime Minister of New Zealand has a motion. And then we have the Pacific question, raised by the Prime Minister of Australia, and then the Address to His Majesty.

Mr. MASSEY: They are all big things.

Mr. HUGHES: Is it your suggestion that we should meet in the morning and afternoon?

CHAIRMAN: Yes.

Mr. HUGHES: I think we shall get through.

CHAIRMAN: Would it be better to meet at 10.30, instead of 11?

Mr. HUGHES: Yes.

Mr. ROWELL: If it was understood that this matter would be disposed of in half-an-hour, there would be no delay in the others. I doubt whether Sir Robert Borden will modify his view. I think he feels that this Resolution he has drafted goes as far as we could safely go at this session of the Conference, and that we should have a full report from the Lord Chancellor on the subject before the Conference affirms a principle. At the same time, if the matter can be taken half-an-hour earlier, so as not to delay the work of the Conference, I will meet Mr. Hughes's request.

CHAIRMAN: Perhaps anyone who wishes to address himself to the general question will do so now.

Mr. BURTON: I do not know how far it will affect Mr. Hughes's position, but my attitude about it, when it was raised the other day, was that I agreed with the view Sir Robert Borden expressed, and I still take that view. I want to tell Mr. Hughes that my feeling about this matter is, that there are certain things which you are able to agree to and adopt the principle, leaving the details to be worked out afterwards. There are other things in which the details and the practicability of the business make all the difference to the affirmation of a principle. My objection to the affirmation of that first clause which you have put in now is, that we may find, when we get to the discussion of the business, that we have affirmed something which we cannot carry out, or that it is so difficult, or there are so few advantages in it, that it is not worth carrying out. I am not wedded to this idea of an Imperial Court of Appeal. At the same time, I am not opposed to it if it can be made a practicable scheme. But my objection to it is the same as that which the Lord Chancellor put—that before we can make an affirmation here about the desirability or the undesirability, let us know what it is we are affirming about. Here we do not. That is the view that I take.

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Mr. HUGHES: I think South Africa might, in the circumstances, look at the thing from our point of view. The figures stated by the Lord Chancellor were to the effect that South Africa did not resort to the Privy Council.

Mr. BURTON: Yes. No cases.

Mr. HUGHES: Very well. In that position it is easy to take up such an attitude, and, of course, we can do that too. But the question is, are we to be driven to do that? Is it a good thing for the Empire? I do not know whether it is or not. But it certainly is a negation of the principle of Empire that we should be driven to it. The present system is most unsatisfactory, and does not commend itself to anybody.

Mr. ROWELL: We have not had that experience in Canada: there has been no dissatisfaction expressed in Canada as to appeals being to the Privy Council rather than to the House of Lords. Any dissatisfaction expressed in Canada was that we did not further limit appeals to the Privy Council. And while we have a great deal of business coming before the Privy Council, this has not been a question which has agitated the public mind in Canada, or particularly troubled our people. Our difficulty is the same as was mentioned by Mr. Burton and the Lord Chancellor—as to whether we are really going to improve the position by making a change.

Mr. HUGHES: But, after all, do you justify for a moment a distinction being drawn between British citizens who live in these islands and British citizens who live elsewhere?

Mr. ROWELL: All citizens outside these islands have an appeal to the Privy Council, to His Majesty sitting in Council. If the people of the British Islands have not got that right, it is for them to complain and not for us. If they wish to appeal to His Majesty in Council, well and good.

Mr. HUGHES: You are a lawyer. You might just as well say that a slave living among men who are free should say: "It is not for the slave to complain, but it is for the free man to complain because he is not a slave."

Mr. ROWELL: But, Mr. Hughes, the difference is this: We think the appeal to His Majesty in Council is just as dignified, just as honourable, and just as safe as a final appeal as would be an appeal to the House of Lords.

Mr. HUGHES: I daresay it would be.

Mr. ROWELL: We do not think there is any derogation of the dignity of the citizens living in the outer Empire that they have as their final Court of Appeal the Judicial Committee of the Privy Council. As a matter of expediency, it may be desirable to have one central Imperial Court of Appeal, if it can be worked out in a feasible way, and if so, we are satisfied.

Mr. HUGHES: Your circumstances differ from ours. You are only five or six days' journey away.

Mr. ROWELL: In times of peace.

Mr. HUGHES: In war perhaps eight or nine. It takes us eight or nine weeks, and costs us a great deal of money. We come back to this Court of Appeal. I am not complaining—do not entertain the idea that I am complaining—of the personnel, or even of the judgments, some of which I have cited to you. It is not that; it is the very foundations of the system to which I take the gravest exception. However, let it pass.

CHAIRMAN: Mr. Lloyd, do you wish to take any part?

Mr. LLOYD: No, sir. I prefer to wait until I know what the policy of the British Government in the matter is. Otherwise it appears to me we are doing nothing but pass a pious Resolution—

Mr. BURTON: Hear, hear.

Mr. LLOYD: on a matter on which no change can be attempted until the Government adopt this policy, and feel that they can put it through the House of Commons, and particularly through the House of Lords. Otherwise it amounts to nothing. It will be far better if we leave it there. But if anything is to be done in the way of preparing a scheme, I think the Resolution by Sir Robert Borden is the

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better and the more speedy way of going about it, because if that is adopted, it, more or less, commits the British Government to investigation and to endeavouring to do something.

Sir S. P. SINHA: I think, in substance, there is very little difference between the Resolution as now moved by Mr. Hughes and the Resolution as intended to be proposed by Sir Robert Borden; and I think the only difference, substantially, is this, that Mr. Hughes's motion expedites by one year, that is till the next session of the Conference, the consideration of this subject. I have every sympathy with Mr. Hughes in the desire for one tribunal for appellants in all parts of the Empire. Everybody agrees with that, probably. And it may be that a scheme which may be found practicable is one which, I believe, was started some years ago, when Lord Haldane was Lord Chancellor—that the jurisdiction of the House of Lords should be abolished, and that the Privy Council should be so constituted as to be the supreme tribunal for all parts of the Empire. Whether that or something else is to be the scheme, I do not think there could be any harm in accepting the Resolution as now proposed, because, in substance, I think it is the same as Sir Robert Borden's, except that it expedites by one year the conclusion of the whole matter.

Mr. HUGHES: I think it does much more than that. In the one case we affirm definitely a principle, and in the other case we merely refer the matter.

Sir S. P. SINHA: I really think there is no difference of opinion on the principle that there ought to be one tribunal for all parts of the Empire and that the status of all citizens should be the same. I do not think there is any substantial difference among the members of the Conference as to that.

Mr. BURTON: Theoretically, it is all right.

Sir S. P. SINHA: And if the Lord Chancellor is so kind as to try to work out a scheme, and he finds it is not practicable—either that it is not possible to get the House of Lords to agree as to the appellant jurisdiction, or that it is not possible to add to the Privy Council other divisions—we shall be obliged to say, "Although the principle is admirable, it cannot be carried into effect." But I see no harm in accepting that Resolution as Mr. Hughes proposes it, because I think it is substantially the same as we are all agreed to—with this difference, as I say, that if we accept this, we expedite the consideration of this matter by one year, and that certainly will do nobody any harm.

Mr. HUGHES: We do not say to the Lord Chancellor "You must accept this," or "You must apply it," but we say, "We believe in it; send us your considered opinion."

Sir S. P. SINHA: And if the Lord Chancellor says, "Although the principle is admirable, there is nothing I can suggest to carry it out," then we are either content, or we suggest something else.

Mr. HUGHES: We are one year to the good; that is all.

CHAIRMAN: The Conference stands adjourned until 10.30 on Friday.

SIXTEENTH DAY.

Friday, 26th July, 1918.

THE IMPERIAL WAR CONFERENCE MET AT THE COLONIAL OFFICE AT 10.30 A.M.

PRESENT :

- The Right Honourable WALTER H. LONG, M.P., Secretary of State for the Colonies (Chairman of the Conference).
- The Right Honourable LORD FINLAY, G.C.M.G., Lord Chancellor.
- The Right Honourable Sir ALBERT STANLEY, M.P., President of the Board of Trade.
- The Right Honourable C. ADDISON, M.P., Minister of Reconstruction.
- The Right Honourable LORD ROBERT CECIL, M.P., Assistant Secretary of State for Foreign Affairs.
- Mr. W. A. S. HEWINS, M.P., Parliamentary Under Secretary of State for the Colonies.

Canada.

- The Right Honourable Sir R. L. BORDEN, G.C.M.G., Prime Minister.
- The Honourable C. C. BALLANTYNE, Minister of Marine and Fisheries and of the Naval Service.
- The Honourable J. A. CALDER, Minister of Immigration and Colonization.
- The Honourable N. W. ROWELL, K.C., President of the Privy Council.
- Major-General the Honourable S. C. MEWBURN, K.C., Minister of Militia and Defence.

Australia.

- The Right Honourable W. M. HUGHES, Prime Minister.
- The Right Honourable J. COOK, Minister of the Navy.

New Zealand.

- The Right Honourable W. F. MASSEY, Prime Minister.
- The Right Honourable Sir JOSEPH WARD, Bart., K.C.M.G., Minister of Finance.

South Africa.

- The Honourable H. BURTON, K.C., Minister of Railways and Harbours.

Newfoundland.

- The Right Honourable W. F. LLOYD, K.C., Prime Minister.

India.

- The Right Honourable E. S. MONTAGU, M.P., Secretary of State for India.
- The Honourable Sir S. P. SINHA, K.C., Member of the Executive Council of the Governor of Bengal.
- Mr. H. C. M. LAMBERT, C.B., Secretary to the Conference.
- Mr. E. J. HARDING, C.M.G., Junior Assistant Secretary to the Conference.

THERE WERE ALSO PRESENT:

- Sir G. V. FIDDES, G.C.M.G., C.B., Permanent Under-Secretary of State for the Colonies.
- Sir CLAUD SCHUSTER, Permanent Secretary, Lord Chancellor's Department.
- Mr. GARNHAM ROPER, C.B., Assistant Secretary, Harbour Department, Board of Trade.
- Sir THOMAS BILBE ROBINSON, K.C.M.G., K.B.E., Agent-General for Queensland.
- Mr. W. R. WALLACE, Chief Clerk to the Judicial Committee of the Privy Council.
- Mr. H. F. CARLILL, Assistant Secretary, Industrial Power and Transport Department, Board of Trade.
- Mr. PERCY ASHLEY, Assistant Secretary, Department of Industries and Manufactures, Board of Trade.
- Mr. E. F. WISE, Assistant Secretary, Ministry of Food.
- Mr. F. T. BOYS, Director of Meat Supplies, Ministry of Food.
- Mr. L. CHRISTIE, Legal Adviser, Department of External Affairs, Canada.
- Sir R. GARRAN, C.M.G., Solicitor-General, Commonwealth of Australia.
- Lieutenant-Commander J. G. LATHAM, Royal Australian Naval Board.
- Major-General Sir G. ASTON, K.C.B., of the War Cabinet Secretariat.
- Mr. H. W. CARLESS DAVIS, C.B.E., Deputy Chairman, War Trade Intelligence Department.
- And Private Secretaries.

Imperial Court of Appeal.

CHAIRMAN: The first item on the agenda is the Imperial Court of Appeal.

Mr. HUGHES: Well, Mr. Long, after we adjourned, during the interval the Lord Chancellor was good enough to grant me an interview, the matter was discussed, and he made a suggestion which I am prepared to accept. The delegates have discussed the matter, and the form of words which I shall now read is acceptable to the Lord Chancellor and to us all. I only want to say that I accept them. They are not, of course, those which I should myself have chosen, but I am prepared to accept them, and, without more, I will read the Resolution as it now stands:—"1. That the question of replacing the present dual system of appeal by the constitution of one Imperial Court of Appeal demands the prompt consideration of His Majesty's Government;" (2) and (3) stand as in the amended Resolution which I proposed at the last sitting.* I am authorised on behalf of the delegates to say that they are prepared to accept that, and the Lord Chancellor has stated that he is prepared to accept it. That being so, I propose to say no more.

Sir ROBERT BORDEN: I am very glad that we can unite on this. I am quite willing to accept the Lord Chancellor's proposal, which is practically the same as that which I caused to be circulated and which I intended to move myself. The difference is only in phraseology, and I hope that as a result of this we may have such light and information as will enable us to act at some future date.

CHAIRMAN: Shall I read the Resolution as it stands now?

"The Conference is of opinion—

(1) That the question of replacing the present dual system of appeal by the constitution of one Imperial Court of Appeal demands the prompt consideration of His Majesty's Government.

(2) That the Lord Chancellor should be invited to prepare and circulate to the Governments of the Dominions and of India as soon as possible, a memorandum of such proposals as, in the opinion of His Majesty's Government, are practicable for that purpose with a view to decision at the next Imperial Conference.

* See pp. 204-205.

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CHAIRMAN—*cont.*

(3) That each such Government as soon as possible thereafter shall communicate to the Government of the United Kingdom its views with regard to such proposals."

Does the Lord Chancellor wish to say anything?

The LORD CHANCELLOR: I only wish to say this—that I am extremely glad all are agreed upon this point. I am quite prepared to accept this, and it is very satisfactory that all are agreed, from all parts of the Dominions. I will take it in hand as soon as possible, and I hope that the result of the discussion may be to throw a great deal of light upon what undoubtedly is a subject of immense interest and difficulty.

CHAIRMAN: Does any other member desire to make any observations?

Sir JOSEPH WARD: I only want to say that I think the arrangement is a very satisfactory one.

CHAIRMAN: Then I will put the Resolution.

[*The Resolution was carried unanimously.*]

CHAIRMAN: I am very much obliged to you, my Lord Chancellor.

* * * * *

Shipping.

CHAIRMAN: The next thing we have to deal with is shipping. The following recommendation is sent to us by the Committee:—

The Committee, having considered the questions referred to them by the Resolution of the Conference of 11th July, is of opinion that the time at their disposal is not long enough to enable them to deal adequately with them, and recommends the Conference to adopt the following Resolution:—

(1) That, in order to maintain satisfactorily the connections and, at the same time, encourage commercial and industrial relations between the different countries of the British Empire, this Conference is of opinion that shipping on the principal routes, especially between the heart of the Empire and the Oversea Dominions, including India, should be brought under review by an Inter-Imperial Board, on which the United Kingdom and the British Dominions and Dependencies should be represented.

(2) That, for this purpose, His Majesty's Government be invited to prepare a Bill to establish an Imperial Investigation Board representing the various parts of the Empire, with power to inquire into and report on all matters connected with ocean freights and facilities, and on all matters connected with the development and improvement of the sea communications between the different parts of the Empire with special reference to the size and type of ships, and the capacities of harbours; the Board to include, in addition to representatives of the Governments concerned, persons with expert knowledge of the problems involved, including representatives of the shipping and trading interests.

Mr. MASSEY: Mr. Long, you recollect that this matter was brought before the Conference on a motion which I moved at one of the earlier meetings. The Conference discussed the Resolution at some length, and it was referred, along with the other details of the subject, to a Committee which met the day before yesterday in the office of the President of the Board of Trade. The representatives of Canada, South Africa, and Newfoundland were there, with myself, and met representatives of the Board of Trade and of the Ministry of Shipping. We arrived at an understanding, as far as the main point was concerned, and probably you will notice that the first part of the Resolution is practically the Resolution which I placed before the Conference, with two words altered—the word "Commission" in my motion having been altered to the word "Board," making it read, instead of "Inter-Imperial Commission," "Inter-Imperial Board," and the word "supervise," or "supervision"

Mr. MASSEY—*cont.*

—I do not recollect whether I used the verb or the noun—altered to the word “review.” Those are the only two alterations in the first part of the motion. The second part of the motion has been accepted by myself as coming from the Board of Trade, and I think it will work out satisfactorily. It will be seen by members of the Conference that, for the purpose of setting up the proposed Inter-Imperial Board, it is proposed by the Resolution that “His Majesty’s Government be invited to prepare a Bill to establish an Imperial Investigation Board representing the various parts of the Empire, with power to inquire into and report on” all these matters.

As I said, the matter was discussed at some length on a previous occasion, and I do not propose to occupy the time of the Conference further. I will satisfy myself by moving the Resolution as amended by the Board of Trade and by the Committee to which the original Resolution was referred.

Sir ROBERT BORDEN: Mr. Chairman, the question of some control of freight rates on the Atlantic has been under consideration in Canada for a good many years, and we have recognised the fact that any effective control could only be accomplished by some such method as this. It is not absolutely clear whether the co-operation of the United States of America would not also be necessary so far as the Atlantic is concerned. We have no objection to this Resolution. Might I suggest that when the Bill is prepared, and before it is introduced, it should be submitted to the Governments of the various Dominions of the Empire, in order that their observations with regard to its terms might be procured. It is possible that they would have suggestions to offer which might be of service, particularly as to the character of the representation and the proportion of representation which is to be afforded to all parts of the Empire.

CHAIRMAN: Does any other member of the Conference wish to offer any observations?

Mr. HUGHES: My colleague has suggested to me the question, what is this Bill for?

Sir ROBERT BORDEN: To establish a Board which will consider and report.

Mr. HUGHES: Must you have statutory authority?

Sir ALBERT STANLEY: Yes, you must have statutory authority—at least for the purpose of securing the attendance of witnesses and obtaining the evidence which will be necessary.

Mr. HUGHES: Have you not got a general Act, such as we have, under which we can appoint a Commission and compel the attendance of witnesses?

Sir ALBERT STANLEY: I could not speak with any authority, but I am not aware of such an Act.

Mr. HUGHES: Possibly you have not.

CHAIRMAN: No. We have to set up each Royal Commission separately.

Sir ROBERT BORDEN: They have power to appoint a Royal Commission, but I do not know whether that carries the power to summon witnesses. But, Mr. Hughes, this Board would have to be empowered to summon witnesses from all parts of the Empire, and possibly, in that view, it would be necessary to have an Imperial Act.

Mr. HUGHES: Where is there an Imperial Parliament for such an Imperial Act? Supposing a summons to attend is served upon me, a resident of Melbourne. I do not attorn to that jurisdiction, I do not acknowledge that authority; I say, “Who are you?” Or I am served at Hong Kong: I say, “Who are you?” Or at Auckland: I say, “What is this name? I do not recognise that.” And so I think what you said just now is to the point; that if we are going to have this Board, we must all of us pass legislation.

Mr. MASSEY: That may be necessary.

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Mr. BURTON: I rather agree with what Mr. Hughes has just said, and it strikes me that we shall better attain our object, and make the Resolution rather more suitable, if we strike out in the second clause the words, "His Majesty's Government be invited to prepare a Bill to establish," and let it read in this way: "That for this purpose an Imperial Investigation Board representing the various parts of the Empire be appointed," and then let the Dominions do what is necessary. I think this is rather too large in certain respects, and involves, as Mr. Hughes suggests, just a little question of status there too. I do not think we ought to suggest what should be the means of carrying it out, but leave it to His Majesty's Government, and to the rest of us, to do what is necessary.

CHAIRMAN: You strike out "His Majesty's Government be invited to prepare a Bill to establish"?

Mr. BURTON: Yes, and insert "be appointed" after the word "Empire."

Mr. HUGHES: How would this do? Strike out the words "His Majesty's Government be invited to prepare a Bill," and it will read, "That for this purpose an Imperial Investigation Board," and so on, "be appointed." Then of course each Government will take the necessary steps to further that.

Mr. COOK: That is what Mr. Burton is suggesting.

Mr. HUGHES: Oh, very well.

CHAIRMAN: Mr. Burton moves to leave out from "His Majesty's Government" in line 1 of the second part to "establish" in line 2.

Sir ROBERT BORDEN: Wait a moment, Mr. Chairman. Let us understand precisely what we are doing. I agree entirely that no legislation should be passed which would have effect within the Dominions for this purpose except with the consent of the Governments of the Dominions. That goes without question. But when you pass a Resolution in this form, what does it mean? Does it mean that one authority is to appoint the Board or that half-a-dozen different authorities are to appoint the Board? Is the Board to be appointed by Order in Council here or by Orders in Council in South Africa, Australia, New Zealand, Newfoundland, and Canada? Does it mean that when it is acting here it is acting under an authority emanating from here, when it is acting in Canada it is to act under an authority emanating from the Government of Canada, and so on through all the Dominions? What I am saying is not for the purpose of objecting, but rather in order to understand precisely what it is that we propose to do.

Mr. HUGHES: Well, I think that if each one of us states what in his opinion is necessary to be done in his own Dominion or part of the Empire, that will make it clear. In Australia, for example, what this means is that we introduce a Bill, and try to pass it, to enable us to appoint a delegate or representative on this Board. We should appoint him. His functions would be such as are indicated in clause 2. You would introduce a Bill in your Parliament, and you would appoint a man to do likewise. The British Parliament, in its turn, would do the same, and the Parliaments of New Zealand, South Africa, Newfoundland, and India. I think, if we say that, we shall make that clear. Our Solicitor-General, Sir Robert Garran, suggests these words—"and that the Governments of the United Kingdom and the other parts of the Empire be invited to pass legislation for the purpose."

Sir JOSEPH WARD: Mr. Long, I was under the impression that the British Parliament was recognised by the whole of us as the Imperial Parliament under existing conditions, and I have never heard anything to the contrary. A good many of us think that it is not sufficiently Imperial from the point of view of permanent representation from all over the British Empire. That is a matter for consideration in the future. But to-day the British Parliament is the recognised Imperial Parliament; there is no question about that. Now, if the British Imperial Parliament pass a law on this matter, it is quite clear that each of the Oversea countries, with their independent power of action, would require to pass legislation similar to that, or, if they dissented from it, you could not have unity of action; you would necessarily have separate action of the different sections of the Oversea countries.

But quite apart from that, I want to speak to the main issue. I was not present on the last occasion, owing to indisposition; I was not present at the Board of

Sir JOSEPH WARD—*cont.*

Trade meeting, and I was not a member of the Committee, so that I do not know what transpired there. I therefore take this opportunity of expressing my view with regard to the matter as a whole. I am of opinion that freightage within the British Empire should in some way be controlled after the war is over, and I think the course taken here is a good one. In my opinion, when this war is over the British Empire controllers of shipping are not going to be in a similar position to what they were in before the war commenced. My opinion is that they are going to be in a very different position. They are going to be brought into active competition with at least two other great countries which have gone in for an advanced system of shipbuilding which they are not going to let go after this war is over; and my opinion is, that the concentrated efforts of the people of the British Empire should be in the direction of seeing that the supremacy of the British mercantile marine should not be in any way weakened if we can prevent it. The United States have to-day 179 shipbuilding yards, as against 12 to 15 when the war commenced. We are going to have a progressive and developing nation, Japan, which has gone in for a shipbuilding programme of unprecedented dimensions, and was, a short time ago, able to offer, by way of quotation, prices for building steamships lower during the war than any other part of the world. It is quite clear that while we should work in the direction of having freightage as low as possible for the use of our peoples in the different portions of the British Empire, we have to recognise at this juncture that in this matter of supremacy upon the sea, as far as the mercantile marine is concerned, we are going to be in active opposition to countries that are friendly to us, it is true, but which are going to be great shipping rivals. We have to remember that while we are working, and while we are trying to consider the position at the moment in connection with legislation, and to bring about a satisfactory condition of things upon the basis of fair freights, low freights, which I have always believed in, and believe in still, we want to be perfectly sure that we are going to have active competition by the shipping concerns of our own Empire, and not have them put into the position of being tied by a system of legislation that is going to give any advantage to the competitive countries that will be great shipping rivals and have to be reckoned with in the years to come.

My opinion is that this matter requires very careful handling from the point of view of the British Empire, and I think that when this proposal to have an Inter-Imperial Board established is carried out, and we are all in actual community in the respective portions of the Empire, that when the time comes we will be able to direct it in a way that is not going to handicap our own ships that belong to the British Empire, but will be of assistance to them in connection with the overriding question of having freights which people can afford to pay, but freights which are not going to result in losses to our own British ships. I think the whole matter requires to be approached from a British Empire basis.

Sir ROBERT BORDEN : With respect to what Sir Joseph Ward has said as to the power of the Imperial Parliament, I should like to make my position perfectly clear. It is quite true that the Imperial Parliament has legal power to legislate throughout the Empire. It has not, however, the constitutional right, and these questions are governed by constitutional right and not by legal power. It would, therefore, be entirely improper for the Imperial Parliament to attempt to pass legislation creating a tribunal which should act within the Oversea Dominions in the manner suggested, unless that was done at the request of the Governments concerned.

Mr. HUGHES : Precisely. That is the only circumstance under which it could.

Sir JOSEPH WARD : I quite agree.

Sir ROBERT BORDEN : On the other hand, it may be necessary to have this Board established under some authority to which we would all agree. The difficulty I have about Mr. Hughes's suggestion is this, that you could not very well establish a tribunal one member of which would derive authority from one source and another from another, and so on all through; because when the Board was acting in one Dominion only one member of the Board would have any power which would be effective in that Dominion.

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Mr. HUGHES : That is not so. You could draft an Act under which your man would be a member of the Board which is created by the Parliament of the United Kingdom—there is nothing to stop you doing that; and therefore, *ipso facto*, he would fall under the jurisdiction and the authority of that Board.

Sir ROBERT BORDEN : It may be that the question between Mr. Hughes and myself is only one of words. I was speaking of his meaning as I gathered it, but at all events I am prepared to accept Mr. Burton's amendment, for this reason. If it becomes necessary to establish this Board, and it should be felt that legislation is necessary, then the Governments of the Dominions can request that legislation. If it can be done without legislation, that would be better.

Mr. BURTON : I should like to add that I suppose the course which would be adopted would be that in view of these Resolutions now the initial steps will be taken by His Majesty's Government—they will frame a scheme for this thing.

Sir ALBERT STANLEY : That I believe is the intention.

Mr. BURTON : The scheme will be framed by His Majesty's Government here as to how that would be carried out, and that scheme would be conveyed to the Dominions.

Sir ALBERT STANLEY : For further consideration.

Mr. COOK : How did you appoint your representative to the Dominions Royal Commission ?

Sir ROBERT BORDEN : We recommended one. He was appointed over here.

Mr. MASSEY : No legislation was required ?

Mr. HUGHES : No.

Sir ROBERT BORDEN : I do not know whether they summoned witnesses on that Commission. If so, the same authority which created that could create this.

Mr. COOK : It seems to me legislation would be quite unnecessary.

Mr. HUGHES : We need not pass an Act; we can appoint a man, and under our Royal Commissions Act we can appoint a man to conduct inquiries for all purposes inside Australia. We can summon witnesses under our general Act.

Sir ROBERT BORDEN : I do not imagine any Act will be necessary.

Mr. HUGHES : No.

CHAIRMAN : Then may I put the amendment moved by Mr. Burton, that from the word "His" in line 1 to "establish" in line 2 of part (2) be omitted ?

[Amendment carried.]

CHAIRMAN : After the word "Empire" in line 2, Mr. Burton moves the insertion of the words "be appointed."

[Amendment carried.]

CHAIRMAN : I will now put the Resolution as amended.

Resolution as amended carried in the following form :—

(1) That in order to maintain satisfactorily the connections, and at the same time encourage commercial and industrial relations, between the different countries of the British Empire, this Conference is of opinion that shipping on the principal routes, especially between the heart of the Empire and the Oversea Dominions, including India, should be brought under review by an Inter-Imperial Board on which the United Kingdom and the British Dominions and Dependencies should be represented.

CHAIRMAN—*cont.*

(2) That for this purpose an Imperial Investigation Board, representing the various parts of the Empire, be appointed, with power to inquire into and report on all matters connected with ocean freights and facilities, and on all matters connected with the development and improvement of the sea communications between the different parts of the Empire, with special reference to the size and type of ships, and the capacities of harbours; the Board to include, in addition to representatives of the Governments concerned, persons with expert knowledge of the problems involved, including representatives of the shipping and trading interests.

* * * * *

Enemy Banks and Businesses with Enemy Association.

CHAIRMAN: I think Sir Albert Stanley wants to say something to the Conference about enemy banks.

Sir ALBERT STANLEY: If I may, I should like to say just a few words about a Bill which we have very recently introduced in the House of Commons—a Bill which is entitled the Trading with the Enemy (Amendment) Bill. We have introduced this Bill rather hurriedly, and therefore we had not an opportunity of consulting with the Governments of the Dominions—which we usually do in matters of common interest—before the Bill was introduced. A part of the Bill is intended to strengthen the principal Act, that is the Trading with the Enemy Amendment Act, 1916. We have found in practice—it is the experience we have had in operating that principal Act—that it does in some instances require some strengthening, and we are therefore proposing in this Bill to make the necessary amendments. There is another part of the Bill which is rather outside the scope of any proposed amendment to the principal Act in so far as any question of strengthening may be necessary, and that is that part of the Bill, clause 2, which deals with the enemy banks in this country after the war. We are proposing under this Bill that the enemy banks in this country, which are, as of course is known, branches of German and Austrian banks, shall not be re-established in this country for a period of five years after the war. The Bill not only, of course, applies to those particular institutions which are now in process of liquidation, but it also applies to any banking institution in the widest sense which may be established in this country mainly under the control of, or for the benefit of, present enemy subjects. We are proposing to take a very wide interpretation of what "bank" means. We shall interpret it as applying to any financial undertaking whatever, and under this Bill it will be impossible during that period for any subjects of the present enemy States to establish any sort of financial undertaking in this country during that period.

Sir JOSEPH WARD: To draw on a person through another bank?

Sir ALBERT STANLEY: I should not like to go quite so far as that. I mean the actual establishing of the undertaking itself in this country. The Bill leaves no discretion whatever as to the establishment of these undertakings. If any such undertaking should be established, it is compulsory upon the Board of Trade immediately to wind up the undertaking, and the Bill makes provision for the infliction of very heavy penalties both by way of fine and of imprisonment if anybody violates or commits a breach of these prohibitions. As I said before, I am sorry that we had not an opportunity of consulting with the representatives of the Dominions before we introduced the Bill, and I desire to take the earliest opportunity of communicating to them what steps we have taken in this direction, and also to say, as perhaps may be known, that a very strong wish was expressed from various quarters in the House when this Bill was being debated on its Second Reading, that the other parts of the Empire would, if they had not already done so, take steps to prevent these financial institutions from being established in the other parts of the Empire.

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Sir ROBERT BORDEN: I do not think any financial institutions created or controlled by enemy nations have ever been established in Canada. All banking business in our country is carried on under the terms of the Banking Act, which gives the Government complete control, and we know, moreover, who are the shareholders in every bank that carries on business in Canada. One bank incorporated in the United Kingdom, the Bank of British North America, carried on business in our country for a very long period; but recently it has been absorbed by one of the Canadian banks, so that all the banks in Canada at the present time are purely Canadian enterprises, and, as I have said, we are in a position to know by whom the stock is owned and by whom the institutions are controlled. So far as private banking firms are concerned, they have practically ceased to exist in Canada. Years ago—25 years ago—there were several, but they have gradually been put out of business by the incorporated banks, so that the whole banking business in Canada at present is entirely under control. May I inquire, for the purpose of information, whether you have a general Banking Act here of the same character, under which all banks must be incorporated, and a central authority by whom all banks must be authorised to carry on business?

Sir ALBERT STANLEY: No, we have not that, and that is now a subject of investigation by the Government.

Sir ROBERT BORDEN: It would give very great control in dealing with enemy efforts to control the banking situation in this country if you had some such provisions as those to which I have alluded, and which in our country have been in force for many years past.

Mr. HUGHES: I have not seen this Bill. When did you introduce it, Sir Albert?

Sir ALBERT STANLEY: It was introduced on Tuesday of this week.

Mr. HUGHES: I have read something about it, and I am very glad that it has been introduced. But I should be glad if you would tell me how far it goes. You have said in certain directions how far it went, and you have asked us to pass similar legislation. Of course, to the extent that it goes I approve it, but in my opinion it does not go one half far enough. You say you will interpret what the word "bank" means very widely. Do you interpret what the word "control" means very widely? The question is, what is control? Everybody who knows how institutions are carried on knows very well that it is not even necessary to hold a majority of shares in order to exercise control. Not at all. There are such things as holding companies. There is such a thing as influence, which is exercised in other ways. And, in short, if you are not going to ascertain what control is, by some mechanical means or mathematical means, then how are you going to do it?

Sir ALBERT STANLEY: As provided in the principal Act, and as repeated in this Bill, it is "a business carried on wholly or mainly for the benefit of or under the control of persons who"—and so on.

Mr. HUGHES: I know. That wording is quite familiar to me. We have repeated it in our own legislation. But we have gone further. What I want to say shortly is this. So far as your legislation goes, I heartily approve of it. It is belated, but it is necessary, salutary, and ought to be approved by everybody. But I do not understand why you draw a distinction between a bank and any other corporation. Is it suggested, for example, that an enemy bank is more dangerous than an enemy firm in our midst? I do not think so. As a matter of fact, the purpose of these banks was, of course, to afford support to enemy firms to control British industries.

Now will you let me ask you a plain question? Why is Merton still here? Why do you not bring in a measure to extirpate German firms in this country—German enterprises? I am sure you quite understand that there is no bank in this country that has one-fifth part of the power exercised by the great Metallgesellschaft, of which Merton's was a branch. I am sure you are aware that this Merton Company here holds, I think, about one-half of the shares of the American Metallgesellschaft, called the American Metal Company. It is still here, and nobody touches it. And, of course, there are others. May I suggest to you, sir, when you ask us to copy your legislation, that you should copy ours?

16th Day.] ENEMY BANKS AND BUSINESSES WITH ENEMY ASSOCIATION. [26 July 1918.

Sir JOSEPH WARD: Hear, hear!

Mr. HUGHES: Will you tell the House of Commons that what Australia has done is this—that it has cleaned her share register so that there are no Germans on it at all? That applies not only to German banks, but to all other German concerns. The idea of a German bank being still in existence in England four years after the commencement of the war is absolutely appalling. I say so deliberately. You have invited us to speak, and so I am speaking plainly. But the fact that you propose to wipe out German banks when you leave those great institutions of which the banks are merely the agencies and subsidiary means by which they carry on their operations—that, I think, wants explanation.

Sir ALBERT STANLEY: Mr. Chairman, I am very glad indeed to have this opportunity of giving an answer to the points which have been raised by Mr. Hughes. May I take first of all the much wider question which he has raised, and that is of including all businesses, and not simply limiting our prohibition to financial institutions. Well, there was a very sufficient reason why we legislated at this moment with respect to the banks. It must not be understood from that, that that is the last word of the Government with respect to businesses in this country which may be carried on after the war under the control of, or for the benefit of, the subjects of present enemy States. By no manner of means. This whole question of German association in businesses in this country after the war has been under careful investigation for some little time, and while I am not at this present moment prepared to say—I have not the authority to say—what action the Government will take upon the wider aspect of the problem, I can assure the Conference that it has not been lost sight of by the Government, and I am hopeful that some decision will be come to before long, not only with respect to businesses, but also with respect to certain occupations which, if engaged in by the subjects of present enemy States, would be injurious to the national interests. I should like to give that assurance that the wider aspect is not being lost sight of, and that the mere fact of introducing a Bill to-day abolishing financial institutions only must not be taken as being the last word of the Government on the matter.

As to the other point about banks, Mr. Hughes remarked that it seems most unfortunate that these enemy banks should be still in existence in this country after four years of war. It is hardly true to say that these banks are still in existence. They do not exist as a separate entity. They have been under control for a very, very long time, but they have not been finally wound up. I am quite sure Mr. Hughes and all the other members of the Conference will understand that in winding up these institutions some little time is involved, and by the process which was adopted deliberately by the Government, it has secured to this country many, many millions sterling, which under any other system would not have been possible. We have been enabled by the methods which were adopted at the time to secure from neutral sources many millions sterling which otherwise would have gone direct to the enemy countries. And therefore I think that on that ground, if on no other, there is a justification for the policy. But it should be borne in mind that during the whole of that time the banks were not allowed to do any business. There has been no business as such done by the banks.

Mr. HUGHES: For how long?

Sir ALBERT STANLEY: Since immediately after the outbreak of war.

Mr. MASSEY: You mean the banks have not been open?

Sir ALBERT STANLEY: They have not been open for doing business. They are under a Controller—under Sir William Plender's direction, and no business can be carried on by the banks except under his direction since the outbreak of war.

Mr. MONTAGU: No new business is done at all.

Sir ALBERT STANLEY: None whatever.

Mr. MONTAGU: All business done by Sir William Plender has been in connection with winding up. That is all.

26 July 1918.] ENEMY BANKS AND BUSINESSES WITH ENEMY ASSOCIATION. [16th Day.

Sir ALBERT STANLEY: The business done by Sir William Plender, as you correctly say, has been only in connection with winding up these banks.

Mr. HUGHES: They have kept their interests alive.

Sir ALBERT STANLEY: Now we have reached a stage where it is possible to take the further step of bringing the banks under the control of the Official Receiver, and the very end of the process, that is the final step for the complete winding up of these banks, is now reached. But it is quite clear that these banks are in liquidation—the liquidation is being completed as rapidly as possible, and they cannot, of course, be re-established either now or for a period of at least five years after the war.

Mr. MASSEY: Do you mean at the end of five years they will be allowed to come back and re-establish themselves?

Sir ALBERT STANLEY: I should not, of course, prophesy what action will be taken at that time. We have taken power in this Bill for this particular period. It will, of course, be for the Government to say at that time whether the Act shall be extended to a further period or not. It will be a very simple process.

Mr. MASSEY: Why not make it 20 years now?

Sir ALBERT STANLEY: I can only say it is the decision of the Government to limit it to that period. Now may I take Merton's? I think there is some misunderstanding about Merton's. They did not come within the Trading with the Enemy Act. We had not the power to wind them up.

Mr. HUGHES: You mean to say under Statute?

Sir ALBERT STANLEY: No.

Mr. HUGHES: But under Parliament you had.

Sir ALBERT STANLEY: Under the Non-Ferrous Metal Industry Act of last year we took the power to refuse a licence to engage in the non-ferrous metal trade, to any firm that had any association with the enemy prior to the war, and which in the discretion of the Board of Trade should not receive a licence; and under that Bill these firms, of which there are something like 1,000 in the United Kingdom engaged in this trade, are required to make application to the Board of Trade for a licence to continue their activities. Under the Act they have six months to carry on. That six months lapses on the 5th August of this year. For the purpose of ascertaining the facts in connection with the operations of firms making application, we set up a Committee, and that Committee goes into all the circumstances and reports to the Board of Trade, and it lies with the Board of Trade as to whether a licence shall be given or not.

Mr. HUGHES: Will you let me say this? Your explanation, of course, makes many things clear, but let me say this. You say you had not the power to do this or that, but you have here a sovereign Parliament which has the power to do anything except make a man into a woman. There is nothing you could not do. Why, with a Parliament like ours, whose jurisdiction is so limited as to be almost farcical in some directions, because of the reservation of State rights, we have turned them out neck and crop, and there is no place for them now. Merton's representative is interned. He applied for a writ of habeas corpus. The judge granted the writ. We, happily, had means for preventing fictions of the law like that from standing in the way, and he is still interned, and he will be until the end of the war. But Merton's is still here, and is going on up to the 5th August until the Committee makes inquiries into its antecedents. Why, sir, everybody in this country who is in business knows who Merton's is, and knows very well that for all practical purposes Merton's here is Merton's of Frankfort-on-Main, the greatest combine on earth. Take the steel trade, the Beef Trust—all the other Trusts put together—this great combine is greater than them all. And here he is going on up till the 5th August, and then you deny him a licence—and then he will appeal—and so the game goes on until the war is over.

16th Day.] ENEMY BANKS AND BUSINESSES WITH ENEMY ASSOCIATION. [26 July 1918.

Sir ALBERT STANLEY: There is no appeal.

Mr. HUGHES: No appeal?

Sir ALBERT STANLEY: No appeal.

Mr. HUGHES: Oh well, then, he will carry on. Sir, I shall hold it as a victory not less important than that of Foch's, if Merton and all his works are rooted out of this country. And, mark you, I am not satisfied if they are merely denied a licence. Something more must follow. They must go. There must be some outward and visible sign of the fact that England is at war with Germany, and these men must not be allowed to pollute the country any longer. Why, when I had made war against them in Australia, their agent came here to this city, 18 months after war broke out, and in a strong guttural accent said there would be no opportunity for Australia to sell her metals except through German channels. He did that here in London. He was here entrenched. While we were making war against Merton's, they were operating on 'Change; and I say this, sir—and perhaps you will answer it—that until April or May of this year you were buying nickel through them.

Mr. MASSEY: From them.

Mr. HUGHES: From them. Of all the nickel bought by the British Government some came from Mond, and the greater part came from Merton's up till April and May of this year. Now I say that is a most astounding thing, and then all we get in reply is that on the 5th August something will happen. Of course, we shall be dispersed; we shall have gone to our homes. Peace will come on earth again, and all will be very well.

Mr. MASSEY: We shall not have gone by the 5th August, judging from present appearances.

CHAIRMAN: Does any other member of the Conference wish to make any remark?

