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THE NEW BRITISH EMPIRE



(Frontispiece)

THE NEW BRITISH EMPIRE

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To MY MOTHER

PREFACE

These lectures were delivered, in somewhat more compact form, at the Lowell Institute during the winter of 1931, between February 6 and March 13, as internal evidence would show. No doubt apologies are due the reader who ventures into the volume for presenting the lectures to him without any attempt at removing the informality of the platform. They cannot but carry, in the form in which they were delivered, the tone of familiar address to an intimate audience. Yet to have recast them into a more restrained and formal style would have changed their whole character. Equally, to have equipped them, *ex post facto*, with an elaborate apparatus of citations, a bibliography, and the other paraphernalia of learning would have been to take them more seriously than their own pretensions. I have left them, therefore, with their original flavor of the lecturer's direct manner and conversational tone, and with even an occasional reiteration, for purposes of emphasis. A sprinkling of notes has been added on controversial points or simply in order to bring the facts up to the date of going through the press. Fortunately the text itself has been borne out by subsequent events. The appendices will, I hope, serve to give some background for the lectures, though only much reading could serve to place one in the full current of the Empire's recent development.

If there is any merit in the attempt that this book represents, it must come from the sheer effrontery of trying to cover in several lectures what no scholar has of late been willing to try to bring together in such scope—almost the whole face of the earth, so far as it is of immediate interest to the British Empire! Without trying to write a work of popularization, I have hoped to get the essence of the New Empire into comprehensible form, with a reasonable

degree of insight into the main forces that move it or hold it stable. The emphasis has been upon contemporary politics, law, and economics, but I have tried to give the historical and the cultural factors their due.

Dare I admit to my academic brethren, in spite of all the canons which demand that one ought to know more and more about less and less, that I enjoyed the scandalous *tour de force?* For my own special interests in much more restricted aspects of inter-imperial relations[1] between England and Dominions I have found it of the most real value to attempt to think through and to know something, at least, of the intricate web of the Empire as a whole. Aspects of imperial policy which before seemed utterly compounded of British illogicality, when viewed in the context of the Empire as a living system, fell into a proper perspective and became comprehensible enough—even in their apparent illogic. Or at least that has been my pleasant delusion!

It is with the hope of sharing some of the profit of this effort that I am persuaded to put these necessarily sketchy lectures into print. If acknowledgments of obligations were in order, my list would be a formidable one. I ought, certainly, to thank the Bureau of International Research of Harvard University and of Radcliffe College, which made it possible for me to travel in England and the nearer Dominions and to hunt down the interests of the Empire in Geneva. I ought also to single out Mr. A. Lawrence Lowell with my thanks both for his encouragement to follow into a field in which he had pioneered and for his most helpful criticism. Where we have differed, subsequent events have proved him to be a better prophet. To Professor André Siegfried, also, I owe especial thanks for having read some of my manuscript in the summer of 1930. I regret that his own work, *England's Crisis*, appeared after these lectures were delivered, particularly as it offers

[1]To be explored in a forthcoming work for the Bureau of International Research of Harvard University and Radcliffe College, under the title *The British Commonwealth: An Experiment in Internationalism.*

some interesting points of disagreement along with much that is common ground.

It was a fortunate period for feeling the pulse of the Empire: 1929–1930. By imposing my questions on all manner of men in foreign as well as British countries, from ministers and civil servants to laborers and domestic servants—and on the idle poor as well as on the idle rich—at the end of my journeys I felt closer to understanding what the real life of the Empire is. The courtesy of my inquisitorial victims on all sides was beyond praise. In the case of some of my political informants, complete frankness has commanded the respect of confidential treatment. As for others, no doubt the paucity of their communicable knowledge and ideas arose from a fear of my possible lack of discretion! But I should like to indicate here what may not appear in the lectures, though it is really the most valuable insight that I had into imperial politics as a reality: the civil service's directing and restraining part in the working of what is possibly the greatest modern political organism. The necessary anonymity, which cloaks them from praise as well as blame, must also prevent any effort at revealing what is more than a suspicion of my own: that the crucial decisions as to imperial policy often bear names of ministers where the real guidance has come from the permanent official. Some of them, to whom I would especially wish to render friendly thanks, will, I hope, take these my general thanks to themselves.

I may add that in a few cases I have been forced to leave information from other sources inadequately examined in the light of official information that, probably for excellent reasons, could not be given. "High Policy" remains, especially on relations within the Empire, a matter of some mystery, not to be divulged to "the general." "Consultation" within the family demands the most delicate secrecy. I have, of course, relied as fully as possible on the published official documents to correct my own possible bias, but it would have been more than human to have succeeded in

all the wide range of matters brought into these lectures. After the experiences of the past two years, I ought also to confess, I am badly shaken in the usual and simple faith of the scholar: the documents made public seem quite as often to be aimed at concealing as at revealing the inmost essence of policy. I reproduce some of the most important of the public documents therefore with this friendly admonition to the reader.

For permission to reprint them in the appendices, from the indicated sources, I am indebted to the Controller of His Majesty's Stationery Office, and in addition, to the Empire Marketing Board, for permission to reprint also their twenty-sixth Report by Professor Sargent, on which Crown Copyright is reserved. I am indebted also to the editors of *The Economist* (London) for permission to print their editorial analyses of India's constitutional problems. For the excerpts of the Party Manifestoes reprinted from *Gleanings and Memoranda* (the official journal of the Unionist and Conservative Parties in Great Britain) I am indebted to the editor. The Secretary of the Publishing Department of the British Labour Party has permitted me to use a condensed summary of the Party Program from "Labour and the Nation" (1929 edition); and I am similarly indebted to the Secretary of the National Liberal Federation for permission to reprint the summary excerpts of the report of the Council on Industrial Policy of the Liberal Party.

In the preparation of these appendices and of the maps and charts I am especially indebted to the assistance of Miss Susan Tully. My secretary, Miss Barbara Wright, has rendered me equal services in reading the proof and checking references. I am indebted for the same help and for the preparation of the index to my former student and course-assistant, Mr. J. H. De Nike. Sections of the proof have been critically read by my friends Mr. F. L. Day, Mr. Richard Gregg, and Dr. David Mitrany; and by several civil servants of the British and Dominion Governments who prefer to remain anonymous.

It is too much to hope that there will not be errors of fact as well as of interpretation in lectures such as these. I shall be grateful for having them pointed out. Where so much is disputable, it is a relief to get as solid ground as one can. In one thing only I should be grievously disappointed if they have fallen even occasionally from the higher levels of scholarly tradition: it is my hope that, without disguising my own sympathies, I may nevertheless have achieved fairness in presentation throughout. To have written about Britain and its traditions and to have failed in this greatest of them would have been to fail indeed.

W. Y. Elliott.

Lowell House, Harvard University,
Cambridge, Mass.,
December, 1931.

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THE NEW BRITISH EMPIRE

Chapter I

"THE ONE AND THE MANY":

IS THERE STILL A BRITISH EMPIRE?

Novus nascitur ordo.

There has been recently at least a temporary eclipse of the "New Economics" of American prosperity of which the whole world has had to take painful notice. With it the focus of contemporary attention has been shifted to other theaters of political activity where human destiny seems likely to be affected most permanently by what are now passing events: Measured by popular interest, the first is undoubtedly the grandiose experiment in communism that is being attempted by the Union of Socialist Soviet Republics, under the dictatorship of the Bolshevik oligarchy. Even the fate of Europe, under the impending economic difficulties in which armaments, tariffs, reparations and war debts figure so heavily, hardly attracts equal attention.

But to counterbalance Russia, there is the democratic experiment, on an even larger scale, of transforming the British Empire from a centralized system, under either British hegemony or direct rule, into a League of Allied States. The Russian experiment is one of communist nationalization with hopes of a communist internationalism, revolutionary, dictatorial, and crusading in its methods. The second is a less spectacular and a less drastic but a no less important attempt to stabilize the sphere of order under capitalist control in the British Empire by international agreement, with hopes of bringing about nationalist cooperation through the democratic method of conferences. The Russian experiment is ordinarily conceived to be the

more daring and the more important of the two for history, as the work of a young people stretching its hands for power. The British experiment is, in consequence, apt to get scant credit for the greatness of the stakes that are being ventured. There is an evident feeling that Britain is slipping and that what is happening in the Empire is the product of necessity, not of free will. Even viewed in its most pessimistic prospects, its decline is too gradual to be tragic. Is this a just estimate, either of prospects or of the values to civilization that are involved?

The intense eagerness with which opinion everywhere now hangs upon the reports of the Russian adventure is due not only to a shaken faith in the automatic economic sufficiency of competing systems of nationalist capitalism. It is due equally to an obscure realization that any substantial measure of success for the planned economy of the Russian adventure may mean an era as important in its repercussions as that of the century-long triumph for nationalist democracy which followed the American and French revolutions. The very magnitude of the experiment; its ruthless rejection of the measures of parliamentary compromise; its apparent challenge to traditional religion as well as to the traditional economics in which consumer's choice ultimately fixes prices; and its international crusade of class warfare, already widely felt, mark it as a world force that must be understood, if only in order to be countered. To the established order of the capitalist world it is a threat that may be likened to the Reformation's threat to the Papacy in the sixteenth century. Though the Russian threat is aimed at imperialistic capitalism, it has a quasi-religious character of its own. It utilizes nationalist unrest to aid its own dream of a classless world order—all the workers of the world united and supreme.

Without wishing unduly to stress historical analogies, always apt to be more poetic than scientific, one might nevertheless call what has been going on in the British Empire a sort of Counter-Reformation of capitalist imperial-

ism. If it has been less heralded as a new order, its consequences are not less important. For it is not only concessions to the cultural autonomy of nationalism, such as the federal system of the New Russia involves, that have been brought about also in the New British Empire. Indeed, cultural autonomy is an old story in the Empire, more realized in fact than it is in Russia. The reformation of imperialism in the British system has also gone far toward the roots of capitalist nationalism by accepting sweeping social reforms and by relying upon the same technique of international compromise and conference which has marked constitutional democracy in the internal politics of British countries. Since the same method has been extended at Geneva to a great portion of the world system of states, its ability to achieve agreements for peaceful coöperation within the Empire has the significance of an example under the most favorable omens. Can the more flexible economic system of capitalism, under the democratic system of its most experienced exponent, solve the problems of national, class, and racial coöperation?

Conceivably the success of this British experiment is fraught with as much interest for the peaceful solution of the world's problems of capitalist internationalism as the success of the Russian experiment is big with the threat of a period of revolutionary adjustment. For the same reason the failure of the British effort to reform imperialism into international coöperation with the Dominions and India and colonial trusteeship for the rest of the Empire would mean a calamitous reversal for the hopes of peaceful adjustment in the world of nations. The break-up of empires has always caused the loosing of all the forces of destruction until a new equilibrium could be painfully re-won. It is certain, therefore, that a transition to equilibrium, a new order for the Empire, through a sort of capitalistic counter-reformation of imperialism, and in the face of the revolutionary threat of communism, holds a quite peculiar contemporary interest for a world as badly shaken as our own.

Of course it is possible that both threats are exaggerated: one may refuse to take seriously the prospects of success in the New Russia, just as one may minimize the chances of failure for the New Britain. The grounds usually advanced for this attitude are that the present face of events will swiftly change its complexion with the inevitable upturn of commodity prices which the history of previous depressions teaches us to expect. With the beginning of a new era of prosperity, Russian "inefficiency" under its rigid system of price control will be rated at its proper worth and will be forced to make concessions to a more flexible economy. But the underlying realities both of the class war preached by Bolshevism and of the clashes of competing nationalism are abiding specters, not to be laid so easily, even if this optimistic reading of economic history be taken at its own claims. Aside from the threatening character of the world's gold problem, these are two stubborn ghosts. The enduring future of the New British Empire will depend on the success with which its own counter-reformation of imperialism can lay the specters of nationalism and class war that still walk so openly abroad.

There is, then, a real interest for America, for the whole world, in the question propounded at the outset of our inquiry: Is there still a British Empire? Lest the question be thought impertinent, let it be followed immediately by an assertion, one quoted by Canning over a century ago when calling his New World into existence in order to redress the balance of the Old. It is a text that may still serve as a rubric for these lectures: *Novus nascitur ordo* ("A new order is born"). The Old Empire rested with unabashed frankness upon Aeneas' admonition to the future Romans, the descendants of his abandoned Troy:

> *tu regere imperio populos, Romane, memento*
>
> . . . . . .
>
> *parcere subiectis et debellare superbos.*[1]

[1] "Be thou mindful, O Roman, imperially to rule the peoples
Sparing the subject races and conquering the proud."

The New Empire emphasizes rather the intervening line, and with new humility:

(*hae tibi erunt artes*) *pacisque imponere morem.*[1]

It is fitting to begin what must at times have the flavor of an adventure in political theology with a text like that once used by Canning. For theology is characteristically a stubborn attempt to explain an irrational or at least a superrational order in terms of reason, with the aid of appropriate texts. This text is theological enough to assert its faith flatly in a rational universe by declaring that there is such a thing as order—even a new order—in the British Empire. A constitutional system so difficult to reduce to logical outline as that of the New Empire may well need to invoke the aid of theological subtlety. You may perhaps feel, also, after the evidence is all in, that to assert a faith in the future of this Empire, which to all appearances is in a period of dubious transition, requires rather a religious conviction than a scientific judgment. I can only hope not.

It is, in any case, with as nearly as possible a dispassionate attitude that one ought to approach the difficulties so evidently assailing the New Empire which has come into existence since the World War. This post-War Empire is trying to learn, in the process, a new way of ruling by leading rather than by commanding. It is, of course, not altogether a novel chapter in English history, as the whole development of the great self-governing Dominions proves. But its extension to subject races is an untried venture. Even though one's sympathies may counsel the most friendly interpretation of imperial Britain's new way, it will be a truer friendship, as well as a more useful path to the truth of the matter, to try to understand objectively what are the strength and weaknesses of such an Empire; remembering, to paraphrase the greatest utterance on the American Union, that this new experiment was conceived

[1] "(These arts will be thine) to impose also the habit of peace."

in compromise and is now dedicated to the proposition that its member nations must become, even if they are not so created, free and equal. Such a treatment of nationality in an empire becomes an adventure in closer international coöperation, paradoxically to be achieved through a loosening of legal bonds. The name British *Commonwealth of Nations* has been chosen to describe the venture, no doubt in order to placate a contemporary psychological distaste for the word *empire* that is not hard to understand.