Sir JOSEPH WARD: I think this statement made by Sir Albert Stanley is a very important one. I am particularly referring to the proposal to prevent German banks operating in England, and I want to discuss their relations with the Oversea countries. The British Government is responsible for its own legislation, but I want to discuss this from the point of view of the oversea countries, where, of course, we may require to legislate to do all that is further necessary to deal with a very important matter such as this is. One of the difficulties I foresee is, after you have prevented the banks coming to England, after you have prevented German financial houses from operating in England, how is that going to be for the limitation of trade and of the uses to which these banks were previously put being carried out through British institutions? How is it going to limit trade? This is what I foresee might take place in any of the oversea countries or in Britain itself. I am dealing with it from the standpoint of the oversea countries. There has been no private bank established in our country. It can only be done by legislation, and it must be an incorporated bank, and there is no possibility of such a bank being established in our country. But how is it proposed to deal with Germans operating in our country, or operating in Britain itself, or in any of the other oversea countries outside of their own incorporated banks, which they have done for some years here? How is it proposed to prevent British banks or financial institution acting on their behalf which exists in Britain and in the oversea countries? Everybody recognises that after the war Germany must have wool. Where is she to get it from? It does not require a German bank or a German financial house to enable Germany to operate in wool or, indeed, in any other commodity, as far as my judgment goes. All they require to do is to have some British firm representing them, and you cannot stop that British firm sending out letters of credit on their own account to firms in oversea countries. But you do not know who the British firm is operating for—for any amount of money you like to name—1,000,000£., 5,000,000£., or any sum you like to name—and under that letter of credit there is nothing in the wide world to

26 July 1918.] ENEMY BANKS AND BUSINESSES WITH ENEMY ASSOCIATION: [16th Day.
NATURALIZATION.

Sir JOSEPH WARD—*cont.*

prevent these articles being purchased out there and sent to a neutral country, to a destination over which no Government has any power whatever of control.

Now what I am inclined to think is that there requires to be some method of preventing British firms—I do not mean by British firms purely English firms, but I am applying it in the broad sense—British firms all over the Empire—operating in this way. If you are going to have some really effective legislation put upon the Statute Book, apart from doing away with the existence of German banks, and it is very important they should be done away with, if you are going to be practical and effective, there wants to be some very drastic legislation upon the statute books of all the countries to follow the actual operations of any firms sending letters of credit to oversea countries, or issuing drafts upon oversea countries for payment for products purchased there for present enemy countries. My own opinion is, as a measure for dealing with the necessities of the situation here, that after the war is over, under the altered conditions the Germans will get alongside of you and do the people in the eye by the process I have just referred to. I am asking Sir Albert Stanley if there is any possibility of meeting that.

Sir ALBERT STANLEY: Might I ask Sir Joseph Ward whether he would agree that I should take an early opportunity of having just a few words with him about this matter. This particular Bill is on at the House at 12 o'clock, and I have several amendments to consider before that. If I might be allowed to go away now I should be glad.

Sir JOSEPH WARD: Certainly.

CHAIRMAN: You do not want any Resolution?

Sir ALBERT STANLEY: No.

Naturalization.

CHAIRMAN: Then pending the arrival of the representatives of the Food Department, the Conference will remember that we passed a resolution on Monday* recommending that a special Conference, representative of all parts of the Empire, on the subject of Nationality and Naturalization, should be held at the earliest possible moment, and several members expressed the hope that no time should be lost. Sir George Cave proposes to hold that Conference at the Home Office at 11 o'clock on Wednesday, the 31st instant, at which he will have the assistance of the Attorney-General, and hopes that representatives of the various Governments may be able to attend. If Wednesday should for any reason prove impossible, Sir George Cave will be prepared to hold a meeting on Friday.

Mr. HUGHES: Wednesday will suit me quite well.

CHAIRMAN: The Imperial War Cabinet does not meet on Wednesday.

Mr. HUGHES: Very well.

CHAIRMAN: Well, will Wednesday suit at 11 o'clock at the Home Office?

Mr. MASSEY: I think so.

* * * * *

Enemy Banks and Businesses with Enemy Association.

Sir ROBERT BORDEN: Mr. Chairman, may I say just one word about a subject which was mentioned a little while ago. I think Mr. Hughes referred to Merton's having some connection with the nickel exported from Canada to the United States. I should like to mention that the question of the destination of that metal was a matter of concern immediately the war broke out. The Canadian Government took the matter up in consultation with the British Government, and by means of our control over the

* See p. 192.

16th Day.]

ADDRESS TO HIS MAJESTY THE KING.

[26 July 1918.

Sir ROBERT BORDEN—*cont.*

International Nickel Company we enforced such conditions with respect to sale and shipment as would assure us and the British Government as well that that nickel would not reach enemy nations, and, more than that, that it would not reach neutral nations from which it was likely to get into Germany. The British Government were satisfied, and we were also satisfied, that the International Nickel Company carried out those undertakings loyally and effectively, and in any case where they had reason to suspect that persons with whom they had contracts made prior to the war were not proving faithful to the engagements they had made, they gave us notice, and we took steps to prevent sales to those persons. Subsequently some question was raised in Canada as to the action of Merton's as agents of the British Government. Of course, we were not responsible in any way for the agency employed by the British Government.

Mr. HUGHES: Not at all.

Sir ROBERT BORDEN: But we did think it our duty to make representations to the British Government as to what was being said in Canada. In reply to those representations, we were assured that the British Government was thoroughly satisfied that their arrangements with Merton's were all that they should be, and we made public those statements in Canada. A year ago, or a little more—15 months ago—when I was here, I made enquiries, and put forward certain representations with regard to this agency. In consequence of those representations I entertained the belief that any agency that Merton's had in the matter was to be immediately terminated, and if it has not been terminated until the date which Mr. Hughes has mentioned, I am greatly surprised to find that such is the case.

Mr. HUGHES: So was I. I think it is only fair, Sir Robert, for me to say that I know nothing of this myself. The information has been given to me, and I repeated it in the presence of Sir Albert Stanley, and, of course, if it is not true he is to say so. But I am told that they handled the nickel supply up to April and May of this year.

Sir ROBERT BORDEN: I thought it best to make that statement to the members of the Conference lest there should be any misunderstanding as to Canada's action.

Mr. HUGHES: Oh, of course, Canada is quite in order.

Address to His Majesty the King.

CHAIRMAN: May I put to the Conference the formal adoption of the Address* to His Majesty, which will be read on behalf of the Conference by Sir Robert Borden, the Prime Minister of Canada, this afternoon at 5.30.†

[Carried.]

* * * * *

Concluding Resolution.

Sir ROBERT BORDEN: I should like to move a Resolution, which I hope Mr. Hughes will second:—

“The members of the Conference representing India and the Oversea Dominions desire before they separate to convey to the Secretary of State for the Colonies their earnest and sincere appreciation of his labours in preparing for, and presiding over, the Conference.

“They desire also to put on record their deep sense of gratitude for the many courtesies which they have received from the Prime Minister and the other members of His Majesty's Government, as well as for the generous hospitality which has been extended to them by the Government and people of the United Kingdom.”

Mr. HUGHES: I have very much pleasure in seconding that.

* The Address is printed on pp. 192-193.

† His Majesty's reply to the Address is printed on pp. 251-252.

26 July 1918.]

CONCLUDING RESOLUTION.

[16th Day.]

Sir ROBERT BORDEN: It is only necessary to say, Mr. Long, that this is no empty Resolution, but it does indeed express, as I believe, the sincere feeling of all the members of the Conference with regard to yourself. And some words should also be added as to the very fine service which has been rendered in connection with the labours of the Conference by the officials of your Department. (Hear, hear.)

Mr. HUGHES: May I say, in support of what Sir Robert Borden has just stated, that I personally am heartily in accord with all that the Prime Minister of Canada has said, and especially in regard to those references to yourself. I will say this, that no man could have succeeded better than you have, Sir, as Chairman of this Imperial War Conference; nor, if I may be permitted to say so, as one who has perhaps, by way of Resolution, appeared at times to say something to the contrary, could anyone have carried out the duties of your high office with regard to administration and general relations with the Dominions better than you have yourself. And I want to assure you, on behalf of the Government of Australia, that we are very glad indeed that the position of Secretary of State for the Colonies is filled by a man like yourself, who, having a keen appreciation of your many and great responsibilities, being thoroughly seized of all the great events which are hurrying us along, brings always to every situation that progressive insight and wisdom which are necessary to resolve it along such lines as will make for the development and welfare of this great Empire of ours.

Sir ROBERT BORDEN: Hear, hear.

Mr. MASSEY: I just wish to say, Mr. Long, that I thoroughly and heartily endorse what has been said by Sir Robert Borden and Mr. Hughes, especially with regard to yourself, Sir, and the officers of your Department. And I would like to say further, that so far as these Conferences are concerned I think it is a splendid thing for the representatives of the different countries of the Empire, the Dominions and Dependencies, to come together and exchange views, as we have done during the last few weeks, on matters of great public importance such as we have discussed. Such discussions are an education to us as representatives, and I am quite sure will be of benefit to the countries to which we belong.

Mr. LLOYD: I desire to associate myself with this Motion. I will not say more beyond that I thoroughly endorse what has already been said.

Sir S. P. SINHA: I, on behalf of my colleague and myself, Sir, also thoroughly agree with every word that has been said.

Sir JOSEPH WARD: Mr. Long, I should like to add my words of recognition of the courtesy and consideration shown by yourself to the Conference since we have been here, and of the great courtesy extended by the Prime Minister and his colleagues to myself and other members who have been attending this Conference. With respect to the evolution that has taken place, in my judgment these meetings of the Imperial Conference, until some other alteration, which in the wisdom of those who govern the Empire may be effected, are invaluable from the point of view of the heart of the Empire and of the Oversea Dominions being brought closer and closer together, and each better understanding the needs of the other, and I hope that in the interests of our Imperial progress future Conferences may be as successful as this one has been. I want to thank you personally, Mr. Long, and your obliging staff, for yours and their courtesy and consideration.

Mr. COOK: And so say all of us, Mr. Long, with great heartiness and great cordiality.

CHAIRMAN: Of course, I cannot put this.

Sir ROBERT BORDEN: Gentlemen, you have heard the Resolution which I have proposed, and which has been seconded by Mr. Hughes. It is hardly necessary to put it except as a matter of form. Please signify your assent by saying "Aye."

[The Resolution was carried unanimously.]

16th Day.]

CONCLUDING RESOLUTION.

[26 July 1918.

CHAIRMAN: I am very much obliged to Sir Robert Borden and Mr. Hughes who have proposed and seconded this Resolution, and to you, the other members of the Conference, who have been good enough to support it in such very generous terms. May I say I particularly appreciate your recognition of the services of my colleagues here in the Colonial Office, who have borne the chief burden of the work which has been done. They have given, both during and before the Conference, the very best of their strength and ability, and not only that, but their work has been done with all their heart. I can only say for myself that I am fully conscious of my numerous shortcomings, both as Secretary of State and as Chairman of this Conference; but it has been a great pride to me—a great privilege to me—to be allowed to preside over the Conference. It is to me a matter of profound emotion to find myself presiding over a great gathering like this, assembled from all parts of the world, representing the British Empire, and called together to try and strengthen our foundations, and, where it can be, to improve our relations.

May I just say this to the Prime Ministers: I am very conscious of the fact that, in myself as Chairman, they have not the President to whom they are entitled. It should be, of course, the Prime Minister himself. Circumstances have made that impossible. I have done my best according to my lights to discharge my duties, and I am profoundly grateful to you for the generous support you have given me—the unfailingly generous support—and for the good will with which you have accepted me as substitute for my chief. I can only say that I believe our deliberations have been well and wisely conducted, and I hope myself that the result of our labours, both here and in the Imperial War Cabinet, will be to put this great Empire into a position of such strength that for all time she will be able to play her part not only—which God forbid—should another war overtake us—not only in war time, but in those peaceful developments to which we all look forward as being productive of benefit for ourselves, and, through us, to the world. I am very grateful to you.

III. PAPERS LAID BEFORE THE CONFERENCE.

I.

Publicity Arrangements.

MEMORANDUM PREPARED IN THE COLONIAL OFFICE.

[See discussion reported at pages 25-28.]

IN the case of the Colonial Conference of 1902, and the Defence Conference of 1909,* only resolutions or results and a selection of speeches and memoranda were published, the actual proceedings being kept confidential.

In the case of the Colonial Conference of 1907 it was arranged that at the beginning of the Conference a précis of the proceedings prepared by the Secretariat should be issued daily to the Press after revision by the members of the matter which concerned them. The question of publication was deferred nearly to the end of the Conference, and it was then decided to publish the full text of the proceedings and the papers laid before the Conference, except in so far as they were held by the Conference to be confidential.

New Zealand in 1911 proposed that the Conference should be opened to the Press, except when the speeches were confidential, but the resolution met with so much opposition that it was withdrawn. A member of the Hansard staff at the House of Commons was, however, specially employed to draw up précis† which were issued every evening after a sitting to the Press. The full proceedings and documents, with the exception of certain subjects which were kept back as being confidential, were subsequently published in Blue Books.

The Imperial War Conference, 1917, differed, of course, very greatly from previous Conferences in respect to the highly confidential nature of many of the subjects dealt with. It was decided, after some discussion at the first meeting, that the Chairman should issue to the Press reports of the meetings of the Conference, but should give no details of the business done. In accordance with this decision, whilst a brief account of the opening proceedings was communicated to the Press, subsequent notices merely stated the fact that the meetings had been held. The only other publicity given to the proceedings was (a) a short account of the work of the Conference, and the majority of its resolutions *in extenso* given to the Press a few days after the meetings concluded; (b) a full account of the proceedings at Windsor, when an Address was presented by the Conference to His Majesty the King.

After the close of the Conference such part of its proceedings as was not confidential was published in full in Blue Book form, and the remainder (much the larger portion) was only sent out to the Dominions and India in a Confidential White Book.

In April, 1918, the Governor-General of Canada stated that his Government were anxious that adequate publicity arrangements should be made for the 1918 Imperial War Conference, and pointed out the necessity that such news as could be published should be communicated to the Press whilst the meetings were actually in session. The Canadian Government based these representations on the fact that Ministers found, on their return to Canada in 1917, that there had been regrettable lack of appreciation of the importance and amount of work accomplished at both the Imperial War Cabinet and the Imperial War Conference. They suggested the preparation of plans for submission to the first meeting of the 1918 Conference.

In reply, the Secretary of State asked the Governor-General to assure Sir R. Borden that he fully recognized the importance of the matter, but pointed out that it was one for decision by the Conference with due regard to the nature of the subjects discussed. He promised to bring it up for consideration as the first business.

May, 1918.

* See [Cd. 5746-1] page 8.

† These précis were afterwards issued as a Blue Book [Cd. 5741].

II.

Work of the Imperial War Graves Commission.

MEMORANDUM PREPARED BY THE VICE-CHAIRMAN OF THE COMMISSION.

[See discussion reported at pages 28-33.]

1. By their eighth resolution, passed on the 13th April, the Imperial War Conference, 1917, suggested the constitution of an Imperial War Graves Commission for the purposes set out in the Prince of Wales's minute to the Prime Minister dated 15th March, 1917. A copy of the minute is on pages 132-133 of the Extracts from the Minutes of Proceedings of the Conference [Cd. 8566], and a copy of the draft charter of the Commission, as finally revised in accordance with the wishes of the Conference, is on pages 145-150 of the Extracts.

The charter was passed under the Great Seal on the 21st May, 1917.

2. By their twelfth resolution, passed on the 23rd April, the Conference requested the Commission, as soon as possible after their appointment and organization, to prepare an estimate of the probable cost of carrying on the work entrusted to them and to submit the estimate to the Governments of the United Kingdom and the Oversea Dominions with their recommendations as to the proportion that should be borne by each.

It has been found impracticable to prepare a detailed and final estimate in the year that has elapsed, for reasons which are suggested later in this memorandum. But by careful calculation, based on the experience gained in connexion with the three experimental cemeteries mentioned below, and by consultation with the best architectural and expert opinion, it has been possible to arrive at a maximum cost of carrying out the scheme of construction recommended in Sir Frederic Kenyon's report and approved by the Commission, which includes the enclosing and planting of cemeteries, the marking of graves, and the erection of buildings and memorials. This cost appears, under present conditions, to work out at an average sum of £10 per officer or man buried. No estimate has, however, yet been made of the cost of erecting memorials to those whose graves have not been identified, but this will certainly be considerably less in proportion. A statement (marked "A") is attached,* showing the proportions of deaths and the proportions of registered graves attributable to the different contingents.

3. The nomination of non-official members of the Commission was completed in October, 1917, and the persons nominated were appointed by Royal Warrant on the 26th October, the first Commissioners being:—

His Royal Highness the Prince of Wales, K.G. (President).

The Secretary of State for War (Chairman),

The Secretary of State for the Colonies,

The Secretary of State for India,

The First Commissioner of Works,

The Honourable Sir George Perley, K.C.M.G., High Commissioner for Canada,

The Right Honourable Andrew Fisher, P.C., High Commissioner for Australia.

The Honourable Sir Thomas Mackenzie, K.C.M.G., High Commissioner for New Zealand.

The Right Honourable W. P. Schreiner, P.C., C.M.G., High Commissioner for the Union of South Africa,

Dr. E. F. S. Green, Newfoundland.

Sir William Garstin, G.C.M.G.,

Harry Gosling, Esq., C.H., J.P.,

Rudyard Kipling, Esq.,

Lieutenant-General Sir C. F. N. Macready, G.C.M.G., K.C.B.

General Sir Herbert C. O. Plumer, G.C.B., G.C.M.G., G.C.V.O.,

Admiral Sir Edmund S. Poë, G.C.V.O., K.C.B.

Brigadier-General Fabian Ware, C.M.G. (Vice-Chairman).

4. Meanwhile, in the summer of 1917, an informal Committee, consisting of Mr. Charles Aitken, Director of the National Gallery of British Art, Mr. E. L. (now Sir Edwin) Lutyens, A.R.A., and Mr. Herbert Baker, F.R.I.B.A., had visited the zone of the armies in France to study the architectural treatment of the military

cemeteries and to form an opinion as to the methods to be adopted. This Committee failed to arrive at an agreed conclusion, and on the 22nd October, 1917, the Director of Graves Registration and Enquiries, in a letter to the Chairman of the Commission, suggested the appointment of Major (now Lieutenant-Colonel) Sir Frederic Kenyon, K.C.B., Director of the British Museum, as Adviser to the Commission on the architectural treatment of cemeteries. The suggestion was accepted by the Commission, and Colonel Kenyon, after a visit to France and consultation with the military authorities and with various religious bodies and persons interested in the matter, presented a report, dated 12th January, 1918, in which he discussed the proposals that had been submitted to him, and made recommendations as to the course of action to be pursued. These recommendations were adopted (with a small exception) at the second meeting of the Commission, on the 18th February, as a basis of future action. The report, which has been communicated in full to the Governments represented at the Conference, can best be summarized for the purpose of this memorandum in the form of the recommendations to which the Commission formally agreed:—

- (i) That the principle of equality of treatment laid down by the Commission should be carried out by the erection over the graves of all officers and men in the war cemeteries abroad of headstones of uniform dimensions, though with some variety of pattern.
- (ii) That each regiment should have its own pattern of headstone, to be erected over the grave of every man of that regiment wherever he may be buried, and that regimental feeling should be consulted as to the design of the headstones.
- (iii) That there should be carved on each headstone the rank, name, regiment, and date of death of the man buried beneath it, and that relatives should be allowed at their own cost to add a short inscription of the nature of a text or prayer, subject to the approval of the Commission.
- (iv) That in every cemetery there should be two central monuments: (*a*) at the eastern end, a great memorial-stone upon broad steps and bearing some appropriate phrase or text, and, (*b*) elsewhere in the cemetery, a cross.
- (v) That in every cemetery there should be some form of building, either covering the memorial-stone or separate from it, as a shelter for visitors from the weather and as a place where religious services might be held.
- (vi) That the cemeteries should be laid out and planted with flowers and shrubs under the direction of horticultural experts working in co-operation with the architectural designers. The surfaces of the graves should be levelled, for reasons both of convenience and of economy.
- (vii) That each cemetery should be fenced in by some durable boundary, preferably a low wall.
- (viii) That each cemetery should have a printed register of the burials in it, which should be easily accessible to visitors.
- (ix) That, in consultation with the French authorities, the principle of concentrating in selected cemeteries the bodies at present buried in isolated graves or in small groups should be settled in advance.
- (x) That, for the purpose of carrying out the proposals contained in the report, three principal architects in the first instance should be chosen (names recommended—Mr. Reginald Blomfield, Sir Edwin Lutyens, and Mr. Herbert Baker); the cemeteries should be divided into groups, and to each group should be assigned one principal architect and a number of younger men working under his leadership; the majority of the cemeteries should be designed by the younger men. . . . The final selection of the regimental headstones should be referred to an informal body of artistic advisers (names suggested—Mr. D. S. MacColl, Mr. C. J. Holmes, and Mr. Macdonald Gill).

It was also decided that, "with a view to arriving at an accurate estimate of the cost of carrying out the recommendations contained in the report," three selected closed cemeteries should be treated at once in accordance with these recommendations.

Delay was caused in the carrying out of these resolutions of the Commission, so far as concerned the experimental work on the three cemeteries, by the fact that the change in the military situation caused by the German advance necessitated a revision of the selection after a certain time had been spent on preparatory office work; but for the three cemeteries now selected constructional and horticultural

plans have been made by the principal architects, estimates have been prepared, regimental particulars of all ranks buried in the cemeteries have been completely reverified, and the designs for memorial, cross, and headstones will be ready for the workmen shortly.

5. The Treasury has agreed that the cost of providing suitable headstones for all the graves and of laying out, enclosing, planting, and maintaining the cemeteries, together with the maintenance of central memorials, shall be a charge upon the Exchequer, and that the constructional work on three selected cemeteries may be carried out at an estimated cost of £15,000.

6. The situation with regard to military cemeteries and graves in Belgium was satisfactorily cleared up on the 9th August, 1917, when an agreement (analogous in its terms to the Law of the French Republic of the 29th December, 1915) was signed at Le Havre by representatives of the British, French, and Belgian Governments, by which the Belgian Government undertook to acquire, and to hand over to its Allies for their use in perpetuity, the British and French military burial grounds in Belgium. The thanks of the Commission have been conveyed to the Belgian Government.

7. The extent to which the Law of the 29th December, 1915, has now been carried into effect by the acquisition of land for cemeteries, is indicated by the fact that at the end of April, 1918, the sites of eighty-five British cemeteries had been acquired by the French Government, and the sites of one hundred and sixty-two were in course of acquisition.

8. With regard to the provision of land in Italy, negotiations have taken place which it is hoped will result shortly in an equally satisfactory arrangement.

9. The Egyptian Government has intimated its willingness to maintain the graves of British soldiers in Egypt, and to provide free of charge all the land required for the purpose. This offer has been gratefully accepted by the Commission, and a letter has been written to the Egyptian Government suggesting that constructional work in the cemeteries should be begun at an early date; that an Executive Committee should be formed in Egypt for the purpose of carrying out the work; and that an architect should be sent out to that country by the Commission to confer with the Egyptian Committee and to explain to it the lines to be followed in laying out the cemeteries in accordance with the general decision arrived at by the Commission.

10. The erection of permanent memorials on military graves in the United Kingdom is under consideration by an Advisory Committee of the Commission, of which the officer at present holding the appointment of Chief Engineer, London District, is Honorary Secretary.

11. A Committee of the Commission, assisted by representatives of the Hindu and Mohammedan faiths, has considered the special treatment required for Indian cemeteries and graves in the western theatre of war, and its recommendations are now before the Commission.

12. The responsibility for the marking and maintenance of military graves during the progress of hostilities rests, as the members of the Conference are aware, upon the armies and the War Office. The activities of the Directorate of Graves Registration and Enquiries are summarized to a recent date in the attached pages of statistics (marked "B").*

13. The Admiralty has been requested, and has agreed, to complete and maintain records of naval graves in the same form as the records maintained by the War Office.

14. The German advance which began on the 21st March in this year has resulted in the temporary loss to the Allied armies of a very large number of cemeteries and isolated graves, and the statistics referred to in paragraph 12 must be read with this reservation. It is impossible to state with any degree of accuracy the permanent effect of this enemy advance on the material which will be handed over to the Commission at the conclusion of hostilities, but it will certainly be possible to identify a large number of these graves from the surveys and record plans in possession of the office of the Director of Graves Registration and Enquiries when the territory in question has been recovered.

FABIAN WARE,
Brigadier-General,
Vice-Chairman.

3rd June, 1918.

III.

The Non-Ferrous Metal Industry Act, 1918.

MEMORANDUM BY THE BOARD OF TRADE.

The German Metal Organization.

[See discussion reported at pages 47-63.]

BEFORE the War the world's market for non-ferrous metals was largely controlled by a group of German metal companies engaged primarily in buying metals or in acting as selling agents for producers. These companies were closely connected by stock control, the inter-ownership of stock, interlocking directorates or joint syndicates, their relations being of such a nature as to lead to a common policy in respect to the purchase and sale of metals.

The most important of these concerns was the Metallgesellschaft, of Frankfort-on-Main, which combined with certain German metallurgical and financial interests to found in 1910 the Metallbank and Metallurgische Gesellschaft, of Frankfort-on-Main, with a capital of £2,000,000. This last-named organization, either directly or through its constituent concerns, had by the outbreak of war established, or acquired, controlling financial interests in metal dealing, mining or working companies or chemical-metallurgical companies in Germany, Austria, the United Kingdom, France, Belgium, Switzerland, Holland, Spain, Australia, Africa, Mexico, and Italy.

Distinct from the Metallgesellschaft group of companies, but closely associated with the same interests and with each other in various syndicates and combinations, were Beer Sondheimer & Company, of Frankfort, with interests in companies in Germany, Austria, Italy, Belgium, France, and the United States, and Aron Hirsch & Company, of Halberstadt, which also had subsidiary companies in various countries.

As illustrations of the activities of the German group of associated undertakings there may be mentioned the International Lead Convention and the International Spelter Convention, both of which were formed by the Metallgesellschaft. The position of the German interests was so strong that they were able to force the smelters of these metals in other countries into those conventions, which regulated the world's prices; and by controlling the market the German interests were able in some cases to restrict the development of the smelting of the metals elsewhere than in Germany.

The position which the German companies occupied before the War in respect of various metals had been attained in a variety of ways. In some cases there was actual ownership of, or participation in, mining companies; in others there were long-period contracts for the purchase of the output of mines; there were interests, frequently of a controlling nature, in refining and smelting companies; sole selling agencies of refined metals had been secured in some instances; and there were international price agreements, of the kind already referred to, into which producers and traders had been forced by the great competitive strength of the German groups.

The influence of the German metal organizations was very extensive in the case of zinc and lead (e.g., they controlled by long-period contracts the output of Australian zinc concentrates, the raw material of spelter); and there are indications that endeavours were being made at the time of the outbreak of war to acquire a controlling influence over other metals, particularly copper and nickel.

The present development of the non-ferrous metal industries is for the most part a modern growth, and the high development of scientific training and industrial research in Germany has undoubtedly assisted that country in its efforts to obtain a preponderating influence in respect of non-ferrous metals; while in this, as in others of the newer branches of production, this country has fallen seriously behind both Germany and the United States.

The necessity of a British Metal Industry.

The control of the non-ferrous metal trade of the world by Germans or German-controlled interests, and the weak condition of the native industry, have been a cause of grave embarrassment to the Allied Governments during the War; and it is essential that this position, in view of its obvious dangers in peace as in war, should not be renewed. The matter engaged the close attention of the committee appointed by the Board of Trade to consider the position of the non-ferrous metal industry after the War, and the committee urged on the Board of Trade that, if the metal

industries and the trade of the Empire were to develop freely and on sound lines, it was essential that measures should be taken to guard against the efforts which the German concerns were certain to make to re-establish their connexions and control immediately after the War. It was felt that the methods adopted were so varied, and in some cases so indirect and insidious, that action to guard against their successful revival after the War would have to be of a very comprehensive character. His Majesty's Government endorsed the view that German influence should be completely excluded from the non-ferrous metal industry of the United Kingdom for at least a period sufficiently long to allow the establishment of a strong industry in this country under British control.

Main provisions of the Act.

I. The non-ferrous metals and ores to which the Act applies are zinc, copper, tin, lead, nickel, and aluminium. These possess common features in their indispensability, in the high degree of technical skill necessary for their successful exploitation, and in the efforts made by the Germans through their metal organizations to secure control over them. The Act may be extended to other non-ferrous metals and ores by order of the Board of Trade, in the event of it being deemed advisable to do so.

II. During the War, and for five years thereafter, no company, firm, or individual may carry on in the United Kingdom the business of winning, extracting, smelting, dressing, refining, or dealing *by way of wholesale trade* in metal or metallic ore, to which the Act applies, except under a licence given by the Board of Trade, which, when once granted, will continue so long as the Act is in force, but will necessarily be liable to suspension or revocation in the circumstances set out in the Act.

In order to avoid unnecessary interference with trade there are excluded from the scope of the Act:—

- (1) Cases where the purchase or sale of metal is *incidental* only to the trade carried on by the purchaser or seller. [The builder or plumber who buys metal for his own use, and may have a surplus from time to time which he wishes to dispose of, will not come under the Act, nor will the Bank, which realizes occasionally parcels of metals in respect of which it has made advances, nor the merchant house which has occasional parcels of metal consigned to it.]
- (2) Dealings in quantities below certain limits (which are fixed by rules issued under the Act, and vary according to the metal, from five to twenty-five tons per quarter), so as to relieve the small dealer from the necessity of seeking a licence.

III. A licence is not to be given to a company, firm, or individual to whom the conditions in the first schedule to the Act apply, *unless the Board of Trade are of opinion that the grant of a licence is expedient*; a company, firm, or individual controlled by a company, firm, or individual to whom the conditions in the first schedule apply will be similarly treated. On the other hand, any other company, firm, or individual will be entitled to a licence on fulfilment of certain procedure.

The conditions in the first schedule are so framed as to include:—

- (1) Businesses controlled or managed, to any substantial extent, by persons who are or may have been enemy subjects (thus including the cases of a business controlled by naturalized British subjects of enemy origin);
- (2) Companies, any of whose capital was held by or on behalf of enemies on the day on which the Bill was introduced (12th November, 1917);
- (3) Companies, firms, or individuals, parties to any agreement, arrangement or understanding which might lead or have led to enemy influence over the concern;
- (4) Companies, firms, or individuals having a substantial financial interest in third concerns in which enemies also have a substantial financial interest;
- (5) Companies, firms, or individuals who are, by any means whatever, subject, directly or indirectly, to enemy influence or association in the conduct of their business; and
- (6) Companies which, having issued share warrants to bearer, have not given notice requiring the holders of the warrants to surrender them for cancellation.

IV. In view of paragraph (6) in the first schedule, quoted above, companies which have issued share warrants to bearer are empowered to give notice requiring the holders of such warrants to surrender them for cancellation and to have their names entered in the register; and the necessary provisions for enforcing such surrender and preventing the holders of unsurrendered warrants from exercising control, are included in the Act.

V. A right of appeal to the court is provided on certain questions of fact and on questions as to the requirements of the Board of Trade for the production of books or documents for inspection under the Act, but no right of appeal is given from the refusal of the Board of Trade in the exercise of their discretion to grant a licence if the conditions apply.

The question has been asked whether the provisions of the Non-Ferrous Metal Industry Act ought not to be extended (a) to ferrous metals and ores, and (b) to non-metallic minerals. The answer is that the problems presented in these cases are entirely different. They were not subject to the same kind of influence as the non-ferrous metals, and the application to them of measures intended for the latter could possess little value. This does not imply that measures may not be necessary for the development or extension of ferrous or non-metallic industries; but such measures would have to be framed to suit the special conditions of those industries rather than being included in the scope of a measure such as that under consideration.

Dominions legislation.

It is essential, in order to free the Empire from lapsing again into dependence on German-controlled organizations with respect of non-ferrous metals and ores, that the action which has been taken in the United Kingdom should be completed by appropriate measures in the other parts of the Empire, in so far as these have not already been adopted. It is desirable that the measures to be taken should conform to the general principles embodied in the United Kingdom Act; though their precise form is a matter for the consideration of the authority concerned in each case. The Board of Trade would of course be happy, if so desired, to make available the experience in regard to the administration of the Non-Ferrous Metal Industry Act which they are now obtaining, for the purpose of assisting to frame the necessary measures on the most effective lines.

It may be added that His Majesty's Government have been in close consultation with the French Government on the subject of the non-ferrous metal industry, and that that Government are in full sympathy with the object of His Majesty's Government, and are prepared to take similar action.

Board of Trade,
May, 1918.

IV.

Imperial Bureau of Mycology.

MEMORANDUM PREPARED IN THE COLONIAL OFFICE.

[See discussion reported at pages 69-71.]

It is proposed to establish an Imperial Bureau of Mycology in this country to supplement the work which is being done by the Imperial Bureau of Entomology. The latter Bureau was the outcome of the movement which was set on foot in 1909 for the purposes of making more adequate provision for the control of the insect pests which are the source of so much injury to agriculture and to men and animals in the oversea possessions.

The Entomological Bureau is administered by a committee of distinguished experts, of which Lord Harcourt is the present Chairman, and its activities are manifold. Amongst other things, it publishes every month a summary of current literature on all aspects of economic entomology, and every quarter a Bulletin containing original articles on entomological research. It also does an immense amount of work in identifying the insects which are sent by collectors from all parts of the world, no less than 86,000 specimens having been received in the year 1914 alone.

The funds of the Bureau are provided from the following sources:—

Imperial Government	...	...	...	...	...	£500
Canada	...	...	...	...	...	500
Australia	...	...	...	...	...	300
South Africa	...	...	...	...	...	350
New Zealand	...	...	...	...	...	200
India	...	...	...	...	...	500
Nigeria	...	...	...	...	...	500
Gold Coast	...	...	...	...	...	350
Contributions, varying from £5 to £100, from twenty-two Colonies, Egypt, and the Sudan, amounting to	...	...	...	...	...	1,146
Total	...	...	...	...	...	£4,346

Representatives of the Dominions were present at a Conference which was held at the Colonial Office in 1911, under the presidency of Lord Cromer, for the purpose of discussing a scheme for the extension of entomological research, and it appeared then that the Dominions were as much preoccupied with the question of the fungoid diseases of plants as with that of insect pests. It is in order to supply an organization for dealing with the former question that it is proposed to establish the Bureau of Mycology. As in the case of the Bureau of Entomology, there would be a committee of competent experts, with a layman of high standing as Chairman—and it is hoped that the Dominions which are represented on the Entomological Committee will also be represented on the committee of the new Bureau. The activities of the Bureau would be confined in the first instance to the subject of plant disease, but it is probable that its scope would in time be extended so as to embrace other branches of agricultural development, such as plant-breeding, etc.

It is estimated that a sum of not more than £2,000 per annum would be required to maintain the Bureau for the period of the War, and it is suggested that, if the Dominions and India approve the scheme, they might make the following annual contribution for a period of three years, at the end of which time the matter could be reconsidered:—

Canada	...	...	...	...	...	£250
Australia	...	...	...	...	...	150
New Zealand	...	...	...	...	...	100
South Africa	...	...	...	...	...	150
India	...	...	...	...	...	250

It is proposed that the Imperial Government should be asked to contribute £250 per annum on behalf of the State-aided Colonies and Protectorates, and that the self-supporting Colonies, Egypt, and the Sudan, should be asked to contribute the rest of the funds required.

Colonial Office.

7th June, 1918.

V.

Imperial Statistics.

CORRESPONDENCE AS TO THE RECOMMENDATIONS OF THE DOMINIONS ROYAL COMMISSION.

[See discussion reported at pages 80-87.]

(I.)

THE SECRETARY OF STATE to THE GOVERNORS-GENERAL AND GOVERNOR.*

Downing Street,

[MY LORD DUKE,] [SIR,] [MY LORD,]

15th November, 1917.

I HAVE the honour to request [Your Excellency] [you] to inform your Ministers that the proposals and recommendations with regard to Imperial

* i.e., of Canada, Commonwealth of Australia, New Zealand, Union of South Africa, and Newfoundland.

statistics, on pages 148 to 151 of the Final Report of the Dominions Royal Commission [Cd. 8462], have been under the consideration of His Majesty's Government.

2. His Majesty's Government would welcome a Conference of Statisticians of the Empire, as suggested by the Royal Commission, to be convened at as early a date after the conclusion of the War as may be found convenient, and they will be prepared, if the Dominion Governments agree, to make the necessary arrangements for the summoning of such a Conference, and also for the preparation of a programme, and for its circulation to those who might be expected to attend.

3. It is suggested that the following might be included in the subjects for discussion:—

- (i) The establishment of an Imperial Statistical Office.
- (ii) Improvements in comparability of trade statistics throughout the British Empire.
- (iii) The preparation of a monthly summary of Empire trade, if satisfactory progress can be made under the preceding heading.
- (iv) Statistics of production within the Empire of important materials of industry.
- (v) Statistics of migration within the Empire.

I should be glad to receive your Ministers' observations as to any other matters which may be thought suitable for discussion.

4. I would also invite the attention of your Ministers to the Memorandum on Improvement of Statistics of the Empire, furnished to the Dominions Royal Commission by the Board of Trade [Cd. 7351, page 136], with special reference to the following passage:—

"There is, however, a good deal to be said for the establishment of an Imperial Bureau for the compilation in a convenient form of annual or other periodical digests and summaries of Imperial statistics. Such a Bureau might keep up to date the statistical material collated by the present Royal Commission, and might perhaps take over the compilation of some of the statistical volumes relating to the British Empire now published by the Board of Trade. If located in London I do not think there would be any insuperable difficulty in putting it, if desired, under the immediate management of the Board of Trade, while the general scope of its operations might be regulated and supervised by an inter-Imperial Committee."

I should be glad to be furnished with an expression of your Ministers' views on the suggestion of the Board of Trade for the establishment of such an inter-Imperial Committee as is indicated in the passage above quoted.

I have, &c.,
WALTER H. LONG.

(II.)

NEWFOUNDLAND.

THE GOVERNOR to THE SECRETARY OF STATE.

(Received 26th January, 1918.)

SIR, Government House, St. John's, 24th December, 1917.

WITH reference to your despatch of the 15th November, on the subject of Imperial statistics, I have the honour to transmit copy of a letter from the Honourable Colonial Secretary, under date 18th instant, containing the views of my Ministers on the subject.

I have, &c.,
C. ALEXANDER HARRIS.

Enclosure.

Department of the Colonial Secretary,

SIR, St. John's, Newfoundland, 18th December, 1917.

REFERRING to despatch of the 15th November, from the Secretary of State, on the subject of Imperial statistics, I have the honour to intimate that Your Excellency's Ministers are in accord with the proposal to convene, as early after the close of the War as may be convenient, a Conference of Statisticians of the Empire, to

deal with the various subjects as set forth in the despatch from the Secretary of State. Ministers have no subjects to propose in addition to those set forth in the despatch for discussion, but no doubt other matters that may require attention will be brought forward during the discussions of the Convention.

With reference to the establishment of an inter-Imperial Committee or Bureau to deal with statistics, the proposal is one that has much merit in it, and Ministers think that the compilation issued by such Bureau would certainly be enlightening and of great value to the Empire at large. The question, however, is one that would naturally come for consideration before the proposed Convention of Statisticians, and while the Governments of the Dominions may approve the principle, the working out of the details would no doubt be considered at the Conference of Statisticians.

I have, &c.,
R. A. SQUIRES,
Colonial Secretary.

His Excellency
Sir Alexander Harris, K.C.M.G., C.B., C.V.O.

(III.)

COMMONWEALTH OF AUSTRALIA.

THE GOVERNOR-GENERAL to THE SECRETARY OF STATE.

(Received 24th April, 1918.)

SIR, Governor-General's Office, Melbourne, 8th March, 1918.
REFERRING to your despatch, dated 15th November last, respecting the proposed Conference of Statisticians of the Empire, I have the honour, at the instance of my Prime Minister, to inform you that the Commonwealth Government would be pleased to send a representative to the suggested Conference in the event of its being convened. An exhaustive memorandum on the subject is now being prepared by the Commonwealth Government, and a copy will be forwarded to you as soon as it is available.

I have, &c.,
R. M. FERGUSON,
Governor-General.

(IV.)

UNION OF SOUTH AFRICA.

THE GOVERNOR-GENERAL to THE SECRETARY OF STATE.

(Received 1st May, 1918.)

SIR, Governor-General's Office, Cape Town, 15th March, 1918.
I HAVE the honour to transmit to you herewith, with reference to your despatch of the 15th November, a copy of a minute from Ministers on the subject of Imperial statistics.

I have, &c.,
BUXTON,
Governor-General.

Enclosure.

MINUTE 398.

Prime Minister's Office, Cape Town, 13th March, 1918.

WITH reference to His Excellency the Governor-General's minute No. 62/959, of the 14th January, transmitting a despatch from the Secretary of State for the Colonies relative to the proposals and recommendations with regard to Imperial statistics, on pages 148 to 151 of the Final Report of the Dominions Royal Commission [Cd. 8462], Ministers have the honour to state that they concur generally in the recommendations of the Royal Commission as to the co-ordination of statistical operations

throughout the Empire and as to the calling of a Conference for the purpose of arriving at this result in the most expeditious and satisfactory manner possible. Very great advantages might be anticipated as a result of such a Conference, as without co-ordination and standardization comparability is difficult, and frequently impossible.

Paragraph 675 (b) of the Report of the Dominions Royal Commission suggests the preparation by an officer selected by the Imperial Government of a series of proposals as a preliminary to the Conference of Statisticians, and Ministers would be happy to place such an officer in communication with the Director of the Union Office of Census and Statistics, so that he might be informed on all points regarding available statistics in the Union, and regarding any preliminary questions which might require consideration before being entered for discussion at the proposed Conference.

LOUIS BOTHA.

(v.)

CANADA.

THE GOVERNOR-GENERAL to THE SECRETARY OF STATE.

(Received 14th June, 1918.)

SIR,

Government House, Ottawa, 23rd May, 1918.

WITH reference to your despatch of the 15th November last, expressing the approval of His Majesty's Government of the recommendation of the Dominions Royal Commission in its Final Report for convening, at an early date after the conclusion of the War, a Conference of Statisticians of the Empire, and offering, if the Dominion Governments agree, to make all necessary arrangements for summoning the Conference, and preparing and circulating a programme therefor, I have the honour to transmit, herewith, copies of an approved minute of the Privy Council for Canada setting forth the views of my responsible advisers.

I have, &c.,
DEVONSHIRE.

Enclosure.

CERTIFIED COPY OF A REPORT OF THE COMMITTEE OF THE PRIVY COUNCIL, APPROVED BY HIS EXCELLENCY THE GOVERNOR-GENERAL ON THE 18TH MAY, 1918.

(P.C. 1195.)

THE Committee of the Privy Council have had before them a report, dated 14th May, 1918, from the Secretary of State for External Affairs, to whom was referred a despatch from the Right Honourable the Secretary of State for the Colonies, dated the 15th November, 1917.

The Minister observes that the Secretary of State for the Colonies expresses the approval of His Majesty's Government of the recommendation of the Dominions Royal Commission in its Final Report for convening, at an early date after the conclusion of the War, Conference of Statisticians of the Empire, and offers, if the Dominion Governments agree, to make all necessary arrangements for summoning the Conference and preparing and circulating a programme therefor. The following subjects are proposed to be included in the matters to be discussed:—

1. The establishment of an Imperial Statistical Office.
2. Improvements in comparability of trade statistics throughout the British Empire.
3. The preparation of monthly summary of Empire trade if satisfactory progress can be made under the preceding heading.
4. Statistics of production within the Empire of important materials of industry.
5. Statistics of migration within the Empire.

The Minister further observes that the Secretary of State for the Colonies intimates that he would be glad to receive any observations as to other matters which may be thought suitable for discussion. It appears to the Minister that the subjects suggested offer a range quite as large as can well be covered at the first Conference. He suggests, however, that *Vital Statistics* might be made an

additional subject for consideration, inasmuch as it is intimately connected with the subject of migration.

The Secretary of State for the Colonies also invites the attention of the Dominion Governments to the memorandum furnished to the Dominions Royal Commission by the Board of Trade, suggesting the establishment of an Imperial Bureau for the compilation and keeping up to date of the statistical material collated by the Royal Commission, and issuing periodical digests and summaries thereof, and suggests that this Bureau might be located in London.

The Minister of Trade and Commerce is of the opinion that such a Bureau would prove of great utility along the lines suggested, if, as proposed, it be located in London, under the immediate management of the Board of Trade, and supervised and directed as to the scope of its operation by an inter-Imperial Committee.

The Secretary of State for External Affairs, however, with the concurrence of the Minister of Trade and Commerce, suggests that this matter, whilst favourably viewed by the Government of Canada, might well be referred for consideration to the next Imperial Conference, and he recommends accordingly.

The Committee, concurring, advise that Your Excellency may be pleased to forward a copy of this minute, if approved, to the Right Honourable the Secretary of State for the Colonies.

All of which is respectfully submitted for approval.

RODOLPHE BOUDREAU,

Clerk of the Privy Council.

(VI.)

NEW ZEALAND.

THE GOVERNOR-GENERAL to THE SECRETARY OF STATE.

(Received 17th June, 1918.)

SIR,

Government House, Wellington, 27th April, 1918.

I HAVE the honour to inform you that my Ministers have given their consideration to the suggestion made in your despatch of the 15th November last, regarding the question of convening a Conference on Imperial statistics, and that I am now advised by the Prime Minister that the New Zealand Government regrets that it does not see its way to be represented at the proposed Conference.

I have, &c.,

LIVERPOOL,

Governor-General.

VI.

Imperial Mineral Resources Bureau.

REVISED MEMORANDUM BY THE MINISTER OF RECONSTRUCTION.*

[See discussion reported at pages 87-92, 115-123, and 167-168.]

1. In accordance with Resolution No. XIII. of the Imperial War Conference, and following the report of a Special Committee presided over by Sir James Stevenson, steps have now been taken to establish the Imperial Mineral Resources Bureau.

2. In accordance with the recommendations for the constitution of the Governing Body contained in Sir James Stevenson's Report, the following representatives have been nominated on behalf of the Governments concerned:—

Chairman of the Governing Body (and representative of the United Kingdom): Sir Richard Redmayne, K.C.B.

Canada: Dr. Willet G. Miller.

Commonwealth of Australia: Mr. W. S. Robinson.

New Zealand: Mr. Thomas Hutchinson Hamer.

* NOTE.—The original text, as circulated to members of the Imperial War Conference, is given in ordinary (roman) type, and the alterations made by the Minister of Reconstruction are shown in italic and obliterated type.

Union of South Africa: The Right Hon. W. P. Schreiner, C.M.G.

Newfoundland: The Right Hon. Lord Morris, K.C.M.G.

India: Mr. R. D. Oldham, F.R.S.

Colonies and Protectorates: Mr. J. W. Evans, D.Sc., LL.B.

3. As regards the proposed representatives of mineral, mining, and metal industries, owing to the magnitude and complexity of the interests involved and the obvious desirability of having at the disposal of the Governing Body the best expert knowledge available, it is desired to increase the number of these representatives to six instead of the four originally recommended in Sir J. Stevenson's Report, to which the Dominion Governments have agreed. If this is accepted by the participating Governments it is proposed to nominate the following:—

Westgarth Forster Brown, Esq. (A leading consulting mining engineer, especially in regard to coal and coal mining; Mineral Adviser to His Majesty's Woods and Forests; Deputy Gravelier of the Forest of Dean, with experience in many Colonies.)

Professor H. C. H. Carpenter. (President of the Institute of Metals; Professor of Metallurgy in the Royal School of Mines.)

Dr. F. H. Hatch. (Ex-President of the Institute of Mining and Metallurgy; now advising the Ministry of Munitions on iron ore supplies. Has world-wide experience in metalliferous mining, and is a member of the Mineral Resources Advisory Committee of the Imperial Institute.)

Sir Lionel Phillips, Bart. (The well-known authority on South African mining; formerly President of the Chamber of Mines; now Comptroller of the Mineral Resources Development Department, Ministry of Munitions.)

Edgar Taylor, Esq. (Of Messrs. John Taylor & Sons; retiring President of the Institute of Mining and Metallurgy; an authority on gold mining.)

Wallace Thorneycroft, Esq. (President of the Institution of Mining Engineers; an authority on questions of iron mining and working.)

4. It is desirable to submit to the present Imperial War Conference proposals as to the position of the Bureau and its status in the machinery of Government.

The duties of the Bureau are thus defined in Resolution XIII., passed by the Imperial War Conference on the 23rd April, 1917:—

“The Bureau should be charged with the duties of collection of information from the appropriate departments of the Governments concerned, and other sources, regarding the mineral resources and the metal requirements of the Empire, and of advising from time to time what action, if any, may appear desirable to enable such resources to be developed and made available to meet the metal requirements of the Empire.”

This definition is expanded, as follows, by Sir James Stevenson's Committee:—

“(a) To collect, co-ordinate, and disseminate information as to resources, production, treatment, consumption, and requirements of every mineral and metal of economic value.

“(b) To ascertain the scope of the existing agencies, with a view ultimately to avoid any unnecessary overlapping that may prevail.

“(c) To devise means whereby the existing agencies can, if necessary, be assisted and improved in the accomplishment of their respective tasks.

“(d) To supplement those agencies, if necessary, in order to obtain any information not now collected which may be required for the purposes of the Bureau.

“(e) To advise on the development of the mineral resources of the Empire or of particular parts thereof, in order that such resources may be made available for the purposes of Imperial defence or industry.”

5. The constitution, as suggested by Sir James Stevenson's Committee, is as follows:—

“The administration of the Bureau should be controlled by a Governing Body representing the various parts of the Empire, as well as the mineral, mining, and metal industries. This body should be responsible for the appointment of a Director, or such other official or officials as may be considered desirable, and the necessary subordinate staff, within the limits of the funds available for administrative expenses.”

The Committee further suggested that the expenses of maintenance of the Bureau (being a sum not exceeding, for the first year of existence, £10,000 per annum) should, for the time being, be voted by the Imperial Parliament, on the advice of the Minister of Reconstruction, although the view was held by some of the

Committee that from the outset direct contributions to the maintenance of the Bureau should be borne by all the Governments concerned.

6. It is proposed that the Bureau should be granted a Charter of Incorporation by Royal Charter, which should define the constitution and the duties of the Bureau. The Governing Body will be established on the lines laid down by Sir J. Stevenson's Committee, with such alterations as may be approved by the Imperial War Conference.

~~7. As to expenditure, it is suggested that a distinction should be drawn between current administrative expenditure and the cost of special inquiries instituted by the Bureau on its own account, at the wish of any of the Governments.~~

~~Each Government should, of course, pay the expenses of its own representative. The normal current expenditure of the Bureau in collecting and distributing information, apart from special inquiries, should, it is considered, be met out of funds contributed jointly by the Governments represented on the Governing Body. It is suggested that the whole expenditure should be divided into tenths, and that Canada, Australia, New Zealand, South Africa, and India, should each be responsible for one-tenth, the Imperial Government being responsible for the remainder and arranging to recover such amount as may seem equitable from Newfoundland and the other Colonies and Protectorates.~~

~~In so far as it should prove a function of the Bureau to institute special inquiries or carry out special researches, special arrangements should be made on each occasion to determine in advance the financial responsibility of the Governments particularly interested.~~

~~The most convenient method of carrying out the foregoing arrangements would be to establish an Imperial Trust under charter (as has been done in the case of the Department of Scientific and Industrial Research) to hold and deal with moneys contributed for the normal current work or for any special purposes.~~

~~7. As to expenditure, each Government would, of course, pay the expenses of its own representative. The normal expenditure of the Bureau would be met out of funds contributed by the Imperial Government, as suggested in the Report of Sir James Stevenson's Committee, together with such contributions from the Oversea Governments as they may, by agreement, be prepared to make.~~

~~This arrangement shall continue for three years, before the end of which time the question as to the contribution to be made by the Oversea Governments shall be brought up for discussion at an Imperial Conference.~~

8. Power should be given in the charter to hold and deal with moneys which would be placed at the disposal of the Bureau, by way of grants in aid contributed by the Imperial and Oversea Governments. *Annual reports on the work of the Bureau shall be made to each of the Governments concerned.*

CHRISTOPHER ADDISON.

6th 17th July, 1918.

VII.

Imperial News Service.

MEMORANDUM BY THE MINISTER OF INFORMATION.

[See discussion reported at pages 92-4.]

BOTH in time of war and in time of peace there are many powerful and urgent reasons for a larger and better supply of inter-Imperial news. But there is one especial reason at the present moment. The high cost of cables compels the representatives of the Dominion Press in London to confine their restricted message space to matters immediately affecting their own Dominions; they cannot afford to keep their readers informed of what is going on in other parts of the Empire.

This is a serious weakness. The combined Imperial effort is immensely strengthened by a common knowledge of the War efforts and movements of opinion going on in each separate part of the Empire. Such knowledge gives to each Dominion or Colony a sense of solidity and security, both in action and opinion, and stimulates each locality with a sense of competition in sacrifice with the others. Public opinion in London is aware through its news-service of all these efforts. Being at the centre, it does not realize how limited is the inter-Imperial news of the circumference.

Apart from war conditions, some stimulation of our general news-service would bring in an incalculable return at small cost. Lacking a completely centralized Executive, the British Empire is largely dependent for united action on a similar and simultaneous movement of opinion in all its parts. How can this be depended on if each part is limited in its knowledge of the conditions and swing of opinion in the others through an insufficiency of news? Furthermore, in so far as this constitutional weakness is to be remedied in the future, it can only be done by the breaking down of an extreme sentiment of locality which nurses a rigid independence. Nothing but news, which is knowledge, of other parts of the Empire can soften the extreme rigidity of this local sentiment. The diffusion of war veterans will make a large public for this general information. The old ambition was to secure more intimate common knowledge between Great Britain and the oversea Dominions and Dependencies; to this must be added more mutual knowledge between the Dominions and Dependencies themselves.

The occasion for a forward movement is opportune because the right of Governments to assist in such matters as the supply of news is not challenged to-day owing to the experience bought in the War. On the contrary, it would be immediately and generally recognized that the state of affairs by which, as at present, several of the Dominions depend largely for their news service on foreign services is a thoroughly wrong one.

The Colonial Office has already taken a long step in this direction. Mr. Walter Long made an arrangement eighteen months ago by which a supplementary service of war and political news to the Dominions was supplied by Reuter's at the expense of the Government.

In these circumstances it is desirable that the Ministry of Information should collect, by arrangement with some agency, information from all the oversea Dominions and Colonies at the expense of the Imperial Government. This news would be collected in a pool in London and would be at the disposal of the correspondents of the Imperial Oversea Press, who would, with the assistance of the necessary subsidies from the Dominion Governments, undertake to forward to their respective publics overseas an ample news service daily. The number of words to be despatched would be fixed as one of the conditions of the subsidy. As far as Crown Colonies are concerned, some special arrangement would have to be made by the Imperial Government.

I am convinced of the importance of the scheme, both as an urgent war measure and as a permanent factor in forwarding the unity of the Empire.

BEAVERBROOK.

18th June, 1918.

VIII.

Inter-Imperial Shipping.

MEMORANDUM BY THE BOARD OF TRADE.

[See discussion reported at pages 104-112, and 211-216.]

1. IN considering schemes for the promotion of inter-Imperial oversea communications after the War it is necessary to remember that, during the transition period immediately following the close of hostilities, the world's shipping may be inadequate for the purposes of demobilization, on the one hand, and of trade on the other; and it may therefore be necessary for some time to make the most economical use of the tonnage available. For this reason some kind of control will have to be maintained over shipping for a certain period after the War, in order to secure that the most essential needs of the Allied countries in respect of food and raw materials are satisfied. These transitory measures of control must necessarily have priority over permanent schemes for the furtherance of trade development until some kind of equilibrium is restored between the supply of tonnage and the demand for it.

2. While, however, for the above reasons, it is not possible at present to carry into effect, or even to formulate, any complete and far-reaching scheme for the development of Imperial communications, there are certain important preliminary measures which, it is suggested, could be taken with advantage without delay, and which, it is believed, will meet with very general acceptance.

I.—*Imperial Investigation Board.*

3. There is a strong and growing body of public opinion, both in the United Kingdom and other parts of the Empire, which would favour the institution of some kind of safeguard against possible shipping abuses. The demand has its origin not only in the existence of preferential shipping rates for foreign goods, but also in the feeling that shipping monopolies may be used to the detriment of the trader, and require some protective measures in his interest. Attention was called by the Dominions Royal Commission to the complaint directed against certain British steamship companies that they granted more favourable rates on foreign than on British goods shipped to the Dominions, and particularly to New Zealand. The Commission laid stress on the serious effect of such action on the future of Imperial trade.*

4. Since the date of the Royal Commission's Report the question of the New Zealand rates has formed the subject of further investigation. It appears that this particular practice probably arose from the peculiar character of German competition. The Germans made a determined effort to secure a footing in the New Zealand market, and the British lines, to prevent this, cut their rates from the Continent. To charge lower rates at competitive points is common enough in ordinary railway practice, but, just as railway companies are prohibited by law from giving preferential advantages to imported produce, so it might be argued that shipowners should be debarred from preferring foreign goods. In any case, it is clear that complaints of this kind cannot in future be left unexamined, and it is necessary to consider the constitution and functions of a body competent to deal with them.

5. The Dominions Royal Commission recommended (1) that Boards should be set up by the Imperial Government and the Dominion Governments for making inquiry where a *prima facie* case is established that the interests of shippers are adversely affected by the action of steamship owners or conferences; (2) that the investigations of the Boards should be held in public, and that their action should be exercised along the lines of conference and conciliation, without power to fix rates; and (3) that, in the case of differential freight rates, the Boards should have power, at their discretion, to order the abolition of such rates, if found inimical to Imperial trade.†

6. As regards these recommendations, the Board of Trade desire to offer the following observations:—

(1) It seems very desirable that there should be only a single Imperial Board of Investigation, in order to secure uniformity of principle; but provision should be made in the constitution of the Board for the representation of Dominion, Colonial, or Indian interests.

(2) Publicity is admittedly a valuable deterrent, but it is evident that, if an Investigation Board is to be successful, it must have access to all information, however confidential. The question of publicity, therefore, whether as regards proceedings or findings, must be left to the discretion of the Board.

(3) The powers of investigation should not be confined to the Empire trades, but should extend to all trades engaged in by British ships. The precise classes of dispute to come before the Board have to be carefully considered, but it is essential that its scope should be wide.

(4) It is not expedient that the Investigation Board should itself have any executive function such as would be involved in power to order the modification of rates. The essential point is the creation of a quasi-judicial body competent to investigate disputes between shippers and shipowners, which are among the most complex of trade problems. It is important to preserve, so far as practicable, an atmosphere of conciliation, rather than one of litigation, but the Board would naturally have power to recommend executive or legislative action in case of necessity to the Government concerned.

7. The constitution of the Investigation Board would provide for the adequate representation of the interests affected, both trade and shipping, while the interests of the Imperial, Dominion, Indian, or Colonial Governments would likewise be represented in all cases in which other parts of the Empire are affected. It is desirable, for reasons of efficiency, that the total membership of the Board should not be unduly large; and there should be an independent chairman.

* Page 129 of [Cd. 8462].

† Page 130 of [Cd. 8462].

The Board would have power to investigate complaints by traders of excessive charges, unreasonable treatment, or inadequate facilities, and endeavour to effect a settlement. They would also have power to investigate similar questions referred to them by the competent department of any Government within the Empire.

The Board might require that any trader's complaint be submitted to them through an association (in order to protect them from frivolous or trivial complaints).

The Board would have power to compel the attendance of witnesses and to call for production of papers.

8. If the Imperial Conference accept the above proposals for an Imperial Investigation Board in principle, it is suggested that a committee should be set up to frame a workable scheme on these lines.

II.—*The Improvement of Communications within the Empire.*

9. The Dominions Royal Commission made a number of recommendations for the improvement of Imperial communications, which may be very briefly summarized, as follows* :—

- (1) Speedy and efficient transport, which is essential to Imperial development, involves the use of vessels of great length and draught.
- (2) In order to permit the use of such vessels the development of harbours and their approaches on the great trade routes of the Empire on an adequate and co-ordinated scale is, therefore, essential and urgent. In particular, the limitations as to depth on the Suez Canal route render it expedient to develop alternative routes to Australia and New Zealand, either via Canada or the Panama Canal and South Africa.
- (3) All schemes of improvement for certain scheduled ports and dry docks are to be submitted to the Imperial Development Board, the establishment of which is recommended by the Royal Commission, so as to secure consideration from the standpoint of Imperial requirements.

10. It will be observed that these recommendations turn largely on the first conclusion (which it is understood that the Commission based on technical evidence from naval architects), viz., that the most economical types of steamers for inter-Imperial trade in the future will be vessels of great length and draught. Since the date of the Royal Commission's Report the Board of Trade understand that some doubt has been thrown by other naval architects on the correctness of this forecast; and, in view of the far-reaching importance of the question in its bearing on the schemes of Imperial harbour development, it seems highly desirable that it should be discussed, and, if possible, settled, by further examination by a competent committee of experts.

III.—*Recommendations.*

11. The President of the Board of Trade, therefore, submits the following recommendations :—

- (a) That the Conference accepts in principle the establishment of an Imperial Investigation Board on the general lines indicated in this memorandum, and refers it to a Committee representing the various Governments of the Empire to frame a detailed scheme for such a Board.
- (b) That it be referred to a Committee of experts, representing the various Governments of the Empire, to consider the question of the development of Imperial communications to the best advantage, with special reference to the probable size of vessels and the consequent demands upon harbour accommodation, for the purposes of Imperial requirements.

June, 1918.

IX.

Proposals for an Enlarged and Improved System of Inter-Imperial Parcels Delivery as a means of encouraging Inter-Imperial Trade.

MEMORANDUM BY THE BOARD OF TRADE.

[See discussion reported at pages 112-113.]

IN considering methods of improving the facilities for inter-Imperial trade, one of the matters to which the Board of Trade have had their attention directed is that of the simplification and development of the existing arrangements for parcels traffic.

The parcels delivery system occupies at present a relatively small place in the general system of transport, but it has special advantages for articles whose value is high compared with their bulk.

At present the Imperial Parcel Post arrangements are very little developed. In 1913-14 2,200,000 parcels were sent outward from the United Kingdom to all other parts of the Empire, and less than 700,000 arrived there from those sources. During the same year the number of parcels carried by post within the United Kingdom was 137 millions.

The reason for the small proportions hitherto attained by the Imperial Parcel Post are to be sought partly in the high level of charges and the marked absence of uniformity in the various scales and rates, even for adjacent parts of the Empire, partly in the formalities arising out of Customs requirements.

Thus, from the United Kingdom to India, Canada, and New Zealand, the charge for the first 3 lb. is 1s., from 3-7 lb. 2s., and from 7-11 lb. 3s. To South Africa the charge is 9d. per lb., i.e., a parcel of 11 lb. costs 8s. 3d.; to Australia the charge from the United Kingdom is 1s. for the first lb., and 6d. for each subsequent lb., so that a parcel of 11 lb. costs 6s., i.e., twice the cost of sending a parcel of the same weight to New Zealand. From New Zealand to Australia the rates are much higher than between the United Kingdom and New Zealand, i.e., 8d. the first lb., and 6d. each subsequent lb., i.e., a parcel of 11 lb. costs 5s. 8d.

What is now proposed is as follows:—

(1) That, if possible, the limit of weight should be materially raised (say, to 28 lb.).

In India parcels up to 20 lb. are already carried by the Post Office, and in New Zealand up to 28 lb. (for towns served by railway or steamer).

The Post Offices of certain parts of the Empire might find some difficulty, it is understood, in increasing the limit of weight to so high a figure as is here suggested, but it is not intended to exclude from consideration the parcels services provided by the railway companies themselves.

(2) That the charge should be, as far as possible, uniform for all important parts of the Empire, and either at a flat rate per lb., with a minimum as for, say, 4 lb., or as a simple graduated scale. The exact charges could be arrived at, for practical purposes, only after careful consideration by all the parties concerned, but the essential points to be aimed at are simplicity, the nearest practicable approach to uniformity, and an average charge more attractive than the present, which should not present much difficulty.

(3) That there should be established in the larger towns receiving offices, with a staff able and willing to help intending senders through all the formalities, and to give them all necessary information. If possible, Customs officers of each of the Dominions should be stationed in the Central Parcels Office in London, and possibly in Liverpool or Southampton, to collect the duty payable on parcels, which should, thereafter, be free of all Custom House formalities at the other end. These facilities would also be available to the forwarding agents dealing with larger parcels, and would tend to encourage this traffic also.

(4) That the receiving offices should sort the parcels and make up full loads, with a view to economizing transport, as is done by "spediteurs" on the Continent.

Corresponding arrangements would, of course, need to be made for the reception and distribution of inward parcels, and for a complete scheme each part of the Empire should establish a similar system.

It is worth considering whether the opportunity might not be taken to introduce a "cash on delivery" system at the same time.

The Board of Trade have consulted the General Post Office on these proposals, and have obtained the concurrence of that Department in the scheme as here set out.

It is hoped that the Imperial Conference will be able to approve in principle of the proposals outlined in this memorandum, and, if so, His Majesty's Government would propose to take up the matter with the Governments of the Self-governing Colonies and of India, and also with the railway and shipping companies concerned.

June, 1918.

X.

Memorandum on an Imperial Court of Appeal.

BY THE RIGHT HONOURABLE W. M. HUGHES, PRIME MINISTER OF THE
COMMONWEALTH OF AUSTRALIA.

[See discussion reported at pages 134-153, 202-208, and 210-211.]

THE existence of two supreme tribunals of appeal, one for appellants resident within the United Kingdom, the other for persons resident in other parts of the Empire, is not compatible with the concept of Imperial unity. There should be one supreme tribunal of appeal to which all appellants should have recourse, and the Dominions should not be debarred from representation on that tribunal.

If it is admitted that the establishment of a supreme tribunal of appeal for the Empire is desirable, the following matters must then come up for consideration :

- (1) The status and jurisdiction of the Court.
- (2) Status of its members.
- (3) Emoluments of its members.

(1) *Status and Jurisdiction of the Court.*

At the present time the supreme appellate jurisdiction for the United Kingdom is vested in the House of Lords—a tribunal consisting of a limited number of peers, and comprising the Lord Chancellor and six salaried Lords of Appeal in Ordinary, together with certain other lords who have held high judicial office in the United Kingdom, but whose attendance and service are voluntary. The tribunal for the rest of the Empire is the Sovereign in person acting with the advice of the Judicial Committee of the Privy Council, which includes all the members of the House of Lords competent to sit there in a judicial capacity and a number of eminent judges and retired judges, amongst whom have, however, recently been included *ex officio* a few judges of the Dominion Courts being already members of the Privy Council. The House of Lords, as a branch of the British Legislature, is hardly perhaps a suitable court of appeal for persons resident in the Dominions. In any case the contemplated reform of the House of Lords, as foreshadowed in the Parliament Act, would certainly make grave changes in the status of the House of Lords as a judicial tribunal. But on these points no opinion is expressed. What is desired is that there shall be one supreme tribunal for all appellants resident within the British Empire. The status of such a tribunal would be that of a Supreme Court of Appeal throughout the British Empire. As regards jurisdiction, at present the supreme appellate jurisdiction of the Empire is distributed between two tribunals of unequal status and "authority." The decisions of the one have an authority which is denied to those of the other, which, except in the Possessions to which they are particularly applicable, have only such weight as their intrinsic merit may command. The claim of the Dominions is for one supreme appellate tribunal having the same status and authority throughout the whole of the Empire, and to which suitors in all parts of the Empire may have recourse.

(2) *Status of its Members.*

As regards the status of the members, if the supreme tribunal is to have the same status and authority throughout the Empire, the status of the members composing the tribunal must also be the same. The population and volume of litigation in, for instance, Canada and Australia, is not less than that of Scotland or Ireland, and, other things being equal, there is no reason why it should not be as fitting that these Dominions should be represented on the supreme tribunal as Scotland or Ireland. The title of such a representative would not, however, be that he was a Canadian or Australian, or even the best Canadian or Australian available for the appointment at the moment, but that he was, on the whole, the fittest man for the appointment, it being understood that familiarity with the subjects likely to come before the tribunal is an element of fitness, and that, other things being equal, the Dominions should not formally, but practically, be represented in the supreme tribunal in the same way as Scotland and Ireland are now represented.

The suggestion has been put forward that there should be a sort of roster of Dominion judges succeeding one another. Such a suggestion appears to be based upon an erroneous conception of the nature of a Supreme Court of Appeal and of the wishes of the Dominions. It assumed that the judge attends, not because his

presence is desired to add weight to the decisions of the tribunal as a whole, but because his presence will gratify him or the Dominion from which he comes. Nothing could be further from the true principle or more likely to diminish the authority of the tribunal.

The suggestion has also been put forward that the Dominions desire to see their own judges sitting in the Judicial Committee of the Privy Council for appeals from their Dominion, but strongly object to the presence of a representative from any other Dominion. I can speak for Australia, and say that such a view is not held in Australia.

(3) *Emoluments of its Members.*

If there is to be a supreme tribunal throughout the Empire exercising the same jurisdiction and having the same status throughout the Empire, and if its members are to have the same status, it follows naturally that the members from the Dominions must be paid similar salaries to those paid to members appointed from the United Kingdom. To pay any lower salary would be to stereotype the tacitly alleged inferiority of Dominion judges and members of the Bar, and no self-respecting Dominion judge would accept the position on such terms.

W. M. H.

16th May, 1916.

XI.

Nationality and Naturalization.

MEMORANDUM PREPARED IN THE HOME OFFICE.

[See discussion reported at pages 175-192 and 221.]

1. It will be recollected that at the Imperial War Conference of 1917 the following resolution was passed:—

“The Conference recognizes the desirability and the importance of securing uniformity of policy and action throughout the Empire with regard to naturalization, and it is resolved that the proposals set forth in the memorandum submitted by the Home Office be commended to the consideration of the respective Governments summoned to the Conference.”

2. A Bill embodying the proposals for taking power to revoke certificates of naturalization laid before the Conference of 1917 has been circulated throughout the Empire, and after a small amendment of detail to meet a suggestion made by the Government of Canada, has been introduced into the House of Commons and read a second time. It is hoped that this Bill may become law during the present session of Parliament.

3. During the War a considerable amount of public attention has been called to questions of nationality and naturalization; the difficult problem of dual nationality, the question of the nationality of the married woman (which has recently acquired special importance in Canada), the suggestion for requiring from applicants for naturalization an express oath of abjuration of their former allegiance, the proposal to restore the provision (abandoned in 1914) by which British nationality extended to the second generation in the paternal line born outside His Majesty's dominions, and the fundamentally important question of the retention of the so-called *jus soli* as the basis of our nationality law, are all matters that have been agitated, but it has not been possible in present conditions to give to them that close examination by which any attempt at legislation should be preceded. It is thought that after the termination of the War it would be desirable to convoke a special Conference of persons from all parts of the Empire possessed of the requisite legal and technical knowledge for an adequate discussion of these questions. This Conference should make recommendations as to any further legislation that may be thought necessary; and these recommendations would be considered by the Governments of the various parts of the Empire and might be discussed at a future Imperial Conference.

It is therefore suggested that the Imperial War Conference should express approval of the proposal to convoke a special Conference of experts, representative of all parts of the Empire, to meet in London at an early date after the termination of the War, for the examination, with a view to future legislation if thought desirable, of all questions connected with nationality and naturalization which any Government represented at the special Conference may desire to raise.

4. It is further suggested that the Imperial War Conference should recommend the adoption by all the Self-governing Dominions, at the earliest convenient opportunity, of the British Nationality and Status of Aliens Act, 1914, as amended by the Bill now before the Parliament of the United Kingdom.

1st June, 1918.

XII.

Reciprocity of Treatment between India and the Dominions.

MEMORANDUM BY SIR S. P. SINHA.

[See discussion reported at pages 195-201.]

THE views and recommendations of the Indian representatives on the position of Indians in the Self-governing Dominions were placed before the War Conference last year in the form of a memorandum, which appears as an annexure to the printed report of the Conference.* The subject was discussed on Friday, the 27th April, 1917, and the "Conference unanimously accepted the principle of reciprocity of treatment between India and the Dominions, and recommended the memorandum to the favourable consideration of the Governments concerned." It is mainly with a view to eliciting information as to whether any action has been actually taken, and, if not, how soon it is likely to be taken, by the Governments concerned to give effect to our suggestions that a few of the outstanding questions are mentioned in the present note.

2. The Indian grievances dealt with in the last memorandum fall conveniently under the following three groups:—

- (1) Treatment of Indians who are already settled and resident in the Self-governing Dominions.
- (2) The difficulties and disadvantages of Indians intending to visit the Dominions not with the object of settlement but for purpose of travel, education, or business.
- (3) The question of future immigration to the Dominions.

3. As regards the difficulties of resident Indians, the disability imposed on the Sikh settlers in Canada, numbering about 4,000 men, of not being allowed to bring their wives and minor children to live with them is a very real and serious hardship, and, as was pointed out in last year's note, has caused acute dissatisfaction amongst perhaps the most prominent martial race in India, and those who have flocked with the greatest alacrity to the Indian Army for the defence of the Empire. This unfair and unnatural prohibition is the more galling because the Indians resident in South Africa have, since the passing of the Indians Relief Act of 1914, the privilege of introducing into the Colony *one* wife, as well as her minor children. The Japanese have the right of taking not only their wives, but also their domestic servants. No further time should be lost in removing the prohibition, which appears to be in force in Australia also.

4. Of the Indians settled in the Self-governing Dominions, by far the largest number is domiciled in South Africa. Cape Colony has an Indian population of 6,606, Transvaal of 10,048, Orange Free State of 106, and Natal of 133,031 souls. The Indians Relief Act of 1914 has removed many disabilities, but from reliable materials placed before us it appears that there are still many substantial grievances and disabilities which are not merely of an administrative character, as General Smuts seemed to be under the impression last year, but are based upon already existing or impending statutory enactments.

The following would appear to be some of the principal grievances of South Africa Indians:—

- (1) *Trading Licences.*—It is necessary to obtain a licence in order to be able to carry on any trade or business in South Africa. Each Province has its own trading licence legislation, and the tendency recently has been in every Province to transfer the control of licences from the Government to municipalities. Although there is a system of appeals from the decisions of the municipalities, e.g., in Natal to Town Councils or to Licensing Appeal Boards, the right of appeal to the Courts is extremely limited. Thus, in Natal, against refusals of application for new licences there is a

* Page 159 and following pages of [Cd. 8566].

right of appeal in matters of procedure, but not of facts, to the Provincial Division of the Supreme Court, whereas, in cases of refusal to renew licences there is a right of appeal on facts also. It is generally contended that the municipalities arbitrarily refuse to grant licences to Indians with the improper and indirect object of destroying Indian trade, and the Indian newspapers are full of such instances. The trading rights of Indians in South Africa are a vital issue. If the Indian community remains at the mercy of their European rivals in respect of the right of their members to earn an honest livelihood by trade it is only a question of time for the whole community to become impoverished and be reduced to industrial helotry. The remedy seems to be to give the fullest right of appeal in all cases of refusal of licences to the Provincial Division of the Supreme Court—on questions of fact as well as of procedure.

- (2) *Parliamentary and Municipal Franchise*.—As observed in last year's note, there are stronger and more obvious grounds for extending the municipal franchise to the Indians resident in South Africa than the Parliamentary franchise. It might be pointed out, however, that we are nearer to the introduction of representative institutions in India this year than we were last year, and therefore the argument for depriving the African Indians of the franchise on the ground of their coming from a country where representative institutions do not exist will carry still less weight now, and there is a strong case for granting the franchise, at least to the richer Indian merchants. Their claim to the extension of the municipal franchise in all the States seems to be much stronger, as this right is enjoyed in Natal and Cape Colony, where some Indians are reported to be discharging municipal functions to their credit. The special necessity for the grant of the municipal franchise will appear from what has already been stated with regard to trade licences.
- (3) *The Ownership of Land*.—Unlike their compatriots in Natal and at the Cape, Transvaal Indians, under the old Republican Law 3 of 1885, remain under the disability that they are denied the right to own fixed property, i.e., from having the legal ownership registered in their own names. The system of indirect ownership, in other words nominal European ownership, originally suggested by the Republican Government themselves, prevailed until quite recently, and is still occasionally adopted. The process is roundabout, cumbrous, and expensive, but the facts are notorious, and the circumstances are legally recognized by the Courts.

Since about the year 1914, the practice has grown up of forming and registering, under the Transvaal Companies Act, 1909, small private companies, with limited liability, whose members are all Indians (frequently an Indian and his wife), and possessing an independent legal *persona*, for the purpose, amongst other things, of acquiring fixed property. All these transactions have recently received judicial recognition. It is said that attempts are now being made by interested parties to deprive Indians of this right of indirect ownership of fixed property. Recently a question was put on the subject in Parliament, and the Government spokesman replied that it was intended to examine into the question when the new Companies law was under consideration. Advantage has frequently been taken by Indians of these indirect, but quite legal, methods to open businesses in townships whose private regulations prohibit the sale of stands to Indians, which, in themselves, are intended indirectly to compel Indians to reside and trade in special locations, which, again, would mean financial ruin to most of them, and against which attempt the Indian community has fought since long before the Boer War.

On the contrary, the prohibition against Indian ownership of fixed or landed property should be repealed by Parliament, on the grounds that it tends to foster insincerity on all sides, to deprive Indians of some of the elementary rights and responsibilities of citizenship, which are not denied even to the aboriginal natives and other non-Asiatic coloured peoples of the Province, and which are possessed by their compatriots in the coast Provinces, and especially in Natal, where the bulk of the Indian population of the Union is to be found. Transvaal Indians

ought not to be compelled to regard themselves as possessing an inferior status, in this respect, to their compatriots resident in the coast Provinces, and such a statute as Law 8 of 1895 is an anachronism and opposed to the spirit of modern legislation.

- (4) *Railway Regulations*.—In the Transvaal, for a number of years past, the policy of racial segregation has been enforced on the railways. Special legislation to that end was sought in 1910, but was strenuously opposed by the Indian community, with the result that certain regulations were eventually agreed to, embodied in the papers published in Blue Book [Cd. 5363] of 1910 (pages 102-5 and 114), at a time when the Indian community was in a relatively weak position, having its energies fully engaged in the passive resistance struggle, which was then at its height, and which left the community powerless effectively to resist further encroachments upon its liberties. But the arrangements therein referred to were of purely local application, and were not intended in any way to affect the position or diminish the rights of Indians in the other Provinces. Recently, however, regulations applicable throughout the Union have been published, some of which have already been withdrawn in deference to strong Indian opposition, whilst others remain, in spite of that opposition, not only embodying provisions contained in the old Transvaal arrangement, but going much farther, and extending to other Provinces of the Union a racial discrimination not hitherto known there. The Indian community, for a long period of years, has consistently fought against statutory discrimination based upon racial distinction. Segregation in travelling would only be tolerable if designed by statute, where exactly equal opportunities and facilities were provided for the different races affected. This is impossible for financial reasons, no such remedy is available. Apart from this, the situation in the Transvaal, and in South Africa generally, is very different from what it was in 1910, and less than ever are Indians disposed to depart from the principle of equality under the law, which they regard as fundamental in the British Constitution, and for which they have suffered enormously in the past, and are prepared to suffer for again. Not only ought the position of Indians elsewhere in the Union not be reduced to the level of that in the Transvaal, but the latter should be raised to the highest level anywhere in the Union.

The settlement of these and other outstanding difficulties should receive the earnest attention of the Provincial Governments and of the Union Government. It should not be forgotten that the bulk of the Indian settlement in South Africa is the result of the action of the South Africans themselves, and Natal, where the majority are domiciled, owes much of its prosperity to Indian labour. "The whole of Durban was absolutely built up by the Indian population," said Sir Leige Hewlett, ex Prime Minister of Natal in 1903. In his farewell speech at Pretoria in November, 1912, Mr. Gokhale appealed to the European community in the following words: "You have all the power, and yours, therefore, is the responsibility for the manner in which the affairs of this land are administered. You owe it to your good name, you owe it to your civilization, you owe it to the Empire of which you are a part and whose flag stands for opportunities, for progress for all who live under its protection, that your administration should be such that you can justify it in the eyes of the civilized world." This noble exhortation points to an angle of vision which is much nearer reality to-day than it was in Mr. Gokhale's time, and after the promise of "peaceful and statesmanlike" solution made by General Smuts last year there should really be no difficulty now. In order to enable the Union Government to deal with Indian problems impartially and promptly, the provision of a convenient agency by which Indian grievances can be brought to the notice of the local Government authorities would be a first step. The appointment of a local agent of the Indian Government at Pretoria should be an advantage both to the Indians in South Africa and the South African Government which has to deal with them.

5. For the group of questions relating to facilities for travel, education, or business, it is clear that it should be easy to arrive at a liberal and satisfactory solution almost immediately.

The present position is that the Dominion laws allow persons with good credentials to enter on temporary visits, in Canada as "tourists," and elsewhere by special permits, which presumably are granted in the Dominion concerned. For instance, Australian Circular No. 31, of August, 1904, lays down, "that any persons *bona fide* merchants, students, and tourist travellers, provided they are in possession of passports, may be admitted. On arrival in the Commonwealth the education test in their cases will not be imposed, and such persons are to be permitted to land without restriction, but, in the event of their wishing to stay longer than twelve months, an application for a certificate of exemption should be made before the expiry of the term stating reason for extended stay."

In the case of *bona fide* students intending to study at any of the Australian Universities, the above requirement of special certificate of exemption appears to be quite unnecessary. The question of the Indian student problem in Australasia has assumed special importance, because at the present moment most of the Western world is practically almost shut out from Indian students, and will be for some time after the War, on account of the great rise of the cost of living and other causes. Australian Universities are out of the war zone and comparatively cheap, and the Indian student is poor, and the West Australian University is only about nine-and-a-half days from Colombo.

6. Finally, as regards the question of future emigration of Indians to the Colonies for purposes of settlement, there is no change from the position which was taken up last year, that in this matter the Indian British subjects have a right to expect that they should not receive a less favourable treatment than other Asiatic people who are not subjects of the British Empire. But this question is not of any immediate urgency for India, and might well wait future discussion.

On our side we are being pressed to give practical effect to the resolution of last year's Conference, and we have in draft a Bill empowering the Governor-General of India in Council to make rules for the purpose of securing that persons domiciled in other parts of the British Empire should have the same rights and privileges as regards entry into, and residence in, British India, as are accorded by the law and administration of such other parts of the Empire to persons domiciled in India. But it should be made perfectly clear that it is in no spirit of retaliation that recourse will be had, if necessary, to this legislation, but simply for the attainment of an equality of status between different subjects of His Majesty in matters of immigration and Allied subjects.