It is for this reason that one justifiably can ask the question: Is there still a British Empire? Something there is of constitutional unity and of politically substantial fact. Since the many nations of this Commonwealth still remain one by virtue of sharing the same Crown, the answer must be, at least in part, Yes. No funeral oration on the Old Empire is in order. Rather it is a metamorphosis that must be celebrated.

An Empire of a Novel Sort

As far as Great Britain's relations with her Dominions are concerned, the result is an empire (if it can still be so described) of a novel sort. Even where it retains unity, it permits equality. The imperial sway of Rome knew no such technique. Perhaps the nearest analogue was the Holy Roman Empire, since its bonds became increasingly those simply of a formal cultural unity, symbolized in a dynasty. There are some who would even apply a harder analogy—the classic phrase in which Thomas Hobbes described the imperial Church of Rome: "the ghost of the deceased Roman Empire sitting crowned upon the grave thereof."

But that judgment hardly fits the facts of the New Empire. There is an imposing solidarity about it still. Not only are the Dominions loyal to the symbolic crown; there remains still an Old Empire on the classical model. For India, the crown colonies, and dependencies of every order, self-government may be an aspiration. For the national units, it is the declared end. The present fact is,

none the less, subordination. Empire—New Style—means concessions also to the dependencies. That manner is hardly imperial which invites Indians and Arabs, Egyptians and Zionists, as first Boers and then Irishmen were invited, to the council table as equals.

A decade before the World War the impotence of the contemporary British efforts to federalize the Empire had already become clear. After the passing forever in the Tory debâcle of 1905 of the remote chance that Joseph Chamberlain may have had to draw the Dominions into some form of Customs Union with England, political federation was a hopeless ideal. Disraeli's "Crystal Palace Speech" had spoken of the chance in 1872 as having already passed with the granting of responsible government to the colonies. The efforts of Julius Vogel of New Zealand and the contemporary Imperial Federation League were politically premature from England's standpoint. When they were revived in the twentieth century, they were already too late from the point of view of the Dominions. The World War, which gave such an impetus to the industrialization of the Dominions, wrote *Finis* on the prospects of a *Zollverein* for the Empire.

Before that struggle, in which the Dominions established their claim to mature nationhood, one could hardly have foreseen the rapidity and the completeness with which the legal supremacy of the United Kingdom would pass, even in the sphere of foreign policy. And had one foreseen it, by a miracle of divination, the new technique of maintaining diplomatic unity in the face of strong tendencies toward divergent policy would have seemed unworkable. In the world which existed before the creation of a League of Nations, indeed, the hope of acting jointly under no more compulsion than an agreement to "consult" would have been both unworkable and dangerous.

It is possible that if the League of Nations fails to achieve international security, the same difficulty will again confront the Empire, *i.e.*, the necessity of swift action by the

British Government under rapidly changing circumstances. Whether the existing machinery would permit *real* equality of Dominion weight in such a decision is doubtful. What would happen to the diplomatic unity of the Empire is perhaps even more dubious. The future of the New Empire must be to a considerable degree dependent on the fate of the League and on the reality of international security.

In the Imperial Conference of 1911, at which the Dominions were warned of an impending war by Sir Edward Grey in the most solemn and convincing terms, Mr. Asquith, then British Prime Minister, had diplomatically but firmly informed them that they must accept the facts and the results of British hegemony in world affairs: loyally they must stand or fall with the success of British diplomacy and British arms. They would be kept informed and consulted where possible. But "High Policy," he reminded them, must be directed solely by the power which bore, in responsibility as well as in rulership, the lion's share. For the burden of the fleet and the diplomatic services responsibility lay with the imperial Government; finality of control by that government could not, therefore, be shared. The Empire, ultimately, was an international unit ruled from England. The One could not be made Many, unless through the passing of Empire.

How greatly the World War changed that attitude hardly needs emphasis at this time. It had, of course, not gone altogether without protest before the War. Sir Robert Borden, of Canada, who has perhaps contributed more than any one statesman to forging from practice the principles of the New Empire, had offered dreadnoughts to the Mother Country in 1912, on the basis of having a voice in foreign policy. He was given, in principle, at least, the right of "consultation" through a Canadian resident minister in London in return for his support. But the refusal of the Canadian Senate to vote the money for the promised ships and the outbreak of the War brought this development to an end, through the need in England for quick decision.

When phrases like the "rights of small nations" get abroad they are not apt to stop short of such echoes as the "self-determination of peoples." The Empire had to take on the orientation of the times, even for India. It had to make pious offerings to the gods of democracy and nationalism in whose names the War had been fought. It began to talk of the trusteeship of its colonial power as existing only for such time as was required to educate the backward peoples under its rule to self-government. Already the counter-reformation of imperialism had begun, through the anticipatory presage of the attacks that were to follow the War.

The presence of the Dominions at the council tables of the powers at Versailles, at Geneva, and elsewhere, speaking their own minds and freely, was for England as much as for foreign powers a condition, not a theory. Radical readjustment of the constitutional system of the Old Empire had to be made to fit these new facts. The Dominions have had, since the War, to be carried along by persuasion to accept Foreign Office policy before England could act.

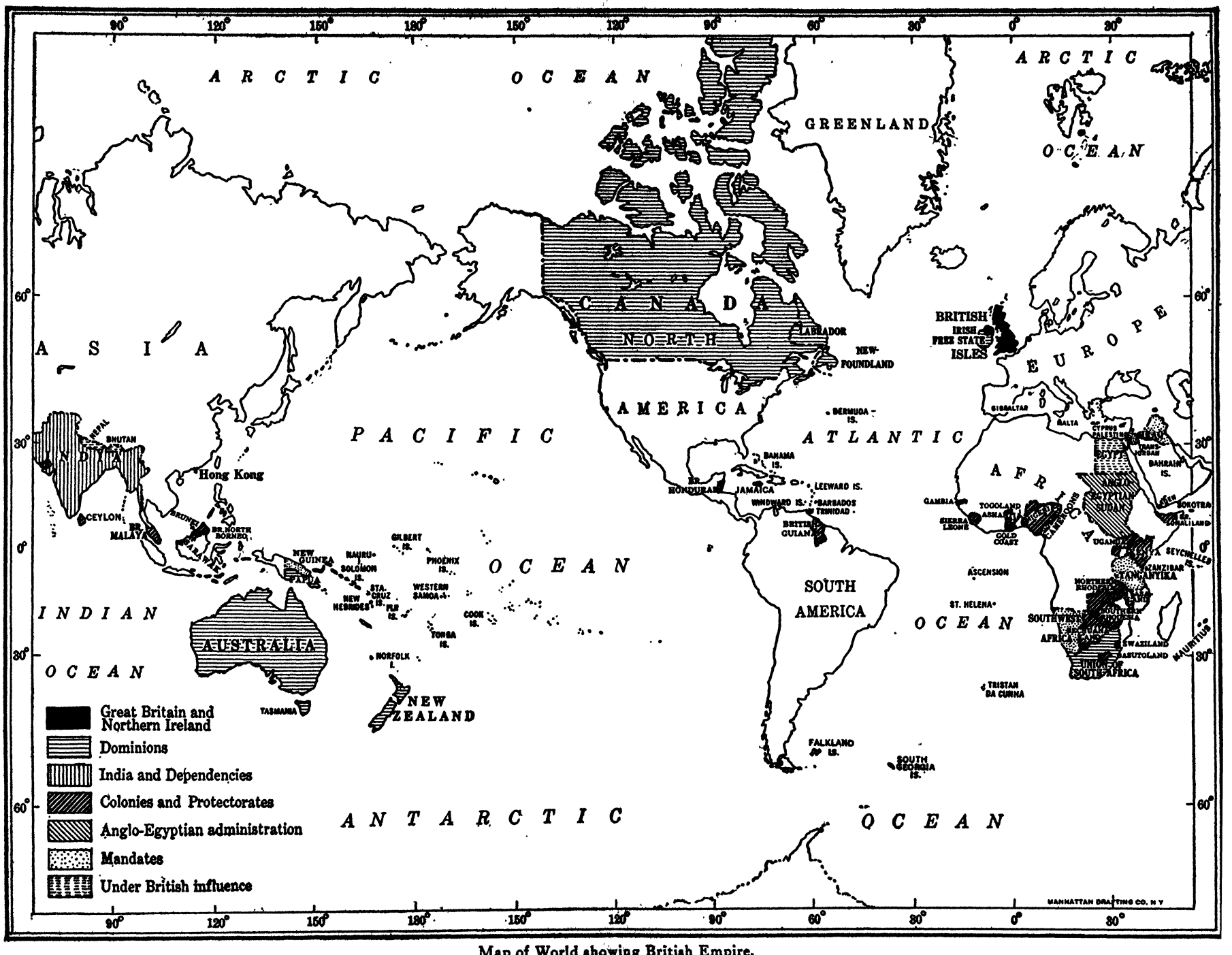
For this New Empire, whose technique of government is evolved from the word "consultation" and whose life seems to hang on the multiplication of conferences, the term *British Commonwealth of Nations* was given official currency. "There is," said the Balfour Committee on Inter-Imperial Relations of the 1926 Imperial Conference, " . . . one most important element in it [the British Empire] which from a strictly constitutional point of view, has now, as regards all vital matters, reached its full development—we refer to the group of self-governing communities composed of Great Britain and the Dominions." Today, through the widely heralded Resolutions of Imperial Conferences, through pronouncements in the League of Nations, and through the letters which are delivered by British ambassadors with the credentials of Dominion ministers plenipotentiary to foreign capitals, the world powers have been informed of this changed status: They are

told that the diplomatic unity of the Empire now rests upon the principle of consultation and coöperation between "equal" nations bound together only by a common crown. It is true that Great Britain would still like to insist that "coöperation" in practice ought to mean only following the British lead. But the Dominions do not always understand the tie of the Common Crown in this sense. And in this attitude they have the support of the Balfour Resolutions quoted above: "Their position and mutual relations may be readily defined," that Report continued, emphasizing the definition by italics: "*They are autonomous Communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.*"

The nature of that crown and its reality as a link of empire therefore demand our serious interest. Only through an understanding of its complex character can one appreciate the task before British statesmen. Is not that task, in all practical reality, to give a working solution to the oldest metaphysical problem—the One and the Many? Philosophers since the days of Parmenides and Zeno have wrestled with that puzzle, inherent *in rerum natura*. Jurists have consistently sought unity before admitting the possibility of a legal system. But here politicians must attempt to find a practical solution on which the life of the Empire depends: How can the British Commonwealth of Nations at one and the same time combine imperial unity and national diversity?

The Old Empire Still Survives within the New

There is, of course, in this Empire, which is—*all* of it—still called British and is with increasing frequency termed a Commonwealth of Nations, a part of enormous dimensions and importance where the Crown is an Imperial Crown in the old sense. There unity is based on legal con-



Map of World showing British Empire.

Facing page 13.

trol from a single center. India, all the Crown colonies and protectorates, and the dependencies of every shade that are ruled from the India Office and the Colonial Office are really subordinate to the will of the Crown in Parliament at Westminster. They are not equals, as the Dominions are acknowledged to be. Nor are they consulted before any matters of High Policy that may affect them are undertaken by Great Britain. Perhaps one ought in passing to note, even though that is not to except, the formal consultation of India, whose Government is treated by England in international matters as if it were that of a Dominion. There is no real exception because in this respect India is still controlled from the India Office and from Number Ten, Downing Street, even though the advice of a Viceroy sensitive to Indian opinion carries great weight.

Egypt and Iraq are now closely allied, partly protected states, under the British aegis. Persia and the Hedjaz are under close influence. On the borders of the Empire in such states as Afghanistan and wherever British interests are vitally at stake, the shadow of the watchful Lion falls. These probably are the undefined regions of special and vital interest for which Sir Austen Chamberlain's counterpart to the American Monroe Doctrine was announced in the British interpretative note accompanying the signature of the Peace Pact of Paris.

In addition to these entities that have good claims already to nationality, there are many fragmentary bits of nations and primitive tribes grouped into British colonies, protectorates, and protected states, or mandates from the League of Nations. These are included in the British Commonwealth of Nations for the most part as dependencies of its senior partner, Great Britain. But for them it is an impossible hope that the Empire will ever become a commonwealth or that they will be numbered among its equal nations.

What is the stuff of which politics is made? Surely in this rich storehouse of experience one ought to find the answer. To the detached student of political institutions the attempt

to understand the development of such a complex grouping has a peculiar fascination, almost to the degree that the undertaking offers peculiar difficulties. One thing it may usefully serve to do: it can defy those "political scientists" who profess to have found in statistical method a measure for all political realities. How, for instance, shall we weigh the Crown as the bond of Empire? Yet here if anywhere is your political laboratory for the study of the great contemporary forces: socialism and capitalism, nationalism and its limits, and a democratically ruled empire striving to hold its subject dependencies at once firmly and mildly.

Nor is the interest of the study simply scientific and theoretical. The British stage has always held the center of modern historical interest for the most obvious practical reasons: Burke and Pitt and Fox, Canning and Castlereagh, Peel and Palmerstone, Disraeli and Gladstone, Asquith and Balfour loomed upon it as protagonists of gigantic forces that held the imagination of a whole world, because they touched the world's destiny at many and vital points. How much of post-War history depended upon the subtlety of Balfour, the temper of Curzon, the imagination of Winston Churchill, or the magical transformations of Lloyd George, whom his enemies accuse of calling fell spirits from the vasty deeps like a reincarnated Welsh Glendower? For that very reason the Empire is a dramatic spectacle in which detachment is most difficult for the observer to maintain. The destiny of imperial Britain is fraught with an importance for the future that must mark a great turning point in the stream of history. Are we witnessing as contemporaries another imperial Rome on the decline? How would its disintegration affect us? These questions are far from academic. They shake, if they are not merely ventures in "hypothetics," the bases of our capitalist economy of which England has so far been the stoutest champion. They affect peculiarly and tremendously the future rôle to be played by the United States. This Empire's very survival is staked on peace and on a coöperative

international order. Her interests lie athwart those of the Bolshevik Giant everywhere but particularly in the East. If her integrating rule were withdrawn from other huge areas of the world, how would we ourselves be affected? For the sake of making the issues clear, let them be stated and then criticized.