7. It is only necessary, in conclusion, to emphasize the necessity of definite action and a forward advance in these matters without any more delay. "I do not lose a due sense of proportion," says the Aga Khan in his recent book, "India in Transition," "when I say that one of the deeper causes, if not of discontent or disaffection, at any rate of the distrust of England and Englishmen that appeared on the surface in India of recent years, was the strained relationship between Indians and their white fellow-subjects in East Africa. A rankling sense of injustice was aroused by the reservation of the best lands for Europeans, and by a succession of ordinances and regulations based on an assumption of race inferiority. It must be remembered that such a state of injured feeling evokes a subconscious spirit, which, in a few decades, may lead to results out of all proportion in importance to the original causes." If the Indian representatives did not press this aspect of the question last year it is not because they did not realize their force or importance, but because they felt that the sympathetic attitude of the oversea Ministers made it unnecessary for any special emphasis to be laid on the racial aspect of these questions. A most excellent start was made last year and the impression created in India was most favourable. It would be a thousand pities if steps were not now taken to give effect and tangible shape to the good understanding and mutual comprehension attained last year. It is also obvious that these important questions should be settled not in any petty huckstering spirit of reciprocity only, far less of militant animosity and retaliation, but on those broad principles of justice and equality which are now more than ever the guiding principles of the British Empire, and which must be the foundations of the mighty Empire round the shores of the Pacific and the Indian Ocean which are slowly but surely rising before one's eyes.



XIII.

Trade Commissioner Service.

MEMORANDUM BY THE BOARD OF TRADE.

[Circulated to members of the Conference but not discussed.]

THE Imperial War Conference of 1917 was informed of the measures which were being taken to bring into effect an extension of the Trade Commissioner Service within the Empire. His Majesty's Government at the same time expressed their readiness to discuss with the Governments of any of the Dominions, who might desire to use the Trade Commissioner Service, the best means by which a system of co-operation could be instituted with a view to making the extended service of Trade Commissioners as useful as possible to the Empire as a whole.

2. As the result of a discussion by the Conference at their meeting on the 4th April, 1917, the following resolution was unanimously adopted:

"That the Imperial War Conference welcomes the proposed increase of the Board of Trade service of Trade Commissioners, and its extension throughout the British Empire, in accordance with the recommendations of the Dominions Royal Commission, and recommends that the Governments concerned should co-operate so as to make that service as useful as possible to the Empire as a whole, especially for the promotion of inter-Imperial trade."

3. The proposals for an extension of the Trade Commissioner Service were described in a memorandum* prepared by the Board of Trade, and submitted to the Conference of last year. These proposals contemplated the strengthening of the Service of four Trade Commissioners, at that time in existence, by providing for the establishment of sixteen Trade Commissioners in the Dominions, India, and other parts of the Empire.

4. Thirteen of these posts have already been definitely sanctioned, and the Trade Commissioners appointed to them will have the following stations:—

Canada:

Montreal,
Toronto,
Winnipeg.

Newfoundland:

The Trade Commissioner at Montreal will also deal with trade in Newfoundland.

Australia:

Melbourne,
Sydney.

New Zealand:

Wellington.

South Africa:

Cape Town,
Johannesburg.

British India:

Calcutta,
Bombay,

(Ceylon is also included in the sphere of operations of the Trade Commissioner at Calcutta.)

Straits Settlements:†

Singapore.

West Indies:‡

Trinidad

In addition, one Trade Commissioner is attached to headquarters in London for special duties.

* See pages 131-132 of [Cd. 8566].

† The Trade Commissioner stationed at Singapore will include in his area the Straits Settlements, the Malay States (Federated and Non-Federated), and the Dutch East Indies.

‡ The Trade Commissioner appointed to the West Indies will include in his area the British West Indies (including Bermuda), British Guiana, the French and Dutch Guianas, and certain adjacent French and Dutch islands.

5. Every care has been taken to secure suitable officers for these posts, and, in making the appointments, the Board of Trade have had the assistance of a Selection Committee, including prominent business men, who were able to give valuable advice in assessing the business qualifications of the candidates.

The posts at Sydney and Winnipeg have, for the present, been filled by the appointment of Officers-in-Charge, and the Trade Commissioner at Bombay has yet to be appointed. All the other appointments sanctioned have been made, and the Trade Commissioners are either at their stations or on the point of proceeding to them after gaining a certain amount of necessary preliminary experience at the Department of Overseas Trade (Development and Intelligence).

6. In view of the recommendation of the Imperial War Conference of 1917 regarding the utilisation of the Trade Commissioner Service by the Governments concerned, action was at once taken by His Majesty's Government to bring the terms of the resolution to the notice of the Governments of the Dominions and of India.

7. The replies received may be summarised as follows :—

Canada.—The Government of the Dominion of Canada have stated that for Canadian purposes use can be made advantageously of the services of His Majesty's Trade Commissioners in India, Ceylon, and the Straits Settlements. In other countries included in the Trade Commissioner scheme (namely, Australia, New Zealand, South Africa, and the West Indies), the Dominion of Canada has its own Trade Commissioners, and, beyond establishing mutual goodwill and co-operation between them and His Majesty's Trade Commissioners in these centres, they consider that it will not be necessary to make demands upon the time of His Majesty's Trade Commissioners. In the centres named above in which Canada has no trade representatives, and until such representatives are appointed, the Dominion Government consider that the co-operation offered by His Majesty's Government will be exceedingly useful.

Newfoundland.—The Government of Newfoundland are prepared to utilise the services of His Majesty's Trade Commissioner stationed at Montreal, reserving the right to reconsider the whole matter at the end of the War.

Australia.—The Government of the Commonwealth of Australia have tendered their thanks for the offer of the assistance of the Trade Commissioner Service, and will communicate later if it is considered desirable to take advantage of the offer with regard to any particular country within the Empire. The question of direct Australian trade representation is at the present time under the consideration of the Commonwealth Government.

South Africa.—The Government of the Union of South Africa have expressed their appreciation of the offer of the assistance of the Trade Commissioners appointed by His Majesty's Government, and have stated that it will, in their opinion, be of great value in developing the commercial interests of the Union of South Africa. While it is not possible at the present moment to specify the areas in which the services of the Trade Commissioners will be invoked, the Union Government have requested that His Majesty's Trade Commissioners should be asked to render any assistance possible when addressed direct by them.

New Zealand.—The Government of New Zealand have stated that they will probably be glad to take advantage of the services of the Trade Commissioners in Canada and South Africa, and possibly at a later date of the Trade Commissioner in the Straits Settlements.

India.—The Government of India welcome the proposal for the utilisation of the Trade Commissioner Service, and will be glad to avail themselves of the services of Trade Commissioners in all parts of the Empire in which they are appointed, at any rate until they have Trade Commissioners of their own.

8. The Trade Commissioners already appointed have been informed of the views expressed by the Governments of the Self-governing Dominions and of India, and have been requested to render every assistance possible in connection with inquiries that may be made direct to them by the Governments of the Empire which have expressed a wish to utilise their services.

9. The Trade Commissioners have been further specially instructed to observe the following instructions in their relations with the Governments concerned :—

- (a) To reply to commercial inquiries which may be addressed to them by traders or by the Government represented, and to suggest suitable local agents for producers or manufacturers of that part of the British Empire represented.
- (b) To notify the Government represented of changes in the Customs tariffs or other regulations affecting its trade.
- (c) To report any openings for trade, or contracts open to tender, which might interest producers or manufacturers in the part of the British Empire represented.
- (d) To maintain an exhibition of the produce and manufactures of the part of the British Empire represented (if this is desired).
- (e) To circulate or distribute in the area in which they are stationed, official literature relating to the trade, agriculture, and manufacture of the part of the British Empire represented.
- (f) Generally to watch over the trade interests of the part of the British Empire represented in the area in which they are stationed.

Board of Trade,
June, 1918.

XIV.

Reply from His Majesty the King to the Address from the Imperial War Conference.

[See pages 192-193 and 222.]

I HAVE received your loyal and patriotic Address with peculiar pleasure, and I thank the members of the Conference for coming here in person to present it to me. I rejoice to have an opportunity of speaking to all of you personally, before you return to your homes.

The Empire owes a great debt of gratitude to you for coming at considerable inconvenience to yourselves and to the countries that you represent, and at grave personal risk, to take counsel with my Ministers of the Home Country here in the metropolis of the Empire. That such meetings can regularly take place of representatives of all my Oversea Dominions is a signal proof of the power of the British Empire to keep open the pathways of the sea as it must be a source of mortification to our enemies.

I rejoice that the great Commonwealth of Australia is represented on the present occasion, and that for the first time representatives of all the Self-governing Dominions and of India are gathered round the common Council-board. It was a matter of regret to me that, owing to unavoidable circumstances, it was impossible for that distinguished statesman and soldier, the Prime Minister of the Union of South Africa, to attend the present meeting, but I trust that on the next occasion it may be possible for the Conference to have the benefit of his ripe experience and sage counsel.

I have followed your deliberations with the keenest interest, and I trust that they may be fruitful in solving the many and complex problems connected with defence, trade, communications, and other subjects of common interest, relative both to the War and to the period following the War, that you have been called upon to consider, and that they may tend to draw the Empire into a more living and self-supporting unity.

You have met this year amid circumstances of stress and anxiety which, as you have said in your Address, have had no parallel for a century. Your presence here at this crisis in the Empire's history has been a support and encouragement to us amid the manifold cares and anxieties of the present time, and a pledge of the unswerving resolve of all the Oversea Dominions, whatever the cost, however great the sacrifice, to persevere in the cause of right and justice until the final victory is won. And you on your part have seen for yourselves the tasks that lie before us, both at the front and at home, have realized the difficulties and complexities of the problems that confront us, and have been brought into personal contact with the statesmen and military leaders of the Allied nations that are fighting with us.

I spoke last year of the magnificent contributions of men, money, and munitions made by all the Oversea Dominions and India. Since that time the increasing dangers that have beset us have caused an outpouring even more lavish of all the

resources of the Empire. The efforts that you have put forth, ever increasing as the danger grows greater, are a source of pride and comfort to me, as they are of wonder to the whole world. The Empire is founded on a rock of unity, which no storms can shake or overthrow.

In my speech last year I referred to the happy memories that the Queen and I preserved of the visits which we were privileged to pay to the Oversea Dominions and to the hope that I cherished that our children would follow in our footsteps in acquiring similar priceless experience. The War at present absorbs all our energies, but when peace comes again I look forward to the day when the Prince of Wales may be able to visit the different parts of my Dominions beyond the seas. I know that the desire to do so lies near his heart, and I am assured of the welcome that he will receive.

Gentlemen, I wish you all God-speed on your journey home. Pray God that before another Conference the triumph of that great cause, the cause of liberty, justice, and peaceful progress, for which we and our Allies are fighting, may be accomplished.

26th July, 1918.

CONFERENCE
OF
PRIME MINISTERS AND REPRESENTATIVES
OF THE
UNITED KINGDOM, THE DOMINIONS,
AND INDIA,

HELD IN
June, July, and August, 1921.

SUMMARY OF PROCEEDINGS
AND
DOCUMENTS.

Presented to Parliament by Command of His Majesty.
August, 1921.



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CONFERENCE
OF
PRIME MINISTERS AND REPRESENTATIVES
OF THE
UNITED KINGDOM, THE DOMINIONS, AND INDIA,
HELD IN
June, July, and August, 1921.

**SUMMARY OF THE TRANSACTIONS OF THE PRIME MINISTERS
AND REPRESENTATIVES OF THE UNITED KINGDOM, THE
DOMINIONS, AND INDIA, JUNE, JULY, AND AUGUST, 1921.**

I. PRELIMINARY NOTE.

THE proceedings of the Conference of Prime Ministers and Representatives of the United Kingdom, the Dominions, and India, opened at 10, Downing Street, on 20th June, 1921, and were continued until 5th August. During that period thirty-four plenary meetings took place, which were normally attended by the following :—

Great Britain.

The Right Hon. D. Lloyd George, O.M., M.P., Prime Minister.
The Right Hon. A. Chamberlain, M.P., Lord Privy Seal.
The Right Hon. A. J. Balfour, O.M., M.P., Lord President of the Council.
The Most Hon. The Marquess Curzon, K.G., G.C.S.I., G.C.I.E., Secretary of State for Foreign Affairs.
The Right Hon. W. S. Churchill, M.P., Secretary of State for the Colonies.

Canada.

The Right Hon. A. Meighen, K.C., Prime Minister.
The Hon. C. C. Ballantyne, Minister of Naval Service.

Australia.

The Right Hon. W. M. Hughes, K.C., Prime Minister.

New Zealand.

The Right Hon. W. F. Massey, Prime Minister.

South Africa.

General The Right Hon. J. C. Smuts, K.C., Prime Minister.
The Hon. Sir Thomas Smartt, K.C.M.G., Minister of Agriculture.
Colonel The Hon. H. Mentz, Minister of Defence.

India.

The Right Hon. E. S. Montagu, M.P., Secretary of State for India.
His Highness The Maharao of Cutch, G.C.S.I., G.C.I.E.
The Hon. Srinivasa-Sastri.

SECRETARIAT.

Great Britain.

Sir M. P. A. Hankey, G.C.B.
Sir Henry Lambert, K.C.M.G., C.B.
Sir Edward Grigg, K.C.V.O., C.M.G.
Colonel S. H. Wilson, C.B., C.M.G.

Canada.

Mr. C. H. A. Armstrong.

Australia.

Mr. P. E. Deane, C.M.G.

New Zealand.

Mr. F. D. Thomson, C.M.G.

South Africa.

Mr. G. Brebner.

India.

Mr. G. S. Bajpai.

In addition, the following attended meetings for the discussion of subjects which particularly concerned their respective Departments:—

The Right Hon. Viscount Birkenhead, Lord Chancellor.

The Right Hon. Sir L. Worthington-Evans, Bart., M.P., Secretary of State for War.

The Right Hon. H. A. L. Fisher, M.P., President of the Board of Education.

The Right Hon. F. G. Kellaway, M.P., Postmaster-General.

Sir Eyre A. Crowe, G.C.M.G., K.C.B., Permanent Under Secretary of State for Foreign Affairs.

Field-Marshal Sir H. H. Wilson, Bart., G.C.B., D.S.O., Chief of the Imperial General Staff.

Sir C. J. B. Hurst, K.C.B., K.C., Legal Adviser, Foreign Office.

Sir B. P. Blackett, K.C.B., Controller of Finance, Treasury.

Sir G. L. Barstow, K.C.B., Controller of Supply Services, Treasury.

Major-General Sir F. H. Sykes, G.B.E., K.C.B., C.M.G., Controller-General of Civil Aviation.

Captain E. F. C. Lane, C.M.G., Private Secretary to General Smuts.

The Right Hon. Sir Robert Horne, G.B.E., K.C., M.P., Chancellor of the Exchequer.

The Right Hon. Lord Lee of Fareham, G.B.E., K.C.B., First Lord of the Admiralty.

Captain The Right Hon. F. E. Guest, C.B.E., D.S.O., M.P., Secretary of State for Air.

Admiral of the Fleet Earl Beatty, O.M., G.C.B., G.C.V.O., D.S.O., First Sea Lord and Chief of Naval Staff.

Air-Marshal Sir H. M. Trenchard, Bart., K.C.B., D.S.O., Chief of the Air Staff.

Sir Phillip Lloyd-Greame, K.B.E., M.C., M.P., Director of Overseas Trade Department.

Sir H. Llewellyn Smith, G.C.B., Chief Economic Adviser to His Majesty's Government.

Rear-Admiral Sir E. P. F. G. Grant, K.C.V.O., C.B., First Naval Member of Naval Board and Chief of Australian Naval Staff.

Captain B. E. Domville, C.M.G., R.N., Director of Plans Division, Admiralty.

Mr. C. Hipwood, C.B., Mercantile Marine Department, Board of Trade.

Mr. L. C. Christie, Legal Adviser to Department of External Affairs, Canadian Government.

Apart from the plenary meetings, the Prime Ministers of the United Kingdom and the Dominions met on eleven occasions, and eight meetings of Committees were held at the Colonial Office.

The greater part of the proceedings, particularly that relating to Foreign Affairs and Defence, was of a highly confidential character, comparable rather to the work of the Imperial War Cabinets of 1917 and 1918 than of the Imperial War Conferences of those years. Other parts, though not so secret in their nature, were intermingled with matter which must for the present be kept confidential. In regard to such discussions only an indication has been given here of their general tenor.

II. OPENING STATEMENTS.

Mr. Lloyd George, as Chairman, opened the proceedings with a comprehensive review of the situation in which the Conference had assembled. He outlined its tasks, stated broadly the principles of policy which commended themselves to the British Government, and dwelt upon the significance of the Conference and the importance of its work. He was followed in turn by all the other Prime Ministers, by Mr. Sastri for India, and by Mr. Churchill for the Colonies and Protectorates. This preliminary discussion occupied two days. The speeches were published in full immediately afterwards, and are attached to this summary.*

* See Appendix I.

III. FOREIGN POLICY.

The Conference then addressed itself to a detailed consideration of the Foreign Policy of the British Empire. The discussion on this was opened by the Secretary of State for Foreign Affairs, who made an exhaustive statement upon the course of foreign affairs since the Peace Conference. His statement was supplemented by Mr. Churchill, who dealt with the special problems of the Middle East.

There followed a series of important discussions, which were largely conversational in form, each representative intervening in turn as occasion prompted, without formality of any kind. The objects in view were threefold: first, that the members of the Conference should all put their ideas into the common stock and thus gain a thorough understanding of each other's point of view; second, that the principal questions of foreign policy should be examined by this means from every point of view; and third, that there should be a free and full discussion of the general aims and methods to be pursued. The discussions, which covered the whole area of foreign policy, and extended over many days, proved most fruitful in all these respects. They revealed a unanimous opinion as to the main lines to be followed by British policy, and a deep conviction that the whole weight of the Empire should be concentrated behind a united understanding and common action in foreign affairs. In this context, very careful consideration was given to the means of circulating information to the Dominion Governments and keeping them in continuous touch with the conduct of foreign relations by the British Government. It was unanimously felt that the policy of the British Empire could not be adequately representative of democratic opinion throughout its peoples unless representatives of the Dominions and of India were frequently associated with those of the United Kingdom in considering and determining the course to be pursued. All members of the Conference expressed a vivid sense of the value of this year's meeting in that respect, and a desire that similar meetings should be held as frequently as possible.

A precedent created by the Imperial War Cabinet was also revived with valuable results. From 1916 till the Armistice, the Prime Ministers of the Dominions and the Representatives of India frequently sat with members of the British Cabinet to determine the measures necessary for the prosecution of the War. This method of procedure was also adopted by the British Empire Delegation during the Peace Conference in Paris, when all cardinal decisions were taken by the delegation as a whole. In accordance with this precedent, the Prime Ministers of the Dominions and the Representatives of India present in London this year were invited to meetings with members of the British Cabinet called to deal with Imperial and foreign questions of immediate urgency which arose in the course of the sittings.

One of the most important of these was the Upper Silesian question, which during the session of the Conference assumed an acute form, and was debated at each stage by the members of the Conference, whose interest in a matter so closely affecting the relations of Great Britain and France was incontestable. The main lines of British policy in connexion with the solution of this problem received the unanimous approval of the Conference, and it was with satisfaction that they heard, before the termination of their sitting, that, the preliminary difficulties having been resolved, the final settlement of the question of the Silesian frontier was remitted, under the terms of the Treaty of Versailles, to an immediate meeting of the Supreme Council at Paris.

The problems of the Western Pacific and the Far East, together with the Anglo-Japanese Agreement, were also fully discussed; and President Harding's invitation to a Conference on Disarmament was warmly welcomed by all the members of the Conference. The following statement, made by the Prime Minister in the House of Commons, on 11th July, represents the general view of all members of the Conference on the main issues of the Pacific, as also on the question of disarmament:—

“ The broad lines of Imperial policy in the Pacific and the Far East were the very first subjects to which we addressed ourselves at the meetings of the Imperial Cabinet, having a special regard to the Anglo-Japanese Agreement, the future of China, and the bearing of both those questions on the relations of the British Empire with the United States. We were guided in our deliberations by three main considerations. In Japan, we have an old and proved Ally. The agreement of twenty years' standing between us has been of very great benefit, not only to ourselves and her, but to the peace of the Far East. In China there is a very numerous people, with great potentialities, who esteem our friendship highly, and whose interests we, on our

side, desire to assist and advance. In the United States we see to-day, as we have always seen, the people closest to our own aims and ideals with whom it is for us, not merely a desire and an interest, but a deeply-rooted instinct to consult and co-operate. Those were the main considerations in our meetings, and upon them we were unanimous. The object of our discussions was to find a method combining all these three factors in a policy which would remove the danger of heavy naval expenditure in the Pacific, with all the evils which such an expenditure entails, and would ensure the development of all legitimate national interests of the Far East.

" We had, in the first place, to ascertain our exact position with regard to the Anglo-Japanese Agreement. There had been much doubt as to whether the notification to the League of Nations made last July constituted a denunciation of the Agreement in the sense of clause 6. If it did, it would have been necessary to decide upon some interim measure regarding the Agreement pending fuller discussions with the other Pacific Powers, and negotiations with this object in view were, in point of fact, already in progress. If, on the other hand, it did not, the Agreement would remain in force until denounced, whether by Japan or by ourselves, and would not be actually determined until twelve months from the date when notice of denunciation was given. The Japanese Government took the view that no notice of denunciation had yet been given. This view was shared by the Secretary of State for Foreign Affairs; but, as considerable doubt existed, we decided, after a preliminary discussion in the Imperial Cabinet, to refer the question to the Lord Chancellor, who considered it with the Law Officers of the Crown, and held that no notice of denunciation had yet been given.

" It follows that the Anglo-Japanese Agreement remains in force unless it is denounced, and will lapse only at the expiration of twelve months from the time when notice of denunciation is given. It is, however, the desire of both the British Empire and Japan that the Agreement should be brought into complete harmony with the Covenant of the League of Nations, and that wherever the Covenant and the Agreement are inconsistent, the terms of the Covenant shall prevail. Notice to this effect has now been given to the League.

" The broader discussion of Far Eastern and Pacific policy to which we then turned showed general agreement on the main lines of the course which the Imperial Cabinet desired to pursue. I have already explained that the first principle of our policy was friendly co-operation with the United States. We are all convinced that upon this, more than any single factor, depends the peace and well-being of the world. We also desire, as I have stated, to maintain our close friendship and co-operation with Japan. The greatest merit of that valuable friendship is that it harmonises the influence and activities of the two greatest Asiatic Powers, and thus constitutes an essential safeguard to the well-being of the British Empire and peace of the East. We also aim at preserving the open door in China, and at giving the Chinese people every opportunity of peaceful progress and development.

" In addition to these considerations, we desire to safeguard our own vital interests in the Pacific, and to preclude any competition in naval armaments between the Pacific Powers. All the representatives of the Empire agreed that our standpoint on these questions should be communicated with complete frankness to the United States, Japan, and China, with the object of securing an exchange of views which might lead to more formal discussion and conference. The Secretary of State for Foreign Affairs accordingly held conversations last week with the American and Japanese Ambassadors and the Chinese Minister, at which he communicated to them the views of the Imperial Cabinet, and asked in turn for the views of their respective Governments. He expressed at these conversations a very strong hope that this exchange of views might, if their Governments shared our desire in that respect, pave the way for a conference on the problems of the Pacific and the Far East.

" The views of the President of the United States were made public by the American Government this morning. It is known to the House. Mr. Harding has taken the momentous step of inviting the Powers to a Conference on the limitation of armaments, to be held in Washington in the near future, and he also suggests a preliminary meeting on Pacific and Far Eastern questions between the Powers most directly interested in the peace

and welfare of that great region, which is assuming the first importance in international affairs. I need not say that we welcome with the utmost pleasure President Harding's wise and courteous initiative. In saying this I know that I speak for the Empire as a whole. The world has been looking to the United States for such a lead. I am confident that the House will esteem it as an act of far-seeing statesmanship and will whole-heartedly wish it success. I need hardly say that no effort will be lacking to make it so on the part of the British Empire, which shares to the full the liberal and progressive spirit inspiring it."

In accordance with the suggestion which was believed to have been made by the American Government, that the Conference on Disarmament should be preceded by friendly conversations or consultations between the Powers who were principally concerned in the future of the Far East and the Pacific, the Imperial Conference, anxious that for the Anglo-Japanese Agreement should be substituted some larger arrangement between the three Great Powers concerned, namely, the United States of America, Japan, and Great Britain, and holding the firm conviction that the later discussions on Disarmament, to which they attached a transcendent importance, could best be made effective by a previous mutual understanding on Pacific questions between those Powers, devoted many hours of examination to the question how such an understanding could best be arrived at, where the proposed conversations could best be held, in what manner the representatives of the British Dominions, who were so vitally affected, could most easily participate in them, and upon what broad principles of policy it was desirable to proceed. It was difficult for the Dominion Prime Ministers, owing to the exigencies of time and space, to attend at Washington late in the autumn. On the other hand, advantage might be taken of their presence in England to exchange views with representatives of the other Great Powers who had been invited to Washington later on. It was in these circumstances that the idea was mooted that the preliminary conversations or consultations, to which the American Government had in principle agreed, should be held in London.

When it transpired a little later that there was some misunderstanding as to the nature of the preliminary conversations which had been suggested, the British Government, in the earnest desire to remove any possible misconception, and to meet what they believed to be the American views at each stage of the impending discussions, volunteered to attend a meeting on the other side of the Atlantic, at which the agenda of the forthcoming Conference at Washington could be discussed, and a friendly interchange of views take place in order to facilitate the work of the main Conference later on. The British Prime Minister and Foreign Secretary, together with the Dominion Prime Ministers, were prepared to attend such a meeting, if invited to do so by the American Government.

The Japanese Government signified their willingness, if invited, to take part in the suggested conversations.

The American Government, however, did not favour the idea, which was accordingly dropped.

This conclusion was viewed with the utmost regret by the members of the Imperial Conference, who had devoted no small portion of time to the working out of an arrangement, which they understood would be equally acceptable to all parties, and the abandonment of which could not, they feared, be otherwise than prejudicial to the great objects which all had in view. At no stage had it been suggested that the results of such a consultation as was contemplated should either anticipate the work or tie the hands of the Washington Conference at a later date. On the contrary, holding, as they do, the firm belief that without a Pacific understanding the Conference on Disarmament will find it less easy to attain the supreme results that are hoped for by all, the Imperial Conference made the proposal before referred to anxious to remove every possible obstacle from the path of the Washington Meeting, which they desire to see attended with complete and triumphant success.

IV. LEAGUE OF NATIONS.

A discussion took place in regard to the League of Nations during which Mr. Balfour explained at length the work which had been carried out by the League and the special difficulties with which it has to contend. Mr. Balfour's statement was published in full, and is attached to this summary.*

While a more equitable distribution between its members of the cost of the League was considered essential to its future, there was general appreciation of its work and of the League's claim to the support of the British Empire as a step forward in the regulation of international affairs.

V. EGYPT.

Close consideration was given to the question of British policy in Egypt, and the future status of that country, and general agreement was reached regarding the principles by which His Majesty's Government should be guided in the negotiations with the Egyptian Delegation.

VI. IMPERIAL DEFENCE.

(a) *Naval.*

Several plenary meetings and several meetings of the Prime Ministers alone with the Secretary of State for India, were devoted to considering the Naval Defence of the Empire, and the following Resolution was adopted:—

“That, while recognizing the necessity of co-operation among the various portions of the Empire to provide such Naval Defence as may prove to be essential for security, and while holding that equality with the naval strength of any other Power is a minimum standard for that purpose, this Conference is of opinion that the method and expense of such co-operation are matters for the final determination of the several Parliaments concerned, and that any recommendations thereon should be deferred until after the coming Conference on Disarmament.”

In addition, a number of useful consultations took place between the Admiralty and the Representatives of the several Dominions and India, at which were discussed such matters as the local co-operation of each Dominion in regard to the provision of oil tanks, local naval defence, etc.

(b) *Military and Air Defence.*

A discussion took place on the Military and Air Defence of the Empire, and the views of the General and Air Staffs on the principles which should be adhered to in order to ensure co-operation in these matters were laid before Ministers.

VII. IMPERIAL COMMUNICATIONS.

The question of improved communication throughout the Empire, including Air, Telegraphy, Telephony, and Shipping, was considered, and a special Committee under the chairmanship of the Secretary of State for the Colonies was appointed to go into the whole question. This Committee reported to the main Conference, and eventually the following conclusions were arrived at:—

(a) *Air.*

“The Conference, having carefully considered the report* of the expert Sub-Committee on Imperial Communications, are of opinion that the proposals contained therein should be submitted for the consideration of the Governments and Parliaments of the different parts of the Empire.

“On the understanding that the cost involved will be in the region of £1,800 per month they recommend that, pending such consideration, the existing material, so far as useful for the development of Imperial Air Communications, should be retained.”

(b) *Imperial Wireless Scheme.*

“It is agreed that His Majesty's Government should take steps for the erection of the remaining stations for which they are responsible, as soon as the stations are designed; that the Governments of Australia, the Union of South Africa, and India, should take similar action so far as necessary, and that the Governments of Canada and New Zealand should also co-operate.”

The above scheme was accepted by the Prime Minister of the Commonwealth subject to giving full freedom of action to Australia to decide the method in which Australia will co-operate.

* The Report is printed as Appendix III.

(c) Shipping.

As regards the Report of the Imperial Shipping Committee on Bills of Lading,* it was decided to adopt the following Resolution:—

“The Conference approves the recommendations made in the Report of the Imperial Shipping Committee on the Limitation of Shipowners’ Liability by Clauses in Bills of Lading, and recommends the various Governments represented at the Conference to introduce uniform legislation on the lines laid down by the Committee.”

A Resolution was also adopted to the effect that, pending the constitution of a permanent Committee on Shipping, the existing Imperial Shipping Committee should continue its inquiries.

The representatives of His Majesty’s Government and the Governments of New Zealand and India were ready to agree to a wider resolution recommending the constitution under Royal Charter of a permanent Committee to carry out the duties specified in the Report of the Imperial Shipping Committee dated 3rd June, viz. :—

- (i.) To perform such duty as may be entrusted to them under laws in regard to Inter-Imperial Shipping, applicable to the whole or to important parts of the Empire;
- (ii.) To inquire into complaints in regard to ocean freights and conditions in Inter-Imperial trade or questions of a similar nature referred to them by any of the Governments of the Empire;
- (iii.) To exercise conciliation between the interests concerned in Inter-Imperial Shipping;
- (iv.) To promote co-ordination in regard to harbours and other facilities necessary for Inter-Imperial Shipping.

The representative of Canada, however, did not agree to this wider resolution, and the representatives of the Commonwealth of Australia and the Union of South Africa reserved the matter for further consideration.

The position as regards rebates was discussed, and strong representations were made by Dominion Ministers in regard to it, but no resolution was passed, it being understood that the matter is at present under consideration by the Imperial Shipping Committee.

(d) Wireless Telephony.

The present position regarding the development of Wireless Telephony was explained, and the following Resolution was adopted:—

“That the Radio Research Board be asked to investigate the subject of Wireless Telephony and to report on its development, whether Governmental or private.

“That the Postmaster-General shall supply to the Governments of the Dominions and India technical reports showing its position and possibilities.”

(e) Cable and Wireless Rates for Press Messages.

The Special Committee on Communications received a deputation representing the Empire Press Union and the Newspaper Proprietors’ Association, and subsequently Mr. Robert Donald, Chairman of the Empire Press Union, made representations to them on the subject of wireless telegraphy.† The following Resolution was agreed to and thereafter adopted by the main Conference:

“The Committee agrees with the Resolution passed at the Second Imperial Press Conference, held at Ottawa in 1920, that any assistance given by the Governments of the Empire towards the reduction of rates for Press services by wireless and cable should appear specifically in the Estimates of Public Expenditure, and should be so directed as not to affect the quality of the news service supplied or the freedom of the newspapers so served.

* Published as [Cmd. 1205.].
Appendix IV.

† Memoranda handed in by the Deputation are printed in

"The Committee is in full sympathy with the object of reducing rates, both by cable and wireless, for press messages, and recommends the most favourable examination by the Governments concerned of any practicable proposals to this end."

VIII. REPARATIONS.

The Conference agreed that the Reparation receipts under the Treaty of Versailles should be apportioned approximately as follows:—

United Kingdom	...	...	...	...	...	...	86.85
• Minor Colonies	...	...	...	...	...	...	.80
Canada	...	...	...	...	...	...	4.35
Australia	...	...	...	...	...	...	4.35
New Zealand	...	...	...	...	...	...	1.75
South Africa	...	...	...	...	...	...	.60
Newfoundland	...	...	...	...	...	...	.10
India	...	...	...	...	...	...	1.20
							100.00

✓ IX. POSITION OF BRITISH INDIANS IN THE EMPIRE.

The question of the position of British Indians in the Empire was discussed first at a plenary meeting when the representatives of India fully explained the situation and the views held in India on the subject. The question was then remitted to a special Committee under the chairmanship of the Secretary of State for the Colonies. At a final meeting on the subject the following Resolution was adopted:—

"The Conference, while reaffirming the Resolution of the Imperial War Conference of 1918,* that each community of the British Commonwealth should enjoy complete control of the composition of its own population by means of restriction on immigration from any of the other communities, recognizes that there is an incongruity between the position of India as an equal member of the British Empire and the existence of disabilities upon British Indians lawfully domiciled in some other parts of the Empire. The Conference accordingly is of the opinion that in the interests of the solidarity of the British Commonwealth, it is desirable that the rights of such Indians to citizenship should be recognized.

"The representatives of South Africa regret their inability to accept this resolution in view of the exceptional circumstances of the greater part of the Union.

"The representatives of India, while expressing their appreciation of the acceptance of the resolution recorded above, feel bound to place on record their profound concern at the position of Indians in South Africa, and their hope that by negotiation between the Governments of India and of South Africa, some way can be found, as soon as may be, to reach a more satisfactory position."

X. EMPIRE SETTLEMENT AND MIGRATION.

The question of Empire Settlement and Migration was considered by a special Committee under the chairmanship of the Secretary of State for the Colonies, and the following Resolution was finally adopted by the Conference:—

"The Conference having satisfied itself that the proposals embodied in the Report† of the Conference on State-Aided Empire Settlement are sound in principle, and that the several Dominions are prepared, subject to Parliamentary sanction and to the necessary financial arrangements being made, to co-operate effectively with the United Kingdom in the development of schemes based on these proposals, but adapted to the particular circumstances and conditions of each Dominion, approves the aforesaid Report.

"The South African representatives wish to make it clear that the limited field for white labour in South Africa will preclude co-operation by the Union Government on the lines contemplated by the other Dominions.

* See Resolution XXI., p. 8, of [Cd. 9177].

† The Report is printed as Appendix V.

"(2) The Conference expresses the hope that the Government of the United Kingdom will, at the earliest possible moment, secure the necessary powers to enable it to carry out its part in any schemes of co-operation which may subsequently be agreed on, preferably in the form of an Act which will make clear that the policy of co-operation now adopted is intended to be permanent.

"(3) The Conference recommends to the Governments of the several Dominions that they should consider how far their existing legislation on the subject of land settlement, soldier settlement and immigration, may require any modification or expansion in order to secure effective co-operation; and should work out, for discussion with the Government of the United Kingdom, such proposals as may appear to them most practicable and best suited to their interests and circumstances."

XI. EMPIRE PATENT.

A memorandum* prepared in the Board of Trade on the demand for an Empire Patent was considered by a Special Committee under the Chairmanship of the Secretary of State for the Colonies, and the following recommendation, which was concurred in by the main Conference, was agreed to:—

"The Committee recommends that a Conference of representatives of the Patent Offices of His Majesty's Dominions shall be held in London at an early date to consider the practicability of instituting a system of granting Patents which should be valid throughout the British Empire."

XII. NATIONALITY.

A memorandum† prepared in the Home Office with reference to the nationality of children of British parents born abroad was considered by a Special Committee under the Chairmanship of the Secretary of State for the Colonies, and the following resolution, which was finally approved by the main Conference, was adopted:—

"The Committee, having considered the memorandum prepared in the Home Office regarding the nationality of the children born abroad of British parents, commends the principle of the proposals contained therein to the favourable consideration of the Governments of the Dominions and India."

XIII. CONDOMINIUM IN THE NEW HEBRIDES.

The Condominium in the New Hebrides was discussed by a Special Committee under the Chairmanship of the Secretary of State for the Colonies.

XIV. THE PROPOSED CONFERENCE ON CONSTITUTIONAL RELATIONS.

Several plenary meetings and several meetings of the Prime Ministers were devoted to a consideration of the question of the proposed Conference on the Constitutional relations of the component parts of the Empire,‡ and the following resolution was adopted:—

"The Prime Ministers of the United Kingdom and the Dominions, having carefully considered the recommendation of the Imperial War Conference of 1917 that a special Imperial Conference should be summoned as soon as possible after the War to consider the constitutional relations of the component parts of the Empire, have reached the following conclusions:—

"(a) Continuous consultation, to which the Prime Ministers attach no less importance than the Imperial War Conference of 1917, can only be secured by a substantial improvement in the communications between the component parts of the Empire. Having regard to the constitutional developments since 1917, no advantage is to be gained by holding a constitutional Conference.

"(b) The Prime Ministers of the United Kingdom and the Dominions and the Representatives of India should aim at meeting annually, or at such longer intervals as may prove feasible.

* The Memorandum is printed as Appendix VI.

† The Memorandum is printed as Appendix VII.

‡ See Resolution IX. printed at p. 5 of [Cd. 8566].

“(c) The existing practice of direct communication between the Prime Ministers of the United Kingdom and the Dominions, as well as the right of the latter to nominate Cabinet Ministers to represent them in consultation with the Prime Minister of the United Kingdom, are maintained.”

XV. ADDRESS TO HIS MAJESTY THE KING.

The Prime Minister was asked by the members of the Conference to present the following humble address to His Majesty the King:—

“We, the Prime Ministers and other Representatives of the British Empire, speaking on behalf of the United Kingdom, the British Dominions, the Indian Empire and the British Colonies and Protectorates, desire, on the eve of concluding our meeting, to present our humble duty to Your Majesty and to reaffirm our loyal devotion to Your Throne. We have been conscious throughout our deliberations of a unanimous conviction that the most essential of the links that bind our widely-spread peoples is the Crown, and it is our determination that no changes in our status as peoples or as Governments shall weaken our common allegiance to the Empire and its Sovereign.

“Knowing Your Majesty’s deep interest in all that touches Your people’s happiness, we trust that our labours in this time of world-wide unrest may be satisfactory to you and conduce to the welfare and safety of Your dominions as well as to the peace of the world.

“We pray that Your Majesty and the Queen may long be spared to enjoy the affection of Your subjects and to see all classes equally recovered from the strain and sacrifice of the War.”*

XVI. RESOLUTION OF THANKS TO PRIME MINISTER AND HIS COLLEAGUES.

The Prime Ministers of the Dominions and the representatives of India desire to put on record their deep appreciation of the large amount of time and work devoted in a time of heavy strain by the Prime Minister and his colleagues in His Majesty’s Government to the Conference. They look with great satisfaction upon their meetings, which have, in their opinion, made clear the lines of common action in Imperial and foreign affairs and still more firmly established the free co-operation of the peoples of the Commonwealth.

XVII. APPRECIATION OF WORK OF SECRETARIAT.

The Prime Ministers of the Dominions and the Representatives of India desire to put on record their great appreciation of the work of Sir Maurice Hankey and other members of the British Secretariat. They consider that his efficiency and that of his staff have contributed in an invaluable degree to the success of the Conference, and they hope that his assistance may be available at future sessions for many years to come. The Prime Minister of the United Kingdom and his colleagues also desire to express, on behalf of the British Secretariat, their warm acknowledgment of the cordial and most efficient co-operation of the Dominion and Indian representatives on the Secretariat.

* His Majesty’s reply is printed as Appendix VIII.

APPENDIX I.

OPENING SPEECHES.

20th June, 1921.

OPENING SPEECH BY MR. LLOYD GEORGE.

MR. LLOYD GEORGE: Gentlemen, I bid you all a hearty welcome to Great Britain and to Downing Street. It was only with great unwillingness that I asked you to postpone our first meeting until to-day, and I hope it has not caused any serious inconvenience to anyone. I am deeply grateful to you for meeting my own personal difficulty by postponing the Conference for a few days.

Since we last met, there are some notable gaps in the British Empire Delegation. Our last meetings, I think, were held in Paris at the famous Peace Conference. My old friend, Sir Robert Borden, has laid down the cares of office, after long and sterling service throughout the War and throughout the making of peace, both to his own great Dominion and to the Empire. I relied a great deal upon his sane and ripe judgment. I am glad to hear his health is much restored and I am sure we can count on him still for many years of valuable service in any work which he decides to undertake. In his place we welcome his successor, Mr. Meighen, who is no stranger to our counsels, because he was with us at the meetings of the Imperial War Cabinet in the summer of 1918, though this is his first appearance as Prime Minister.

By General Botha's death the whole Empire has sustained a heavy loss. He was a king of men, one of the greatest and most striking figures of our time, and I feel certain that history will endorse our high contemporary esteem of his breadth of vision and nobility of character. South Africa and the Empire are fortunate in that his mantle has fallen on his distinguished colleague, General Smuts, who has already played a great part in Imperial Councils during the War and in the making of the peace.

Mr. Hughes and Mr. Massey are very old friends. I believe that we three enjoy the unenviable distinction of being the only Prime Ministers who took part in the War and who, so far, have survived the troublesome years of peace, and I am rejoiced to see both of them looking as young and fit as ever.

Let me also extend a most cordial greeting to His Highness the Maharao of Cutch and to Mr. Sastri, who have come here as representatives of the Indian Empire. We shall, I know, find them wise and cogent interpreters of the Indian point of view in the great questions which we have to discuss.

May I also express our regret that the Premier of Newfoundland has not found it possible to be present at our deliberations.

GENERAL CONDITION OF UNREST THROUGHOUT THE WORLD.