One would, perhaps, be well advised to recall Aesop's fable before too trustingly concluding that the British Lion is sick past recovery: "*Vestigia nulla retrorsum*" ("No footsteps lead back")—history has so far written of the invaders of his den. But what will be the outcome, now that the King of Beasts, at the very least, has been forced by the times to become democratic? Is the answer a socialistic empire? Or is not that very phrase itself a contradiction in terms? Even if socialism does not destroy the golden-egged goose of the City's financial sovereignty, can any empire be saved and administered on the new terms? On their face, those terms imply that equality between nations is to be piled, Pelion on Ossa, on the back of the completely democratic franchise. Even Ceylon is to try well-nigh universal suffrage. If Mr. Lloyd George was right in asserting that the War could not be won by a Sanhedrin, may not a plethora of democratic machinery and international "consultation" break down the strength of an empire?

Or, to take the more hopeful alternative, is the British Commonwealth of Nations, now pledged to outright democracy, to more or less socialistic humanitarianism, and to guarantees of international security and peace, pioneering in a new world order? Does not the success of the New Empire in proving its coöperative technique symbolize the crucial test of democracy in its attempt at curbing nationalism to a new world order?

Prophets may be found, and not only on the mountain tops of academic theory, who will tell either story with enthusiasm. In these times of strain and pessimism the more strident school proclaims that the Empire is done for. It is, they say, showing all the usual marks of decline that

no cloak of pleasant words can conceal—permanent unemployment at home and lost markets abroad, accompanied by the passing of political and legal supremacy, all old and well-known symptoms: The Dominions and India will not stop short of practical independence. That means in matters economic a protected industrialization fatal to the British exports upon which England must live. You may hear from these oracular sources that if the British fear logic like the devil's own shadow in their constitutional relations, it is because any clear thinking would introduce the fell spirit of disruption into their patchwork of improvised understandings, misnamed a Commonwealth of Nations. How can the Empire be a unit in international law, yet composed of nations equal in legal status and able to act independently of any common control? Commonwealth is only a name for the refusal to face unpleasant facts: Empire is dead. The One having become Many is no longer One: You cannot have your cake and eat it, too.

If the Dominions have really become *nations*, how then can they form anything properly called either *British* or *Commonwealth?* The thing has become, we are told, a contradiction both in terms of juristic logic and in terms of the demands of international responsibility: One may expect Dominions to claim their neutral rights, if it suits their advantage, in future wars. The right of neutrality has already been claimed as part of the new status, along with the legal right of secession, by Premier Hertzog of the Union of South Africa. One has only to scan closely the history of the past century, since the Great Reform Act and the victory of radicalism in England, to see the colonies dropping, in Turgot's unforgettable phrase, like ripe fruit from the mother tree.

The Unity of the Empire

These are disturbing prophecies. Are they true? None but a very rash person would risk forecasting the destinies of an empire so rapidly in flux that only Heraclitus could

be termed its proper prophet. Yet it is fair and in the interests of frank understanding to state the conclusion even before producing the evidence: The economic bases of the Empire, though shaken, are still very solid. Compared to other systems they rival favorably any except perhaps the French and possibly our erratic own. The social problems of England, desperate as they look, are less crucial than they were a century ago on the eve of the Reform Act of 1832. England's colonial supremacy is unchallenged except in India, and there she has at least behaved with a wisdom which no other power would have shown, and which simply foreshadows the type of experimentation which Western powers will have to attempt with the great dependencies where nationalism is developing.

As for the peace-time diplomatic unity of the British Empire, as far as it is required to save a united front for joint High Policy where security is at stake, and for the common citizenship of British subjects of the Crown, it is in less immediate danger of disruption now than it was for several years just after the World War. The main constitutional issues have been reasonably settled to the satisfaction of nationalist aspirations, even in the Irish Free State and in South Africa. This is true as much because as in spite of the Dominions' separate membership in the League of Nations or the growing practice among them of exchanging diplomatic representatives with the chief foreign powers. It is perhaps more possible for nations to remain united *for some purposes* by voluntary agreement when the final power to disagree is fully admitted. A community of enforceable law may be found even where lawmaking is done by separate and equal legislatures. Internal constitutional understandings have long controlled sovereign parliaments in British practice. May they not now be extended to the relations between parliaments?

Whether this tenuous remainder of unity of common citizenship and joint high policy would survive another world-shaking war (which might change other constellations

of power as well as the British) is another matter. For the present, however, the Dominions need no neutral rights or independent status to protect their nationals. They are saved, by their constitutionally acknowledged power of being kept informed and by a right of veto over such Foreign Office ventures as demand joint responsibility, from being positively involved by a British policy that they have not approved.

Actually they enjoy more international weight at less cost than any completely independent states of equal size. A little reflection will serve to mark as rather amazing the power now wielded in international policy by five small nations: The largest, Canada, is not so large in population as New York State by several millions; the next, Australia, is comparable in numbers to Texas or California and is hardly so rich in resources; and the three remaining members, the Irish Free State, South Africa, and New Zealand, taking them all together, have a total white population considerably less than that of the state of Pennsylvania and hardly greater than that of Ohio. As European powers they would be of small weight. Nor do the studies of population experts indicate any marked change in the ratio of these populations to that of America. They gain relatively rather more slowly. The Irish Free State actually loses population. A white population of not more than twenty-two millions, about one-half that of the United Kingdom, carries the weight of five states in the British Commonwealth of professed equals.

They have, furthermore, enjoyed from their beginning as colonies with responsible governments perfect freedom to take any active share in British wars, or none, as they pleased. Passive belligerency on the part of the Dominions would be adequate for the ordinary involvements of Great Britain with any minor power, if they did not care to support British policy so actively as they have in the past. On the other hand, in any catastrophic major struggle, as members of the League, as well as members of the Empire,

their side would hardly be other than that espoused by Great Britain.

There are, it is true, two doubtful factors in this equation of imperial diplomatic and military unity: South Africa, with its predominantly Boer (white) population, and the Irish Free State. Canada would be doubtful only if Great Britain and the United States became involved in a suicidal duel. Even for these three Dominions the fleet and its protection of their commerce, the necessity of being allied to a powerful partner, would play, in any ordinary circumstances, the same rôle that brought all the Dominions flying to Britain's aid in 1914.

One ought to follow this comment on the New Empire's unity by adding the immediate qualification that it is a very limited unity which imposes few duties on its members except on the major lines of foreign policy. On many of these issues the League already obliges them to act together after consultation, by the forms which it imposes on all the international agreements of its members. It is therefore a rigid union of states only for purposes of security.

This leaves any further degree of political, and all of the coöperation toward greater economic unity within the Empire, to be worked out by specific agreement, by "consultation," as the "blessed word" used by Imperial Conferences since the World War names it. In the economic realm, different interests dictate separate policies more often than joint policy. It is therefore an alliance or at most a league rather than a confederation that it created, for on these matters the members may act separately. It is a confederation only for mutual security and defense: At naval conferences, *e.g.*, there is a British Commonwealth policy and a quota insisted upon for all its members as a unit. Yet there is no common legal organ empowered to connect all the members, except the Crown; and the Crown is now constitutionally obligated to act for each on separate advice. The only element of coercion which remains is that so long as any Dominion wishes to retain the benefits of member-

ship, it cannot act separately in a way likely to involve the interests of the whole Commonwealth or of any of the other members. In this respect it can no longer be doubted that the United Kingdom of Great Britain and Northern Ireland is also constitutionally obligated to take its place as a Dominion, *primus inter pares*. How Great Britain herself could be read out of the Commonwealth by the rest is a puzzle of the first order, but it is one that is unreal enough not to be worth spending much thought upon.

The magic formula for describing this Commonwealth has been evolved from the Common Crown, its most potent symbol. The Crown is invoked as an indivisible body corporate, to secure partnership wherever there is a fixed community of purpose, as there is in the policies which deal with international security. Yet the Crown permits at the same time, on all but crucial matters affecting the entire group, the most complete freedom for separate and independent action. It may be either a Crown Several or a Crown Sole, as occasion requires—a Crown that is advised separately for each member or a Crown that can act constitutionally only on unanimous advice by all. It can, therefore, be *one* or *many* at the same time—in defiance of the logic of identity.

The unity which it secures is that of a league of states bound to coöperate in a few essentials by a constitutional *entente*, symbolized by its royal head. This was the unique solution, theological in the subtlety of its credo, which a great Scotch metaphysician, the late Earl of Balfour, proposed to apply in order to save the Dominions, now become nations, for the Empire. It was a formula which owed something to all the statesmen who had helped to shape Dominion autonomy; but the magic, the theological touch, was Balfour's. Upon the uses to which he put the Crown under the formulation of the 1926 Conference rests the degree of reality implied by the word *commonwealth*. Wilson's "self-determination" proved to be disruptive, even supplemented by a world League. Balfour's "Dominion

autonomy and equality" was to serve to unite more closely the British league.

The presentation of this new alias for Empire involves no mere vulgar problem in magnitudes, immense as they are. To a generation indoctrinated in relativity—albeit painfully trying to keep abreast the developing views of Mr. Einstein after the stimulating influence of the California climate—the Empire is an event in time as well as in space. Where shall we find our proper axes of reference, since it is forbidden that we should treat its existence in terms of a simple historical succession of events? The web of space-time relationships which would enable a terrestrial eye to take in at a glance the parts of the globe that cartographers mark in a bright British red—a good fourth of its useful land surface as well as of its population—would require a speed of observation that could outstrip the sun itself, the sun that keeps its constant eye always on some part of the Empire. Luckily it is not necessary to venture into cosmological causality—even to the degree of suggesting a characteristically Irish metaphysical solution of this phenomenon: that the Lord in his providence was unwilling to leave the British unwatched in the dark with what was left of the world!

The Passing of a Logic of Empire

At the opening of this century, Joseph Chamberlain, speaking to the assembled delegates at the Colonial Conference in 1902, assured them with the majestic rhetoric of the period that "the weary Titan staggers under the too vast orb of his fate." The load that the British Atlas had assumed—whether in a fit of absent-mindedness or not—had already begun to loom as "the white man's burden" in the pietistic literature of Imperialism. The processes of history, which had brought about the facts described in the growing literature that followed Seeley's *Expansion of England*, were defended as "Manifest Destiny" had been in the United States—inevitable, therefore divine. Let us

render Mr. Kipling, the uncrowned laureate of this imperialist epoch, his just due.

But the divinity, one had to admit, had shaped its ends rough hewn—to no schedule or discernable plan of human logic. The mood of ruthless logic had only once prevailed in British colonial policy, appropriately enough at the end of the rationalistic eighteenth century. Then it had inspired Dr. Samuel Johnson's diatribes against the American Assemblies—"No more than our vestries, sir!"—Mansfield's decisions, Grenville's Acts, and George III's loss of the colonies. Benjamin Franklin, watching that march of the god Logic in the world, observed at the time that it would furnish materials which would enable Mr. Gibbon to write the decline of the British Empire as well as of the Roman. His prophecy for that stage of the Empire found early and bitter realization.

This one lapse into logic was almost the last. Adam Smith's *Wealth of Nations* appeared in the very year of the Declaration of Independence of the American Colonies. From 1783 onward the rationalistic tide of mercantilist subordination ebbed, albeit slowly, in matters of colonial control. Burke had tried to bring about its stemming before matters went beyond mending in America. But it is not quite accurate, even for purposes of adorning the tale with a picture or of pointing the moral with a lesson in statesmanship, to speak of 1783 as the end of the first British Empire. The shift of emphasis to India and the East meant more centralized control, not less, in that direction. And not even the rebellions in upper and lower Canada in 1837 and the classic Report of Lord Durham that followed them could immediately end the old colonial system. It took a painful decade of experience after that Report to convince the Colonial Office that a governor could not hold his position in the colonies or retain their loyalty to the British Crown unless he accepted the responsibility of his advisers to a majority of the colonial legislature. The forcing through of the Reform Bill in 1832 had clinched this issue finally in

England. Yet in India today we see the same stages being followed, with the same hope, apparently, of holding a responsible government within definite bounds. In the modern instance, it is true, imperial control is adventitiously aided by the division of religious communities and by the federal powers of the Indian Native States.

The story of the coming of responsible government in the second half of the century to all the larger colonies of dominantly white population in the Empire has a connection with the victory of Free-Trade principles and the nineteenth century industrial supremacy of the United Kingdom that is worthy of notice. The relation has a present interest because of the revival of something like neo-mercantilism in modern England. Note that it was not the colonies but the Mother Country that forced the repeal of the Corn Laws which carried in its train the Enabling Act for separate colonial tariffs and the repeal of the Navigation Acts. Nor as a result did England find herself faced, as she had hoped, by grateful Free-Trade colonies in her own image. Her offspring, pushed rudely from the parental nest, insisted on trying protectionist wings to aid their first solo flights. At one time it even appeared to be possible that the Colonial Office would attempt sternly to impose the logic of Free Trade, after having given up the logic of mercantilism. But Sir Alexander Galt's famous stand for the Canadian high-protectionist tariff of 1859 against the Duke of Newcastle at the Colonial Office and all the outraged manufacturers of Sheffield clinched the case. The result has been a continually increasing conflict between Dominion industry, protected even against England, on the one side; and the need of British staple industries, on the other, for free access to the Dominion markets. The economic disintegration of the Empire, given the combination of responsible government in the colonies with *laissez faire* in England, seems fatally destined to have resulted as it has. Not that England has necessarily lost markets on the absolute balance through the increased industrialism

of the Dominions; but she has lost in the capacity to make them conform to her own economic structure or to control their foreign contacts.

The One, having become Many, no more than Humpty Dumpty can be put together again. All the King's horses and all the King's men cannot accomplish it, were they everywhere as available as they now are in Egypt and India. Force is so obviously of no use in dealing with kindred nations who can be tied only by sentiment, that the moral, if not the legal, right of a dominion to secede has long been recognized by British ministers. Apparently force is for the moment not even envisaged in Ireland, which England has in the past been tempted to put on the same basis of animal behavior as the mule is in the Southern states—and probably elsewhere.[1]

Really, force is of little use even against the passive weapon of the boycott in less powerful nations, as China has taught Japan recently, and as Britain has learned painfully in India. The study of the history of Greece, which forms the backbone of the classical culture of Great Britain's ruling classes, has implanted lessons like that of the breakdown of the Athenian Confederation after Pericles so that no British Government, since the American Revolution, has thought of levying direct "ship money" on her own kindred colonies.

In the subject Empire, as well as in the Commonwealth of equal nations, British statesmanship has shown a canny dread of pushing legal sovereignty to its logical conclusions —a dread which the American Revolution may have implanted. To Lord Durham in 1839 "perfect subordination" to the Mother Country in external and trade relations and in constitutional changes and the disposal of crown lands seemed capable of being combined with responsible government in the colonies. Is it possible that,

[1] I remember distinctly my own army education on this point: I had reproved one of my soldiers for kicking his mule, in return for a playful bite during the daily grooming on the horse lines. "Lieutenant," he observed mildly, "makes no difference what the drill book says, you can't reason with no mule. A horse now, maybe; but a mule is like a woman: you got to hit a mule!"

even under a conciliatory policy, logic has had its revenge? Is there, despite all the exorcisms of modern political theorists, a logic of national sovereignty fatal to empire, once responsible government is admitted?

If that is so, what will be the fate of India? It may be that the old Iron Duke, Wellington, in his dour summary to the House of Lords, has proved to be more nearly right: "Their Lordships might depend," he informed the peers of England, "that local responsible government and the Government of Great Britain were completely incompatible." And at least this much of the truth lay in his caustic analysis of the Durham report: Government from Great Britain has proved, in the event, to be, if not completely incompatible with responsible local government in the colonies, so tenuous as to amount to influence rather than government.

Power after legal power passed from the hands of the Colonial Office to the colonies, then to the Dominions, first by practice, later to be confirmed by law, until the last Imperial Conference made almost a complete sweep of the remaining *débris* of legal supremacy.

But to view history in this telescoped fashion may be to mark logic at too high a rate and to do Lord Durham, the statesman, less than justice. Responsible government made a slow and useful evolution possible. For almost a century the patchwork of illogic has served to permit a peaceful growth of Dominion nationalism that has ended not in the violent separation which seemed inevitable, but in close coöperation on a few essentials and in freely separate action where interests are different. If the evolution had been forced into the rigid confines of the logical theory of national sovereignty—as French foreign policy attempted to do both in its dependencies and in Europe, equally under Louis XIV and under Napoleon—the will to power would have defeated itself. The Dominion of Canada, the Irish Free State, and the Union of South Africa would hardly now freely acknowledge a Common Crown.

The present stage of this evolution, it is true, offers some points of as great logical difficulty as did Lord Durham's "perfect subordination." Yet, though it may evolve to still further independence of status for the Dominions, the evolution will probably be a painless one which will have always the possibilities of joint action on matters crucial to the survival of the Empire.

The question that the present relations of the Dominions to the United Kingdom raise, to those who are hopeful of peaceful international solutions and well disposed to the New Empire, is whether a league of kindred states may not be able to solve, at least to the working satisfaction of its members, many of the problems which cannot yet be undertaken with success at Geneva. For problems like the internationalization of raw materials, the adoption of common standards of legislation in shared interests such as legal and professional standards, citizenship, naturalization, shipping, courts of admiralty and copyright, the old Empire has left some basis of unity or at least of uniformity on which to build. Perhaps ultimately labor legislation and emigration may be subjected to more sympathetic common treatment than is yet afforded at Geneva. Agreement on fiscal and currency policy with a view to concerted economic action may be a more final stumbling block; but even here the British league of states has more favorable opportunity than the League at Geneva. And in enforcement of judgments, adoption of uniform legal forms and procedure, and the extension of common legal principles, the British Commonwealth, because of its historical origins, is in a peculiarly advantageous position to afford an experiment in continuing and developing international agreement. Finally on economic issues where joint action is useful—and they are legion, such as the control of cables and wireless, shipping rates and practices, the pooling of research and information for agriculture, fisheries, marketing, for metallurgy, for forestry, surveying, mechanical transport, and the application of science to health and to industry generally—a

great body of useful coöperation already exists. It is conducted under the peculiar advantages of a common language and of sentimental and racial ties which predispose experts toward more intimate collaboration. There is no reason to suppose that Canada will not think of "Canada first" and plan its course accordingly. But on many points "Canada first" does not preclude useful coöperation, and many of the other Dominions are less able than is Canada to establish expensive research organizations or to adopt independent economic policies.

The novelty of this technique of international coöperation for securing uniformity of policy within a single political system and the change of heart which it implies in the operation of imperialism must be another excuse for calling this experiment the "*New* British Empire."

On many of these avenues of what amounts to international coöperation, the organization of scientific bureaus as clearing houses of information facilitates the work of administrators over the whole Empire. The organization of the Imperial Economic Committee and of the other existing imperial agencies, while it puts only the Dominions on a genuinely equal basis of representation, permits consultation also of India and the colonies. The dependencies all are being given a voice in the share which they will undertake in those bodies. But formerly India, for example, bore on her budget alone the greater part of the financial burdens imposed by such a doubtful advantage as was afforded her by the huge Imperial Institute maintained in London.

The Empire: An Experiment in International Coöperation

Over a large range of its functions, then, the New Empire has adopted the machinery and the technique of a league of nations. Now an admitted danger lies ahead of the New Empire which arises precisely from this effort to run the British Commonwealth as a league of coöperating states. In addition to the difficulties which an uncompromising

nationalism imposes also on Geneva, the British league is faced by the peculiar danger of becoming an untenable halfway house toward the more inclusive world League. The gold problem, for instance, is clearly a matter of vital importance to agriculture, trade, and industry throughout the Empire. It lies at the foundation of any common solutions that may be attempted. Yet the gold problem in the use of the existing supply and its distribution, is an international problem which demands concerted action at Geneva, through the central banks and the issue houses of all the powers, with the full coöperation of the United States.

The British league, like M. Briand's proposed league of Europe, can hardly settle its major economic problems within itself. It runs the risk in consequence of duplicating the more extensive machinery at Geneva by any effort that it makes on lines exclusively imperial; or of usurping the functions of the more universal body. If it should achieve a solidarity beyond what is internationally possible at present through Geneva, it risks raising the same fears of hostile intentions in the economic realm that Pan-Europe has already stirred up in other quarters. It runs either the danger of becoming innocuous and pretentious—as some critics of the Pan-American Union insist that body is—or, on the other hand, if it should succeed too well, it runs the risk of unifying the Empire at the cost of antagonizing the rest of the world.

This is a dilemma which is rendered less real, however, if one remembers that the composition of the British Commonwealth makes both extremes improbable. It can hardly gain as much as it would lose by attempting a policy of economic self-sufficiency. The interests of its members are already too well integrated into the diverse structure of the world's economic system. There will, for a long while to come, under circumstances even remotely like the present, be enough of sentiment and common interest to draw its members together in a crisis; and at the same time, enough

diversity of interest to make any dreams of a regained imperial unity through federation quite Utopian.

In the matter of diversity there are first of all the economic differences that mark off the Dominions as in the main exporters of primary products and international borrowers on the balance. Economically considered, the very structure of the Commonwealth, with the colonies and India and Egypt, the Navy and the main burden of diplomatic initiative placed on Great Britain alone, assures that policies will be diverse or, at most, a compromise between the isolationism of the Dominions and the hopes of an "indirect" imperial union in England.

Although the responsibility for the great dependent Empire does not rest on the Dominions, they feel the pull of decisions taken which affect trade routes, the Indian market, racial, religious, and emigration problems. Certain ones of them are strongly affected by native policy or the control of raw materials in neighboring British dependencies.

The British Commonwealth as a Limited Partnership

The New Empire presents us therefore with two experiments very nearly novel in history, both existing in the same political complex, yet each forming a constitutionally separable system: The one is the retention of a profitable control over dependencies held in trust for the natives. The other is an attempt at working out a limited association of equal nations, called the British Commonwealth, which in some of its aspects is like a partnership, but which does not pool liabilities or resources. Admitting that this is quite contrary to the law and the usage that governs partnerships, one must nevertheless hold that the relations between the equal members are in most respects like those between partners, whenever joint high policy is involved—as in naval affairs—rather than those between the directors of a limited liability company. Each has his say, but the greatest weight attaches to the views of the oldest member

of the firm, as befits their relative shares of international prestige.

In other respects the partnership has been dissolved into separate firms, each doing its own business, though the group is called a Commonwealth. This is a group made up, first of all, of a senior partner—the United Kingdom with all its own dependencies. The Commonwealth therefore includes all the Empire but emphasizes the special relationship between those members who are peers each of the others. The junior partners are all theoretically of equal status but admittedly not of the same stature—the fully autonomous Dominions who are also full members of the League: Canada, Australia, New Zealand, the Union of South Africa, and the Irish Free State, taking them simply in the order of their admission to Dominion status.

India is approaching Dominion status under tutelage and has a promise of being taken into the firm under special conditions. She has already been admitted into the League and the other international unions with full representative and voting rights. Newfoundland has, on the other hand, relapsed from true equality with the other Dominions in international status but is still a self-governing colony and has its name in the firm for most purposes, appearing with fuller right than does India at the Imperial Conferences.

To carry out the figure, these Conferences might be called meetings of the firm. The senior partner apparently still has the sole right of determining how far the names of India and Newfoundland shall go on the firm's letterhead; but no doubt the other junior partners would have to be convinced if a full constitutional status were to be granted to India. And foreign powers would have the ultimate say as to whether Newfoundland will ever be accepted as an equal in the community of nations—a doubtful future.

On the evidence, this Commonwealth of Nations is not in the full sense a firm of equal partners, even though the psychological relations between the members are like those

of a partnership. It does not try to administer the separate business interests of its members. The senior partner independently controls the great bulk of the dependencies, although each Dominion, except Canada and the Irish Free State, has several dependent areas of its own which are directly controlled on its own responsibility. The credit of the firm is therefore not fully merged into partnership on terms of unlimited liability. In the final testing of war —comparable to the crisis of threatened bankruptcy to a business organization—although the partners stand together, each retains control of the way his own interest shall be used and of the degree to which it will be pooled. Liability is consequently limited as it would not be in an ordinary partnership; but it might be called with some truth a limited partnership. If the idea of a limited partnership seems anomalous, so is the fact of the New Empire. Any conventional analogy is certain to falsify the facts. The British Commonwealth has been called by many names, but perhaps the most generally suitable is that which His Majesty King George has used since the War in speaking of his governments as composing "a community of nations."

This limitation of separate and joint liability is particularly apparent in approaching the other great experiment on which the New Empire is launched—that of colonial empire under trusteeship. For there, strictly speaking, it is the Old Empire and not the commonwealth of partners that is involved, although the term British Empire is used officially to cover both aspects, interchangeably with *British Commonwealth of Nations*. The undertaking on the part of Great Britain to run the dependent Empire for profit under a professedly "golden rule" of trusteeship involves a colonial policy that no truly imperial power has ever before attempted seriously. The Greek city-state permitted its colonial offspring to be bound, as Gladstone used to point out, only by the ties of affection. But its conquered satellites were ruled sternly for its own ends.

The New Empire as Trustee

The presence of the profit motive serves today as a powerful aid, it is true, for Indian agitators in discrediting the sincerity of British trusteeship. To the British *Raj*, Mahatma Gandhi, opposes his "soul force" in a struggle none the less dramatic for being characteristically non-violent. For it really means the effort of an Eastern race to shake off a Western racial and industrial domination by mastering its own Oriental diversities of race and religion and by finding a new soul in nationality.

Dependent Africa must be ruled under the same dualism of motives: one that has received explicit statement in the mandates from the League, where the humanitarian motive of trusteeship has been stressed as primary. It is a trusteeship under what Lord Lugard has strikingly called a "dual mandate" in colonial government. For it involves not only an obligation to develop the territory in the interests of a world economy but the protection of the native inhabitants from the too brutal impact of contact with highly geared industrial civilizations.

An inquiry into the success of the British Empire in dealing with this most vexed problem has extraordinary interest to all colonizing powers. The attention of the world has been focused with unusual intensity for that reason on the East Coast of Africa, now almost entirely British, either through direct control or under League Mandate. There the white settlement, from which West Africa has been spared by its climate, is possible in the high uplands of Kenya, in parts of Tanganyika and Nyassaland, and probably on down to the Union of South Africa, on the island peaks of high plateau country such as increase as one goes south through the Rhodesias. Over the whole area Cecil Rhodes' dream of a white African empire for England is being fought out between the Colonial Office's policy of restriction and the intransigent nationalism of the Union of South Africa. A like high-handed, independent spirit threatens to overflow into the white settlements of

the Rhodesias and of Kenya, though the latter are still sparsely settled protectorates or crown colonies, in the case of Kenya without responsible government. The shibboleth that divides men about native policy in Africa is the "paramount" interest of the natives.