The Conference falls at a time of great stress in this country and of serious trouble in many parts of the world. It was inevitable that the nations which had put forth such colossal efforts and sustained such unparalleled losses of life, limb and treasure during the War, should feel all the consequences of overstrain and exhaustion. The systems which perplex the statesmen of all the belligerent countries at the present time are due to the condition in which the nations of the world have been left by the great War. The nerve exhaustion and heart strain which characterize such cases produce a feverish restlessness and a disinclination to steady labour which aggravate the disease and retard recovery. Never did statesmanship in all lands demand more patience and wisdom. The years that followed the Napoleonic wars produced similar or even worse experiences. In this country the distress amongst the population was very much greater after the Napoleonic wars than it is at the present moment. As a matter of fact, in spite of great unemployment and a good deal of labour unrest, there is no actual privation amongst the population, and I attribute that very largely to the self-sacrifices made by the more well-to-do of all classes in order to share their better luck with their less fortunate fellow-countrymen. But still there is no doubt at all that the War has produced a state of things from which it will take years to recover. There are European countries where the poverty and the actual distress is appalling and we are doing our best out of our spare means to assist. But in spite of a good deal that is discouraging, I am confident the world is slowly working through its troubles; there is an increasing disposition to face and accept the facts industrially and internationally. The natural disinclination of human nature to admit

unpleasant facts has, at home, provoked industrial troubles, and abroad, fierce outbursts of protest. But gradually the world is passing through its usual experience of first of all denying the existence of palpable realities and then settling down to act upon them. It is a distinctly encouraging fact in the international situation that there is an increasing impatience with those who, from whatever motive, seek to keep the world in a state of turmoil and tension. There is a widening and deepening conviction that the world must have peace, if it is ever to recover health. Some of the most troublesome and menacing problems of the peace have either been settled or are in a fair way of settlement. You must have watched with close interest the developments of the last couple of years in Europe, the series of conferences and gatherings and assemblies of all kinds where we were trying to carry out the terms of the Peace Treaty, and to settle the various difficulties that arose in consequence.

GERMAN DISARMAMENT.

There were two questions that gave us great anxiety. One was the question of the disarmament of Germany and the other was the question of reparation. There were other important questions, but these were the two questions around which most of the controversies centred. The disarmament of Germany, I think, may be stated to be a settled problem. The German fleet has disappeared, and so has the Austrian. The German army has disappeared as a great powerful force. It numbered millions; it now numbers little more than 100,000 men. It had tens of thousands of guns, great and small; it has now got a few hundreds. It had an enormous number of machine-guns and trench mortars; these have gone. Millions of rifles—they surrendered about 30 million rounds of big ammunition—all that has gone. It is true they have still got some rather irregular formations which we have not succeeded in completely getting rid of. It is not so much Prussia that is giving us trouble as Bavaria. That difficulty will, I think, be overcome in a very short time. So that the problem of disarmament, which was a very vital one because so long as Germany had a big army and big armaments there was no guarantee of peace, will disappear.

REPARATIONS.

The other problem is the problem of reparation. No one knows better than Mr. Hughes the practical difficulties surrounding that problem. It is not a question so much of adjudicating claims; it is a question of how you are to transfer payment from one country and make it in another. As Mr. Hughes knows, that problem baffled all our financial experts and the financial experts of all countries in Paris, and it is only after two years that we hit upon an expedient which seems on the whole to have given satisfaction to all moderate and practical men in European countries. So far as we have been able to gather, that is the view of the Dominions. We shall probably hear something about it, because they have a very direct concern in it. Germany has accepted a very practical plan of liquidating her liabilities. France has accepted; Italy has accepted; and the public opinion of this country has also accepted; so that the two most troublesome problems are either settled or in a very fair way of being adjusted.

OTHER DIFFICULTIES.

There are two remaining difficulties, one of which is the fixation of the boundaries of Poland, partly in Lithuania, and now in Silesia. I am not going to anticipate what will be said upon that subject; therefore I am only mentioning it. The second difficulty we have had has been the making of peace with the Turkish Empire. Those are the two great outstanding difficulties, but I am very hopeful in regard to both of them. Once those two are settled, then I think we may say that peace has been made; but until then we cannot say, in spite of the fact that we have signed Treaties of Peace, that peace has been made and established in the world.

NECESSARY TO STAND BY PEACE TREATIES.

The first essential of peace—a stable peace—and reconstruction is that we should stand by our Treaties. There are those who grow weary of these great responsibilities, and who speak as though it were possible to renounce them in this quarter or in that without injustice to other peoples or detriment to ourselves. I venture to say that such arguments are as short-sighted as they are false. The nations and peoples of the world have realized their interdependence in a measure

far greater than ever before the War, and the League of Nations—whatever may be thought of the provisions of the Covenant—stands as witness to their realization of that truth. No progress can be made towards the rehabilitation of Europe, or the establishment of permanent peace in the world, except upon the basis of acceptance of Treaties and an enforcement of Treaties. There may be relaxations here and there, following the discovery of new conditions, with the consent of all parties. We have had some relaxations of that kind—and I think they are wise modifications of the Treaty—in the matter of allowing more time for payment, and more time for disarmament; and in the prosecution of war criminals we made a concession to German national susceptibilities. There have been questions of that kind where, by the consent of all the Powers, there have been modifications. But the Treaties must stand where such consent is not forthcoming, and no signatory should have the right to override any part of a Treaty to which we are all parties. The British Empire from end to end is bound by honour and by interest alike to the Treaties which it has signed. We have appended our signatures—all of us—and we must honour those signatures. Unless Treaty faith is maintained, an era of disorganization, increasing misery and smouldering war will continue, and civilization may very easily be destroyed by a prolongation of that state of things.

EMPIRE'S RELATIONS WITH UNITED STATES AND JAPAN.

I propose to call on Lord Curzon, on his return, to give the Conference a comprehensive survey of foreign affairs, and I will not anticipate his detailed statement now. But I should like to refer very briefly to one of the most urgent and important of foreign questions—the relations of the Empire with the United States and Japan. There is no quarter of the world where we desire more greatly to maintain peace and fair play for all nations and to avoid a competition of armaments than in the Pacific and in the Far East. Our Alliance with Japan has been a valuable factor in that direction in the past. We have found Japan a faithful ally, who rendered us valuable assistance in an hour of serious and very critical need. The British Empire will not easily forget that Japanese men-of-war escorted the transports which brought the Australian and New Zealand forces to Europe at a time when German cruisers were still at large in the Indian and Pacific Oceans. We desire to preserve that well-tryed friendship which has stood us both in good stead, and to apply it to the solution of all questions in the Far East, where Japan has special interests, and where we ourselves, like the United States, desire equal opportunities and the open door. Not least amongst these questions is the future of China, which looks to us, as to the United States, for sympathetic treatment and fair play. No greater calamity could overtake the world than any further accentuation of the world's divisions upon the lines of race. The British Empire has done signal service to humanity in bridging those divisions in the past; the loyalty of the King Emperor's Asiatic peoples is the proof. To depart from that policy, to fail in that duty, would not only greatly increase the dangers of international war; it would divide the British Empire against itself. Our foreign policy can never range itself in any sense upon the differences of race and civilization between East and West. It would be fatal to the Empire.

NEED FOR FRIENDLY CO-OPERATION WITH UNITED STATES.

We look confidently to the Government and people of the United States for their sympathy and understanding in this respect. Friendly co-operation with the United States is for us a cardinal principle, dictated by what seems to us the proper nature of things, dictated by instinct quite as much as by reason and common sense. We desire to work with the great Republic in all parts of the world. Like it, we want stability and peace, on the basis of liberty and justice. Like it, we desire to avoid the growth of armaments, whether in the Pacific or elsewhere, and we rejoice that American opinion should be showing so much earnestness in that direction at the present time. We are ready to discuss with American statesmen any proposal for the limitation of armaments which they may wish to set out, and we can undertake that no such overtures will find a lack of willingness on our part to meet them. In the meantime, we cannot forget that the very life of the United Kingdom, as also of Australia and New Zealand, indeed, the whole Empire, has been built upon sea power—and that sea power is necessarily the basis of the whole Empire's existence. We have, therefore, to look to the measures which our security requires; we aim at nothing more; we cannot possibly be content with less.

CONSTITUTIONAL PROGRESS OF BRITISH EMPIRE.

I do not propose to deal in any detail with the agenda for this Conference to-day. We have no cut-and-dried agenda to present. We will discuss that amongst ourselves. The British Government has been under some suspicion in some quarters of harbouring designs against this gathering as a Conference. We are said to be dissatisfied with the present state of the Empire, and to wish to alter its organization in some revolutionary way. Gentlemen, we are not at all dissatisfied. The British Empire is progressing very satisfactorily from a constitutional standpoint, as well as in other ways. The direct communication between Prime Ministers, established during the War, has, I think, worked well, and we have endeavoured to keep you thoroughly abreast of all important developments in foreign affairs by special messages sent out weekly, or even more frequently when circumstances required. Indeed, at every important Conference either here or on the Continent, one of the first duties I felt I ought to discharge was to send as full and as complete and as accurate an account as I possibly could, not merely of the decisions taken, but of the atmosphere, which counts for so very much. I have invariably, to the best of my ability, sent accounts, some of them of the most confidential character, which would give to the Dominions even the impressions which we formed, and which gave you information beyond what we could possibly communicate to the press.

MINISTER OF CANADIAN GOVERNMENT AT WASHINGTON.

Another change, which has taken place since the War, is the decision of the Canadian Government to have a Minister of its own at Washington—a very important development. We have co-operated willingly with that, and we shall welcome a Canadian colleague at Washington as soon as the appointment is made. We shall be glad to have any suggestions that occur to you as to the methods by which the business of the Dominions in London, so far as it passes through our hands, may be transacted with greater dignity and efficiency, though you will all, I think, agree that the Empire owes much to Lord Milner and Lord Long for their services in the Colonial Office during a period of great difficulty and stress.

ASKS FOR SUGGESTIONS FOR CONDUCT OF EMPIRE'S BUSINESS.

We shall also welcome any suggestions which you may have to make for associating yourselves more closely with the conduct of foreign relations. Any suggestions which you can make upon that subject we shall be very delighted to hear and discuss. There was a time when Downing Street controlled the Empire; to-day the Empire is in charge of Downing Street.

On all matters of common concern we want to know your standpoint, and we want to tell you ours.

MUTUAL RELATIONSHIP WITHIN EMPIRE.

I will give you my general conception of the mutual relationship in which we meet. The British Dominions and the Indian Empire, one and all, played a great part in the war for freedom, and probably a greater part than any nation, except the very greatest Powers. When the history of that struggle comes to be written, your exertions side by side with ours will constitute a testimony to British institutions such as no other Empire in history can approach or emulate. In recognition of their services and achievements in the War the British Dominions have now been accepted fully into the comity of nations by the whole world. They are signatories to the Treaty of Versailles and of all the other Treaties of Peace; they are members of the Assembly of the League of Nations, and their representatives have already attended meetings of the League; in other words, they have achieved full national status, and they now stand beside the United Kingdom as equal partners in the dignities and the responsibilities of the British Commonwealth. If there are any means by which that status can be rendered even clearer to their own communities and to the world at large we shall be glad to have them put forward at this Conference.

✓ INDIA'S STATUS.

India's achievements were also very great. Her soldiers lie with ours in all the theatres of war, and no Britisher can ever forget the gallantry and promptitude with which she sprang forward to the King Emperor's service when war was

declared. That is no small tribute both to India and to the Empire of which India is a part. The causes of the War were unknown to India; its theatre in Europe was remote. Yet India stood by her allegiance heart and soul, from the first call to arms, and some of her soldiers are still serving far from their homes and families in the common cause. India's loyalty in that great crisis is eloquent to me of the Empire's success in bridging the civilizations of East and West, in reconciling wide differences of history, of tradition and of race, and in bringing the spirit and the genius of a great Asiatic people into willing co-operation with our own. Important changes have been effected in India this year, and India is making rapid strides towards the control of her own affairs. She has also proved her right to a new status in our councils; that status she gained during the War, and she has maintained it during the peace, and I welcome the representatives of India to our great Council of the Empire to-day. We shall, I feel sure, gain much by the fact that her sentiments and her interests will be interpreted to us here by her own representatives.

RESULT OF THE EMPIRE'S UNITY.

I have given you my view of our relationship. May I just remind the Conference of what our unity has meant. The War demonstrated—I might say, revealed—to the world, including ourselves, that the British Empire was not an abstraction but a living force to be reckoned with. Who would have believed before the War that the Empire outside Great Britain would, in an hour of emergency, have raised two millions and more soldiers and sent them to the battlefield to serve the common cause, side by side with the United Kingdom? Even the ardent soul of Mr. Joseph Chamberlain, in his most glowing moments, never predicted so impressive a rally to the Flag. The opportune revelation of the reality of the British Empire has, in my judgment, altered the history of the world. Those of us who know—and many if not most of us sitting at this table were here during the most critical hours of the War and sat at this same table—those of us who know how narrow the margin was between victory and defeat, can proclaim without hesitation that without these two million men, that came from outside the United Kingdom, Prussianism would probably have triumphed in the West and the East before American troops arrived on the stage, and Lord Curzon, who is at this moment discussing with M. Briand, the Prime Minister of France, the execution of a victorious Treaty, would have been discussing how best to carry out the humiliating conditions dictated by the triumphant war lords of Germany.

The reign of unbridled force would have been supreme, and this generation would have had to spend its days in interpreting and enduring that calamitous fact in all spheres of human activity and influence. The unregulated unity of the British Empire saved France, Britain and civilization from that catastrophe.

Our present troubles are bad enough. Victory has its cares as well as defeat. But they are ephemeral and will soon be surmounted. Defeat would have reversed the engine of progress, and democracy would have been driven back centuries on its tracks. If I may venture to quote what I said at the Imperial Conference of 1907 when Sir Thomas Smartt and I first met—I think we two and the present Colonial Secretary are the only survivors—I ventured to say, in reference to the Empire:—

“We agree with our Colonial comrades of the Dominions that all this unity is worth concerted effort, even if that effort at the outset costs us something. The federation of free commonwealths is worth making some sacrifice for. One never knows when its strength will be essential to the great cause of human freedom, and that is priceless.”

I venture to say that that prediction has been gloriously proved by great events.

EMPIRE BASED ON GOODWILL.

The British Empire is a saving fact in a very distracted world. It is the most hopeful experiment in human organization which the world has yet seen. It is not so much that it combines men of many races, tongues, traditions and creeds in one system of government. Other Empires have done that, but the British Empire differs from all in one essential respect. It is based not on force but on goodwill and a common understanding. Liberty is its binding principle. Where that principle has not hitherto been applied it is gradually being introduced into the structure.

DEVELOPMENT OF THE EMPIRE.

It is that willing and free association of many nations and peoples which this Conference represents. Think of what we stand for in this room to-day. First of all the long political development of the British Isles, with all its splendours and its pains, the crucible from which the framework of the whole great structure has emerged. Canada, British and French; South Africa, British and Dutch—both now great Dominions whose unity is due to the free and willing combination of two proud races in a single nationhood. Australia and New Zealand, British civilizations both, but planted and developed with a genius of their own by the sheer enterprise and grit of their peoples in the furthest antipodes. India a mighty civilization, whose rulers were known and respected throughout the western world before the first English post was planted on Indian soil. Side by side with these the wonderful varied colonies and protectorates in their different stages of development, which the Secretary of State for the Colonies is here to represent. In all the marvellous achievement of our peoples which this gathering reflects I am most deeply impressed by the blending of East and West—India with her far descended culture and her intensely varied types, so different from ours, present in this room to concert a common policy with us in the world's affairs, and to harmonize, as we hope, still more completely her civilization and ours. It is our duty here to present the ideals of this great association of peoples in willing loyalty to one Sovereign, to take counsel together for the progress and welfare of all, and to keep our strength both moral and material, a united power for justice, liberty and peace.

OPENING SPEECH BY MR. MEIGHEN.

MR. MEIGHEN: I think we might utilize a little more time to-day in hearing statements from some of us of a general character and then proceed to lay down the agenda. As far as I am concerned, I do not think that anything I might say in advance of our discussion of concrete subjects would be of sufficient importance to warrant a day or even half-a-day's adjournment for preparation. I have listened to the illuminating introduction of the Prime Minister, and I cannot bring myself to think that such a pregnant and impressive address will not receive full publication.

It is unfortunate that the obligation of speaking first should fall upon me, the least experienced representative of the Dominions, but it is well that the traditional order of precedence be followed.

PRESENT SITUATION IN CANADA.

The Prime Minister referred to conditions in the British Isles, which, of course, we all from the various Dominions watch with great interest. The words of encouragement which he gave were very welcome to my ears. In Canada we do not suffer in the same degree from unemployment, but none the less we have much more than the normal. The extent and proportion of our agricultural population is such that we have in our belief less unrest than in most countries, and we feel also that our comprehensive and reasonably generous policy towards returned men, particularly to those entering upon agriculture, has reduced the evil in that respect.

The information that the Prime Minister has given as to the progress of peace negotiations, or rather the re-establishment of actual peace upon the basis of the peace treaties, is indeed encouraging. I feared myself that he would not be able to make quite so gratifying a report.

CANADIAN OPINION ON JAPANESE TREATY.

As to the observations he made on the principles to be kept in mind in our deliberations on the Japanese Treaty and its renewal, we cannot over-estimate their importance. Possibly in the outlying Dominions we are not disposed to give the same attention to one feature which he draws attention to, the paramount necessity of seeing to it that no step is taken that leaves out of mind the importance of mitigating racial divisions. What I have to say as to this subject will, of course, be more appropriate later. All I can do now is to assure you that I, representing Canada, approach this question with a full sense of responsibility, and in seeking to interpret what I believe is the prevailing opinion of my country on the subject, I do so with a firm resolve to reach, if it can be reached, common ground with all representatives here.

CANADA SATISFIED WITH CONSTITUTIONAL PROGRESS.

The Prime Minister referred to suspicions that had been generated of designs on the autonomy of the Dominions, conspiracies to bring about revolutionary changes in our Constitutional relations. I may say that I do not think any responsible representative of any Dominion, I am quite certain of Canada, requires to have his mind cleansed of evil thought in that respect.

ACKNOWLEDGMENT OF TRIBUTE OF PRIME MINISTER TO SERVICES RENDERED BY DOMINIONS.

It is due to the Conference, and particularly the Prime Minister, that I should gratefully acknowledge here his striking and memorable words in referring to the services rendered by the British Dominions and India during the late War. No finer expression of the feelings of the people of the British Isles has been uttered, and I feel that his valued tribute will be long remembered throughout the length and breadth of the Empire.

VALUE OF IMPERIAL CONFERENCES.

There can be no doubt as to the value of Conferences such as this. The whole progress of the world, particularly since the War, has emphasized the value of conferences. Indeed, it is the method that has been incorporated as the very basis of the new order which the world is seeking to establish whether under the name of the League of Nations, or under some other name or under no name at all. For ourselves, of course, for this Britannic Commonwealth of nations, this method or principle has a peculiar significance. We are united by the history of our being, by a mutual trust, and by a fundamental intention to preserve a common allegiance. We therefore confer under conditions particularly favourable to free and open communication one with another, and in an atmosphere of complete mutual confidence.

VALUE OF PUBLISHING PROCEEDINGS AND NEED FOR FREQUENT CONFERENCES.

There are two conditions of success that I think of importance, though perhaps they are only partly under our control. If our conclusions are to be sound, and being sound, to be acted upon, they must be accorded not only general support, but intelligent support throughout the countries we represent. It is therefore essential that we fully inform the public of our proceedings. There may, in respect of some questions, be limitations; we shall indeed at times be bound to respect what may be called the right of privacy of Governments and peoples other than our own. The problem is not a simple one, but I venture to suggest that it is better in the long run to err on the side of publicity than on the side of secrecy. The other condition is that such conferences as these should be as frequent and as regular as the growing necessities of inter-Dominion and inter-Empire relations demand. Time, I know, is important. It is difficult for Canadian Ministers to be absent, and that difficulty is accentuated in the case of Ministers of other Dominions. The expeditious despatch of business while here will assist all round.

I shall reserve any further remarks until we reach the discussion of the definite subjects that are to be brought before us.

21st June, 1921.

OPENING SPEECH BY MR. HUGHES.

MR. HUGHES: I desire to congratulate you on the admirable review of the position that you presented to us yesterday. I am sure it was most valuable as well as most interesting. We were all very glad to learn from you, Sir, that though the adjustment of those matters which arose out of the War is not yet complete, all our obligations, and our ex-enemies' obligations under the Treaty, were in a fair way of being fulfilled. We recognize that there are difficulties, and that it is not easy to satisfy those who preach a counsel of perfection, but I think we ought to congratulate you and the Government on having, during these last two years, weathered a great storm full of menacing possibilities, and though it would savour of too much optimism to say that we had yet reached the haven, still, on the whole, we have much to be thankful for. I very sincerely congratulate you as the head of the Government of the United Kingdom.

You have asked us to consider and review the situation as it presents itself to us, and I think we may do this with advantage before we pass on to the discussion of the various questions, or, indeed, decide the order in which we are to discuss them. The circumstances of this Conference are in themselves sufficiently remarkable. This is the first time we have met since the dark shadow of the great War has been lifted, and we are showing to the world and to the various parts of the Empire that those counsels which we took together during the War were not ephemeral expedients, but that we are resolved to continue along that path in company, being guided by each other's counsel and believing firmly that in co-operation and in unity lies the safety of all, and, in no small degree, the peace and welfare of the world.

NEED FOR A MEANS OF CONCERTING THE EMPIRE'S POLICY.

Well, Sir, we are here—some of us have come very great distances, and all have come at great personal inconvenience. Some of us, like Mr. Massey and myself, have come 12,000 miles. We have each given our views to our representative Parliaments as to what this Conference intends, or hopes, to do. Much is expected from us, and I do venture earnestly to hope that this Conference will do something which will convince the people that we have found a practical and sure way of bridging that apparently impossible chasm which divides complete autonomy of the several parts of the Empire from united action upon matters affecting us all.

That we must do something is essential if this Conference is not to be a last magnificent flare of a dying illumination. I am sure, Sir, you will realize how difficult it is for us to leave a Parliament for five or six months. I shall not, I hope, be suspected of trespassing upon the sacred domain of domestic politics if I ask you just to conjure up in that vivid Celtic mind of yours—as I do in mine—the possibility of your being away for six months.

Now, amongst the great problems that are to be considered three stand out. You referred to all of them yesterday. They are:—Foreign Policy in general, the Anglo-Japanese Treaty in particular, and Naval Defence. There are other problems, of course, which are intimately associated with these. If we are to give effect to the principle, which I take it has already been accepted, viz., the right of the Dominions to sit at the Council table on a footing of equality, and to discuss with you and the other representatives the question of the Foreign Policy of the Empire—these also must be not only considered, but settled. I do not think I am misinterpreting the opinions of all my friends here when I say that this voice, this share, in the Council of the Empire in regard to foreign policy must be a real one, must be one of substance and not merely a shadow. This involves the creation of some kind of machinery, and here we come to a very difficult position, to which I shall refer very shortly later.

We are now asked to deal with foreign policy, and in order that we may do this, you have said that Lord Curzon would review the present position of foreign affairs. We shall await that statement with great interest. The whole Empire is concerned in foreign policy, though this was for many years regarded as the sole prerogative of Great Britain. Wars are hatched by foreign policy. No one is able to say that any act affecting foreign nations will not, in the fullness of time, lead to war. No one is able to say that the most apparently trivial and innocent action will not involve us in international turmoil, and in the fullness of time bring us to the bloody plains of war. So, when we see on every side the British line—or, if you like, the line of this Commonwealth of British nations—being lengthened and the line of defence necessarily thinned, the points of potential danger multiplied—we are naturally uneasy. We have seen that a cloud no bigger than a man's hand can cover the whole heavens. And so, Sir—I speak only for myself, of course—I am sure you will quite understand our desire to know the reasons for your policy in Mesopotamia, in Palestine, in Russia, in Egypt, and your policy in Greece and Turkey. If I have singled these things out it is not because they cover the whole field of foreign policy, but because these matters are perhaps the most obvious.

Now, if we are to have an effective voice in the foreign policy of this country, we must first of all know precisely how we stand, and the reasons for the policy adopted and the extent to which we are committed to it. I start with the assumption that our right to decide foreign policy is not denied. Very well, let us consider the thing under two heads—first, in regard to matters of foreign policy as they now present themselves before the British Government, and, second, in regard to policy in the future. We can express our opinions, and if needs be modify the

present foreign policy by a full discussion and expression of opinion. Decisions can be registered and given effect to. But the position in regard to policy in the future is very difficult. Everyday a new situation arises or may arise. How is it to be dealt with? We shall be scattered to the four quarters of the earth. How are the Dominions to have an effective voice on foreign policy when, as things stand, they can only be told after things have been done and are not consulted beforehand? That is a question which we shall have to consider. I stated, Sir, at the outset that other matters than those three of which I spoke—Foreign Policy in general, the Anglo-Japanese Alliance, and Naval Defence—will arise intimately related to these, and that we shall have to discuss them.

DIFFICULTY OF COMMUNICATION.

I come to one now. You yourself said yesterday, Sir, that direct communication between the Prime Minister of Great Britain and his colleagues overseas had worked well. So it has; that is to say, the principle has worked well; but I think I ought to tell you, Sir, that it is rarely that one does not read in the newspapers, sometimes a day, sometimes more than a day, before receiving your telegrams, a very good imitation of their substance. This arises through the great delay in the transmission of messages.

I am not going into details now—I have set this matter down on the agenda—but I want to say that it is absolutely essential, if we are going to have any effective voice in foreign policy, that we shall be in the closest possible touch with you and with each other, and that we shall know, not when the thing is done, but before the thing is done, what is intended, or what is desired to be done. This is essential because in foreign policy, as, indeed, in many cases in domestic policy, you cannot delay. Action is imperative. A thing that is possible to-day is impossible to-morrow, and action must be taken. So, if we are going to have a real voice in foreign policy, then we must have improved communication—means whereby you will be able to communicate quickly with your colleagues overseas, and they with you and with each other. That is absolutely essential. When we come to that item on the agenda paper, I shall show you, in one or two ways, how some improvement may be made. But I confess that all I can suggest falls very far short of that ideal condition of things which one would desire.

ANGLO-JAPANESE TREATY.

Now I leave foreign policy in general, and come to the Anglo-Japanese Treaty. Here we are dealing with a matter definite and urgent. It is not a thing to be settled in the future, but now. The British Government has only postponed settlement in order that the matter might be dealt with round this table. It is an urgent matter. It must be settled without delay. The attitude of Australia towards it has been quite clearly stated. We have not a clean slate before us. If we had to consider for the first time whether we should have a Treaty with Japan, the position might be very different. We have not. For many years a Treaty has existed between Japan and Britain. Its terms have been modified, but in substance the existing Treaty has been in force for a long time. No doubt it cannot be renewed precisely in its present form. It must conform to the requirements of the League of Nations. But the case for renewal is very strong, if not indeed overwhelming. To Australia, as you will quite understand, this Treaty with Japan has special significance.

IN FAVOUR OF RENEWAL.

Speaking broadly, we are in favour of its renewal. But there are certain difficulties which must be faced. One of these arises out of the attitude of America towards this Treaty. I am sure I state the opinion of Australia when I say the people have a very warm corner in their hearts for America. They see in America to-day what they themselves hope to be in the future. We have a country very similar in extent and resources, and it may be laid down as a *sine quâ non* that any future Treaty with Japan, to be satisfactory to Australia, must specifically exclude the possibility of a war with the United States of America. It ought to do this specifically, but if not specifically then by implication so clear and unmistakable that he who runs may read. It is perfectly true that the present Treaty does this by implication, but not so plainly as to preclude misinterpretation. In any future Treaty we must guard against even the suspicion of hostility or unfriendliness to the United States. I hope you are not forgetting, Sir, that there are many who seek to misinterpret the intentions of this country, and to confound them we must

put in plain words what are our intentions. That being so, and subject to that condition—which is not a new condition at all, because Japan has accepted the position for many years—Australia is very strongly in favour of the renewal of the Treaty. As I have said, the Treaty clearly must conform to the provisions of the League of Nations Covenant, and it must have regard to the circumstances of the world to-day, but I think it ought to be renewed; I am strongly in favour of its being renewed. I think from every point of view that it would be well that the Treaty with Japan should be renewed. Should we not be in a better position to exercise greater influence over the Eastern policy as an Ally of that great Eastern Power, than as her potential enemy? Now, if Japan is excluded from the family of great Western nations—and, mark, to turn our backs on the Treaty is certainly to exclude Japan—she will be isolated, her high national pride wounded in its most tender spot. To renew this Treaty is to impose on her some of those restraints inseparable from Treaties with other civilized nations like ourselves. We will do well for the world's peace—we will do well for China—we will do well for the Commonwealth of British nations to renew this Treaty. We want peace.

AMERICAN OBJECTIONS.

The world wants peace. Which policy is most likely to promote, to ensure, the world's peace? As I see it, the renewal of the Treaty with the Japanese Empire. Now let us consider America's objections to the renewal of the Treaty. Some of these relate to the emigration of Japanese to America; but the hostility to Japan, more or less marked, that exists in America to-day, cannot be wholly accounted for by this fact. As it is vital in the interest of civilization that a good understanding should exist between America and ourselves, we should endeavour to do everything in our power to ascertain exactly what it is to which America takes exception in this Treaty. We ought not to give her room for criticism which the world could support. We must make it perfectly clear that the Treaty is not aimed against her, and that it could never be used against her. War with America is unthinkable. As the contingency is quite an impossible one, it need not be seriously considered. Yet it is well that the attitude of Australia should be made quite clear.

SUGGESTS CONFERENCE WITH AMERICA AND JAPAN.

Whether it would be wiser to invite a Conference with America and Japan, to ascertain what would be mutually acceptable, is a suggestion which I throw out. If one were quite sure that America desired, or was prepared to accept, what would form a reasonable basis of an Alliance with Japan, then I certainly would strongly press the suggestion. But in any case we ought to try and ascertain precisely what America's views are on this most important matter.

IMPORTANCE OF THE QUESTION OF DISARMAMENT.

Now I turn from the consideration of the Anglo-Japanese Treaty, Sir, to a question of supreme importance which you raised yesterday, and it is one which is related both to the Anglo-Japanese Treaty and to Naval Defence—I mean the question of disarmament. You said, Sir, and I am sure the world will be very glad to read those words of yours, that you would welcome any suggestion and discuss with any Power any propositions for disarmament or limitations of armaments. Your words come most opportunely. I think this is the psychological moment. We ought not to underestimate the value of this Conference—it is no use denying the fact that in America they do distinguish between England and the Dominions in a very marked way—and a suggestion coming from you backed by the Dominion Prime Ministers, might gain a hearing where the voice of England alone failed. After all, the distinction which Americans draw between us is easy to understand. History partly explains it. They see, too, in us replicas of themselves. They see us struggling and fighting towards the goal that they have already attained. And I think they are right in supposing that, subject to that determination which we have to achieve our destiny in company with each other and with Britain, we resemble so many Americas. We are free democracies. We want peace. We at least are free from the suspicion of Imperialistic ambitions. The world, tired of war, is yet neurotic, its nervous system so disturbed by war that while it cries aloud for peace, force is the first thing to which it turns to redress its grievances. You cannot expect, you cannot hope for any more favourable moment than the present.

If you fail to secure agreement for the limitation of armaments now, how can you expect to do so in the years to come? The appalling race for naval supremacy has already begun, although the fires of the Great War are not yet cold. It creates interests in the various countries where this suicidal race is run. This vicious rivalry grows by what it feeds on. Every year it becomes more difficult to stop. Speak therefore now on behalf of this gathering of Prime Ministers. Let us give the world, weary of war and staggering beneath its crushing burdens, a lead. Invite the United States of America, Japan and France to meet us. We cannot hope that the world will beat its sword into a ploughshare, but at any rate it can stop building more ships. Let us stop naval construction and naval expenditure other than that necessary for the maintenance of existing units without prejudice to what may be agreed upon hereafter. In this matter, the first step is everything. If the world resolves to stop making any further preparations for war, everything is possible; until that step is taken, we are only beating the air.

Such an invitation issued with such authority behind it would, I think, find great support in America, and I hope and believe in Japan too. In ten years' time, in five years' time, the position will be that both these countries will be poorer. They cannot continue such a competition indefinitely. If they persist, we and all the great nations of the world must follow their example. What hope does such a prospect hold out to the war-weary world? To stop naval construction pending a permanent settlement of the basis for naval power will not prejudice their interests. The relative strength of each will not be affected by stopping now. I do most strongly urge you to set an example, speaking as you will be able to do on behalf, not merely of England, but on behalf of all those free nations whose representatives are gathered here. Let us show to the world that these young nations gathered round this table have resolved to make their entrance into world politics by setting an example which the world has long wanted. I am not without hopes that such an invitation on your part, and such an example on ours, would be provocative of great good and prove to be the turning point in the world's history.

NEED FOR ADEQUATE NAVAL DEFENCE.

I come now to the last point with which I intend to deal at length, and that is Naval Defence. Whatever may be agreed upon, one thing is clear, that we must have such naval defence as is adequate for our safety. Naturally the amount of force necessary to ensure our safety in a world which has agreed to suspend naval construction, a world in which the three great Naval Powers have, for example, come to such an understanding as would have the force and effect of an alliance, would be much less than in a world which resounds with the clang of hammer beating into shape bigger and still bigger navies. That applies, too, to the renewal or non-renewal of the Anglo-Japanese Treaty, but in any case we must have such naval defence as is necessary for our security. The War and the Panama Canal has shifted the world's stage from the Mediterranean and the Atlantic to the Pacific. The stage upon which the great world drama is to be played in the future is in the Pacific. The American Navy is now in those waters. Peace in the Pacific means peace for this Empire and for the world.

With an agreement between three Great Naval Powers—or, at worst, between two—then the force necessary to defend this Empire by sea—and that it rests on sea power is certain, and I am never tired of repeating this most significant fact to those who are apt to forget how the British Empire came into being and has been maintained—would be much less. But whatever it is we must have it.

PART OF DOMINIONS IN EMPIRE DEFENCE.

And now one word about the part of the Dominions in Empire defence. You, Sir, said some time ago that Britain had paid so dearly for victory and was groaning under such a crushing burden of debt that it could no longer alone be responsible for the defence of the Empire by sea as it had heretofore, and that the other parts of the Empire must do their share. To that doctrine I subscribe without reservation. I think it is the corollary of our admission into the councils of the Empire to determine the foreign policy. The foreign policy determined or approved by us at this Conference may lead to war. In any case the foreign policy of a nation must be limited by its power to enforce it, whether that power be wholly resident in itself, or come from an alliance, or from the League of Nations. The ambitions of men and nations are curbed by their material power. In our case, sea power is, and must always be, the determining factor of our foreign policy.

Now we cannot fairly ask for the right to decide the foreign policy of the Empire and say that we will have no part whatever in naval defence, we will not pay our share. If you ask me what is our share, I say frankly that I am not prepared at this moment to indicate it. We can do that when we come to deal with the matter in detail, but one principle seems to emerge and it is this. I do not think that our share *per capita* should be as great as Britain's share *per capita*, because Britain has Crown Colonies, and dependencies, and India to defend. But whatever is our fair share should be borne upon a *per capita* basis by all the Dominions. That, I think, is the only fair and proper basis. If the converse be conceded for a moment, and some pay more *per capita* than others, then I do not understand the basis of union amongst us. Dangers to the Empire or to any part of it are to be met surely by unity of action. That is at once the principle upon which the Empire rests, and upon which its security depends. The Dominions could not exist if it were not for the British Navy. We must not forget this. We are a united Empire or we are nothing. Now who is to say from what quarter dangers will come to any of us? It comes now from the East and to-morrow from the West. But from whatever quarter it comes we meet it as a united Empire, the whole of our strength is thrown against the danger which threatens us. If some Dominions say "we are not in any danger, you are, you pay; we will not, or cannot, contribute towards naval defence," an impossible position is created. I cannot subscribe to such a doctrine. It is incompatible with the circumstances of our relationship to Britain and to each other, it menaces our safety and our very existence, it is a negation of our unity.

I need hardly say that I do not believe that the Dominion quota for naval defence should be expressed in terms of a money contribution, but in terms of Dominion Navies. This is a point upon which the Admiralty has expressed itself very strongly, and the suggestion of monetary contribution is not to be seriously considered. In any case, we shall be able to discuss the matter when naval defence is being dealt with.

STATUS OF DOMINIONS.

I have nothing further to say on those matters to which you referred yesterday, but reference to one other point may be permitted. It is well that we should know each other's views. We ought not to discuss things in the dark. It has been suggested that a Constitutional Conference should be held next year. It may be that I am very dense, but I am totally at a loss to understand what it is that this Constitutional Conference proposes to do. Is it that the Dominions are seeking new powers, or are desirous of using powers they already have, or is the Conference to draw up a declaration of rights, to set down in black and white the relations between Britain and the Dominions? What is this Conference to do? What is the reason for calling it together? I know, of course, the Resolution of the 1917 Conference. But much water has run under the bridge since then. Surely this Conference is not intended to limit the rights we now have. Yet what new right, what extension of power can it give us? What is there that we cannot do now? What could the Dominions do as independent nations that they cannot do now? What limitation is now imposed upon them? What can they not do, even to encompass their own destruction by sundering the bonds that bind them to the Empire? What yet do they lack? Canada has asserted her right to make treaties. She has made treaties. She is asserting her right to appoint an Ambassador at Washington. Are these the marks of Slave States, or quasi-sovereignty? In what essential thing does any one of the great Self-Governing Dominions differ from independent nations? It is true there is a sentiment, a figment, a few ancient forms: there is what Sir F. Pollock calls the figment of the right of the British Parliament to make laws affecting the Dominions. Supposing the British Parliament should make a law to-morrow which would take from me the very position in which I stand, namely, a representative of a Parliament that exists and was brought into being by a British Statute. I suppose that would apply to you General Smuts, and to you, Mr. Meighen. They could pass that law, and although we might be here as individuals, so far as legal or constitutional status is concerned we should have ceased to exist. But, as Sir F. Pollock says, this power of the British Parliament is a figment, a shadow. Either it must limit our rights of self-government, or it must weaken the bonds of Empire, or it must simply content itself with asserting rights and privileges and responsibilities that are ours already and that none question. In effect, we have all the rights of self-government enjoyed by independent nations. That being the position, what is the

Constitutional Conference going to do? The proposal to hold a Constitutional Conference is causing considerable anxiety, at any rate in Australia. So far from anticipating that it is to give us greater power, some fear it will take away some of the powers that we have, and my difficulty is, and has been, to try and allay those doubts, which are very strongly held. I think everyone of us is confronted with the same position. I think even this Conference is surrounded with clouds of suspicion. Our right to a name is in question. If we call ourselves a Conference it is wrong: if we call ourselves a Cabinet it is wrong—a Council is still worse. I am sure between General Smuts and myself there is, in fact, very little difference, if any. But, nevertheless, I say that we are treading on very dangerous ground, and I say this to him. We have achieved this wonderful progress—and it is wonderful progress—along certain lines. Is he not satisfied with the progress we have made? The difference between the status of the Dominions now and twenty-five years ago is very great. We were Colonies, we became Dominions. We have been accorded the status of nations. Our progress in material greatness has kept pace with our constitutional development. Let us leave well alone. That is my advice. We have now on the agenda paper matters which mark a new era in Empire government. We, the representatives of the Dominions, are met together to formulate a foreign policy for the Empire. What greater advance is conceivable? What remains to us? We are like so many Alexanders. What other worlds have we to conquer? I do not speak of Utopias nor of shadows, but of solid earth. I know of no power that the Prime Minister of Britain has, that General Smuts has not. Our presence here round this table, the agenda paper before us, the basis of equality on which we meet, these things speak in trumpet tones that this Conference of free democratic nations is, as Mr. Lloyd George said yesterday, a living force.

OPENING SPEECH BY GENERAL SMUTS.

GENERAL SMUTS: I should like to associate myself with what has been said by the Prime Minister of Australia in regard to the speech which you made yesterday, and, in particular, speaking on behalf of South Africa, I should like to thank you very, very much for the reference you made to General Botha. General Botha was not only a great South African, but a great man, and his name will remain as one of the greatest men in the history of the British Empire, and I think the references made to him yesterday were fully justified. You opened yesterday, Prime Minister, in a speech, if I may say so, of such power and brilliance, that it is very difficult for us, in fact, impossible for me, to follow on, but we agreed yesterday that the Prime Ministers should each make a general preliminary statement, and so I proceed to make a few remarks upon the topics on which we are called upon to deal here.

NEED FOR PEACE.

I think a discussion like this may be useful, because it will disclose in a preliminary and general way the attitude taken up by the Dominions on the topics which we have come here to discuss. I shall not attempt to break fresh ground in the few remarks I am going to make. I am going to adhere more or less to the tenor of what I said in the South African Parliament when the subject matters of this Conference were under debate. What I said was generally approved in Parliament and by the public in South Africa, and I shall therefore adhere to what I said there. I said on that occasion that what the world most needs to-day is peace, a return to a peaceful temper and to the resumption of peaceful and normal industry. To my mind that is the test of all true policy to-day. Peace is wanted by the world. Peace is wanted especially by the peoples of the British Empire. We are a peaceful Empire, our very nature is such that peace is necessary for us. We have no military aims to serve, we have no militaristic ideals, and it is only in a peaceful world that our ideals can be realized. It should, therefore, be the main, in fact, the only object of British policy to secure real peace for the Empire and the world generally. Now the Prime Minister stated in his speech what progress has been made towards the attainment of this ideal. He pointed out that some of the matters which gave us the greatest trouble in Paris had been settled. The question of reparations, which was, perhaps, the most difficult and intricate with which we had to deal in Paris, has finally, after some years of debate and trouble, been eliminated, in a settlement which, I venture to hope, will prove final and workable. That is a very great advance. The other great advance that has

been made—and it is an enormous advance—is the final disarmament of Germany. That the greatest military Empire that has ever existed in history should be reduced to a peace establishment of 100,000 men is something which I considered practically impossible. It is a great achievement, so far-reaching, indeed, that it ought to become the basis of a new departure in world policy. We cannot stop with Germany, we cannot stop with the disarmament of Germany. It is impossible for us to continue to envisage the future of the world from the point of view of war. I believe it is impossible for us to contemplate the piling up of armaments in the future of the world and the exhaustion of our very limited remaining resources in order to carry out a policy of that kind.