The issue of this African struggle and of the other problems of empire can only be intelligently foreseen after a study of each separately, focusing attention first on the British Commonwealth of equal nations and weighing centrifugal and centripetal pulls from race, religion, class, historical ties, and economic interests. We shall turn next to the colonial Empire and then to the great areas of subject peoples now stirred by a new nationalism: Egypt, Iraq and the Hedjaz, and India, and the hinterland of British influence in Persia and China. Finally British foreign policy must be compounded and compromised into an integrated system out of the pull of these various interests, with other centers of economic and political gravitation tugging at its component members from both North and South America, and Europe. Nor can one forget that Russia is potentially threatening to the structure of that capitalist world economy in which the City in London shares with New York the ruling position. As long as capitalist nations avoid war the threat is slight. But will they avoid war? As a further complication one is bound to ask: To what degree will democratic socialism in different parts of the British Commonwealth affect these problems?

Obviously here is an *embarras de richesses*. Yet without giving each of these elements its due, it is impossible to approach any adequate understanding of the nature of the New Empire, both in its strength and in the dangers that threaten its future. To the United States one aspect of the problem comes home with immediate force. With Canada as a neighbor and the lasting peace of the world largely dependent on avoiding a divergence of views between our great federal system of states and the looser

league of the British Commonwealth, the development of the British league is of more importance than almost any other contemporary problem. Canada, by a stupid tariff policy on the part of the United States or by any lack of sympathy with the difficulties of her international position, may be lost as a powerful friend within the British camp. With a friendly neighbor in the British Commonwealth, on the other hand, the future security of Anglo-American relations has a lasting guarantee. And what is true of Canada is, though to a smaller degree, also true of the similarity of our interests and those of the other Dominions.

There is always a danger in embracing so much of the universe. The peculiar danger here is that a greediness like that of the small boy at a three-ring circus makes it hard not to try to pass before you the whole panorama of the Empire, trying to keep within a single perspective the equal Dominions of the Commonwealth, the dependencies of the Empire, and its international policies at each stage. It is all the harder to forego because the show of the Empire really is a gigantic drama—a circus only to Mr. Punch—whose different scenes, played on several stages at the same time, all mutually affect each other and the development of the whole plot. Yet because our perspective must be limited, and a bird's-eye view would miss the details necessary to understanding any single theater of operations, it is essential to single out the objectives. The titles of the succeeding lectures indicate that effort. The next four of them deal especially with the Commonwealth of Equal Nations. The sixth and seventh turn to the Old Empire, and the final one attempts once more to see its problems as a whole.

For the quaint armorial supporters of the Common Crown, which must now hold the center of the stage as long as we are concerned with the nature of the Commonwealth, there is on one side a Lion, on the other a Unicorn, alike rampant. Are they fighting to possess the Crown separately or to protect it jointly against all comers? In order to puzzle out the riddle of the constitution of the Commonwealth

one must be concerned with this central and important mystery, for about it the *mythos* that binds British subjects to loyalty is being newly evolved. What is the nature of that Crown, and what is meant by calling it "common"? One and indivisible it were best worn by the Lion alone, ruling, by might, "*mon droit*," as King of Beasts. But a crown several that still remains one can be worn only by the Unicorn—a creature of ancient fable—who may well stand for the introduction of the illogical proposition that separate and equal nations may yet be capable of acting together as one. It is in that sense, and with no lack of seriousness, that in order to examine the magic formula by which Many can remain One, the text of the next lecture might be taken from the line of a nursery rhyme:

The Lion and the Unicorn were fighting for the Crown.

Chapter II

THE LION AND THE UNICORN:

THE CROWN AS THE BOND OF EMPIRE

> The art of free society consists first in the maintenance of the symbolic code; and secondly in fearlessness of revision, to secure that the code serves those purposes which satisfy an enlightened reason. Those societies which cannot combine reverence to their symbols with freedom of revision must ultimately decay either from anarchy, or from the slow atrophy of a life stifled by useless shadows.
>
> —A. N. Whitehead, *Symbolism.*

Why is it that, in an age in which hereditary monarchy seems to be passing, the throne of the United Kingdom should stand so firm? Partly, no doubt, that is due to the devoted line of monarchs who occupy that throne. Not for nothing is the motto of the Prince of Wales, *Ich dien* ("I serve"). But even more is it due to the present rôle of the Crown as a symbol of the remaining unity of the Empire.

In the midst of all the change now taking place before our eyes—what seems to be the coming and going of Empire and mainly its going—the Common Crown remains as the symbol of whatever is *British* and whatever is *common* in the British Commonwealth of Nations. It may lean now on Lion now on Unicorn: It is worn by His Majesty George V and his successors in law (British law), maintained in the civil list by British taxes; but it is acknowledged throughout the Empire, though with strong and by no means silent reservations by a large part of India, and with some echoes of dissent still sounding in Ireland and South Africa. Had it been borne in this generation by a monarch as willful as Victoria or as personally active in

political matters as Edward VII, a severe strain might have developed. But the present King, who has combined irreproachable character with tact and devotion, perfectly fits the symbolic rôle assigned to him.[1]

On the heraldic design for the coat of arms of the throne of the Empire you will see as supporters the Royal Beasts rampant on either side of the historic symbol. On the left side is Lion,[2] up to now accepted as the appropriate animal to symbolize the might of England. On the right is the Unicorn, famous in heraldry but forgotten in these sceptical days as a partner in the watch over the Crown. It is interesting to remember that the Unicorn came into the royal arms through the Scotch crown of the Stuarts. It remained with its gorged and chained coronet for Scotland, after the "divine right" of the Stuarts had passed off the British stage.

If Lion is to resign his rule by might, may not Unicorn appropriately wear the Crown for which according to the nursery rhyme they are contesting? The Unicorn, his legendary history informs us, is the most gentle and kindly of beasts, terrible only in wrath when roused to battle. If the profession of faith of the new Commonwealth of Nations is to be taken in earnest—the aspiration toward universal self-government within it and toward harmonious coöperation among its members and with other nations—is not Unicorn its better symbol?[3]

[1] King George V has been far from being a mere figurehead. But as a sort of constitutional umpire his interventions have all been to solve a crisis: reform of the House of Lords in 1911; peace in Ireland in 1914 and with Sinn Fein Ireland in 1921; and his latest intervention to persuade the leaders of all three parties to form a national coalition against budgetary disaster in 1931.

[2] In terms of heraldry, the Lion is, however, the *dexter*, and the Unicorn the *sinister* figure. See Appendix I.

[3] I am indebted to my friend Mr. S. K. Ratcliffe for calling to my attention, after these lectures were given, the charming essay on "The Lion and the Unicorn" in George Santayana's *Soliloquies in England*. Had I known of it my Unicorn might have been a more poetic beast! My own reliance had been upon Mr. Odell Shepard's *The Lore of the Unicorn* and the works referred to in Appendix I.

For the Old Empire that still remains, Lion will do, but for the new family of equal nations what more fitting symbol may be found than Unicorn, or who by the nature bestowed on him by legend is better suited to wear the common crown? For the new political grouping is no more to be found in the natural history of states than is the unicorn in the natural history of animals. The new British Empire shares the nature of confederation or league only to about the degree that the unicorn of legend combines in one the rhinocerous and the desert antelope. To jurists a crown that is at once one and several, a state that is for some purposes a single high contracting party yet composed of others able to act quite separately, is fabulous enough to be classed among the monsters along with the chimera.[1]

The British Commonwealth Not an Ordinary Confederation

It is no ordinary confederation that has been created by the evolution of the Dominions to equal status. A confederation is indivisible in that it requires unanimity of action among its members, usually equals. So far as citizenship in the Empire is still primarily British and defence policy unanimous, so good. But there is in this British Commonwealth the possibility of separate action as well. No single organ can any longer make laws for the whole which all the other members will recognize as legally binding, *without their own action.* Unanimity cannot be imposed by law but it has up to this time been substantially achieved by a tacit agreement not to act separately

[1] "And see how admissible, how almost natural this chimera is," says Santayana with all a poet's magic: "A milk-white pony, elegantly Arabian, with a mane like sea-foam, and a tail like a little silvery comet, sensitive nostrils, eyes alight with recognition, a steed such as Phoebus might well water at those springs that lie in the chalices of flowers, a symbol at once of impetuosity and obedience, a heraldic image for the daintiness of Ariel and the purity of Galahad . . . Such a Pegasus cannot be a normal horse; he was hatched in a cloud, and at birth some inexorable ironic deity drove a croquet-stake into his pate and set an attenuated crown, very like a fool's cap, between his startled ears."

on matters of High Policy. Consequently the only certain unanimity is that of inaction. This imposes a delay when perhaps it is possible that several members of the Commonwealth may wish to act immediately. Action in signing the optional clause of the Permanent Court of International Justice was held up for several Dominions by the necessity of convincing the rest of the members of the British Commonwealth.

The Crown itself is the only common organ, but for many purposes the Crown may be divided into at least six (or, including Newfoundland, seven) independent parts, each acting for its special concerns without legal relation to the others. Yet any one is capable of preventing action by the rest if the result would be to impose joint responsibility. If the Imperial Conference be thought of as a central organ of control, one must admit that it meets more like a council of ambassadors than a federal council. Its decisions have in strict law no effect whatever. They must be implemented for legal effect by acts passed by the Parliament at Westminster and by the Dominions. Interim agreements must be made between governments without its aid and its own decisions are capable of being repudiated by any member of the Conference which should change its party government or its mind afterward. The decisions reached that require legislative action are like international conventions or multilateral treaties, in that they require being implemented by separate acts in each nation of the Commonwealth; or in that they may be separately denounced by each. A change of parties is in practice often enough to accomplish the latter result. Without even the formality of denunciation the whole agreement reached on tariff preferences may be swept away by a change in law.

It is true that the Imperial Conference is only a conference of the Prime Ministers actually in power, who are responsible to their several parliaments and not to each other or to any common electorate. Yet custom, the true

mother of all British constitutions, has given its unanimous decisions on constitutional points binding force throughout the Empire. The living reality of Commonwealth sentiment does tend to give Imperial Conference decisions on questions of common procedure and constitutional status the force of constitutional agreements, if not of strict law. This is not true of the economic agreements, but it is true of the constitutional resolutions on matters of status, citizenship, succession to the throne, etc.[1] Neither the Dominions nor the United Kingdom would care (or dare) to alter one of these agreements merely through a change of party—with the possible exception of Mr. de Valera's attitude, an unknown quantity still in the Irish Free State, since his party has not yet had the sobering test of responsibility in office. There is in this development a very interesting tendency to create an organ which for limited purposes transcends the formal legal sovereignty of the parliaments of the Commonwealth by constitutional agreements. Though in the past the decisions of the Imperial Conference have not always been the subject of formal ratification by resolutions of the parliaments, the Statute of Westminster, which is to be passed by the British Houses on the request of all the Dominions, has crystallized and ratified the constitutional progress realized by the agreements of Imperial Conferences since their origin.[2]

For purposes of working out the constitutional basis of "free association" and "equality of status" *the Imperial Conference, consequently, has become the constituent organ of a confederation, in fact if not in law.* That is less true of the unanimity which is required in action on matters that may affect the constitutional fundamentals—peace and war and

[1] General Smuts in the 1923 Conference raised, however, the interesting point that unanimity was required to secure this binding result for constitutional decisions. As the Union of South Africa had declined to adhere to the 1921 Resolution on the treatment of British subjects throughout the Empire (aimed at South African discrimination against Hindoos), it was not bound by the terms accepted by the rest.

[2] For the text of the proposed statute see Appendix VII.

High Policy where the interests of the whole Empire are involved. For in these matters day-to-day consultation is necessary to secure unanimity. There has been no formal statement of the ultimate necessity of agreement by any Imperial Conference. Indeed, the procedure of the Locarno Treaties, which exempted the Dominions from the guarantee assumed by England seems to argue that separate action might be possible.

It is not, though, solely as a confederate organ for constitutional purposes that the Imperial Conference functions. It acts in other respects—on economic matters—with all the freedom for each member of the British Commonwealth to follow separate policies that is enjoyed by members of the League of Nations. Only on constitutional matters must there of necessity be some unanimity. Roughly, then, in the New Empire this may stand for the present facts: The equal nations of the British Commonwealth, seven in number, form a confederation of nations for constitutional decisions or acts of policy which affect the basic security of its members or their status under the Crown. On the other hand, for all ordinary purposes including fiscal and economic policy, it is a league of kindred states, whose Crown is really a multiple legal personality worn by the same physical person, the King.[1] If there is any line of tendency in past developments that is clear, it is that such unity as still remains depends upon the individual consent of each member. The Crown becomes, each year, more a crown several, since it is advised separately by each of its kingdoms and Dominions. Even though the advisers may agree to act together, they *might* disagree.

[1] Santayana, in the essay already noted, makes the apt observation that the Unicorn's appropriateness lies in the fact that "As the Lion obviously expresses the British character, so the Unicorn somewhat more subtly expresses the British intellect. Whereas most truths have two faces, and at least half of any solid fact escapes on single view . . . the English mind is monocular; the odd and the singular have an especial charm for it." Further, "The Lion is an actual beast, the Unicorn a chimera; and is not England always buoyed up on one side by some chimera, as on the other by a sense of fact?"

That complicated status of the Crown, for some purposes the indivisible crown of a confederation, for others the separable crown of a league of states united only by the Personal Union of sharing a single monarch, explains some of the juristic puzzles which the Empire affords to lawyers. It is a defiance of the logic of identity—a political grouping which falls into two quite different juristic categories at the same time. And the worst of it is that up to the present it has worked. I am very much afraid that lawyers will be tempted to treat this composite beast, the Unicorn, in spite of that pragmatic sanction, as if he were several separate animals or as if, in the farmer's classic comment on his first encounter at the zoo with the giraffe, "There ain't no such animal." The Lion of Old Empire they will admit, though ailing, into polite international society. Unicorn, for the new Commonwealth of equal nations, though quite young and healthy, they insist on relegating to the realm of monsters appropriate to the gothic and medieval imagination of the College of Heralds.

No doubt it requires a theological subtlety to reconcile an order of fact so mixed as this Commonwealth—partly confederate, partly mere league. That was the triumph of the late Lord Balfour in the 1926 Conference: to have hit upon a credo that satisfied both those who believed the crown to be divisible and those who believed it to be indivisible. What were the differences between *homoiousion* and *homoousion* that split Christianity East and West into jangling sects by comparison? The members of the Commonwealth who acknowledged that Crown as common were to be all "equal in status" and "freely associated"—"in fact if not always in law subject to no compulsion whatever."[1] Yet they were to be bound by "a special relationship" which prevented them from raising their *inter se* disputes to the level of international scrutiny, and which exempted them from the *inter se* operation of multilateral conventions signed in the name of the Crown.

[1] For the full formula and its context see Appendix II A.

In the League they were to act as *one* when that was useful; as *several*, when separate votes and policy were needed. Without stressing their intimate constitutional relationship in technical administrative unions and international conferences, they were nevertheless to emphasize their solidarity on naval policy and the problems centered about disarmament and security. Foreign capitals were always warned that the presence there of Dominion ministers meant no departure from the principle of the diplomatic unity of the Empire; while at the same time they were asked to give full and separate credence to each plenipotentiary.

This remarkable "flexibility" of the Balfour Resolutions and the formula for the signature of treaties (using the Crown as the Head of State and High Contracting Party) is only beginning to be understood in all its implications. Some of its subtleties in international relations must be left over for examination in the concluding lecture. But you will note even now the advantages which that use of the Crown permits to the Dominions and to England. The Mother Country long ago was reconciled to the impossibility of covering by her own treaties the commercial and tariff policy of the Dominions; or even of preventing them from discriminating against orientals in their land and immigration acts. Having conceded to them the freedom to inaugurate policies of whatever type they pleased in these matters without involving British responsibility, the United Kingdom nevertheless secures for them the benefits of her general treaties on the grounds that they are British subjects. Their ships, too, are "British" ships for the purposes of practically all her commercial treaties. So that they may discriminate with comparative impunity, slipping into all the privileges accorded to other British subjects by the offended countries, *e.g.*, Japan, upon the broad and pacific back of treaties negotiated with the free-trade, non-discriminatory Mother Country! Nor are the imperial tariff preferences, so helpful to both British

and Dominion trade, subject to protest under most-favored-nation clauses of trade treaties, since they are reciprocal favors exchanged between parts of the dominions of a single sovereign—for these purposes, the sovereign of one state.

Now it is a well-established fact that for fiscal policies the Dominions are states entirely independent of British control. The Dominions not only have the privilege of adhering or of refusing to accede to British treaties. They may negotiate quite independent treaties of their own and they do so with entire freedom. Yet the "Common" Crown permits them to claim the privilege of membership in a single state.

In order to remain so useful and so Protean a connection the Crown serves a conjunctive as well as a disjunctive function. As a bond of loyalty it is a venerable symbol, fittingly borne by the mild Unicorn, whose horn was anciently held to be potent against all poisons. The late Earl of Balfour had enough faith in this sovereign remedy to hope that it might ward off the venom of extreme nationalism from the young Commonwealth of Nations.

Plato, the father of much of the classical statesmanship of Great Britain, thought that the foundations of obedience might be created in his Commonwealth out of what he was pleased to term a "royal lie": The guardians were studiously to indoctrinate this myth in order that the lower order of his class-ruled Republic might accept the superiority of men made of natural gold and silver (his guardians and soldiers) over those compounded of brass and iron (the mere producers). From motives of delicacy and because one might be worse misunderstood than even Plato has been—the great master of us all—it were best to refrain from calling the Common Crown the "royal lie" upon which Balfour hoped to found his New Commonwealth, thereby preserving Old Empire. But it may without offense, perhaps, be termed a magnificent adventure in myth making.

This Crown of the Balfour credo has been theologically developed and even institutionalized by the recent Imperial Conference of 1930. Theological thought has a weakness for a trinity of related aspects to explain its symbol of unity. Is one being misled in imagining that it is possible to descry a trinity of legal phases—if not of persons—in the new Common Crown of the Commonwealth? It really seems, however unconsciously, to have emerged with a trinity of relations to the Dominions from the 1929 Conference of the Experts on Dominion Legislation and the review and approval of that Report by the Imperial Conference of 1930. The constitutional agreements so reached are to be put into force, wherever legislation is needed, by a new Statute of Westminster, to be passed during this year. The whole process means a further and no doubt a final abdication of legal power over the Dominions by British Parliament, in order to bring law into line with practice. It will create a negative constitution for the British Commonwealth, with a Bill of Dominion Rights—even though the Act will be that of Westminster and in legal theory might be repealed as it was passed, by England.

The first of these triune aspects of the Crown seems, in spite of professions of complete equality of status, to insist on its unity and indivisibility throughout the Empire by means of the retention of several elements of at least formal subordination of the Dominions to a Crown controlled by England. For that reason it may be called the *Crown Subordinate* by a sort of inversion of the adjective.

The British crown historically has tended to play a formal and consultative rôle which precisely reverses the Roman constitutional development. For there a Caesar reduced the Senate to a formal right of consultation which became less and less a brake on autocracy. In the British instance the Crown has become less and less a brake on democracy, though its ritualistic use probably enforces a certain sense of dignity and decency that might otherwise be lacking. There is in the minds of many observers a question as to

whether native-born governors-general, recruited from partisan politics, can assume the viceregal rôle with anything of the "divinity that doth hedge a king." And even where the Dominions wish to have British peers or princes of the blood, there is no eagerness for the office, as the difficulties in securing a Governor-General to succeed Lord Willingdon in Canada have already shown. The Governor-General may take the place of the King, but his powers, so far, do not exhaust all the royal prerogative exercised by the King in Great Britain. He does not possess through his instrument of appointment or by his instructions—unless these are to be completely changed—the power to declare war or peace or to ratify treaties, etc., as does the British Crown. And he does not have possession of the Great Seal of the United Kingdom for legal authorization of these acts. The Seal remains in England, controlled legally by British ministers.[1] One of the nice puzzles of the Empire is, What would be the status of a Governor-General if the King in person were to visit a Dominion. Would the Royal Seal come with the King? Would British ministers have to approach His Majesty through His Dominion advisers? It is enough to make jurists rub their hands with pleasure at the prospect of a lovely dispute in the realm of legal metaphysics!

At present, vestiges of the old order of subordination to the purely British Crown still remain. But they exist practically on sufferance, since the United Kingdom has agreed that reservation of Dominion legislation for His Majesty's pleasure—a practice that has been of greater potential value through the threat of withholding the King's assent than its infrequent use would indicate—may

[1] This was true at the time these lectures were given. For the present facts see Appendix VIII.

It is illustrative of the rapidity of constitutional change that almost before they were concluded, Mr. MacGilligan, the Minister for External Affairs of the Irish Free State, in a personal audience with His Majesty in London secured the use of a special seal for his government to be used wherever ratification of documents was made in the King's name.

be abolished at the request of the Dominions even where they do not possess that power already in their own constitutions. This power has been retained up to the present in the Letters of Instructions to Governors-General. Like the general supremacy of legislation by British Parliament, in the future it need be retained only as long as the Dominions wish to have it so. As long as they have not acted themselves to effect a change, however, the law will remain one of imperial control. It is even possible for the Parliament at Westminster to continue to legislate for them, with the constitutional proviso that no act shall extend to them for which their previous assent has not been formally obtained. The Statute of Westminster is itself a case in point and the future may see a similar procedure followed in extending the powers of the Dominions still further by British acts.

If reservation is surrendered and disallowance is regarded as constitutionally applicable only to those Dominion acts which they have themselves formally agreed might be disallowed (when held by England to endanger any public loan raised as a trustee investment under the Colonial Stocks Act of 1900), what control remains? The Judicial Committee of the Privy Council. But it is very difficult to see how a Dominion might be prevented from altering its relations to the Crown in matters even of the formerly imperial aspects of the prerogative. For instance, the prerogative right of appeal in the Judicial Committee Act of 1844 itself might be validly repealed by any Dominion except possibly by the Irish Free State and except in so far as constitutional amendment fell outside the power of the federal legislatures of Australia and Canada. It has been held by British commentators that the Irish Free State Government would first have to repeal or to repudiate the Treaty which governs its constitution and enshrines in Article 2 of the Treaty the same constitutional status as that of Canada, where the appeal remains. In the Constitution Article 66 lays down as part of the fundamental

law the right of appeal by special leave to the Judicial Committee of the Privy Council, "notwithstanding anything in this Constitution." But the Article 66 itself might be amended out of the Constitution, and the Treaty provision can be interpreted as not preventing the future development of the Irish Constitution by stereotyping it in the form of the Canadian Constitution as that was in 1921.

As long, however, as the Judicial Committee remains constituted, as that body is in practice, almost entirely of British judges and acts through British Orders in Council to put its findings into effect, it can be considered only as a remnant of subordination. The Judicial Committee was created to hear appeals from the colonies. It does not hear them for the United Kingdom. At the present time it can and does declare Dominion acts to be *ultra vires* of their own constitutions and even of other British acts. The Irish Free State has in the past not been able to get rid of the appeal by means of pressure at the Imperial Conference but has had to fall back on what amounts to nullification of the Judicial Committee's judgments through anticipatory or retrospective legislation. This in itself ought to be evidence enough that the subordination is not entirely voluntary; but at the same time it shows how ineffective the appeal is as an actual restraint upon a determined Irish government. The Primate of Ireland, though professing to have no fear of an effort on the part of the *present* government to deprive the Episcopal Church of its rights, addressed an appeal to England during the last Imperial Conference, urging that the right of appeal was essential to the protection of the religious minority in the Free State.

When the proposed Statute of Westminster is passed, it will remove any barriers against the extraterritorial operation of Dominion laws that are not applicable as well to the laws of the United Kingdom. It will also prevent

future Dominion acts from being held invalid simply on the grounds that they conflict with British legislation such as the Merchant Shipping and Colonial Courts of Admiralty Acts. With this removal of the barrier imposed by the Colonial Laws Validity Act of 1865 there is perhaps no constitutional bar to the passage by the proper authorities in a Dominion of any law whatever, except one endangering a loan raised under the Colonial Stocks Act. This Act was originally passed at the suggestion of the Dominions, and the disallowance provision was necessary before the loans could be made securities for trustee investment in England. All the Dominions have borrowed liberally under its terms except the Irish Free State. How wide a range of discretion is thus left to the ministers of the Crown in England as to what sort of act would endanger a trustee security can only be surmised. It is indubitably a remnant of subordination, but its exercise would be fraught with grave danger. And its execution could be given effective legal sanction only if the Dominion wished to accept the ruling of the British Treasury on the point. Probably the dependence felt by all the Dominions, except Canada, on the London money market would be a more effective sanction than actual disallowance. Mr. L. S. Amery, who was the Conservative Cabinet's Secretary of State for Dominion Affairs, has made the interesting suggestion that it would have been more in keeping with the dignity of Dominion status to refer any alleged repudiation to the newly created Inter-Imperial Arbitral Tribunal.

The federal Dominions, Canada and Australia, because of their division of legislative power between provinces and states on the one side and the Dominion or Commonwealth on the other, are not able to act with the same plenary legislative powers through their central legislatures as are the unified Dominions. Some Canadian provinces (British Columbia, Ontario, and of course Quebec) apparently forced a delay in the application to Canada of the results reached for the other Dominions by the Imperial

Conference in the proposed Statute of Westminster.[1] If the provinces do not agree upon some unanimous scheme for amending the British North America Act of 1867 otherwise than by sending requests for changes to Westminster, Canada will still have this formal element of subordination retained. This may prove to be genuinely embarrassing if a single province, say Quebec, proves able to thwart the will of the rest of the Dominion. It will be ironical in the extreme if the French-Canadian population should, because of fears as to its religious and educational privileges, be the means of retaining a legal subordination to the British Crown for all of Canada in respect to constitutional changes as well as appeals to the Privy Council. There is small doubt that such a brake on future changes in the constitutions of the federal Dominions, if it is recognized, means the subordination of a Dominion majority to the old legal order of imperial supremacy. And as it happens that this protection of provincial rights really serves to shelter economic interests from federal regulation, it is not difficult to understand the alliance between Quebec and Canadian Conservatism to retain the tie. It may be that the same grounds will tempt the states in Australia to retain the direct tie to the British Crown that they now enjoy through their Governors and their right to appeal directly to the Privy Council.

Some learned commentators have professed to see in the retention of the Great Seal in the hands of a British minister, and its release under the Sign Manual only on countersignature by one of His Majesty's principal secretaries of state, another element of legal subordination Formally that is no doubt the case. The fact that the governors-general do not have copies of the Great Seal or Royal Sign Warrant and that plenipotentiaries are given their full powers and that treaties are ratified only after an act of a British minister has some real significance.

[1] For the text as submitted to His Majesty by Canada for legislation on the part of the Parliament of the United Kingdom, see Appendix VII.

It retains the element of formal control in the United Kingdom and helps in that way to make it possible to say that ultimate diplomatic responsibility rests there. It is a legal safeguard for the indivisible Crown.[1]

Yet it is already clear from practice that the normal course of events is for the controlling advice in furnishing full powers and in ratifying treaties to come from the Dominions. Until a clear-cut conflict of advice comes about on this point such as arose over the appointment of the Governor-General, the question as to whether the British cabinet is more than a "post office" in transmitting this advice to the Crown will remain academic.[2] And the question will hardly be allowed to arise unless a Dominion seriously threatens to break the diplomatic unity of the Empire by some fundamental divergence of High Policy. Like the royal veto itself with respect to all ministerial advice, the power of a British minister to overrule the advice tendered by a Dominion is in danger of falling so much into desuetude, that its revival in a crisis might be regarded as an attack upon the new constitutional status rather than a effort at defending the Common Crown. Mr. G. B. Shaw's romantic satire on democracy pictures the King (a very Shavian king) about to upset *The Apple Cart* of a burlesqued parliamentarism by personal intervention. But if the necessity for such personal exercise of discretion ever arose it would more probably be the apple cart of the monarchy, even of the Empire, that would be overturned. And if the attempt were made, the King would be put in the invidious position of having to determine which ministers he would heed or refuse to heed—par-

[1] Since this lecture was delivered, Mr. McGilligan has advised the King directly in London, as Mr. Scullin did. It was announced that in the future the Irish Free State would have its own Green Harp Seal used on all public documents done in its name, the Seal to be released by the advice only of Irish ministers and on their countersignature alone (see Appendix VII).