Such a policy would be criminal, it would be the betrayal of the causes for which we fought during the War, and if we embarked on such a policy it would be our undoing. If we were to go forward into the future staggering under the load of military and naval armaments whilst our competitors in Central Europe were free from the incubus of great armies, we should be severely handicapped, and in the end we should have the fruits of victory lost to us by our post-war policy. Already circumstances are developing on those lines. Already under the operation of inexorable economic factors we find that the position is developing to the advantage of Central Europe. The depreciation of their currencies, the universal depreciation of currencies, and the unsettlement of the exchanges are having the effect of practical repudiation of liabilities on the part of a large part of the Continent. If we add to our financial responsibilities and have, in addition, to pile on the fresh burdens of new armies and navies I am afraid the future for us is very dark indeed, and we shall in the long run lose all we have won on the field of battle.

EMPIRE'S POLICY SHOULD BE FOR REDUCTION OF ARMAMENTS.

Armaments depend upon policy, and therefore I press very strongly that our policy should be such as to make the race for armaments impossible. That should be the cardinal feature of our foreign policy. We should not go into the future under this awful handicap of having to support great armaments, build new fleets, raise new armies, whilst our economic competitors are free of that liability under the Peace Treaty. The most fatal mistake of all, in my humble opinion, would be a race of armaments against America. America is the nation that is closest to us in all the human ties. The Dominions look upon her as the oldest of them. She is the relation with whom we most closely agree, and with whom we can most cordially work together. She left our circle a long time ago because of a great historic mistake. I am not sure that a wise policy after the great events through which we have recently passed might not repair the effects of that great historic error, and once more bring America on to lines of general co-operation with the British Empire. America, after all, has proved a staunch and tried friend during the War. She came in late because she did not realize what was at stake. In the very darkest hour of the War she came in and ranged herself on our side. That was, I believe, the determining factor in the victory of our great cause.

NEED FOR CLOSE UNDERSTANDING WITH UNITED STATES.

Since the War we have somewhat drifted apart. I need not go into the story—I do not know the whole story—it is only known to you here. There are matters on which we have not seen eye to eye, to some extent springing from what happened at Paris and also from mistakes made by statesmen. But these mistakes do not affect the fundamental attitude of the two peoples. To my mind it seems clear that the only path of safety for the British Empire is a path on which she can walk together with America. In saying this I do not wish to be understood as advocating an American alliance. Nothing of the kind. I do not advocate an alliance or any exclusive arrangement with America. It would be undesirable, it would be impossible and unnecessary. The British Empire is not in need of exclusive allies. It emerged from the War quite the greatest Power in the world, and it is only unwisdom or unsound policy that could rob her of that great position. She does not want exclusive alliances. What she wants to see established is more universal friendship in the world. The nations of the British Empire wish to make all the nations of the world more friendly to each other. We wish to remove grounds for misunderstandings and causes of friction, and to bring together all the free peoples of the world in a system of friendly conferences and consultations in regard to their difficulties. We wish to see a real Society of Nations, away from

the old ideas and practices of national domination or Imperial domination, which were the real root causes of the great War. No, not in alliances, in any exclusive alliances, but in a new spirit of amity and co-operation do we seek the solution of the problems of the future. Although America is not a member of the League of Nations, there is no doubt that co-operation between her and the British Empire would be the easy and natural thing, and there is no doubt it would be the wise thing.

FAR EAST AND PACIFIC THE NEW FOCUS OF WORLD'S POLITICS.

In shaping our course for the future, we must bear in mind that the whole world position has radically altered as a result of the War. Europe is no longer what she was, and the power and the position which she once occupied in the world has been largely lost. The great Empires have disappeared. Austria will never rise again. Russia and Germany will no doubt revive, but not in this generation nor in the next; and when they do, they may be very different countries in a world which may be a very different world. The position, therefore, has completely altered. The old viewpoint from which we considered Europe has completely altered. She suffers from an exhaustion, which is the most appalling fact of history; and the victorious countries of Europe are not much better off than the vanquished. No, the scene has shifted on the great stage. To my mind that is the most important fact in the world situation to-day, and the fact to which our foreign policy should have special regard. Our temptation is still to look upon the European stage as of the first importance. It is no longer so; and I suggest we should not be too deeply occupied with it. Let us be friendly and helpful all round to the best of our ability, but let us not be too deeply involved in it. The fires are still burning there, the pot is occasionally boiling over, but these are not really first-rate events any more. This state of affairs in Central Europe will probably continue for many years to come, and no act on our part could very largely alter the situation. Therefore, not from feelings of selfishness, but in a spirit of wisdom, one would counsel prudence and reserve in our Continental commitments, and that we do not let ourselves in for European entanglements more than is necessary, and that we be impartial, friendly and helpful to all alike, and avoid any partisan attitude in the concerns of the continent of Europe. Undoubtedly the scene has shifted away from Europe to the Far East and to the Pacific. The problems of the Pacific are to my mind the world problems of the next fifty years or more. In these problems we are, as an Empire, very vitally interested. Three of the Dominions border on the Pacific; India is next door; there, too, are the United States and Japan. There, also, is China, the fate of the greatest human population on earth will have to be decided. There, Europe, Asia and America are meeting, and there, I believe, the next great chapter in human history will be enacted. I ask myself what will be the character of that history? Will it be along the old lines? Will it be the old spirit of national and Imperial domination which has been the undoing of Europe? Or shall we have learned our lesson? Shall we have purged our souls in the fires through which we have passed? Will it be a future of peaceful co-operation, of friendly co-ordination of all the vast interests at stake?

NEED OF FRIENDLY CONFERENCES FOR THE FUTURE.

Shall we act in continuous friendly consultation in the true spirit of a Society of Nations, or will there once more be a repetition of rival groups, of exclusive alliances, and finally, of a terrible catastrophe more fatal than the one we have passed through? That, to my mind, is the alternative. That is the parting of the ways at which we have arrived now. That is the great matter, I take it, we are met to consider in this Conference. If we are wisely guided at this juncture, this Conference may well become one of the great landmarks in history. It comes most opportune. The American Senate has already made the first move in a unanimous resolution calling for a Conference of the United States, the British Empire and Japan. Japan has been a consistent supporter of the League of Nations. She is one of the Great Powers with a permanent seat on the Council, and she has, so far as I can gather, consistently been a power for good in the Councils of the League of Nations. The British Empire, again, is not only one of the strongest influences behind the League, but she is honestly and sincerely feeling her way to a better ordering of international relations. China is not only a member of the

League, but has been elected a member of the Council at the last meeting of the Assembly at Geneva. All the great parties concerned in the Pacific and in Pacific policy are, therefore, pledged to friendly conference and consultation in regard to what is the most important, possibly the most dangerous, next phase of world politics. They are all pledged to the new system of conference and consultation, either by membership of the League and its Council, or, in the case of America, by the resolution which the Senate has just passed. It is now for this Conference of ours to give the lead and guide the Powers concerned into a friendly conference, or system of conferences, in regard to this great issue. This, I submit, is the great opportunity presented to this Conference, and I trust that our deliberations will be exploited to the full for the good and future peace of the world. As you said yesterday, Mr. Prime Minister, the British Empire involves the great question of East and West, the relations of East and West. That great question is now coming to a head. There is no doubt that the British Empire is more vitally interested than any other country in this, for she has her feet planted on all the continents. By her great position she is called upon to act as the peacemaker, the mediator, between East and West, and nowhere else has she such scope, such opportunity, for great world service as just here. Great rival civilizations are meeting and great questions have to be decided for the future. I most heartily applaud what you said yesterday on this point, and I trust that difficulties on this most thorny path will not prove insuperable to us. You spoke yesterday most eloquently on the Peace Treaty, the sacredness of the Peace Treaty, and the obligation to carry out the Peace Treaty

LEAGUE OF NATIONS.

There is one chapter in that Treaty which, to my mind, should be specially sacred to the British Empire. That is the first chapter on the League of Nations. The Covenant may be faulty, it may need amendment in order to make it more workable and more generally acceptable, but let us never forget that the Covenant embodies the most deeply-felt longings of the human race for a better life. There, more than anywhere else, do we find a serious effort made to translate into practical reality the great ideals that actuated us during the War, the ideals for which millions of our best gave their lives. The method of understanding instead of violence, of free co-operation, of consultation and conference in all great difficulties which we have found so fruitful in our Empire system, is the method which the League attempts to apply to the affairs of the world. Let us, in the British Empire, back it for all it is worth. It may well prove, for international relations, the way out of the present morass. It may become the foundation of a new international system which will render armaments unnecessary, and give the world at large the blessings which we enjoy in our lesser League of Nations in the Empire.

I have spoken at length already, Prime Minister, and therefore I do not wish to refer to the other great matter which we are met here to consider, and which Mr. Hughes touched upon, namely, constitutional relations. We shall come to a very full discussion of that subject, and, therefore, I do not wish to say any more at this stage.

OPENING SPEECH BY MR. MASSEY.

MR. MASSEY: In the first place, Prime Minister, I want briefly to take advantage of what you referred to as our "unenviable privilege," speaking for myself, the privilege of having the longest record as Prime Minister of any of those who sit around the Council Board to-day, and on that account I want to add a few words to what you have said with regard to an old friend, General Botha. During the very few months that I was acquainted with General Botha I came to regard him as one of the best men I ever met, a great man, undoubtedly, and, in addition, a great British statesman. If he had been with us to-day it goes without saying he would have been invaluable in assisting to solve some of the difficult problems with which we are face to face. I feel confident of this, that it will be a very long time before his services are forgotten, either by South Africa, with which he was more intimately associated, or with the citizens of the British Empire wherever they may happen to be. I want, too, to express my regret that we have not with us on the present occasion men who did great work in days gone by. I refer to Lord Milner, Lord Long, better known to us as the Right Honourable Mr. Walter Long, and Sir Robert Borden. I hope that their retirement from

Empire service is only temporary, but, in any case, I trust, and I know it, that when we require their advice and counsel, their services to the Empire will always be willingly and faithfully given.

I think I ought to say a word of welcome to those who are met in this room for the first time, and I feel confident that they will do credit to those behind them who have honoured them with their confidence, and that their coming here will be an acquisition to the Conference which I hope and believe will make for better things so far as the Empire is concerned.

And now, Prime Minister, I want to refer, briefly, to the very fine speech which we, the members of this organization, had the opportunity of listening to yesterday.

STATUS OF DOMINIONS.

I want to say that I look upon it as the most important speech delivered since the War, and a speech which, to the British citizens of the Dominions, will give great satisfaction, and not only to them but to the citizens at the heart of the Empire, the United Kingdom itself. It will give confidence to a number of people and a very large number of citizens who are anxious about the present position and feel a certain anxiety with regard to what may happen at this Conference. The speech was candid, outspoken, and well expressed, and it gave the impression, which I have not the very slightest doubt it was intended to convey, that the Prime Minister intends to place the whole of his cards upon the table, take us, who are the representatives of the Overseas Dominions, into his complete confidence and ask for our assistance in settling the difficulties which at present appear to confront us. The speech, in my opinion, struck the right note, and it will give, I am quite sure, more confidence to people overseas and to citizens generally than the Prime Minister himself imagines could possibly be the case. Ever since the signatures of the representatives of the Dominions were attached to the Peace Treaty at Versailles on the 28th June, 1919, there has been a feeling on the part of many intelligent men and women that the future of the Empire may possibly have been endangered thereby. What I mean is this, that I have seen it stated repeatedly, as a result of the signing of the Peace Treaty, which, of course, included the Covenant of the League of Nations, the Dominions of the Empire had acquired complete independence, and, in case of the Empire being involved in war—which I say heaven forbid, and I say it with all my heart and soul—any one of the Dominions might refrain from taking part or assisting the Empire in any way. I do not agree with that view, and I go upon the principle that when the King, the Head of the State, declares war the whole of his subjects are at war, and that must be the case if some of the best constitutional authorities are right. That is one of the causes of anxiety at the present time. There is the other as a logical sequence of the first, that any Dominion—I won't say Dependencies, Dependencies are in a different position—but any Dominion may, on account of what has taken place, enter into a treaty with any foreign country irrespective of what the Empire as a whole may do. I am not now referring to a treaty entered into for commercial purposes, that is quite another matter. As I understand the position, any Dominion may make a commercial arrangement with any foreign country, but the treaties of which I am thinking and of which many other people are thinking are treaties involving war or peace or foreign policy as the case may be. These latter are the treaties which, I understand, in existing circumstances, a Dominion has not the right to enter into. I bring this up now; I had thought of waiting for another year, but one never knows what may happen during twelve months. Personally, I doubt if it will be possible to hold the Conference which was intended for next year, for reasons which may not perhaps have occurred to many here present. I think I am right in saying there will be an election in Australia next year. I am not authorised to say this, but I have heard it said that possibly Canada will have an election next year. That I do not know, but I do know this, that New Zealand must face an election next year.

MR. LLOYD GEORGE: How many years have you?

MR. MASSEY: Three years.

MR. LLOYD GEORGE: How many years have you?

MR. MEIGHEN: Five years.

MR. LLOYD GEORGE: How many years does your Parliament last?

MR. HUGHES: Three years.

MR. MASSEY: We are in the same year, so when Australia has an election New Zealand has an election. I am suggesting that we shall probably have a number of

elections next year, and therefore it may not be possible to hold an Imperial Conference for any purpose whatever.

MR. HUGHES: I am glad you mentioned that. That is one of the practical difficulties. I think I told you, Sir, it would be impossible for me to come next year.

STATUS OF PRESENT CONFERENCE.

MR. MASSEY: I was referring to constitutional questions which are causing difficulties at present, and I should like to see them cleared up. I think we are in a dangerous position—a position which may bring friction in a year or two's time or in the years to come. I think it should be faced now, and we should arrive at an understanding as to exactly where we are. There is another point. The Imperial War Cabinet has been referred to on a number of occasions to-day and yesterday, and I read with a great deal of interest an article by Lord Milner in one of the papers yesterday morning, I think *The Times*. I may say I agree thoroughly with the opinion expressed by Lord Milner in regard to the Imperial War Cabinet. I believe it did magnificent work, and I hoped that it would become a permanent institution, modified, of course, as required by a period of peace. The Imperial War Cabinet was suitable for a period of war. I do not mean to say we should go on the same lines. We are here to-day, and I think I am right in saying we do not even know what to call ourselves, and there is a great deal in a name. A Conference means consultation and consultation only, but a Cabinet also carries with it the right to recommend some definite course to the Sovereign. Of course, behind it all there is the responsibility on the part of each representative of the Dominions particularly, or even of the United Kingdom, to the Parliaments behind us; we must take the responsibility of our actions; but I think most of us, all of us, here to-day are experienced politicians, and I am quite sure that we are not likely to go too far. There is another difficulty. The representatives of the Dominions and India meet the representatives of the United Kingdom in conference, but we have no right to join in any recommendation that may be made to the Sovereign in regard to any course which requires his assent and which may be thought desirable. Now, I am not anxious about this. I have absolute confidence in the good sense of British people and British statesmen, but still there is the anomaly. There is something there that wants to be put right. Using a term which is often used, it is not democratic. I do not know whether these matters can be discussed and dealt with during the present Conference, and I am calling it a Conference for want of a better name. What I object to is what the name Conference implies. I do not know whether we are able to deal with it during the term of the present Conference, or whether we are not, but I do think the matter should be settled, and not left over indefinitely. We sometimes talk about what we have gained in recent years, and we have gained a great deal. There is no question about that. We have gained in status and in other ways. We stand in quite a different position from that in which the Dominions and Dependencies of the Empire, including India, stood ten years ago, but we have gone back as compared with what was the case two years ago when the Imperial War Cabinet was in existence.

MR. HUGHES: I do not quite follow where we have gone back.

VALUE OF PARTNERSHIP OF NATIONS.

MR. MASSEY: We have lost the right which we had then on war matters, and even other matters, to assist in making a recommendation to the Sovereign, the Head of the State, in regard to any course of action which we thought desirable and which required his assent. I may be wrong in the view I take, but I feel so strongly about it, and I have discussed it with my colleagues in New Zealand, though I have not mentioned it in Parliament except by way of a brief hint. I went no further with my own Parliament, but I would not be justified in allowing this Conference to pass without bringing it up. I may say that I believe thoroughly and strongly in the partnership of nations. It does not matter what you call it—a family of nations, a Commonwealth of Nations, or anything else, so long as the partnership is applied. I believe thoroughly and firmly in that; but even a partnership of nations, any more than a nation, cannot stand still. We must either progress or decay. There is no question about that, and I hope those who are entrusted with the management of the public affairs of the Empire itself, and of the countries of the Empire, will see that no decay takes place. There is one point I must acknowledge in this connexion, and it is this. While I have called attention to the anomaly, I admit, and am thoroughly of opinion, that there is a far stronger power in the British Empire

to-day than any words that may be placed upon paper, either printed or written—that is, the sentiments of the British people, the patriotic sentiments of the British people. I am not merely speaking of Anglo-Saxons or Europeans, or any one race. I am speaking of the British people right through the Empire, including the native races. You cannot go beyond sentiment. And I am quite sure that as soon as they understand what is taking place or its possibility, if only its possibility, they will see that these matters, which may appear small at the time, are rectified without waiting too long.

THE PACIFIC THE FUTURE STORM CENTRE.

I want to say something about naval defence. It has been referred to by Mr. Hughes, and I may say that there is no difference of opinion between Mr. Hughes and myself in regard to the necessity for naval defence. The storm centre has changed undoubtedly during the last few years, so far as it is possible to judge by appearances, and many of us fear that the next war—and I wish I were optimistic enough to believe we had seen the last of wars, but I am not—we fear that the next naval war will be fought in the Pacific. Human nature has not changed very much in the last 5,000 years, and although we have profited by the lessons of the War, and I would like to think that the lessons of the War would prevent war, that the suffering that the people of Europe endured, the tremendous loss of life, the misery they endured, I would like to think that these, taken together or any one of them, would prevent war in the future. I am not looking forward to war in the immediate future. There are clouds on the horizon it is true, some of them perhaps no bigger than the proverbial man's hand, but they are there, and they may bring war sooner than we expect. The wish, however, is not father to the thought.

NAVAL DEFENCE MUST PROTECT EMPIRE'S COMMUNICATIONS.

I hope the indications may come to nothing, and no one will be better pleased than myself if they come to naught, but so far as naval defence is concerned—I am speaking of the Empire now, a chain of countries right round the globe, Dominions, Dependencies, and the Empire within an Empire, India, as well as the United Kingdom—whatever may happen in the future, I do hope that there will be a sufficient naval force kept in order to maintain the connexions between the different parts of the Empire, and that was where there was a danger of our losing the last War. In connexion with submarine warfare in its worst days, about 1917, before the hydrophone and depth charge had been perfected, when the ships were being sunk faster than we were able to turn them out, there was a danger then of the connexions being cut between the different Dominions and the heart of the Empire particularly, or even between the different countries of the Empire outside the United Kingdom itself, and if the connexions had been cut we should certainly have lost the War—nothing could have saved us. Fortunately, things turned out as some of us were optimistic enough to expect, but again we have to think of the future, and we have to remember the lessons of the last War. I know, of course, there are great changes—great improvements, if you can call them improvements—in the instruments of war. Probably different methods, but we can only go as far as our knowledge allows us, and I hope this point will not be lost sight of. If it were possible—for my feeling about war is so strong, and I have no doubt it is shared by everyone present—if it were possible for me by one stroke of the pen to strike out the possibility of war, I would do it without hesitation, but it is not. We know, every one of us, that there are countries in the world to-day, densely-inhabited countries, that are only kept within their own boundaries, and kept from inflicting injustice on their weaker neighbours, by the fact that if they did it would probably bring down on them a stronger Power than themselves.

NEW ZEALAND'S SHARE IN NAVAL DEFENCE.

Mr. Hughes referred to the financial side of the question and the upkeep of the British navy of the future. I do not suppose that New Zealand is in any better financial position than any other country. We have not been exactly crippled, but we feel the result of the War expenditure, and we are likely to feel it for some time to come. But for all that—I speak on behalf of New Zealand—I take the responsibility of saying that New Zealand will find its fair share of the money necessary to provide a navy strong enough in comparison with other navies to defend the Pacific in case of attack. I hope it will not be necessary, but it is

only right that I should express what I feel, and I feel very strongly after seeing what took place on the last occasion in the Southern Pacific upon the outbreak of war. We have an idea of the possibilities that the future may bring forth, and while I have a great deal of respect for the opinion of General Smuts, I do think it would be unwise to leave the countries of the Empire—which means the Empire itself—absolutely unprotected. So far as America is concerned, I hope that we shall be able to join with America in that friendly co-operation which you, Sir, referred to in your address yesterday. I would go the length of saying that so far as I am concerned, I am prepared to join in any well thought out alliance with America. Personally, I do not think that is possible, but whatever happens I hope the time will come when America and Britain will join together, if for no other purpose and with no other object than that of keeping the peace of the world and preventing war.

VALUE OF TREATIES.

General Smuts expressed the opinion that we should do without alliances. I am sorry, but I am not able to join in that opinion. So far as our Treaties are concerned we must stand by them even if for the time being they do not seem to be to our advantage. With regard to the Treaty which was signed two years ago at Versailles, and which provided that we—I am speaking of the Empire now—should come to the assistance of France in case of necessity—I do not know whether legally that Treaty stands. I doubt it, because America has withdrawn from the position which she then took up. But so far as we are concerned I have no doubt about our moral obligation. Our reputation for fair and honest dealing is one of our best assets and must be maintained at all costs. Then we must ask ourselves this question: We have got through the worst war the world has ever witnessed—I hope the world will never see another like it—but if Britain had been compelled to stand alone in that War, the question that must occur to each and everyone of us would be “Could Britain have been successful?” I doubt it. With all the confidence that I have in the might and power of Britain and the patriotism of her people—and their patriotism was proved by the fact that one million British citizens—the flower of the Empire—gave their lives to save the Empire—I doubt if by ourselves we could have stood up against the Powers of Central Europe and have come out successfully during that War.

RECOMMENDS RENEWAL OF ANGLO-JAPANESE ALLIANCE.

With regard to the Anglo-Japanese Treaty, this is probably one of the most important things we have to deal with. I declined even to my own Parliament to discuss details of many matters which I felt confident would be brought up before this Conference comes to an end. I took my Parliament into my fullest confidence so far as the proposed Japanese Treaty was concerned, and I told them that in my opinion, with whatever modifications may be necessary, I was quite prepared to support its renewal. It is only right to admit that, in saying that, I am guided to a certain extent by what took place during the War period. There was one period of the war, very soon after the War broke out, when New Zealand had 10,000 men ready to send to the front, and the ships and equipment ready to send them, and information reached us from an official source—that the Pacific was not safe. I had an instinct that it was not safe, but that information decided me, so far as it was possible for a Prime Minister to decide, and I appealed, perhaps in strong terms and by strong methods which I thought justified at the time, to the British Government to send us protection for these 10,000 men before they were sent out into the Pacific, knowing that there was a strong German squadron in those waters. The strength of that squadron was proved by what happened afterwards, when they met two quite good British ships—I will not say battleships or even big battle-cruisers, but they met two strong British warships—and sank them with a loss of 1,600 men. The ships were the “Good Hope” and, I think, the “Monmouth.”

MR. CHURCHILL: Yes, that is right.

MR. MASSEY: They were there and it was quite impossible to find out when our transport was ready to sail, where the German squadron was located. I felt that I could not take the responsibility of sending these men off without protection. However, the British Government—I think Mr. Churchill was the head of the Admiralty at that time—acceded to our request, and arrangements were made with

Japan to send out a strong battle-cruiser, not a battleship, with 12-inch guns, and a powerful British cruiser, the name of which I have forgotten but which had been the flagship of the China squadron.

MR. CHURCHILL: It was the "Minotaur."

MR. MASSEY: When those two ships came we were perfectly safe. I think our anxiety was justified by the fact—and there are very few men to-day who will not recollect it—that that was the trip upon which the "Sydney" sank the "Emden." By that time, by the way, the Australian ships had joined ours, and in the Indian Ocean there were about twenty-eight ships or more carrying troops totalling probably 28,000 men. I will say that we were justified in New Zealand in our anxiety for the safety of those men. My support of the Anglo-Japanese Treaty does not in the very slightest affect the fact that in New Zealand we stand by our right to choose our future fellow-citizens, and it is only fair to say that our legislation on the subject has never been found fault with by either the Japanese or any other race. Personally I do not think there will be another war during this generation. It is only right to say so, but wars have come up very unexpectedly and it is not well to leave the necessary preparations until the last moment. I trust that so far as naval defence is concerned, and it is on naval defence that the safety of the Empire of the future rests, we shall not be found unprepared.

POSITION IF JAPAN HAD BEEN AN ENEMY IN 1914-18.

There is just another point arising out of the proposed renewal of the Japanese Treaty and it is this. Supposing Japan had been on the other side? I do not mean to say that is possible, because there was the Treaty, but the Treaty as it is to-day did not compel Japan to come into the War in the circumstances in connexion with which the War was fought. But supposing Japan had been on the enemy side, one result would have been quite certain, that neither Australia nor New Zealand would have been able to send troops to the front, neither could we have sent food or equipment—equipment for the soldiers and sailors or food for the civil population of Britain. It would not have been possible. These things have all to be remembered in connexion with the renewal of the Treaty. I am prepared to take the American view into consideration. I do not want to leave any wrong impression on that point. I am quite prepared, as I said, to join with America to prevent war, but I must put the position as it occurs to me and as my experience dictates, and I do not think any apology is necessary for my doing so.

There are several points referred to in the address by the Prime Minister which must come up again before the Conference comes to an end, and I was very glad to hear what was said about reparation. Apparently I missed the report of the negotiations: in all probability the negotiations took place between the time I left New Zealand and before I arrived here.

MR. LLOYD GEORGE: That is so, I think.

MR. MASSEY: I should be very glad indeed to hear a statement made—not merely on my own account, for I know it will be of interest to everyone present—of what the exact position is so far as reparation is concerned.

LORD CURZON: If we circulate the short statement upon that question it might save trouble.

MR. MASSEY: Thank you, that will be good enough for me.

LORD CURZON: I will certainly let you have it.

FUTURE OF THE LEAGUE OF NATIONS.

MR. MASSEY: I want briefly to refer to some matters which I think should be dealt with. The League of Nations has already been referred to. I do not know what the future of the League of Nations is going to be or what effect it will have in preventing war. I should like to think it would do all that it was intended to do by its promoters, but we know, most of us, in past history that attempts to prevent war have failed. The Holy Alliance, arising out of the Congress of Vienna, was just one, and had a similar intention to the League of Nations. I do not want to say the League of Nations is beyond hope, because I know better, but the Holy Alliance did fail. I do not want to find fault with the League of Nations—but until we change human nature I am afraid it will be impossible to prevent war, much as we should like to do it.

IMPERIAL COMMUNICATIONS.

Then there is the Imperial Shipping Committee set up in pursuance of a resolution passed at a previous Imperial Conference. I refer to what is termed the Imperial Shipping Committee, but I understand it is only a temporary arrangement. In the first place, I thought it was to be a permanent organization, but so far it is only temporary. I do not know when its term of office comes to an end, but I do want to emphasize that the matter of communication between different parts of the Empire is probably one of the most vital things that this Conference could deal with. It is the old story of the highways. If we do not have good highways between different parts of the Empire, then we shall find ourselves in very serious trouble, and there is a very great deal of dissatisfaction at present with the manner in which shipping matters between different countries of the Empire are being dealt with or arranged. I do not want to make difficulties, but I think the position should be faced and some better arrangements made. I want to say a few words about the holding of future Conferences. One of the difficulties is, as Mr. Hughes and myself well know, that it is a long journey from Australia and New Zealand to the heart of the Empire, making it almost impossible to attend these gatherings yearly, and I think these Conferences should be held yearly, but if anything is going to be done in that way, we can look forward to improvements in wireless and improvements in the cable system, yet anything that we do at present must be based upon steamships and railways. Something ought to be done, and while I do not want to commit the country to it, it may resolve itself into a question of subsidies so that we may get our mails carried, and passengers carried, and our products carried from one country to the other at the lowest possible rates consistent with fair profits, and so far as mails and passengers are concerned, in a very much shorter time than it is taking at present.

SITUATION IN THE NEW HEBRIDES.

There is just one word I want to say regarding another subject, and I am only going to refer to it by way of emphasizing the necessity of something being done. I mean the difficulty in the New Hebrides, where there is a dual form of Government. I am sure most of the members of the Conference understand the position in the New Hebrides and the conditions under which the people are governed at present. The present system is absolutely unworkable, and getting into a worse condition all the time. I do not know what to suggest—except that it might be possible to arrange an exchange of territory so as to provide one Government for these islands; that ought to be a matter to be put before the French Government. There is no question about the fertility of the islands. There is quite a large area, and a large native population rapidly diminishing in number.

IMPERIAL CONFERENCES SHOULD NOT ALWAYS BE HELD IN LONDON.

In conclusion, I would like to say a word on behalf of the Dominions. I have the utmost affection for the heart of the Empire. It is the Mecca of every British citizen; but I do think that, in the interests of both the statesmen of the United Kingdom and the people of the Dominions, that meetings should be held periodically in the overseas countries of the Empire. If my suggestion is given effect to, it would give the Prime Minister and Mr. Churchill—not both perhaps together—an opportunity of visiting the Dominions. You cannot govern the Empire from the windows of Downing Street. I do hope the opportunity will be taken by statesmen at present in the United Kingdom to visit the overseas countries of the Empire, and they will then understand the views of these countries and the aspirations of their peoples. I do not think that there is anything else I want to say at this juncture. I had no idea that I should take up so much time. I should just like to say this. The people in New Zealand never before seemed to appreciate to the same extent the importance of the Imperial Conference until this occasion. They were perhaps never so enthusiastic on any previous occasions. There was practically no opposition to my coming to London, and the one point that was impressed upon me in Parliament and at the public meetings which I attended a few days prior to leaving the Dominion—the one point that was impressed upon me—was to stand for unity of Empire, and if I stood by that they would forgive all my shortcomings in other directions. I have nothing more to say, Prime Minister, and again I thank the members of this Conference for listening to me so attentively as they have done.

OPENING SPEECH BY THE HONOURABLE SRINIVASA SASTRI.

MR. LLOYD GEORGE : (to the Honourable S. Sastri)—Would you begin now, do you think?

THE HONOURABLE SRINIVASA SASTRI : I will take about fifteen to twenty minutes.

MR. LLOYD GEORGE : We have plenty of time then for that.

INDIA'S ENTHUSIASM FOR THE EMPIRE.

THE HONOURABLE SRINIVASA SASTRI : In the memorable speech to which we listened yesterday, you made a striking allusion to the generous enthusiasms and noble ideals for humanity which the War has kindled everywhere. India, let me assure you, is actuated by these enthusiasms and ideals in the same measure as other parts of this Empire. That the British Empire is the most fitting exponent of these enthusiasms and ideals we realize, and it is the peculiar good fortune of India to remain within the British Empire and take part in the work that we need ever increasingly for the realization of these noble aims and purposes.

The Princes for whom my friend, His Highness the Maharao of Cutch, will speak, and the peoples of India whom it is my privilege to represent here to-day, send their hearty allegiance to the Central Council of Empire on this occasion. We made our contributions to the conduct of the recent War; we sent you supplies of wheat, making dangerous inroads on the scanty stocks of our own people. We made munitions for the soldiers to use on the field of battle, we made money contributions out of our poverty, and we sent you men to the tune of 1,274,000, which comes up to over one-half of the total overseas forces employed in the War.

DIFFERENCE IN STATUS OF INDIA'S REPRESENTATIVES AND THE PREMIERS OF THE DOMINIONS.

Of these contributions, Prime Minister, you made handsome acknowledgment yesterday, and please accept our gratitude for the honourable mention of that fact in your speech. We, His Highness the Maharao of Cutch and I, consider it a privilege to sit at this table where history is made, and if I may strike a somewhat personal note, not being employed in the service of the Government, never having taken a share in the administration of public affairs, I consider it my particular good fortune to sit alongside with statesmen who have for generations moulded the destinies and fashioned the fortunes of their kind; but the Maharao of Cutch and I cannot fail to remember that the position we occupy here is not comparable by any means to the position occupied by our colleagues from the Dominions. They are called here by virtue of their being Prime Ministers. We come by nomination from our Government. We realize that that marks a great difference in our status, although not in the privileges to which we have been admitted at these meetings. We hope that next year, or the year after, our successors, who will take our places here, will come by a better right. The person who represents in the place of His Highness more than one-third of British territory in India will probably be chosen by the Chamber of Princes by election, and the man who takes my place may likewise be elected by the Central Legislature of the land. We have not yet acquired full Dominion status, but we realize we are planted firmly on the road to the acquisition of that status.

PROGRESS OF INDIA'S CONSTITUTION.

The Government of India Act of 1919 forms a great landmark in the growth of Indian constitution. There is nothing in our previous history with which it can be compared, either in importance or in magnitude. The Princes' Chamber, which is going to play a great part in the evolution of India, does not form an integral part within the law of our constitution. The constitution proper of British India, inaugurated by His Royal Highness the Duke of Connaught, not long ago, has shown a sense of responsibility and loyalty to the Empire, which, in my judgment, is second to none of the Parliaments within the Empire. The new Councils have worked better than we expected under the wise and sleepless watch of the Secretary of State for India. The reforms of a political character that have just been started in India are doing great work in placing us alongside the other parts of the British Empire. I must say that we have our troubles. Non-co-operation has only to be mentioned to bring to your mind an idea of the perils in which we have to live. I am happy to say that Lord Reading, our new Viceroy, may be trusted fully, as recent experience has proved, to deal with this great danger.

INTEREST OF INDIAN MOSLEMS IN TURKISH EMPIRE.

There are many subjects to which the Dominion Prime Ministers have alluded, to which also, perhaps, I may be expected, on behalf of my colleagues and myself, to say a few words, but I will forbear. There are two topics of high domestic importance to which, perhaps, this meeting will permit me to allude, as they will not take up much time. The first question to which I will draw your attention is one in which the deepest feelings of my Mohammedan fellow-countrymen are engaged. I will not say much on that topic, as all the issues are at present in full vividness in your minds. On the Maharao of Cutch and myself, who are Hindoos, there rests a very peculiar duty of voicing the feelings of our Moslem fellow-subjects on this occasion. I will only venture on this remark—that in any arrangements that may be made for the future of the Turkish Empire, statesmen of the United Kingdom will have to remember that they must show as much chivalry and tenderness as may be expected from a mighty victor. I have no manner of doubt in my own mind that you will be actuated by these considerations, which are always present to those who have inherited the great traditions of British prowess and the still greater traditions of British sportsmanship.

STATUS OF INDIANS IN DOMINIONS.

There is another subject of great importance which I must mention—that is the status enjoyed by Indians in the Dominions of the British Empire. In noble words you described this Empire, Sir, as a Confederation of Races into which willing and free peoples had been admitted—willing and free peoples; consent is incongruous with inequality of races, and freedom necessarily implies admission of all people to the rights of citizenship without reservation. In impressive and far-seeing words the Prime Minister of South Africa alluded to the establishment of everlasting peace. Peace means a stable and unalterable relationship between communities—based on honourable equality and recognition of equality of status. To embody this ideal, there are deductions from it now in actual practice; we are going to submit, I mean our Indian Delegation, for the consideration of this Cabinet, a resolution, the terms of which I understand have already been communicated to you. This is a resolution that will be regarded in India as the test by which the whole position must be judged. I won't say more than that. It is of supreme importance that that subject should be considered and disposed of satisfactorily at this meeting, and it is of the most urgent and pressing importance that we should be enabled to carry back a message of hope and of good cheer. There is no conviction more strongly in our minds than this, that a full enjoyment of citizenship within the British Empire applies, not only to the United Kingdom, but to every self-governing Dominion within its compass. We have already, Sir, as you are aware, agreed to a subtraction from the integrity of the rights of the compromise of 1918 to which my predecessor, Lord Sinha, was a party, that each Dominion and each self-governing part of the Empire should be free to regulate the composition of its population by suitable immigration laws. On that compromise there is no intention whatever to go back, but we plead on behalf of those who are already fully domiciled in the various self-governing Dominions according to the laws under which those Dominions are governed—to these people there is no reason whatever to deny the full rights of citizenship, it is for them that we plead; where they are lawfully settled, they must be admitted into the general body of citizenship and no deduction must be made from the rights that other British subjects enjoy. It is my unfortunate part to have drawn prominent attention to what we consider a great defect in the present arrangements. It may seem to be of comparatively trifling importance to the other issues we have to consider. I only plead that there should be no occasion for small bickerings, no occasion for mutual recriminations amongst us. We have great tasks. Let little things be got out of the way. I only wish that all our common energies should be bent towards realizing more and more within the Empire and extending further and further outside the British Empire, those generous ideals of progress to which, Sir, you gave such inspiring and, if I may say so, such alluring expression yesterday.

STATEMENT BY MR. CHURCHILL ON THE COLONIES, ETC.

MR. CHURCHILL: The Prime Minister has asked me to give a brief statement to the Conference, or meeting, however we are to define it about the Colonies and possessions which are administered directly under the Colonial Office, and I

need hardly say that if I were to attempt to give you a picture of the condition of these States I should occupy an enormous amount of time, because each one is a story in itself full of interest and full of romance. In every one of these Colonies there are problems similar to those in larger States, though on a smaller scale. In some cases, indeed, they are more complex than those which are found in great States, because in many of them there are great differences of race. Their finances are also complicated. Some are so exiguous that the sale of postage stamps to those who take an interest in philately is an important feature in their revenue. The production of turtles is in one case almost the staple source of export and of revenue. Others are great, wealthy, prosperous Protectorates, exporting forty million or fifty million pounds' worth of goods to this country, and supplying Great Britain, and to a certain extent the Empire, with the raw materials of some of their essential and vital industries.

PROSPERITY DURING THE WAR.

As long as the War lasted, practically all the Colonies and Dependencies were very prosperous, but with the arrival of the happy conditions of peace a wave of depression has fallen upon almost every one of them so far as their trade is concerned. During the War we got our tin from Malaya, plumbago from Ceylon, wolfram from Hong Kong, mahogany for frames of aeroplanes from Honduras, fine cotton for their wings from the West Indian Islands. The sugar producing Colonies were prosperous beyond their dreams. The oils and fats of West Africa, which used largely to go to Germany, were useful to us, and their loss was crippling to the Germans. The Falkland Islands industry of whaling was stimulated for War purposes, and they benefited thereby. Moreover, during the War, when human passions were at such a volcanic pitch, we were happily spared the cataclysms of nature. The hurricanes, earthquakes, droughts, which from time to time ruin the economic margin on which some of the Colonies exist, were happily absent, and it almost looked as if Nature were holding her hand to leave the field entirely free for the devastating activities of man.

PRESENT DEPRESSION.

But the creeping paralysis of depression has spread to almost all the Colonial industries which flourished during the War. The tin on which Malaya depends so much cannot now obtain a price which covers the cost of production. Nigerian tin is in the same position. The price of rubber does not cover the cost of production. We have been approached with pressure to enforce schemes of a compulsory limitation of output, but we have not felt able to accept such schemes. From almost every one of the Colonies complaints are coming in that its principal products cannot now be sold at a profit. Even the sugar Colonies, principally Jamaica and British Guiana, are in difficulty about the disposal of their crop. The cotton crops of Uganda and Nyasaland have suffered very heavily from the fall in prices and the same would have been true of West Africa but for the broad-minded action of the British Cotton Growing Association, which, rather than discourage the native producer by a sudden overthrow in the price at which he has been led to hope to produce, have been purchasing cotton at a price which involves a loss to that Association of £400,000 or £500,000 in the present year. We are told that this period of depression is only a temporary phase. I do not know how far that is true. The decline in the consuming power of the world, which is making its effect felt on the highly organized industries of Britain and, I have no doubt, of the Dominions, is by repercussion producing a similar result upon the raw materials which are produced by our tropical dependencies, and practically every one of the budgets of these Colonies and Protectorates is going through a period of extreme financial difficulty and even crisis. The violent fluctuations in the value of money and the changes which affect the greatest States, operate with far more direct and unshielded force upon those smaller organizations, and therefore as far as the immediate situation of the present is concerned, we are passing through a stormy period in the economic and commercial life of practically all the Colonies. But if one leaves the immediate difficulties and turns to their great and undoubted wealth and potential capabilities, one cannot help feeling how magnificent is the asset which the British Empire possesses, and of which, pending the development of more responsible and representative forms of government in these Colonies, we in Great Britain and at the Colonial Office are the trustees.

FUTURE DEVELOPMENT.

My submission to the Conference is that we must not lose heart in any way about these splendid tropical possessions which we have, but endeavour to secure credit and money for them to give them that essential technical apparatus they require to develop their great resources. In them you find every conceivable product that the world knows of, and every contributing factor even to the most highly organized superfine forms of industry. Nothing is lacking, and now that we see the American exchange is largely turned against us, and we have such great payments to make to them, we ought really more and more to turn our attention to trying to develop these wonderful hot-houses, these great tropical gardens and plantations, so as to be able to purchase as far as possible the raw products that we want from them. How can any money invested in these places go out from the Dominions, or from the mother country? It can only go out in the shape of the products of labour. How can it return—in capital or interest or in profit? It can only come back in these raw materials which we especially and particularly need, and which may some day make us independent in the most remarkable way of many foreign lands.

IMPORTANCE TO DOMINIONS.

I feel that this is a matter which, although it is confined to the Colonial Office and to this country at the present time, should more and more engage the sympathies and interest of the self-governing Dominions. I illustrate this particularly by the West Indies. In the summer of 1920 a trade agreement was made between the Canadian Government and representatives of all the West Indian Colonies. It is not merely a remarkable instance of Imperial preference, but it promotes unity with the Empire through the development of Imperial communications, which the Prime Minister will remember he and I have always considered one of the most promising lines along which we can advance, ever since the Conference which he, Sir Thomas Smartt, and I attended in the year 1907. Two lines of steamers, one entirely new, will now connect all the West Indian Colonies with the Dominion of Canada. I hope Mr. Meighen and the Canadian Government will advance with increasing confidence on this path, because it seems to me that for all the greatness of Canada and its tremendous producing potentialities, it is not a complete entity without connexion with these semi-tropical islands. Compared to the United States, Canada lies wholly to the north with northern products, whereas the United States can produce all that Canada can produce, or very nearly all, and yet reaches down to Florida and regions which give her a semi-tropical sphere. But if the association between Canada and the West Indian Islands is developed and goes on, Canada becomes equipped with an immense range of products which makes her, from an economic point of view, a far more complete entity, and therefore I look forward to everything which tends to promote a close association between these West Indian Islands and the Dominion. It is not only from the point of view of commerce alone, but they are among the most beautiful islands in the world. They are salubrious and balmy, and it might be they would be a place of agreeable resort at seasons of the year when the climate of Canada is sometimes rigorous.

MR. MEIGHEN: Bermuda is the chief one from that point of view, and Bermuda has declined to ratify the reciprocity agreement.

CONSTITUTIONAL DEVELOPMENT.

MR. CHURCHILL: We shall endeavour to use our influence as far as possible to secure the general acceptance of it. So far as the constitutional developments in the Colonies are concerned, progress has been continuous, and latterly, especially since the War, very rapid. We have every form of government, ranging from benevolent autocracies tempered by Downing Street, to two-Chamber systems, resting upon at least one of the Chambers being fully elected. For instance, the island of Bermuda celebrated its tercentenary of representative institutions dating from the day when the first general assembly of the islands was made, and therefore can boast a seniority which no existing State in Europe or America can disdain. In Mauritius there was a movement to promote an agitation for a retrocession of the island to France, but this movement has received a decisive check at the recent elections, in which all the retrocessionist candidates have been signally defeated. There has been a strong movement in Ceylon for a more popular control over the government of the Colony, following upon the movement which Mr. Montagu and

his predecessors have driven forward, fostered, and nourished in India, and a new constitution has been granted which gives a majority in the Legislature to the unofficial element. In the Kenya Colony a new constitution has been granted giving an elective basis for the unofficial members of the Council, instead of the nominated basis which existed hitherto. Uganda has reached such a stage of development that they have a Legislative Council with nominated membership. In Malta a novel experiment has been tried by my predecessor, and we hope it will succeed. Everybody knows the argument against giving Malta a Constitution. It was said you might as well give a Constitution to a battleship. We have arrived at a dyarchical system—two Governments in the island, one elective, dealing with Maltese affairs, and the other dealing with purely military and naval interests.

RHODESIA.

General Smuts will no doubt wish to discuss, and Sir Thomas Smartt also, the conditions which prevail in Rhodesia. I hope that a delegation of Rhodesians will arrive in this country before General Smuts has to leave. I have telegraphed about this. Of course, Rhodesia is a young organization to be trusted with full responsible government. Its population is smaller than Natal, when she obtained responsible government. On the other hand, the settlers are discontented with the present state of affairs. The Chartered Company is passing away, and it therefore has little incentive to spend money on the development of the country. I should like to say, if I may, that the work of this Chartered Company has been a very wonderful work for the British Empire. The shareholders have never received a penny in dividends, and they may never be able to secure more than a portion of their capital. A splendid region has been acquired and developed to a large extent, and it has all been done entirely by the voluntary effort of private capital. I hope, whatever arrangements are made, we shall not be animated by any spirit of prejudice towards this Company, who, I think, has rendered enormous service to the British Empire. As an alternative to responsible government, there is the question of the incorporation of Rhodesia in the Union. There can only be one destination for Rhodesia ultimately, and the only question we have to consider—I will not say the only question, but the main question—is, what is the psychological moment. One wants Rhodesia to be at man's estate before she joins the Union, and to join it willingly and as a partner. After all, Rhodesia is an enormous factor in the whole South African situation. We must remember that they are very much inclined to resent anything like an attempt to dispose of their destiny over their heads.

The native question is, of course, a very serious one there, and I think I was quite right to try and get these Rhodesian delegates here at the time when General Smuts and Sir Thomas Smartt are here, in order to discuss the whole position with the Colonial Office. Also, we do not want to have any appearance of dictation. I trust that the conversations we shall have when they are here will result in some arrangement that is satisfactory.

DEVELOPMENT OF COMMUNICATIONS.

We have gone on slowly developing Imperial communications. Of course, we have got very little money. The great expense of Palestine and Mesopotamia has thrown such burdens upon our backs that everything in regard to the Colonies has been very severely pruned. Still, we are developing.

EAST AFRICA.

In East Africa, I am hoping at last to make the deep water pier at Kilindini. When I left the Colonial Office in the beginning of 1908, I had already succeeded in getting it settled to make this deep-water pier. It was definitely settled. The Uganda Railway, built at enormous expense by the Imperial Government, stops forty feet short of deep water. With such a pier you would be able to unload from the ocean steamers on to the railway which runs up hundreds of miles to the great lakes, but these forty feet intervene, and everything has now to be unloaded from the steamers into lighters and from the lighters on to the railway. All articles are subject to a charge in which local vested interests are deeply concerned. I came back to the Colonial Office after thirteen years' absence, and I found still the same forty feet intervening. The same lighterage interests are deriving their profits, and the whole of the great transport of the War supplies was handled in this inefficient and

wasteful manner. However, we hope now to take that up and give the Uganda Railway what it requires—its deep-water connexion. A new line, a feeder line, we hope to develop to the railway from the Uasin Gishu Plateau, which will tap the rich district now being opened up by the soldier settlers, and will form the first link to the Congo Basin. A new line from Nyasaland to Chindio on the Zambesi has been constructed. An extension of the existing system to Lake Nyasa is now being considered, and in East Africa generally we are trying not only railways, but all forms of light transport, including road railways. I am not at all sure that the tank has not a part to play in some of these countries. I do not mean the war tank, but a caterpillar vehicle capable of collecting the produce from the scattered estates and bringing it to the railways.

NIGERIA.

The Northern Nigerian Railway which we carried through many years ago at the Colonial Office is now a very paying, prosperous proposition, and it is joined up with the Southern Nigerian Railway crossing the Niger by a fine bridge at Jebba. It reaches right up to Kano, with a branch to Bauchi. The bridge across the Benue River will contain a span 800 feet in length, and will be the third longest span in the British Empire. The whole of Nigeria is self-supporting. It is moving rapidly ahead. The natives are very prosperous. We have difficulty in getting them to come forward as soldiers, although the force maintained is a very small one, on account of the big wages to be obtained. The cost of export to Lancashire of cotton would be very much less if it were not that the local purchaser was attracted by the idea of being able to wear clothes in increasing abundance. There is no doubt that the two Nigerias will absolutely vindicate the exertions made on their behalf by the late Mr. Joseph Chamberlain. They constitute one of the most solid and valuable possessions of the British Crown, and will repay handsomely any further support by British credit which they may need. The extension of the Nigerian Eastern Railway, which at present consists of a line of 150 miles, is being taken in hand, and when complete the whole Eastern system will have 600 miles of line and will serve the rich tin mines. There are both coal and tin mines, and these are all capable of being worked, not by shafts, but by galleries.

MR. LLOYD GEORGE: Is the coal rich?

MR. WINSTON CHURCHILL: Not compared to the best fields of England, but quite enough to run the whole of Nigeria.

MR. LLOYD GEORGE: I mean the quality.

MR. WINSTON CHURCHILL: The quality is fairly good, quite good enough. At the terminus of the Eastern Railway on the Nigerian coast an important wharfage scheme has been planned. We are spending on it half-a-million, not of our money, Nigerian money. The most important wharfage scheme is at Lagos, where 1½ millions are being spent on the terminus of the main railway—1,800 feet of wharves built of concrete blocks, and so on. A deep-water harbour is contemplated at Secondee on the Gold Coast. Thus we are steadily developing, in spite of the difficulties of the present time, our great tropical possessions.

CEYLON.

Coming to the other side of the world, a small but necessary extension of the Ceylon Government Railway has been undertaken to open up rice-growing districts and relieve the Colony from her dependence on oversea sources of food supply. Then we come to the Federated Malay States. Their railways were joined up with the Siamese Government Railways on the 1st July, 1918. The Federated Malay States railway system now comprises 950 miles of line, all built out of current revenue, and loans have been made to Siam by the Federated Malay States on easy terms to enable the connexion to be made between the two systems—a through train now runs from Singapore to Bangkok, and a further connexion is being made along the East Coast.

MALAY STATES.

The Federated Malay States form a most important feature in our administration. The Conference will remember the gift of the battleship "Malaya" in the year 1912 just in the nick of time for it to be ready. It was the most powerful battleship then constructed. It was one of the five fast and powerful battleships of the "Queen Elizabeth" type, and cost £3,000,000. Had our dreams of a great sea

battle materialized there is no doubt that these ships would have played a very decisive part in turning the head of the enemy's line. In many other ways the Federated Malay States have voluntarily come to our aid. They have given us more assistance than any other part of the Colonial Empire has been able to do. At the present moment they are hard hit on account of the tin and rubber prices prevailing, but I am sure these conditions are temporary. The modern world cannot get on without these commodities. Then I mention the name of the great port of Singapore, that is a matter which the Conference will have brought before them on other days when we discuss Pacific strategy generally, but it will certainly bulk increasingly largely in all our minds as the years go by.

STATUS OF INDIAN SETTLERS.

Now, I have only one other topic which I wish to refer to because I do not want to trespass too long on the attention of the Conference. It was raised by Mr. Srinivasa Sastri this morning, the question of the Indian settlers in some of our Colonies, and no doubt that problem also occurs in South Africa to a certain extent. I think there is only one ideal that the British Empire can set before itself in this regard, and that is that there should be no barrier of race, colour, or creed which should prevent any man by merit from reaching any station if he is fitted for it. At any rate I do not feel able to adopt any lesser statement of principle in regard to the Colonies, but such a principle has to be very carefully and gradually applied because intense local feelings are excited, and there is no doubt that extraordinary social stresses arise when populations are intimately mingled in some of these new countries and brought into severe economic competition. The question reaches its most acute form in Kenya.

These matters are now being discussed, and I hope to find a means of overcoming difficulties in the application of the broad principles.

TANGANYIKA TERRITORY.

There is one other point which I should mention, that is the Tanganyika territory which was acquired in the War. It was wrecked in the War; and we had to form an entirely new Administration over the whole place. We have endeavoured to equip it with a Government not inferior to the German Administration which it had replaced, with the result, in the present year, we shall have a considerable deficit on the Colony's administration, and I am very sorry to say that of the £1,500,000 which I asked for, the Chancellor of the Exchequer was unable to afford to give me more than £914,000, and I am afraid that in a year or two the state of the Tanganyika Territory will compare unfavourably with its progress and prosperity when it was in the hands of our late opponents. However, we will do the best we can.

I think, Prime Minister, although that is not by any means all I could say, because, frankly, I could go on all night talking of these places one by one—I think that gives the members of the Conference a view of that other enormous section of the British Empire, which, at any rate, ought to be present in our minds for the completeness of the discussion which is now in progress.

APPENDIX II.

STATEMENT BY MR. BALFOUR ON THE LEAGUE OF NATIONS.

(8th July, 1921.)

MR. BALFOUR: I have always been a League of Nations' man, long before the League of Nations came into existence, and an experience now extending over one or two years has not only strengthened my conviction that the League of Nations is necessary, but also, I am sorry to say, my fears that it is an institution in many respects difficult to work.

Perhaps I might begin by explaining where I think the special difficulties lie before I go on to show how much the League has already done, and how hard it would be to create any other authority to take its place.

DIFFICULTIES IN WAY OF LEAGUE OF NATIONS.

It is true that some of our difficulties are only temporary. The Statesmen who at Paris framed the Covenant of the League undoubtedly assumed that the Treaty of Versailles would rapidly and effectually settle the new frontiers, redistribute territories in accordance with the wishes of the populations concerned, leaving to the League of Nations the relatively simple duty of maintaining rights clearly established, and prevent national differences developing into national wars.

Everybody knows that these hopes have not as yet been completely fulfilled. The Treaty of Sèvres is still in dispute, and even the Treaty of Versailles has not been fully carried out. One of the most important objects, for example, of the latter was the determination of the boundaries of Poland. But the boundaries of Poland remain still unsettled. Another problem was the status of Galicia; but the status of Galicia is still unsettled. Now everything that leaves Middle Europe in a perturbed condition really requires the League of Nations to deal with a situation never contemplated by those who framed the Covenant under which the League has to do its work.

Another thing that was perhaps not fully considered by the framers of the Covenant was the difficulty of dealing with semi-civilized populations in territories not under Mandate. For instance, at the last Assembly one of the problems that excited most interest was the problem of Armenia. The Assembly was deeply moved, but quite helpless. Nothing effectual *was* done, nothing effectual *could* be done. The League could only make appeals in favour of a population which it was quite powerless to protect.

AMERICA.

Perhaps, however, the most serious difference between the League as it was planned and the League as it exists arises out of the absence from its ranks of three of the greatest nations of the world, two of which are not, so far as we can see at the moment, very likely to join it in the near future—I mean America and Russia.

RUSSIA AND GERMANY.

I hope that Germany will at no very distant date become a member. But Russia will only come in when she has ceased to be what for the moment she is. And whether the Soviet Government endures or perishes she is likely for some time to come to be a disturbing influence in the East of Europe which it will be difficult for the League of Nations to guide and control.

These embarrassments are in their nature temporary; but there are others—due to the constitution of the League itself. There is the difficulty, for example, of manning the Council and the Assembly. This is partly the effect of the immense distances which separate many Members of the League from our meeting place in Geneva, but partly also it is due to the fact that the Statesmen best qualified by their position to deal with League problems, namely, the Prime Ministers and the Foreign Secretaries of the various nations, cannot possibly make a regular practice of attending its meetings. In the case of Great Britain, the work of the Council, and in part the work of the Assembly, has been hitherto done by Mr. Fisher and myself, although Lord Curzon was able to take the Chair at one Council, which happened to meet in London. We are Cabinet Ministers, and are acquainted with

the general views of our colleagues; we can therefore, without inconvenience, exercise a certain measure of independent discretion without in every case referring to our Government for instructions. This renders discussion more fruitful, and business more rapid than otherwise would be possible; but it is not every Member of the League who is in a position to send Cabinet Ministers to Geneva as a matter of course.

DIFFICULTY OF RAISING FUNDS : TYPHUS IN POLAND.

Another difficulty which presents itself in our attempts to use to the full the machinery of the League is due to *Money*. We made an attempt in 1920 to obtain funds by voluntary subscription from Members of the League in order to deal with typhus in Poland and the East of Europe. Typhus was at that time, and I fear still is, not merely a great misfortune to the countries bordering upon Russia, the great centre of the infection, but a menace also to nations lying further to the West. Poland was, according to our information, making every effort to deal with this danger; the Council came to the conclusion that she should be supported, and we therefore issued an appeal for funds to the Members of the League. The appeal was, on the whole, a failure, a failure partly due no doubt to the financial difficulties which beset the whole world, partly to the fact that most Members of the League were remote from the peril with which we were endeavouring to deal. In some cases very liberal subscriptions were offered, but on the whole it was clear that, at least in existing circumstances, such appeals were not likely to succeed.

It is indeed evident that under the Parliamentary system the expenditure of the League will always present an easy object of attack. The gain to the world of international co-operation is immense, but it cannot be allocated with any definiteness between the co-operating nations. It is always, therefore, easy for a Parliamentary critic to ask what advantage his particular nation derives from the expenditure which it is called upon to make, and in these days of universal poverty such questions fall upon sympathetic ears.

If this very natural frame of mind is permitted to dominate policy, manifestly the League will perish. Some common sacrifice, however slight, is required if any common effort is to be successful. I believe this danger is not negligible, though I am sanguine enough to think that it will be successfully surmounted.

REASONS FOR SUPPORTING THE LEAGUE.

So far I have dwelt upon the obstacles which thwart and may even imperil the success of this great experiment. Let me now say a few words upon some of the reasons which require all men of goodwill to do their best to make it a success; and here I can appeal not merely to speculative theory, but to actual experience. The League has been in existence since 10th January, 1920, say about a year and a half. In that time it has had to create its machinery, to organize its methods, and to devise means for pursuing what is without doubt a new adventure in the history of mankind. One would have thought that these facts alone would mollify the sternest critic, and that no one would be so unreasonable as to expect in the first eighteen months, during which this infant institution has been in existence, the full authority and efficiency which only time can bring. But even these eighteen months are sufficient, in my opinion, to show to any impartial observer how valuable the League of Nations can be, and how impotent any other organization would be to fill its place.

I am the last person to deride what is commonly called "The Old Diplomacy." The Old Diplomacy has for many generations done much in the cause of peace, and those who see in it merely a costly method of embittering international relations and snatching national advantages, completely misread the lessons of history. But there are assuredly many things which the League of Nations has even now shown that it can do, which Diplomacy could scarcely attempt, and which it certainly could not attempt with success.

Let us consider them under three heads. The first of these is common international effort for objects which all admit to be good, but which are the special business of no nation in particular. For example, there are abuses which have to be stopped, the traffic in opium, the illegitimate traffic in arms, the traffic in women and children. With all these objects there have been attempts to deal before the League came into existence. They have not always been satisfactory, sometimes they have been wholly ineffectual. I cannot doubt that a far greater measure of success will attend the organized effort of the nations of the world, acting through

the League organism, than by any machinery which Diplomacy could possibly set up.

INTERNATIONAL COURT OF JUSTICE.

If again we turn from abuses which have to be stopped to objects which it is desirable to promote, we learn the same lesson. Consider, for example, the International Court of Justice. The establishment of such a Court has long been the desire of Statesmen; many efforts have been made to create it; but these efforts have invariably failed, and we may surely congratulate ourselves on the fact that the International Court is now in process of creation through the efforts of the League.

BARCELONA CONFERENCE ON INTERNATIONAL TRANSIT.

Again, the great Conference which met at Barcelona, under the auspices of the League, to consider the question of International Transit by Railways, Rivers and other Waterways, obviously dealt with an international problem of the first magnitude. It was the creation of the League, and without the League could hardly have come into being.

THE ECONOMIC CONDITION OF EUROPE.

But consider another and yet more pressing subject—the Economic Condition of Europe, and of the World. We have obtained peace, but we have not yet obtained the fruits of peace. The decay of credit and the paralysis of production imperil the whole industrial system of the civilized world. I do not suggest that for so great an evil the League of Nations could provide any sufficient remedy; but some contribution it has been able to make to the solution of these difficulties, a contribution which, however modest, could, so far as I can see, have been made by no other method. A Financial Conference was summoned by the League at Brussels in the course of last year. The Conference made some suggestions of great value. These we are endeavouring to apply, particularly in the case of Austria; and any measure of success which we can obtain will have beneficial effects, not only in Austria itself, but throughout the whole industrial world. Every part of that world is more or less organically connected with every other part; and what is required now is that this economic organism, paralysed and well-nigh destroyed by war, should resume once more its vigorous activities.

DANZIG AND THE SAAR VALLEY.

But there is another and wholly different set of functions thrown upon the League by the Treaty of Versailles, functions which cannot be carried out at all by any single Power, nor carried out effectually so far as I can see, except by the League itself. I refer to the government of certain exceptional areas which are not the less important, from an international point of view, because they happen to be small. I refer to the town of Danzig and the Valley of the Saar.

The town of Danzig is economically inseparable from Poland, but in population is predominantly German. The War divided it politically from Germany, while the Treaty of Peace recognized its intimate relations with Poland. At the same time its independent existence as a separate and autonomous community under the protection of the League was fully secured. The League is responsible for maintaining its Constitution, though not for framing it. But the Council felt that it could not undertake to maintain it without satisfying itself that it was just and workable. In its view the Constitution, as originally designed, was neither just nor workable. But through the efforts of the Council fundamental changes are in process of accomplishment, which will, I trust, secure the good government of the city, and promote the most amicable relations with the Polish hinterland.

The other area in connexion with which the League is specially responsible is the Saar Valley. The Saar Valley is an industrial area, mostly German in population, lying on the French frontier, and intimately connected with the adjacent French territories. By the Treaty of Peace it is, for fifteen years, to be governed by a Council appointed by the League and reporting to it, after which, by means of a plebiscite, it is to determine its own destiny. As far as I am able to judge, the very difficult problem which such an area presents is being dealt with in a fashion at least as satisfactory as we have any right to expect. On the whole the valley is orderly, industrious and contented. Much of this success is due no doubt to the self-devoted work of the Commission, of which Mr. Waugh, a Canadian Scot, is not

the least distinguished member; but the Commission is responsible to the League, and without the League I fail to see how the system could be worked. Other duties touching questions of administration are thrown upon the League, in connexion with mandates. I will not argue whether the system of mandates is a good one or a bad one. On this point opinions differ, but the system is there. It is prescribed by the Treaty of Versailles, and it represents the deliberate policy of the Allied and Associated Powers in dealing with what were once German territories outside Europe. An essential part of that system is that the procedure of the Mandatory Powers in connexion with mandated territories should be subject to some kind of international survey. This work has been entrusted to the League of Nations, and I believe that only the League of Nations can perform it. But at present no forecast can be made as to the way in which this system will work.

THE LEAGUE AND INTERNATIONAL DIFFERENCES.

The last heading under which I will consider our activities is perhaps the most important of all. It deals more immediately than any of the others with those international differences which it is the main business of the League to heal. We are sometimes asked what the League has done to promote goodwill among the Nations. I am anxious not to overstate the case, but it seems to me that during the eighteen months of its existence our record is far from being barren. I begin with a case which, if the League of Nations had not been in existence, could hardly have ended satisfactorily, though it involved no questions of territory. It seems that during the War large numbers of Jews from the northern portions of what was then the Empire of Austria took refuge in Vienna. After the Peace the Austrian Government desired to compel their return to their original homes, now no longer in Austrian territory. The Poles objected. A bitter controversy ensued, and the subject came before the Council of the League of Nations. After a good deal of discussion an arrangement was come to acceptable to both parties, and not unfavourable to the Jewish population concerned.

POLAND AND LITHUANIA.

There is a much larger question which the Council of the League are endeavouring to settle, and unfortunately final success has not yet crowned their efforts. I refer to the group of problems arising out of the relations between Poland and Lithuania. The subject is far too complicated to be dealt with here, but it may be proper to say that, in consequence of an appeal to the League, hostilities between these two countries were stopped, and a scheme determining their future relations is now being discussed in Brussels by the parties principally concerned under the able guidance of Mons. Hymans, the Belgian representative on the Council, who is acting on behalf of the League. Whether these efforts will end in an arrangement both amicable and permanent it would be premature to say, but I am confident that even the modest measure of success already attained would have been beyond the powers of any body possessing less authority than the League of Nations.

AALAND ISLANDS.

About the dispute between Sweden on the one side and Finland on the other concerning the Aaland Islands, I can speak with more confidence, and in this case a controversy involving the most complicated questions of International Law and Ethics has been finally settled. The Aaland Islands are Swedish by population; historically and juridically they form part of Finland. The whole subject was investigated on the spot by an International Commission appointed by the League, which, like some other of its Commissions, enjoyed the advantage of having on it an American representative. Their elaborate report was unanimous. They decided that the Aaland Islands belonged to Finland, but they used their good offices to secure the largest possible measure of autonomy for the Swedish population affected by their decision. We have evidence that this concession, voluntarily granted by the Government of Finland, would never have been obtained at the instance of any external Power other than a League, of which Finland, in common with most civilized Powers, was itself a member. It would be difficult to find a clearer instance of the manner in which, under favourable circumstances, the League may contribute to the cause of International Peace.

IF THE LEAGUE WERE TO DISSOLVE.

Two further observations I will permit myself before concluding: the first is that if the League were to dissolve, a new Peace Treaty would have to be framed, and new machinery would have to be devised for carrying out the duties with which the League has been entrusted.

CRITICS OF THE LEAGUE.

The second observation is especially addressed to the British critics of the League. They must be well aware that for many generations the main anxiety of British Statesmen in their Continental policy has been to preserve the peace, and to prevent the domination of any particular Power over its weaker neighbours. Those two aims have not always been compatible, and the first has had more than once to be abandoned in order to obtain the second. They were not compatible, for example, in 1914, but if the League of Nations reaches its full strength and stature, if it be supported by the great moral forces of the world, peace and national independence will be secured without resort to arms. If in the future there should again arise a Power greedy of domination, it will find itself confronted, not merely by defensive Alliances between a few interested States, but by the organized Forces of the civilized world. If that hope is to be accomplished, it can be only by a League of Nations; and when I consider the services already rendered, or in course of being rendered, to the cause of International co-operation by the League, mutilated though it be by the absence from its membership of some who might have been among its most powerful supporters, I cannot doubt that few calamities would be greater than the abandonment of the great experiment to which we have set our hand. Should that calamity occur, it is not in the lifetime of this generation that a serious effort will again be made to substitute the rule of justice in International affairs for that of force; and the horrors of five years of war will have been endured in vain.

APPENDIX III.

REPORT OF THE IMPERIAL AIR COMMUNICATIONS COMMITTEE.

Members of the Committee :

- CAPTAIN THE RT. HON. F. E. GUEST, C.B.E., D.S.O., M.P., Secretary of State for Air (Chairman).
 LORD GORELL, C.B.E., M.C., Under Secretary of State for Air.
 AIR MARSHAL SIR H. M. TRENCHARD, BT., K.C.B., D.S.O., Chief of the Air Staff.
 MAJOR-GENERAL SIR F. H. SYKES, G.B.E., K.C.B., C.M.G., Controller-General of Civil Aviation.
 SIR G. L. BARSTOW, K.C.B., representing H.M. Treasury.
 SIR JAMES STEVENSON, BT., representing the Colonial Office.
 J. H. LOVELL, ESQ., representing the India Office.
 SIR ROSS SMITH, K.B.E., representing Australia and New Zealand.
 COLONEL THE HON. H. MENTZ, representing South Africa.
 L. V. MEADOWCROFT, ESQ., Secretary.

PREFATORY.

1. IN accordance with the decision of the special Conference of Prime Ministers, we have met as a Committee with the following terms of reference:—

To report—

- (i.) On the cost of erecting masts, providing bases and fuel supplies, upkeep of, commissioning, and operating the existing fleet of airships for the purpose of Imperial Air Communications with special reference to the routes between England, India, Africa, Australia, and New Zealand; and
 - (ii.) On services by means of aeroplanes.
2. The Committee have held four meetings at the Air Ministry, and have had under consideration the detailed estimates submitted by the Controller-General of Civil Aviation as well as estimates comprised in certain schemes promoted by private individuals.
3. The Committee feel it essential to state in the first place that although the existing fleet of four airships, when put in commission, will enable a scheme of Imperial Communications to be begun, it is insufficient to enable a complete scheme to be developed. Of the existing fleet, only L.71 is of dimensions which enable her to make flights to Egypt carrying a commercial load without the necessity for refuelling, and in consequence the performance of this airship alone can be regarded as suitable for regularity of service on long distance flights. The development of a complete scheme will necessarily entail in due course a constructional programme of airships specifically designed for the distances and the commercial needs of the service. Moreover, in having regard to the requirements of a regular service by means of the existing fleet, regard must be paid to the possibility of accident putting one or more of the airships out of commission for at least a number of weeks. The Committee feel that they would not be fulfilling their responsibility if in reporting upon their first term of reference they failed to draw the attention of the Imperial Conference to these material facts before entering upon the possibilities and cost of utilisation of the existing fleet.
4. The Committee think it desirable at the outset to explain the hypotheses upon which the estimates contained in this Report have been compiled. If it be decided that further efforts should be made to develop Imperial Air Communications, the alternatives are to proceed either (a) by Government action, or (b) by leaving the development of Air Communications to private enterprise (with or without a Government subsidy).
5. In the Estimates submitted in the first part of this Report the Committee have assumed the adoption—for the present at any rate—of a scheme of development by direct Government action. If this course be adopted, the Committee anticipate that the commercial character of the service will render inapplicable the usual rules of public finance as applied to voted services, and that it may be desirable to set up a statutory board (after the model of the Pacific Cable Board) with powers to conclude contracts, fix rates for passages, etc., without external control, save as to the total capital to be provided by the Home and Dominion Governments.

6. If the second course—namely, private enterprise—be adopted, it would naturally be for whatever company or syndicate undertakes the service to develop it according to the programme best suited to the company's interests. In the second part of this Report the Committee have analysed certain of the schemes submitted, so that their schemes of capital cost may be compared with that under the hypothesis of Government action.

The Committee take the opportunity of observing that in their view the best hope of the successful development of Imperial Air Communications lies in private enterprise conducting the service for profit, like the Mercantile Marine, on business lines.

PART I.—DEVELOPMENT BY GOVERNMENT ACTION.

7. The development of a complete scheme of air communication between England, India, Africa, Australia, and New Zealand, will necessarily be a matter of some considerable time, and in consequence the Committee considered it desirable, in framing estimates, to deal with the establishment of an airship service in stages.

8. *Six Months' Period.*—The Committee first of all addressed their attention to an examination of the arrangements that would be necessary, and the cost that would be incurred if a decision were taken to delay closing down of the present airship service for a period of six months in order to enable a permanent scheme to be formulated.

The cost of such decision was estimated to be as follows :

	£
Maintenance of Howden and provision of R.A.F. personnel	50,000
Maintenance of Cardington, research and completion of R.36 and R.37	75,000
Maintenance of Pulham, and allowance for 400 hours flying	63,000
	£188,000

A further sum of £44,000 is estimated as necessary to put L.71 into commission for commercial purposes.

9. The Committee have come definitely to the conclusion that, in view of the above figures, and of the impossibility of obtaining in so short a period as six months, satisfactory data for arriving at a decision as to the future of the service, they are not justified in asking the Imperial Conference to consider any inaugural scheme based upon a period of less than one year. Emphasis was laid on the impossibility of arriving at accurate estimates for, and carrying out satisfactorily, any operational experiments with an airship service if its immediate future remained a matter of uncertainty; and it was also established that the greater part of, if not the whole of, the first six months would necessarily be taken up with work of a preparatory character.

10. After detailed consideration, the Committee have therefore decided to submit to the Imperial Conference two alternative estimates, the one covering a period of one year, the other two years, neither of these periods being regarded as complete in itself. Having regard to the first term of reference and the limited cargo-carrying capacity of airships, these estimates should be for the provision of a limited and possibly irregular service for passengers and mails only to the eastern boundaries of the Empire, utilising the existing fleet to its utmost capacity.

The Committee feel it desirable to draw attention to the fact that should the Imperial Conference decide in favour of the initial period of one year, a second decision as to the future would need to be taken many months in advance of the termination of that period in order to allow of arrangements being entered into, especially in respect of the erection of a shed in Egypt, so as to obviate delay and consequent additional expenditure, if at the end of one year operational experiments for carrying on the service beyond Egypt were to be undertaken.

11. *One year period of inauguration.*—Assuming the one year period of inauguration to begin on 1st September, 1921, it should be possible by March, 1922, to have made such progress in ground organization and experience as to be able to start a monthly service to Egypt. Towards the close of this period it should also be possible to undertake demonstration flights from Egypt in the direction of India and South Africa, without, however, landing, unless by then masts have been erected in those countries.

It is estimated that to carry out this programme the cost involved, which would cover the necessary research and training flights at home, would amount to:

	£
Capital expenditure	177,000
Running expenditure	253,000
Allowance for contingencies and unforeseen expenditure (say)	110,000
	£540,000

A detailed statement in regard to the expenditure involved is attached to this Report (see Appendix A); were it decided not to commission L.71 it is estimated that a saving of some £80,000 could be effected. At the same time to attempt a regularity of service to Egypt and demonstration flights beyond with two airships, R.37 and R.36, one of which has not yet been completed and the other of which has not yet been fully tried out, is held to be unwise.

L.71, owing to her greater size, is the only one of the three whose capacity allows an adequate margin of safety for a return flight from Australia to Ceylon or South Africa under adverse conditions. R.37 and R.36 could carry a commercial load to Australia if the necessary number of additional intermediate mooring mast stations were erected; these would, however, necessarily greatly increase the capital cost. In the above operational programme the R.33, owing to its smaller range and carrying capacity, has been considered as a reserve for training at Home.

12. *Two-year Period of Inauguration.* In the event of the adoption of a two-year period a monthly service to Egypt would begin in March, 1922, as in the one-year period. This monthly service would be extended to India in September of that year, while demonstration flights towards South Africa would be carried out during the last two or three months of the period. For this programme it is essential that L.71 should be commissioned.

The cost involved—detailed in Appendix B—would be:—

	£
Capital expenditure	493,000
Running expenditure	626,000
Allowance for contingencies and unforeseen expenditure (say)	220,000
	£1,339,000

This sum provides for the erection in Egypt of a complete base with shed, as distinct from a station with mooring mast only—proper housing accommodation in Egypt being held to be essential if a regular service to India is to be maintained.

It should be noted that whereas the estimated cost of the longer period of inauguration compared with that of the shorter is as 2½ to 1, the useful work accomplished is as 5 to 1.

Allowance has been made for research work in the estimates, for both of the above periods, but the purchase of land for overseas bases has not been included. In this regard, it is held that the Dominions and countries over which the routes pass might be prepared at least to grant the necessary land free of cost in return for the privileges conferred. The Committee desires to draw the particular attention of the Governments concerned to the assistance which they can render not only in this regard, but also by assuming responsibility for the actual erection of mooring mast stations.

13. *Further Development.*—As stated in paragraph 3, further development has been regarded as dependent on the construction of new airships specifically designed to meet the requirements of the service. In order to enable the Imperial Conference to arrive at a decision in respect of a complete scheme of Imperial communications by airship, the Committee have felt it necessary to consider estimates for the period ensuing on the inauguration of the service, which will include an adequate constructional programme. In paragraph 10 it has been stated that neither the one year period nor the two year period can properly be regarded as complete in themselves; to reap the fullest advantage it is essential that each should be held to be but the stepping-stone to further development. Such development should convert the experimental flights towards South Africa, which will have been

undertaken in the inaugural period, into a permanent regular service, and should make possible the alternative route via South Africa to Australia. Both, however, are dependent upon two things. First, upon the provision of new ships. It is estimated that 10 to 12 ships of the 4,000,000 cubic feet type would suffice to maintain a fortnightly service from England to Egypt, India, South Africa, and Australia. The first of such airships would probably cost in the neighbourhood of £300,000. Secondly, both developments would depend upon the provision of masts and bases. Before the route to South Africa could be adequately extended to Australia, it would be necessary to provide for the equipment of a permanent base in South Africa; and before the route to Australia could be considered consolidated, it would be necessary to provide the equipment of a permanent base in Australia. It is estimated that the additional cost of such bases, over and above the mooring mast stations, would be in the neighbourhood of £400,000 each. In addition, it must not be overlooked that the construction of additional airships would entail the provision of additional shed accommodation at the English base, the cost of which may be estimated to involve an expenditure in the neighbourhood of £500,000.

In view of the above considerations, the Committee have considered estimates for the development of the service over a further period of three years.

The estimated expenditure involved would be:—

	£
Capital expenditure	4,545,000
Maintenance of ground organization	901,000
Allowance for contingencies and unforeseen expenditure (say)	1,500,000

to which must be added the cost of upkeep and operation of the airships themselves. This latter item would increase from £160,000 per annum at the end of the preliminary two-year period, to £1,094,000 per annum, omitting special allowance for contingencies, by the beginning of the six-year period, when regular fortnightly services were being operated to India, South Africa, and Australia. The capital expenditure includes the provision of twelve new airships.

The Committee have felt it necessary to state that these figures are given with the greatest reserve. Details will be found in Appendix C.

As regards the inaugural period, the extension of the route to South Africa, and the opening of the alternative routes to Australia, must entail the provision of mooring mast stations, in addition, as already pointed out, to the ultimate provision of bases equipped with sheds. The cost of the necessary mooring mast stations on the route Egypt—South Africa—Australia and back to Egypt via Ceylon, is estimated at £275,000. (See Appendix D.) This organization would only be sufficient to meet the requirements of demonstrational flights. Two such flights to Australia, via South Africa, would cost in the neighbourhood of £33,000, and, whilst the Committee have given every consideration to the great educational value of such flights as a means of establishing the ultimate possibilities of the service, it is for consideration whether the results achieved would be commensurate with the expense involved or such as would be ensured by a regular programme of development.

14. *Revenue.*—With the data available, and taking into consideration the natural conservatism of the general public towards the adoption of new methods of transport, the Committee consider that it is impracticable to frame any trustworthy estimates of the revenue to be earned by the existing fleet, and the minimum organization for which estimates have been given in the foregoing paragraphs. With the exception of L.71, the existing fleet consists of ships which are not economical for commercial purposes, and it is obvious that the revenue ultimately to be derived from the complete service must be governed by the suitability of the ships in use. If, however, with the existing fleet, Marseilles were to be used as a re-fuelling base, so as to obviate the necessity for carrying fuel supplies for the full journey to Egypt, R.36 and R.37 would be able to carry, as a maximum load, 30 passengers and a cargo of two tons weight; and in the latter part of the inaugural period, at any rate, a definite revenue from such carriage may be expected. The same consideration as to re-fuelling facilities governs the estimate of revenue to be derived from flights from Egypt to India. It would be necessary, in order to obviate a large reduction in revenue, at least as regards the R.36 and R.37, to provide for re-fuelling facilities at an intermediate point. In order that the fullest information may be available for the Imperial Conference upon this point, the carrying capacity of individual airships is set out below.

CARRYING CAPACITY OF INDIVIDUAL AIRSHIPS.

<i>Ship.</i>	<i>Route.</i>	<i>Maximum Load.</i>
R.36 and R.37 (2,100,000c.ft.)	England to Marseilles and Marseilles to Egypt.	30 passengers and 2 tons mails or freight.
R.36 and R.37	England to Egypt	No useful load.
L.71 (2,400,000 c.ft.)	England to Marseilles and Marseilles to Egypt.	40 passengers and 7 tons mails or freight.
L.71	England to Egypt and Egypt to Karachi.	35 passengers and 2 tons mails or freight.
New Airship (4,000,000 c.ft.)	England to Egypt and Egypt to Karachi.	50 passengers and 13 tons mails or freight.

15. *Aeroplane Services.*—With regard to their second term of reference, namely, services by means of aeroplanes, the Committee consider that it is impracticable at present to present estimates of value. The policy on which the Air Staff are working is to try and establish an Air Line of communications as far as possible touching British points throughout the world, on the principle of linking up with direct air communication the centre of each group of air stations with the next group. The Committee are of opinion accordingly that due consideration should be given in the selection of Imperial air routes to the service aspects, including defence, and to the assistance which the service could afford to civil transport services. They welcome the proposal to open up sections of the Cairo to Karachi route as necessary, and consider that civil aviation should be invited to operate these as soon as possible, and that the Government of India should be informed of the present position of the route as a whole. The Committee feel it necessary to state that beyond the general statements given above, it has not been possible in the time available to consider and report upon the possible future developments of heavier-than-air transport.

16. In concluding the first part of their Report, the Committee feel it necessary to draw attention to the fact that the date at present resolved upon for the closing down of the Airship Service is August 1st. In submitting the above alternative estimates for its continuance, the Committee are presenting figures which must, in the absence of an immediate decision to continue for at least the period of one year in accordance with the first estimate above set out, be regarded as affording no data for the cost which would be involved if it were subsequently decided to re-establish Imperial communications by airship.

PART II.—DEVELOPMENT BY PRIVATE ENTERPRISE.

17. In respect of development of Imperial communications by airship by private enterprise, the Committee have to report that in response to the Government offer communicated to the Press on 31st May, proposals for carrying on an airship service on a commercial basis have been received from Mr. A. H. Ashbolt, Mr. M. M. Greenhill and Lieut.-Commander Ballantyne, to which definite replies must be given by 1st August.

An analysis of each of the three proposals is set out below:—

Mr. A. H. Ashbolt's proposal.

18. (1) *Capital.*—£1,500,000.

First Issue.—£750,000 divided as follows:—

£375,000 from Dominion Governments.

£375,000 from general public.

Second Issue.—£750,000 divided as follows:—

£375,000 from Dominion Governments.

£375,000 from general public, the British Government to have the option of taking up the whole or part of the sum.

Mr. Ashbolt states he has been definitely promised underwriting for the subscriptions from the general public on the basis of his terms submitted, or any reasonable modification thereto.

(2) *British and Dominion Governments' Assistance or Liability.*

(a) *Share Subscription* (see 1 above):

Dominions to subscribe £375,000 towards first issue and £375,000 towards second issue.