[2] See Note 1 above. The former necessity of using the British Government as a channel now appears to have vanished as far as the Irish Free State is concerned. Presumably other Dominions may follow this lead if they desire to do so. If they do, the complete legal condition for a Personal Union will exist.

ticularly as the right to determine the channels of advice to His Majesty seems to be conceded in principle to the Dominions by the Report of the 1930 Conference.

So much for the aspects of the Crown that still imply formal legal subordination to Great Britain—the first aspect of the constitutional trinity of the Common Crown. The Crown Subordinate may be summed up as emphasizing unity of control: *indivisibility through inequality*. But it is a rapidly vanishing aspect of the Crown. Formal legal supremacy is either disappearing where it is annoying or remaining where it is innocuous.

The second person of this trinitarian Crown of the Commonwealth of Nations may be called the *Crown Confederate*. It implies equality of status—not legal subordination—but it, too, stresses the *indivisibility* of the Crown. Its technique of securing this unity is through constitutional agreements to act unanimously on certain fundamental interests accepted as common to the whole of the British Commonwealth. Those interests at present seem generally recognized by Imperial Conference Reports to extend to:

a. International agreements and High Policy affecting directly the general problems of disarmament and security. The test is the imposition of obligations on the members jointly.

b. Laws affecting changes in the Succession to the Throne or in the Royal Styles and Titles.

c. Laws making changes in the existing "common status" of British subjects as recognized throughout the Empire and the world.

d. The voluntary submission to arbitration of "justiciable" disputes between members of the British Commonwealth to a tribunal chosen from states within its boundaries.

It would be misleading to suggest that these aspects of the Crown on which unanimity is recognized as desirable by the Imperial Conference Report are always settled as if the Crown were indivisibly confederate, *i.e.*, unified automatically by conference decisions and by "consul-

tation." It has never been admitted by the Dominions that they *must* agree. Several Dominions rigorously insist on their right to separate action, although they admit the necessity of previous consultation and the propriety of common action. In instances of actual practice they have repudiated the principle of confederate unity in some matters even of high policy. Canada particularly has proved unwilling to assume joint responsibility for foreign policy, but a similar reluctance has characterized the Irish Free State and the Union of South Africa. In international action affecting security, for example, all the Dominions (except New Zealand) demanded specific exemption from the obligations of the Locarno Pact—even though the juristic bearing of this exemption upon their possible neutrality is of doubtful effect. The trump card held by Great Britain is that at present the advantages of staying within the Empire appeal to the Dominions and simplify the diplomacy of foreign powers.

The agreement incorporated in the Conference's Report which deals with the Succession to the Throne and with the Royal Styles and Titles is of peculiar interest. In the first place it is to be a "recital"—not a regular "clause" of the proposed legislation—and you will note that it is to be part of the preamble to the Act. It therefore has no enacting force but is merely a solemn declaration of constitutional practice. The exact language is interesting because of the furious controversy which it unchained in South Africa:

> And whereas it is meet and proper to set out by way of preamble to this Act [the Statute of Westminster], that inasmuch as the Crown is the symbol of the free association of the members of the British Commonwealth of Nations, and as they are united by a common allegiance to the Crown, it would be in accord with the established constitutional position of all the Members of the Commonwealth in relation to one another that any alteration in the law touching the Succession to the Throne or the Royal Styles and Titles shall hereafter require the assent as well of the parliaments of the Dominions as of the United Kingdom.

Undoubtedly this declaration in a very subtle way tends to fix the existing laws on these points *in statu quo*, even though it seems at first sight to be a recognition of the Dominions' right to share equally in their alteration. For by a solemn agreement future alteration must be *unanimous*. In practice that will mean, no doubt, that the existing laws—which are after all *British* laws—will continue to govern the Succession to the Throne and the Royal Titles. Under those laws the Royal Family is substantially controlled by Westminster, and the King is not divisible legally into the ruler of six equal kingdoms but is primarily the King of Great Britain. Of course practice may argue divisibility, but these laws, at least, will remain British until—if ever—unanimous consent to their change is secured. The Irish Free State, for example, must therefore continue to accept not only a British but a Protestant King. Mr. McGilligan, Minister for External Affairs, admitted the binding force of this constitutional agreement in the Debate in Dail Eirean when the Report of the 1929 Conference on Dominion Legislation was being discussed.

The subtlety of the solution also seemed to General Smuts to afford another anchor for the connection to the indivisible Crown in the Union of South Africa. He had the bad judgment, on his return from a propagandist tour of England, Canada, and the United States in 1930, to twit General Hertzog with having surrendered all the old Secessionist principles once vigorously declared by the South African Nationalist Party in Article 4 of its Constitutional platform. According to General Smuts this apparently harmless "recital" meant that from henceforth the South African Union agreed to abide by the decision of all the other members of the Commonwealth before attempting to change its own relations to the Throne. Secession therefore became a constitutional impossibility.

This provoked a stormy rejoinder and an interpretative amendment to this section in the South African Parliament which asserted that the acceptance of this clause did not

affect the right of secession. General Hertzog went forth, according to his speeches, intent on bringing back a recognition of this right from the Imperial Conference in 1930, by means of the same tactics that made his efforts largely instrumental, in 1926, in eliciting the Balfour Resolutions on Equality of Status. Nothing in the Imperial Conference Report, however, indicates that the issue was ever raised, although General Hertzog in speeches on his return to South Africa indicated that the Conference had "registered" this reservation, whatever that may signify.

Mr. J. H. Thomas, who is the first British Cabinet Minister ever to hold entirely separate from the Colonial Office the portfolio of Secretary of State for Dominion Affairs, gave out a statement to the press at the opening of the Conference which was significant for what it implied rather than what it said. No one doubted, he told the reporters, the right of a Dominion to secede any more than one could doubt the right of a man to cut his own throat! Aside from the dubious compliment implied as to the wisdom of the Secessionists, there is at least a doubt as to a man's *legal* right to cut his own throat. If he fails to make a thorough job of it, there is certainly a legal sanction against attempted suicide. In this country it is apt to bear more hardly on such an attempt than on an attempted homicide!

As far as secession is a problem of this confederate aspect of the Crown, then, "the indestructible union of indestructible states" appears to hold the field in the British Commonwealth as it did after the Civil War in the United States. But the problem is still young in the British Commonwealth. It is not immediately an issue in South Africa or likely to become one, given General Hertzog's conversion to the "New" Empire—as he has indicated in several speeches in which he reproved Republican extremists after his return to South Africa. The same thing can hardly be said with equal assurance of the Sinn Fein Anti-treaty forces of Mr. de Valera (now called the *Fianna Fail* Party)

in the Irish Free State. It appears to be true that the celebrated "Document No. 2" proposed in 1921 a form of association almost indistinguishable from the present basis of union. But if Mr. de Valera's more extreme lieutenants get power on economic and political issues in Ireland in the next few years—as it is not improbable that they will—it will be interesting to see whether his Fianna Fail party may not push the constitutional issue in the direction of a declaration on the right of secession, if they have the opportunity. The present universal preoccupation with economic issues and a widespread support of the Treaty status in Ireland preclude any such immediate issue. But to attack the British connection is a good fighting cry in Southern Ireland and may be revived, however unwisely.

Nationality presents problems of the most intricate nature for the Confederate Crown's demand for unanimity. The present status of British nationality in international law recognizes only one common category of citizenship for the Empire. The Dominions have a theoretical right to set up separate categories of nationals. But they will be recognized throughout the Empire and abroad as British subjects only when by birth or naturalization they conform to the British "type" acts. The United Kingdom's Nationality Act of 1914, for example, has now been adopted for purposes of naturalization by all the Dominions except the Irish Free State.

The Constitution of the Irish Free State permitted the acquisition of nationality by some persons who were not British subjects. The Irish Free State passport significantly refrains from using the phrase "British subject" to describe the bearer, though it is issued in the name of the King, with his full title, and the bearer is described as a "citizen of the Irish Free State and of the British Commonwealth of Nations." This passport is now recognized by British consuls abroad, though until 1930 the older form of Free State passport was not honored by them. Both Canada and the Union of South Africa have nationality

acts, the latter of which certainly departs in some important particulars from the British "type" acts.

Nevertheless the principle of acting unanimously to make future changes which would affect the "common status" of British subjects seems to be recognized. In practice this has already prevented the United Kingdom from making certain changes in the status of married women which that Government was known to desire, since some of the Dominions, notably the Union of South Africa, were unwilling to go so far, *e.g.*, in the direction of allowing the wife to choose whether she will retain her British citizenship if married to a foreigner. Failure to secure unanimity may therefore block action even by Great Britain. The Confederate Crown may impose an annoying brake on British policy here as it does in foreign affairs.

The setting up of a tribunal for the arbitration of justiciable disputes between the governments of the British Commonwealth, though it is one more acknowledgment of equality of status and of the unsuitability of the Judicial Committee of the Privy Council for this type of dispute, at the same time emphasizes another confederate aspect of the Crown. The members of the Commonwealth, that is, cannot raise their disputes to an international level. This the Irish Free State had claimed its right to do, getting agreement in principle from South Africa and partially at least from Canada. The Irish delegates to the Tenth Assembly at Geneva in 1929, in character with their previous registration with the League (in 1924) of the 1921 Heads of Agreement for a treaty between the Government of the United Kingdom and Sinn Fein, insisted on signing the Optional Clause to the Statue of the Permanent Court of International Justice without reservations of any sort. All the other Dominions and Great Britain signed with reservations which included one exempting their disputes *inter se*.[1]

The new Commonwealth Tribunal is intended to take care of this situation. Although it is not to be a permanent

[1] The same procedure was followed in signing the General Act (*Cmd.* 3930).

tribunal but an *ad hoc* arbitration board for each dispute, with voluntary submission and no obligatory jurisdiction, its adoption does emphasize the closed and corporate character of the British Commonwealth by forestalling the right of appeal to the Permanent Court of International Justice or to the League. It is to be composed of five members, one being the chairman and all to be drawn from within the British Commonwealth. Each party selects an arbitrator of distinguished juristic capacity from "states members of the Commonwealth other than parties to the dispute" and one arbitrator without restriction but presumably from among its own nationals. The four so chosen will select their chairman.

A tribunal of this sort is not unlike that created for boundary disputes under the Articles of Confederation of the United States; but it is even more modeled on the arbitration boards set up under the Bryan and Root treaties, except for its limitation to British subjects. It is not intended to supplant the Judicial Committee of the Privy Council in the latter's ordinary jurisdiction in constitutional questions. But as the Judicial Committee wanes in importance, this Tribunal may wax. It is in a way the logical direction of reform if the Crown is to be kept a symbol at once of equality and indivisibility—that is a Confederate Crown, the relations between whose component governments cannot be treated as international. It may serve to conclude the illustration of that phase of the Crown where confederation is sought through coöperation and consultation under a constitutional agreement to achieve unanimity before acting. The Confederate Crown stresses the relations of indivisibility through constitutional rather than legal means, for it admits equality of status. Its only organ is the Imperial Conference, which has assumed constituent powers by usage and consent.

There is a hint, though, even in the new arbitral organ of the Commonwealth, intended as it is to offer a permissible alternative to resort to the World Court, which shows

how difficult it is to escape the implications that relations between equal nations are really international. It is the significant use of the word "states members of the Commonwealth"—probably the first use of the word *states* to describe *Dominions* in a document sanctioned by British legal advisers. Ordinarily the Foreign Office as well as the Dominions Office advisers have insisted on having the League avoid calling the Dominions *states* by speaking of "members of the League and states not members." The emphasis on the voluntary character of the Tribunal and its restriction to justiciable disputes probably reflect the unwillingness of all the Dominions to accept a body that could raise emigration questions, particularly if India is later to be admitted as a "state member of the Commonwealth."

It is in the direction of statehood, and full and independent statehood, that the third person of the royal trinity of the Crown really points: In these relationships to the Common Crown, the Dominions stand on a footing not only of equality but of independence. The Crown is a *divisible* crown, shared only in the person of the King. The king really becomes six juristic persons in this relationship —or, more fittingly, a mystic seven, if we should call either the New India or the oldest colony, Newfoundland, an equal Dominion. The relations between the members of the British Commonwealth in this aspect are those that exist, juristically, when states in no way bound to pursue common policies have the same royal head—the relationship known as a *Personal Union.* The British examples of Scotland and England under the Stuarts, and Hanover and England under the Hanoverian succession up to the accession of Queen Victoria, are familiar enough. George III as Elector of Hanover might even be at war while as King of England he was at peace. His proclamation of neutrality for Hanover in 1803 is an interesting document.[1] The

[1] The original is to be found in Cobbett's *Weekly Political Register* of London, vol. III, p. 859, Saturday, June 6, 1803. For a copy I am indebted to the kindness of Mr. J. S. Ewart, the learned author of *Kingdom Papers*, etc.

two governments existed independently of each other in all respects—save perhaps for the odd fact that the doctrine of *Calvin's case* tended in England to extend citizenship (or at least some of its privileges and duties) to Scotsmen and later to Hanoverians in England.