British Government—Nil, but option on second public issue of £375,000.

- (b) *Completion of Existing Airships.*—British Government and Company to share this expense—say, £73,000. British Government liability of £36,500.
- (c) *Subsidy.*—£500,000 per annum for 10 years. British Government £250,000 per annum for 10 years. Dominions £250,000 per annum for 10 years.
- (d) *Mail Subsidy.*—All first-class mail matter to be transferred to the Company, and the difference between the rate charged by steamers and railway, and the rate (to be agreed) payable to the Company for similar services to be paid by respective Governments on their outgoing mail.
- (3) *Programme.*—To attempt experimental services with existing airships to India, Australia, and South Africa, and to establish the necessary ground organization for such services. The initial services to be considered as entirely experimental. New ships to be built after experience has been obtained on the experimental services.
- The first issue of capital is for the purpose of providing ground facilities for the above routes, and the second issue for the purpose of providing new airships.
- (4) *Estimates.*

Capital Expenditure.

Egypt Base.—£150,000.

Melbourne Base.—£100,000.

Mooring Mast Base.—A sum of £32,000 is allowed.

- (5) *Conclusion.*—It will be noted that the Governments concerned are invited to take part both in subscribing for share capital and in the granting of a subsidy for 10 years.

19. *Mr. Greenhill's Proposal.*

- (1) *Capital.*—£4,000,000.
- £1,200,000 first year
 £1,100,000 second year
 £1,000,000 third year
 £700,000 fourth year

£4,000,000

All subscribed by public or privately—no subscription asked for from British or Dominion Governments.

(2) *British and Dominion Governments' Assistance or Liability.*

- (a) Completion of existing airships to be undertaken by British Government, say, £73,000.
- (b) Subsidy of £300,000 per annum until Company is on a paying basis.
- (c) Subsidy of £75,000 from each of the Dominions, India and South Africa, dependent on a service being maintained to those countries.
- (d) *Mail Contracts.*—Guarantee of mail contracts from British Government, India, and South Africa.
- (3) *Programme.*—Generally, the scheme provides for the gradual development of ground facilities necessary for services to Egypt, India, South Africa, and Australia, over a period of four years concurrently for the construction of ten airships to run these routes. The existing fleet is relied on for two years for demonstration services to Egypt.
- (4) *Estimates.*
- General.*—£250,000 is allowed for unforeseen contingencies under capital expenditure.
- £50,000 is allowed for research on the revenue account.
- Insurance and Depreciation* is taken at 20 per cent, for first cost, assuming a seven-year life is taken for new airships; this would leave about 6-7 per cent. for insurance.
- (5) *Conclusion.*—It will be noted that no share subscription is asked for from the Governments concerned, but that the above proposal entails payment of a subsidy both during the development period and for work done, this latter being dependent upon the carrying out of an Imperial service.

Lieut.-Commander W. B. Ballantyne's Proposal.

20. (1) *Capital*.—£2,000,000. First issue £1,250,000.
 (2) *Government Assistance*.—
 (a) *Guarantee of Interest* at 6 per cent. per annum until such time as the Company are in a position to pay this rate of dividend, when a debenture issue would be made and the amount owing to the Government paid off.
 (b) *Subsidy*.—*Mail Subsidies* from Great Britain, Italy, Egypt, and South Africa, amount not stated.
 (c) *Subsidy from Admiralty and War Office*, amount not stated.
 (3) *Programme*.—Service to Rome, Egypt and Johannesburg with existing airships and later with new airships.
 (4) *Estimates*.—The capital of £2,000,000, together with the balance from debenture issue, after repayment to the Government of funds advanced for payment of interest on capital, is for provision of ground facilities on South African route, operation of existing airships, construction of new airships for this route.
 (5) *Conclusion*.—It will be noted that this scheme also involves not only a guarantee of interest, but also subsidies from the Governments concerned.

21. *General Conclusion*.—Thus it will be seen that, whether an Imperial Airship Service be undertaken by direct Government action or by private enterprise, it is essential that the Imperial Conference should arrive at a decision by 1st August, as Parliament has been informed that the airship services will be closed down on that date.

FREDERICK GUEST (*Chairman*).
 GORELL.
 H. TRENCHARD.
 F. H. SYKES.
 G. L. BARSTOW.
 J. STEVENSON.
 J. H. LOVELL.
 ROSS SMITH.
 H. MENTZ.

L. V. Meadowcroft (*Secretary*).
 26th July, 1921.

APPENDIX A.

ONE-YEAR PERIOD.

Cost of Erection of Masts, Provision of Bases, and Commissioning Existing Airships.

	Cost.	Date of Completion.
<i>A.—Provision of Cardington Base.</i>		
	£	
(1) Move Croydon mast	10,000	1st December, 1921.
(2) Hydrogen main	2,000	1st December, 1921.
(3) Lengthen shed to take L.71 ..	15,000	1st May, 1922.
<i>B.—Commissioning Existing Airships.</i>		
R.36	6,000	1st November, 1921.
R.37	25,000	1st January, 1922.
L.71	44,000	1st May, 1922.
New gasbags for R.36	25,000	1st May, 1922.
<i>C.—Provision of Mooring Mast at Marseilles by French.</i>		
	—	1st February, 1922.
<i>D.—Provision of Cairo Mooring Mast Station.</i>		
	50,000	1st March, 1922.*

Total capital expenditure, £177,000.

* Includes large silicol plant in lieu of small plant and gasometer.

ONE-YEAR PERIOD.

MAINTENANCE AND OPERATION EXPENSES.

A.—Maintenance of Bases.

Cardington for 12 months	£120,000	
Pulham	15,000	
Egypt Mooring Mast Station for 7 months ..	7,000	
Total	£142,000	£142,000

B.—Upkeep and Operation of Airships and Provision of Fuel.

Crews (3)	£36,000	
Petrol and Oil	£15,000	
Hydrogen	18,000	
Maintenance	42,000	
Total	£111,000	£111,000

Total Running Expenditure £253,000

Capital Expenditure	£177,000	Contingencies. Total.	
Running Expenditure	253,000	£50,000	£227,000
Total	£430,000	60,000	313,000
		£110,000	£540,000

APPENDIX B.

*Cost of Erection of Masts, Provision of Bases, and Commissioning Existing Airships.**A.—Provision of Cardington Base.*

	Cost.	Date of Completion.
(1) Move Croydon Mast	£10,000	1st December, 1921.
(2) Hydrogen main	2,000	1st December, 1921.
(3) Erect new mast (wood)	15,000	1st February, 1922.
(4) Lengthen shed to take L.71 .	15,000	1st May, 1922.

B.—Commissioning of Airships.

(1) R.36	£6,000	1st November, 1921.
(2) R.37	25,000	1st January, 1922.
(3) L.71	44,000	1st May, 1922.
(4) New gasbags for R.36	25,000	1st May, 1922.
(5) New gasbags for R.37	25,000	1st November, 1922.

C.—Provision of Marseilles Mast by French.

— 1st February, 1922.

D.—Provision of Cairo Base.

(1) Erection of Killeagh Shed ..	£150,000	1st September, 1922.
(2) Mooring mast (wood) .	15,000	1st May, 1922.
(3) Hydrogen plant	10,000*	1st May, 1922.
(4) Hydrogen plant	6,000†	1st May, 1922.
(5) Gasometer	20,000	1st September, 1922.
(6) Gas main	4,000	1st May, 1922.
(7) Buildings	10,000	1st September, 1922.
(8) Equipment	4,000	1st May, 1922.
(9) Petrol storage .	4,000	1st May, 1922.
(10) Roads, etc.	20,000	1st September, 1922.
(11) Transport	15,000	1st September, 1922.
(12) Unforeseen	8,000	

India.

Mooring mast station	£60,000†	1st September, 1922.
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Total Capital Expenditure . £493,000

* Large silicol plant for use without gasometer. † Small gas plant for use with gasometer.

‡ Includes small gas plant and gasometer.

Two-Year Period—Maintenance and Operation Expenses.

(a) <i>Maintenance of Bases.</i>		Ist Year.	2nd Year.	Total.
Cardington base	£120,000	£120,000	£240,000	
Pulham	15,000	15,000	30,000	
Egypt Mooring Mast Station ..	7,000		7,000	
Egypt Base, including Mooring Mast		65,000	65,000	
India Mooring Mast Station ..	1,000	12,000	13,000	
	<u>£143,000</u>	<u>£212,000</u>	<u>£355,000</u>	
 (b) <i>Upkeep and Operation of Airships and Provision of Fuel.</i>				
Crews (3)	£36,000	£36,000	£72,000	
Fuel	15,000	33,000	48,000	
Hydrogen	18,000	36,000	54,000	
Maintenance	42,000	55,000	97,000	
	<u>£111,000</u>	<u>£160,000</u>	<u>£271,000</u>	
Total Running Expenditure, £626,000.				
Capital Expenditure	£493,000	£100,000	£593,000	
Running Expenditure	626,000	120,000	746,000	
	<u>£1,119,000</u>	<u>£220,000</u>	<u>£1,339,000</u>	

APPENDIX C.

Additional Expenditure in Third, Fourth, and Fifth Years of Five-Years' Period.

The following figures are based upon the assumption that before the middle of the two-year period, a programme of development has been drawn up with a view to beginning a fortnightly service to Australia via India or South Africa by the end of the fifth year, in addition to fortnightly services to India and South Africa.

The estimate of cost and dates of commencement and completion of items of capital expenditure is as follows:

Item.	Cost.	Date of commencement.	Date of completion.
<i>A. Cardington Base—Additional Sheds.</i>			
	£		
(1) New double shed	250,000	1/9/1922	1/9/1923
(2) New double shed	250,000	1/9/1923	1/9/1924
<i>B. South African Route.</i>			
(1) Mombasa Mooring Mast Station	55,000	1/1/1923	1/12/1923
(2) South Africa Mooring Mast Station	55,000	1/1/1923	1/12/1923
(3) South African Base	400,000	1/12/1922	1/6/1924
<i>C. Australian Route (the expenditure as regards India has already been provided for in the first two years).</i>			
(1) Perth Mooring Mast Station	55,000	1/6/1923	1/6/1924
(2) Ceylon " " "	55,000	1/6/1923	1/6/1924
(3) Melbourne " " "	55,000	1/6/1924	1/6/1925
(4) Melbourne Base	400,000	1/3/1924	1/9/1925

D. Construction of New Airships.

(1) No. 1	...	...	...	300,000	1/9/1922	1/9/1923
(2) No. 2	...	...	...	250,000	1/1/1923	1/1/1925
(3) No. 3	...	...	...	250,000	1/5/1923	1/5/1925
(4) No. 4	...	...	...	250,000	1/9/1923	1/9/1925
(5) No. 5	...	...	...	240,000	1/3/1924	1/12/1925
(6) No. 6	...	...	...	240,000	1/6/1924	1/3/1926
(7) No. 7	...	...	...	240,000	1/10/1924	1/6/1926
(8) No. 8	...	...	...	240,000	1/1/1925	1/9/1926
(9) No. 9	...	...	..	240,000	1/5/1925	1/12/1926
(10) No. 10	}	for replacements		240,000	1/8/1925	1/3/1926
(11) No. 11			240,000	1/11/1925	1/6/1926	
(12) No. 12			240,000	1/3/1926	1/9/1926	
Total capital expenditure				£4,545,000		

THIRD, FOURTH, AND FIFTH YEARS.

*Maintenance and Operation Expenses.**(a) Maintenance of Bases.*

	Years.		
	Third.	Fourth.	Fifth.
	£	£	£
Cardington	120,000	120,000	120,000
Egypt Base	65,000	65,000	65,000
India Mooring Mast Station ...	12,000	12,000	12,000
Mombasa Mooring Mast Station ...	9,000	12,000	12,000
South Africa Mooring Mast Station	9,000	—	—
South Africa Base	16,000	65,000	65,000
Ceylon Mooring Mast Station ...	3,000	12,000	12,000
Perth Mooring Mast Station ...	3,000	12,000	12,000
Melbourne Mooring Mast Station...	—	3,000	—
Melbourne Base	—	—	65,000
Totals ...	£237,000	£301,000	£363,000

Total for the three years £901,000.

(b) Upkeep and Operation of Airships and Provision of Fuel.

No estimate has been prepared for these individual years. At the end of the fifth year, however, when fortnightly services were in being to India, South Africa and Australia, the expenditure under this head would be at the rate of:—

	£
Crews (10)	120,000
Petrol and oil	437,000
Hydrogen	437,000
Maintenance	100,000

Total £1,094,000 per an.

In the above figures petrol has been taken at 3s. per gallon and hydrogen at 20s. per 1,000 cubic feet.

	Contingencies.		Total.
	£	£	£
Capital expenditure ...	4,545,000	812,000	5,357,000
Running expenditure ...	901,000	688,000	1,589,000
	+ flying costs.		+ flying costs.

(c) Carrying Capacity of Services.—Assuming the full load of the new airships on the longest flight between refuelling stations to be 50 passengers and 13 tons of mails and freight, the maximum traffic that could be carried on each of the three routes by a fortnightly service would be:—England—India 1,300 passengers and 338 tons of freight in each direction, or, a total of 2,600 passengers and 676 tons of freight per annum on the route, and similar figures for the other two routes.

APPENDIX D.

*Additional Expenditure involved in carrying out Demonstration Flights to South Africa and Australia in Two-Year Period.**Capital Expenditure.—Provision of Mooring Mast Stations.**

South Africa—Mombasa	.. ..	£55,000	
South Africa	.. ..	55,000	
		<hr/>	
Australia: Perth	.. ..	£110,000	£110,000
Melbourne	.. ..	55,000	
Ceylon (for return journey)		55,000	
		<hr/>	
		£165,000	£165,000
			<hr/>
			£275,000
			£275,000

Running Expenditure.

Personnel and maintenance of five Mooring Mast Stations, at £1,000 per month per Station for three months	.. ..	£15,000	
Two Flights Egypt to Australia and return at £9,000	.. ..	£18,000	
		<hr/>	
		£33,000	£33,000
			<hr/>
Total	.. ..		£308,000

** Details of Mooring Mast Station.*

Mast	... ..	£15,000
Gasometer	... ..	20,000
Gas Main	... ..	2,000
Gas plant	... ..	6,000
Buildings	... ..	1,000
Equipment	... ..	2,000
Roads	... ..	1,000
Transport	... ..	3,000
Add for contingencies	... ..	5,000
		<hr/>
		£55,000
		<hr/>

APPENDIX IV.

THE INTERCOMMUNICATION AND DISSEMINATION OF NEWS
WITHIN THE BRITISH EMPIRE.

(a)

MEMORANDUM PREPARED ON BEHALF OF THE EMPIRE PRESS UNION AND THE
NEWSPAPER PROPRIETORS' ASSOCIATION.

PRACTICABLE means to secure fuller and wider dissemination of inter-Imperial news at present appear to fall under the four following heads:—

1. *General Lowering of Inter-Imperial Press Cable Rates.*

It is believed that the volume of news passing between the Dominions and the United Kingdom, and between the Dominions themselves, is primarily dependent upon the cost of transmission. So long as the cost of transmission remains, as it is at present, a serious consideration to newspaper proprietors, the publication of information from overseas—especially important political information—will remain spasmodic, and fail to secure the interest of readers, upon which depends in great measure the service and influence of the Press. Intermittent publication of information about the Dominions overseas cannot maintain the continued interest of newspaper readers; cannot provide even a very general picture of the Empire overseas; and cannot, in the minds of the general public, make clear the community of Imperial interests and the mutual co-operation which exists and needs extension. Until cable rates for Press matter are made very low, only events of outstanding importance will be reported, and the intervals of silence will prevent the establishment of any clear and connected impression of thought, action, and events in general overseas. It is believed that when cable rates become nominal the general public will be able to secure familiarity with Dominions affairs, and that a larger volume of news will be called for.

2. *Reliable and Rapid Transmission.*

Second only in importance to cheapness of cable rates for news is reliability and rapidity of transmission. Although in general delays have been less serious during the last year, they do still occur. In the case of Press communication between the United Kingdom and India very serious delay in transmission remains the almost invariable rule. All cable routes are liable to breakdown—they do break down—and in most cases there is nothing to supplement them. News delayed by three or four days—a usual occurrence in the case of Indian cables—arouses little interest and is often misleading.

3. *Provision without Delay of an Adequate Empire Wireless Service.*

The necessity for an adequate Empire wireless service has already been discussed by the Imperial Conference. From the point of view of the Press such a service is regarded as an imperative necessity to relieve congested cables, and to provide a cheaper channel for news.

4. *Restoration of Deferred Press Rates.*

It is understood that the deferred Press rates, which were discontinued during and since the War, are to be reinstated. The institution of a deferred Press rate to South Africa also is urgently called for. The cheap deferred services were much used for descriptive matter, editorial comments, etc., for which the most rapid transmission was not absolutely essential. Such messages are supplementary to those sent at the ordinary rates—the rapid despatch may excite interest and the deferred descriptive matter serves to satisfy and to some extent to sustain the interest.

The deferred rates, when restored, must, of course, in order to be effective, be a real and not a merely nominal service. They will be useless unless maintained upon the same conditions as before the War, and involving no greater delay.

At present that part of the public which may be supposed already to have special interest in the Dominions overseas is restricted in the main to (a) those contemplating settlement overseas, (b) those having commercial interests overseas (an important section), and (c) those with relatives and other personal connexions in the Dominions.

The present cable rates not only prevent adequate service of these classes by the Press, but prevent increase of their number. Cheaper Press communication—and it should be much cheaper—will rapidly add to these classes.

The Second Imperial Press Conference, which met in Canada last year, fully considered this question. The Conference, which included the proprietors and editors of leading newspapers published in all parts of the Empire, stated as its considered and unanimous opinion "that the full utility of cable and wireless communications, as a factor in educating public opinion, and in maintaining a good understanding between all peoples of the Empire, will not be attained until rates are reduced to a basic charge of one penny per word for Press messages throughout the whole British Empire."

The Conference unanimously resolved also that any assistance given to the Press for the encouragement of a wider dissemination of news should be given in the form of cheaper Press rates, and not in the form of a subsidized news service.

The Empire Press Union,
71, Fleet Street, E.C.4.

11th June, 1921.

(b) SUPPLEMENTARY MEMORANDUM.

Inland Press Telegraph Rates should be available to Dominions Correspondents in Great Britain.

Complaint has been made of the fact that Post Office regulations debar representatives of Dominions newspapers in this country from using the telegraph at Press rates when telegraphing news to the London office of their journals, whence it is to be cabled overseas. This disability has for some years been felt to be a grievance, and one obstacle to Imperial communications which could easily be removed. From the point of view of Post Office revenue—the only point of view from which the matter has hitherto been officially considered—the result of such a concession would seem to be quite insignificant. It might possibly lead to a small increase of revenue by encouraging use of the telegraph.

Instances of Cable Delays.

The Times of Ceylon (Colombo), on 29th June, telegraphed to the London office of the newspaper as follows:—"News telegrams five days late. Wire 'Urgent' any very interesting items."

The London editor of *Argus South African Newspapers, Ltd.*—representing a large group of the leading newspapers of South Africa—states that in June ordinary Press messages took over six days in transit to South Africa. He says "This great delay, at a time when there was so much news of vital importance to all the Dominions, involved the use of many full rate messages at half-a-crown a word, and sometimes even at the 'triple rate' of 6s. per word. The latter rate was at one time unheard of for Press work except for brief reports of exceptionally important events. It now has to be used regularly for ordinary information."

Imperial Wireless System.

Yesterday (12th July) the Council of the Empire Press Union unanimously adopted the following resolution:—

"That this Council is deeply convinced of the necessity of combining Government support with private enterprise and competitive business administration in any world-wide British wireless system; and urges all Governments within the Empire to co-operate on concerted lines without further loss of time to secure important business and political advantages that will otherwise be obtained by other enterprises."

"That copies of this Resolution be sent to the Dominions Prime Ministers and the Indian representatives at present in London; and to the overseas sections of the Empire Press Union for further urgent action in their respective countries."

Deferred Press Rates.

The recent announcement that deferred Press rates to Canada and Australia are to be restored is highly appreciated. It is feared, however, that in the present congested condition of the cables the delay in the case of deferred messages may make their use impossible. It has been urgently represented by the newspapers concerned that a deferred Press rate should be made available to and from South Africa and India, if the traffic conditions, and the method of handling such messages, do not involve excessive delay.

The Empire Press Union,
71, Fleet Street, E.C.4.

11th June, 1921.

APPENDIX V.

CONFERENCE ON STATE-AIDED EMPIRE SETTLEMENT.

JANUARY-FEBRUARY, 1921.

Record of Proceedings.

A CONFERENCE on State-Aided Empire Settlement was held at the Colonial Office on the 28th and 31st January, and on the 1st, 2nd, and 4th February, 1921, between representatives of His Majesty's Government and representatives of the Governments of Canada, the Commonwealth of Australia, and New Zealand.

His Majesty's Government were represented at the opening meeting by Viscount Milner, President of the Oversea Settlement Committee, and in his absence the chair was taken at subsequent meetings by Lieut.-Colonel L. S. Amery, M.P., Chairman of the Oversea Settlement Committee. Representatives of the Treasury, Ministry of Labour, and Oversea Settlement Committee also attended.

The following represented the three Dominions concerned:—

Canada: The Hon. Sir George Perley, K.C.M.G., Lieut.-Colonel J. Obed Smith.

Australia: Senator The Hon. E. D. Millen, Mr. Percy Hunter.

New Zealand: The Hon. Sir James Allen, K.C.B., Mr. H. C. Cameron, Mr. V. Mills.

In opening the proceedings Viscount Milner stated that the Conference had been summoned in order to advise upon an enduring policy of oversea settlement which should tend to bring about the best distribution of the man power of the Empire and so to develop and strengthen the whole Empire. He pointed out that oversea settlement should not be regarded as a means of dealing directly with abnormal unemployment in the United Kingdom, at any given moment, but as a means of remedying fluctuations of trade by developing our best markets and of permanently minimizing the risk of unemployment here and throughout the Empire. He emphasized the view of His Majesty's Government that no stone should be left unturned to secure for the Dominions the population which they require and to ensure that the outflow of population from the United Kingdom should have opportunities for settlement under the flag, in countries British in spirit and British in their institutions.

The Agenda submitted to the Conference for discussion was as follows:—

Part I. To consider the general question of Empire development, including schemes for land settlement on a comprehensive scale.

Part II. To discuss the following particular proposals:—

- (a) Advance of cost of ocean passages and railway fares to approved settlers.
- (b) Advance of cost of outfit where required.
- (c) Free passages for State-aided children.
- (d) Preference to British settlers over foreign immigrants, *e.g.*, in respect of landing money, etc.
- (e) Arrangements for recruiting settlers in this country and for their reception, settlement, employment, and welfare overseas.
- (f) Appointment of representatives of His Majesty's Government overseas to co-operate with the Oversea Governments in the reception, settlement, and welfare of newly arrived British subjects.

It was clear from the outset that in all the Dominions represented the openings available for workers of other classes depended upon the increase in the number of primary producers. It was, consequently, agreed that the problem covered by Part I. of the Agenda, *i.e.*, the problem of establishing settlers from this country as primary producers upon the land overseas, must be the basis of any policy of State-aided Empire Settlement, and that the facilities for inter-Imperial migration generally, proposed in Part II. of the Agenda, would only be of limited value unless granted as part of a policy based on land settlement.

In this connexion Senator Millen pointed out that there are considerable areas in Australia suitable for settlement, but at present entirely undeveloped, which could be developed by comprehensive settlement schemes at considerably less cost than would be involved in the purchase of land in districts already opened up. Such schemes would have the further advantage that the work of opening up an

area by railways and roads, the construction of other public works, and the clearing of the land, etc., would find employment for many of the intending settlers as well as an opportunity for getting acclimatized to Australian conditions. Opportunities for settlement on a very large scale would also be afforded by the irrigation works in progress on the River Murray. As an indication of what Australia might be willing to do, if she could secure the co-operation of His Majesty's Government, he put forward for consideration a scheme for establishing 20,000 British settlers on certain selected areas, to be financed by a Commonwealth loan of £20,000,000 to be raised in five annual instalments. On the analogy of the assistance given by the Commonwealth to the Australian States in connexion with the Australian soldier settlement schemes, he suggested that the assistance of His Majesty's Government might take the form of a payment for five years of half the interest of each instalment of the loan.

Sir G. Perley and Sir J. Allen intimated on behalf of their respective Governments that they would welcome a policy of co-operation which would enable them to receive and establish on the land a larger number of British settlers than they could otherwise deal with. They had not received definite instructions from their Governments, and were not therefore in a position to submit definite proposals. They would, however, communicate with their Governments, who would no doubt formulate proposals before the meeting of the Prime Ministers in June. It was pointed out that conditions varied in every Dominion, and that what was desirable was agreement not on a uniform type of scheme, but upon the general principle of co-operation between the Governments concerned.

On behalf of His Majesty's Government, it was pointed out that the most convenient form of financial co-operation, and the one most easily adaptable to various kinds of schemes, would be in the shape of loans to individual settlers made through and collected by the Dominion Government or settlement agency concerned, thus diminishing the amount required to be found by the latter in respect of each settler. This was preferable to a direct contribution towards a Dominion development scheme such as was implied in Senator Millen's suggestion of payment of part interest of a Commonwealth loan, and would achieve the same end.

In the discussion on Part II. there was general agreement as to the satisfactory working of the system of co-operation between the Oversea Settlement Committee and the Dominion and State representatives in connexion with the grant by His Majesty's Government of free passages to British ex-service men, and as to the desirability of any future joint scheme of assisted passages being conducted on similar lines. The need for assisted passages was more particularly emphasized by the representatives of Australia and New Zealand, Sir G. Perley explaining that Canada had never, in the past, contributed towards passages, and might possibly prefer some other form of joint co-operation in helping new settlers to sharing in a scheme for granting or advancing passages.

The special attention of the Conference was drawn to the successful results attending the Australian and New Zealand system of nominations for assisted passages of relatives or friends in the United Kingdom by settlers already established in those Dominions, as well as to the very satisfactory working of the Canadian system of settling and supervising State-aided and other suitable children from the United Kingdom.

It was generally felt that in present circumstances at any rate there was not sufficient justification for the appointment of permanent representatives of His Majesty's Government in the Dominions in connexion with the settlement of newly arrived British subjects, and that the need for close personal touch with the actual work of settlement overseas could be sufficiently secured by periodic visits of representatives of the Oversea Settlement Committee.

As the outcome of the discussions of the various matters covered by both parts of the Agenda the following proposals were submitted to the Conference by Lt. Col. Amery as a basis for discussion at the forthcoming meeting of Prime Ministers.

1. His Majesty's Government to co-operate with the Oversea Governments in a comprehensive policy of Empire Land Settlement and Empire directed migration, extending over a period of years, and to this end to contribute up to a maximum of £2,000,000 a year in any year in respect of schemes of land settlement, assisted passages and such other kindred schemes as may commend themselves to the Governments concerned.

2. The assistance to land settlement to take the form of advances to settlers up to a maximum of £300 a settler, the advances to be made through the Oversea Governments concerned or through specially approved private organizations, and repayments collected by them. These advances to reckon *pari passu* with the advances made by the Oversea Government or private organization in respect of conditions, security, terms of repayment, etc. The repayments to be devoted to further advances to new settlers. In so far as expenditure not recoverable in the form of advances may be involved in training or allowances during training, His Majesty's Government to share this with the Oversea Government or private organization concerned, the amount so spent being deducted from the amount available for loan purposes.

3. His Majesty's Government to assign normally about half its total contribution, viz. : about £1,000,000, to land settlement. In view, however, of its commitments in respect of the free passage scheme for ex-service men and women and other kindred expenditure arising out of the special conditions of the post-war situation, the amount available for land settlement for the financial years 1921-2 and 1922-3 will probably not exceed £750,000. In allocating this money as between different schemes it will be guided primarily by the merits of the schemes both from the point of view of their economy, *i.e.*, the number of settlers they can deal with for a given British contribution, and still more from that of the arrangements for training, future prospects of the settler, social amenity (group settlements), etc., and other things being equal, by the desire to afford all the Dominions an equal opportunity for developing their resources and strengthening their man-power.

4. His Majesty's Government to assign the balance of its contribution to assisted passages, including, if necessary, outfit and landing money allowances. As regards passages, the following was suggested as a basis for discussion :—One-third of the passage money to be given as a free grant, and one-third as an advance, the latter to be increased up to two-thirds in special cases where the Governments concerned are agreed as to the desirability of the assistance being given and as to the prospects of repayment. The cost of the assistance so given to be divided equally between His Majesty's Government and that of the Dominion concerned, the latter undertaking to collect the advances on behalf of His Majesty's Government. The repayment to be devoted to additional assistance to passages. Contributions to schemes of child emigration or settlement to be wholly in the form of grants and not of loans.

5. If any Dominion would prefer, in lieu of a joint contribution to assist passages, some alternative scheme for the assistance of settlers generally or for land settlement, His Majesty's Government to consider the allocation to such scheme of the amount it would otherwise have contributed to assisted passages in respect of settlers proceeding to that Dominion.

6. In view of the commitments of His Majesty's Government to its ex-service men up to the end of 1922, and of the arrangements already made by other Governments for their own schemes of assisted passages, it is not contemplated that the general scheme for assisted passages referred to above should come into operation before the middle of 1922 or the beginning of 1923.

7. All settlers receiving assistance under any of the above schemes to be subject to selection and approval by His Majesty's Government and by the Government of the Dominion concerned. Preference to be given, as far as may be possible, to ex-service men.

8. As a part of this general scheme of co-operation, the Dominion Governments to make special arrangements for the reception, distribution, and initial supervision of British settlers who should, as far as conditions permit, be given preferential treatment over foreign immigrants. His Majesty's Government on its side to undertake to make the necessary corresponding arrangements for furnishing information and advice and for carrying out any policy with regard to Oversea Settlement and emigration that may be agreed upon.

These proposals were approved of by the Conference, the representatives of the Self-governing Dominions expressing the view that they contained a generous offer on the part of His Majesty's Government and represented a sound and practicable scheme. It was clearly understood that the offer was conditional upon the full financial co-operation of the Dominions concerned as regards both land settlement and assistance in respect of passages.

The Conference passed the following resolutions:—

1. "That this Conference recommends the proposals appended to the Minutes of its meeting of the 4th February (*i.e.*, the proposals given above) to the most careful consideration of the Governments of the Empire for discussion and final decision at the forthcoming meeting of Prime Ministers."
 2. "That in cases where money for expenses overseas is advanced to settlers from Government funds, the money should be paid to the Oversea Representative in this country on the settlers' account and transmitted overseas for payment to the settlers on arrival."
 3. "That the bonus system, *i.e.*, the system of recruiting settlers by means of per caput bonus payments to third parties should be abolished as from the 1st July, 1921."
 4. "That it is desirable in order to emphasize the distinction between the movement of British subjects within the Empire and emigration to or immigration from foreign countries, that such expressions as 'oversea settlement,' 'Empire settlement' or 'British settlement,' 'oversea settlers' or 'British settlers' should be used in connexion with the movement of British subjects within the Empire in preference to 'emigration' or 'immigration,' 'emigrants' or 'immigrants,' these latter expressions being confined to movement to and from countries outside the Empire."
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APPENDIX VI.
EMPIRE PATENT.

MEMORANDUM PREPARED IN THE BOARD OF TRADE.

I. Demand for Empire Patent.

By an Empire patent is meant one which should be valid throughout the Empire without the necessity of making separate application for its grant in the United Kingdom and each Dominion. The desirability of such a patent has been frequently urged upon the Board of Trade by the commercial community, and representations to this effect have been received from trade associations.

II. Present Situation.

At the present time separate patent rights have to be obtained in the United Kingdom, India, and all the Self-Governing Dominions. Under the existing system all the Self-Governing Dominions, with the exception of South Africa, in addition to the investigation as to whether or not formalities have been properly observed, make an examination for novelty before the grant of patent rights. In the Crown Colonies, British patents are, for the most part, registered, and become valid in the Colony by registration.

III. Steps already taken.

The Board of Trade, being impressed with the desirability of considering the question and obtaining the opinion of India and the Dominion Governments, wrote to the Colonial Office on the 31st December, 1919, and to the India Office on the 8th January, 1920, enclosing a copy of a Memorandum dealing with the matter, to be circulated to the Governments concerned, and suggesting that a conference of technical delegates should be summoned to consider the question. This letter and Memorandum were circulated to the Governments of the Dominions and India.

IV. Proposals made.

The Memorandum indicated two methods by which the object can be obtained :—

1. The abolition of all local offices and the establishment of one Imperial office for the receipt of applications for patents, examination and grant. The example often cited is the Patent Office at Washington, which grants patents throughout the United States. The chief objections raised to this proposal are :—

(a) That the United Kingdom and Self-Governing Dominions will be reluctant to give up their independent Patent Offices and forgo the fees which result from the procedure adopted under their respective laws as at present framed.

(b) There are practical inconveniences in the proposal.

If London were the seat of the Imperial Office it would entail the sending specifications from all the Dominions, and this would cause considerable delay, while the subsequent correspondence in reference to amendments, etc., which would necessarily ensue, might still further increase the difficulties and delay in securing patent rights.

2. Alternatively, the local Patent Offices might be retained both in the United Kingdom and throughout the Empire for the receipt of applications, for examination as to formalities and for the grant of patent rights, but examination for novelty and power to demand amendments as a result would be abolished. The fees for such locally-granted patents would be comparatively small.

In addition to the local offices, a central office for the whole Empire would be established, where the locally-granted patents would be recorded; all patents so recorded to have *prima facie* validity throughout the Empire, but the actual rights and scope of each patent to be determined in the Law Courts as and when any dispute arose. The central office, however, apart from its duties as a registering office, might be equipped for a search into novelty, and such search should comprise not only the patents of the Empire, but the specifications and publications of all the world. Any inventor who had already obtained a patent in one of the branch offices would have the right, on payment of a substantial fee, to have such search for novelty made in respect of his patent and the specification amended as a result of the examinations reported. In such a case, the fact of the search having taken place would be recorded on the patent, and it would probably be advisable to have the new specification printed in a different form.

Such an examination would afford a very considerable security to the inventor and be useful commercially.

V. Replies received.

Replies have been received from India and all the Dominions, with the exception of Australia, to the Memorandum prepared by the Board of Trade.

The Governments of India, Canada and Newfoundland assent to the proposal to hold a conference of technical delegates. The Government of New Zealand raised certain questions which it was deemed desirable should be considered before a conference was called. A reply has been sent to these questions, and no further communication has yet been received. The Government of South Africa raised certain objections to the proposals made, to which a reply has also been sent, but that Government has not yet agreed to the conference being held.

VI.

In view of the importance of the question, the Board submit that it would be desirable to place the subject on the agenda for consideration by the Imperial Cabinet. If the proposal is accepted, the papers, memoranda and correspondence can be submitted to the Imperial Cabinet.

Board of Trade,
30th March, 1921.

APPENDIX VII.

NATIONALITY OF CHILDREN BORN ABROAD OF BRITISH PARENTS.

MEMORANDUM PREPARED IN THE HOME OFFICE.

(272897/74)

THE acquisition of British nationality under the existing law depends upon the application of two distinct principles known as the *jus soli* and the *jus sanguinis*. The former—by which every child born in the territory of a State becomes at birth one of its Nationals—is the basis of British Nationality, and was, at common law (under which only those children who were born within His Majesty's allegiance were British subjects) the only way in which British nationality could be acquired.

On the other hand, the *jus sanguinis*—by which nationality is acquired through paternal descent—was unknown to the common law, and was introduced into our law by Statute, see the British Nationality Act, 1730 (4 Geo. II, C.21) as to the first generation born abroad, and the British Nationality Act, 1772 (13 Geo. III, C.21) which extended the principle so as to confer the status of British subject also upon the grandson born abroad.

These Statutes remained in force until the British Nationality and Status of Aliens Act, 1914, which repealed both, but in substance re-enacted the Nationality Act, 1730. British nationality so far as it depends upon the *jus sanguinis* thus became limited once more to the first generation born abroad.

This change in the law was introduced upon the recommendation of a strong Interdepartmental Committee who had reported in 1901 (Cd. 723) in favour of the retention of the *jus soli* and—as had been recommended by the Royal Commission of 1869—the limitation of the *jus sanguinis* to one generation. The main considerations in favour of that limitation are (1) that in normal circumstances the closeness of association with the British Empire of families of British descent resident in a foreign country tends to diminish with each generation born abroad, more especially if marriages with foreign women take place; (2) that the transmission of British nationality through successive generations born abroad necessarily and automatically produces many instances of dual nationality in cases where that foreign country possesses the *jus soli* (as in the case of most of the South American Republics).

As regards the first of these considerations it is still probably true that the perpetuation of the *jus sanguinis* in countries where (as in the case of the United States of America) the conditions of life are, broadly speaking, British in character, and there is no marked tendency for the formation of distinct British Communities, successive generations are likely to lose touch to a large extent with the home country and to cease to be British in anything but name and descent. On the other hand, in those countries such as the South American Republics, Japan, Portugal, Tunis, where strong British Communities have been formed, the position as it existed prior to 1914 has undoubtedly been affected by the War. In such countries indeed the British Communities during and since the conclusion of hostilities have shown a very marked desire to assert and maintain their British character; and representations are constantly being made to H.M. Government, e.g., by British subjects themselves born abroad who joined H.M. Forces during the War, that British Nationality ought to be continued beyond the first generation born abroad so as to cover their children.

As regards the second of the above considerations, a system under which a child comes into the world with two nationalities, that of his father's State and that of the State where he was born, cannot be regarded as satisfactory. In theory and in fact such a child owes allegiance simultaneously to two different sovereign States, and the inconvenience and confusion resulting from that dual status, which gives him two sets of rights and privileges and two sets of duties and obligations, is universally recognized. The policy of nationality law should be to reduce such cases to a minimum.

In the opinion of H.M. Government the desirability of meeting the demand of British Communities abroad in this matter is such as to require very serious consideration, and even if the difficulty with regard to the creation of instances of dual nationality cannot be overcome this ought not to be regarded as a fatal objection to such remedial legislation as may be required.

Any scheme for the purpose of enabling the members of British Communities abroad to maintain their British status through the second (or later) generations should secure as far as may be practicable that only those persons who have a real connexion with the British Empire are brought within the scope of the scheme. It is considered, therefore, that any amendment of the law should not be by way of general enactment automatically endowing descendants of British subjects with British nationality, but that the law should be altered in such a way as to require some action by the individuals concerned involving the assertion of a desire to preserve British status, e.g., by registration at a British Consulate.

The following scheme is accordingly submitted for consideration :—

In all foreign countries the child of a British father who would not under the present law possess British nationality should acquire British nationality as from birth upon registration of the child at a British Consulate within one year of its birth by parent or guardian. The British nationality so acquired will cease at the end of a year after the child attains his majority, unless within that year he himself renews his registration at a British Consulate or otherwise as may be prescribed by Regulation. It may, perhaps, be desirable to require also that, in those countries in which the *jus soli* exists, and in which there is power to make a declaration of alienage (or its equivalent), retention of British nationality should be conditional upon making such a declaration as well as upon renewal of registration.

It is to be observed that the above scheme, which could be carried out by an appropriate amendment of Section 1 of the British Nationality and Status of Aliens Act, 1914, would not be limited in its effect to the second generation born abroad, but would continue to be effective through successive generations so long as the required conditions as to registration were observed.

It is intended that the scheme should be made retrospective so as to include children of the second generation born abroad between 1st January, 1915, and the date of the coming into force of the amending Act, and to permit the registration of such children within one year after the latter date.

In formulating any scheme for the amendment of the British Nationality and Status of Aliens Act, it is to be borne in mind that that Act was the result of agreement at previous Imperial Conferences, and any amendment of it which is made should be uniform throughout the Empire, and should carry the consent of all the self-governing Dominions.

Home Office,
June, 1921.

APPENDIX VIII.

REPLY FROM HIS MAJESTY THE KING TO THE ADDRESS FROM
THE CONFERENCE.

It is with much satisfaction that I have received from the Members of the Imperial Conference, on the close of their labours, an Address assuring me of their loyal devotion to myself and to the Throne.

Still more am I gratified by their expressed conviction that the Crown is the important link uniting together in cohesion and strength the component parts of our great Empire.

I have experienced stirring and ineffaceable proofs of these sentiments in the enthusiastic and touching receptions invariably given me on the several occasions of my visits to different portions of the world where the British Flag flies—proofs which have been renewed in the remarkable demonstrations of welcome and goodwill towards the Prince of Wales in those Dominions and Colonies which he has been able to visit during the past three years.

Furthermore, where could one find such ample testimony to their common allegiance to the Empire and its Sovereign than in their noble self-sacrifice during four and a half years of the World War?

I have followed with keen interest the deliberations of the Conference. These meetings, and the exchange of views between the Ministers of the great communities which they represent, upon the many problems affecting the common interest of the British Peoples, are essential to the unity and well-being of the Empire, and to the general peace of the world.

Every facility must be given for such periodical meetings, and to ensure this we look confidently to the men of science and research to discover improved means of intercommunication between all parts of the British Commonwealth.

I know that the work of the Conference has been strenuous, entailing severe demands, mental and physical, upon all concerned. But their time has been well spent in advancing further along the road of progress and development. I heartily thank them on my own behalf and that of the Queen for their Address. We wish God-speed to those who are leaving England, and a safe and happy return to their respective homes and families. More than ever do we follow with feelings of affection the welfare of our people at home and across the sea.

GEORGE R.I.

Buckingham Palace,
10th August, 1921.