Now in nearly every respect not covered by the relationships treated already under the first two persons of the trinitarian Crown, the crown is common for the Dominions only in being worn by the same person. It unites them in loyalty to a symbol, but it is itself divided. Let us call it therefore the *Crown Coördinate*. Unlike the Hanoverian precedent, however, the King is a constitutional monarch in each of his six or (if Newfoundland be taken seriously as a Dominion) seven kingdoms—bound by the principle of acting on the advice of responsible ministers. The last Conference pushed this principle so far in the question of the appointment of the King's viceregal governors-general in the Dominions that there can no longer be any doubt as to the right of a Dominion prime minister to advise the King directly on this point or as to his right to have that advice followed. Since 1926 there had been small doubt as to the *functions* of the Governor-General. When Viscount Willingdon visited Washington in 1928 he was received, on Canadian request, with all the honors that would have been accorded to His Britannic Majesty in person. But the method of appointment had remained at least formally a British ministerial act. Indeed, the London *Times* in what was widely though unjustifiably hailed as a royally inspired editorial early in December, 1930, complained with dignity, though in a tone almost lachrymose, at the manners of Mr. Scullin, the Australian Labor Premier, in advising the King to appoint a native Australian as the next Governor-General. The phrase "has been graciously pleased to appoint" was significantly absent from the brief announcement of the new step that came, for the first time, from the office of the Australian High Commissioner in London—not from the Dominions Office. Mr. Scullin had

informed the press in April, 1930, that he had advised the King to appoint the Australian Chief Justice, Sir Isaac Alfred Isaacs. Apparently the advice did not at that time please the Dominions Office. Nothing happened. Armed, however, with the Resolutions of the Conference on the point of the controlling character of Dominion advice, in December Mr. Scullin forced the issue in a personal audience with the King.

This was an episode of the greatest significance, for it was not only a victory of the Dominion minister in the first publicly known conflict of views: Sir Isaac Alfred Isaacs entered upon his new office in Canberra on an instrument of appointment countersigned by Mr. Scullin, instead of by a British minister. The episode is still more important because of the categorical assertion which the Resolutions contain that "The channel of communication between His Majesty and the Government of any Dominion is a matter solely concerning His Majesty and such Government." This statement, though it may be meant to be limited to the specific context, might well overflow into the settling of a general principle of an importance equal to the phrase "equality of status."[1]

The Crown, it is safe to say, must now stand in relation to at least six of its different members in all matters except those set forth in the first two categories of subordination and confederation, just as if they were independent states acting internationally. This applies to any powers which can be exercised by the Governor-General, in strict law, since he must act on Dominion advice. It is really *separation* under what is oddly enough called a Personal Union, as far as policy is concerned. On the other hand, the peculiarities of international law leave as a heritage from the personal

[1] On the witness of the later precedent set by Mr. McGilligan's direct interview with the King and the permission to set up a separate seal for the Irish Free State, the broader interpretation seems to be permissible. The King himself is said to have insisted upon having the principle of ministerial responsibility govern his actions in such matters. thus eliminating personal discretion (see Appendix II, B).

privileges of sovereigns certain common advantages, like the citizenship that the Dominions go on enjoying as British subjects, despite their separation of policy. It is for that reason that the "Crown Coördinate" seems to be more appropriate for this respect than the "Crown Separate." No doubt the advantages of sentimental and racial ties, of friendly and confidential consultation which they all enjoy through owing allegiance (or, as the Irish prefer, "to be faithful,") to one sovereign, and the security in their relations which comes from having genuinely renounced war as an instrument of policy *inter se*, all help to establish closer contacts than those of an ordinary league of states.

But His Majesty's Governments must confer and then act to secure whatever uniformity they can maintain in economic and administrative affairs, as if they were independent states, meeting as a loose league only for purposes of consultation. The result may be called a British league of states with a symbolic crown. A single example of the new technique that will suffice for all is the method to be used in the future for getting uniformity in merchant shipping laws. Now that the old British Act of 1894 is to be removed as a controlling law, it is necessary to substitute what amounts to an international draft convention to secure uniform treatment of British ships by the Dominions and on terms of equality with their own—a point of vital importance to the British merchant marine.

Each state in the British Commonwealth will exercise in the future exactly the same rights to depart from this convention as it would from an international convention—though here again the sanctions are rather economic than legal. These conventions may be done by unanimity, but unlike the solemn constitutional agreements, they may be undone by any member. Indeed, a change of government might bring about refusal to implement this draft agreement; or might violate its terms without the formal necessity of denouncing it which would in the latter case be required for an international convention. In other words,

the conduct of members of the British Commonwealth of Nations, simply because of the Common Crown which makes them an international family unit, may be ruder to each other than they could be toward foreign states. Since their treaties *inter se* have no international validity, it is difficult to get binding agreements that are not susceptible to frequent political upsets.

This license for family bad manners, unfortunately too characteristic generally of intimate domestic relations, makes peculiarly difficult the economic problem of securing stable fiscal relationships on a preferential basis within the Commonwealth. Even in international and treaty relationships there is no real power to prevent any Dominion from violating the constitutional agreement to consult and act together except a sort of excommunication from the Empire. If they chose, they might escape the legal control of the Great Seal by making treaties with foreign states in the form of "agreements between governments" and not in the name of the King.[1] And in the League complete freedom of action would be possible, as the Dominion representatives appear there in some cases with full powers from their own governments.

Like all theological ventures the Balfour credo tends to develop divergent schools of interpretation. The British Foreign Office, The Dominions Office, New Zealand, and in most matters Australia, lean to the theological orthodoxy of an *indivisible* Crown—generally the confederate Crown. To do so they must wink at such inconsistencies as remnants of subordination on the one hand and the cases of independent action on the other. Equality of status is balanced by stressing the functional necessity of British hegemony in foreign relations. This school is necessarily anxious to avoid logical efforts at rationalizing the imperial connection and is inclined to discourage inquiry into the official mysteries and to stress the unique

[1] Apparently they might now all get new seals of their own, as the Irish Free State has done.

character of the experiment and the fatuity of juristic logic. It is making use of much of the contemporary anti-intellectualist critique of unitary sovereignty and of the basis of sovereignty in a will relationship, in order to show that though its Unicorn has only one horn on which to rest the crown, he is a real animal, capable of the most usefully diverse aspects in practice. For this interpretation of the Crown as legally one, in practice several, what may be called the "official" version elaborated by Sir Cecil Hurst had the great authority of Balfour himself as support.

On the other hand, the Irish Free State has consistently maintained the view that all its relations to the Crown were those of an independent state which acknowledged only the person of the King as its sovereign support for the "Crown Separate." The Crown was divisible into six kings for six kingdoms. The King was King of the Irish Free State and advised by its ministers, though he happened (usefully) also to be King of Great Britain and of the other Dominions.[1] The Union of South Africa has pushed this view of the juristic nature of the Commonwealth so far that its present government claims both legal neutrality in British wars and a right to secede.[2] Neither of these claims has yet been seriously asserted by any other Dominion, though Irish ministers have occasionally used them, rather for political purposes, in their speeches.

[1] The Irish Free State successfully insisted on its right to have only the members of the Royal Family sign its documents during the period of the Regency Council. But the Personal Union theory was probably carried to its extremest lengths by the refusal of the Governor-General of the Irish Free State, assuredly *not* acting on orders from London, to appear at a Trinity College, Dublin, celebration where "God Save the King" was to appear on the program. The reason given for this act was that the old Sinn Fein "Soldier's Song" had become the national anthem of the Irish Free State and should have been played to greet even His Majesty in person as the King of Ireland!

[2] The theory of a Personal Union relationship as the only tie of the equal nations of the British Commonwealth has also been advanced by an important South African case, dealing with treason (see *Rex v. Christian* [1924], South African Supreme Court, Appellate Division Reports, p. 101 *et seq.*). No appeal was made to the Judicial Committee of the Privy Council.

As between the two schools, dubiously agreed only on equality of status and fundamentally differing as to the divisibility of the Crown, Canada has held a delicate balance, leaning on the whole toward the "Crown Coördinate" rather than to the Crown Confederate, and insisting that whatever of subordination remains rests on its own free consent. The direction which Canada takes will probably chart the course of the future. For some time to come all three aspects of the Crown will probably continue to exist side by side, despite juristic reasoning.

But one would be doing the subtlety of the Unicorn's nature in this new Commonwealth over which he rules less than justice if the impression were left that he depended simply on the scholastic disputes of political theologians. These theories simply stand for the attitudes of young nations, the Dominions, toward the possibilities and limits of imperial coöperation. They intrude themselves, also, upon the consideration of foreign states—as we shall see—in the most practical fashion. Behind them lie the facts of loyalty or of conflicting sentiments and interests.

Behind them, too, lies a very curious and interesting fact about the Common Crown which suggests that Lion and Unicorn, like Lion and Lamb, may lie down together in peace. In every disputed area of control where unity is at stake the crown for that government is confronted with a direct relationship between the crown controlled by Great Britain and some important territory essential to the security, the economic life, or the constitutional functioning of the Dominion in question. For the Irish Free State it is the six counties of Ulster in Northern Ireland that still afford a British foothold for control in a pinch. Until they form part of one united Ireland, the Irish Free State can never be more than a mutilated economic unit. Even its geographic integrity is grievously encroached upon. And the six counties, you may be sure, will never form part of a Free State cut off from friendly association with the British Crown. With Canada, it is not only Catholic Quebec

that forces the retention of old forms. The British Crown has in addition a practical anchorage on the shores of Canada in loyalist Newfoundland. It is noteworthy too, that the sporadic secessionist movements that appear with hard times in the Maritime Provinces and in the Canadian Far West look no longer to union with the United States but to direct relations with England once more. One might even add the West Indies as an economic complement necessary to Canadian expansion, yet controlled by the British Crown.

Similarly the Union of South Africa finds within its general borders the native territories of Bechuanaland, Basutoland, and Swaziland, still directly administered by the British High Commissioner to the Union under Dominion Office control.[1] The Rhodesias, which form part of a customs union with South Africa, if they are ever to be incorporated, will exert an influence comparable to that of Northern Ireland upon the Irish Free State. Nor can British control of native policy in East Africa remain indifferent to the Union of South Africa, as Premier Hertzog reminded England on the eve of the last Imperial Conference.

The loyalty of Australia and New Zealand to a British Crown would be bolstered for strategic reasons by the Fleet, even if they were less economically dependent and racially British in sentiment.

These anchors of the Crown in each Dominion, directly controlled areas that cannot and will not be surrendered,

[1] On its own initiative, apparently, the British Government has dissociated the office of the High Commissioner for Native Affairs from the person of the Governor-General by appointing to the former office, Sir Herbert Stanley, its first High Commissioner to the Union; leaving the new Governor-General, the Earl of Clarendon, to exercise purely viceregal functions on the advice of his Dominion ministers. An acting High Commissioner has been created for Australia following the precedent set by Canada in 1928. In that year the British and the Canadian governments recognized the necessity of replacing the viceregal Governor-General as an agent of the government of the United Kingdom in accordance with the Resolution of the 1926 Conference. Sir William Clark was therefore sent out by the Dominions Office to become the first High Commissioner from the United Kingdom to a Dominion. For their part the Dominions had maintained in London Agents-General and High-Commissioners since Colonial times, the latter title being first accorded to Canada's representative in London in 1879.

may be merely happy historical accidents. If they are, however, they have afforded a lesson from the Unicorn's technique even to the Lion of the Old Empire. Egypt may be controlled from the so-called Condominium of the Sudan, by mastery of the life-giving Sudanese Nile waters, as well as from bases on the Suez Canal, even if troops are withdrawn from Cairo and Alexandria. And in India one of the most striking features of the new Constitution is the manner in which the controlled Indian Native States have been given a braking and balancing power that will aid the Viceroy in keeping the new federation with the Empire. Ceylon and Burma and even the Malay peninsula remain anchors of Empire girdling India about, with an army always in India proper to protect the Northern frontier.

The Unicorn, though mild-mannered, is not a stupid beast. Let no one be deceived into accepting the usual British version of the beatitudes: "Blessed are the *stupid*, for they shall inherit the earth." Empires are not won in a fit of absent-mindedness, though they are, it has been truly said, sometimes lost in that way. If the British Empire is to be saved from the disintegration of nationalism, it will be by the sort of statesmanship represented by Balfour's magnificent venture in Platonism. About the loyalties attaching to the common crown he erected a political myth combining equality with free association in allegiance to this venerable symbol of Empire. What creature more fittingly than the fabled Unicorn might wear such a crown for the juristic puzzle that is called a commonwealth of nations? Even the Unicorn, with the magic of the Crown at his command, may find it difficult in the long run to enforce collective responsibility where there is no effective joint control. With that magic he has not only to bind the kindred Dominions to a loyalty supported by sentiment but to achieve an atmosphere of moral piety that will permit the willing adherence of resentful Irishmen and placate the stubborn republicanism of the Boers. Talismanic virtue as his horn may possess, can it support a crown so various?

Chapter III

THE ECONOMICS OF EMPIRE:

COMMONWEALTH—AN IDEAL OR A FACT?

> We are not in South Africa by way of refusing anything which is to our advantage. I do not suppose we differ from the rest of mankind in that respect.
>
> —Mr. Burton at the Imperial Economic Conference, 1923, *Cmd.* 2009.

When we pass from the legal order to the economic, it will be necessary to ask what the limits of the political loyalties that have been studied so far *sub specie theologica* are when put alongside of the hard facts of business. That the symbol of the Common Crown does have a peculiar potency in securing consultation and voluntary agreement between the Dominions and England the fable of the Unicorn may have served to illustrate. But whether the social myth which Lord Balfour's credo imposed will be able to extend unity from high policy to economics is a question for economists, not political theologians. Can *commonwealth*, the new name, turn into fact the ideal to which it points? In the dependent Empire still under political control and British exploitation the term is simply a misnomer. There is no commonwealth of a shared nature. Even if we limit the range of community only to the kindred Dominions, entering upon their equal status with England, does an economic basis of unity exist? The nature of the British Commonwealth of Nations as it appears in the economic and psychological relations between England and the Dominions may in the next lectures help us to find our answer.

In classic usage the term *commonwealth* was roughly equivalent to *state*. In the Platonic *Republic*, as in the

Roman use of *res publica*, the implication of the public good (*τὸ κοινόν*, "the common weal"), was what the word suggested. The ancients—let Aristotle be our witness—were under no illusion as to the possibility of divorcing economics and politics. The commonwealth (*ἡ κοινονία*), though it meant "the common interest," was not merely economic. It dealt with the whole life of the citizen and his security, well-being, and moral health as well as material wealth. But commonwealth did imply, quite emphatically, an organic public control through the laws governing property. In the time of Solon's reforms and the creation of a demic rather than a gentilic basis for law in Athens of the early sixth century B.C., it was as true as in John Marshall's times or in our own that the power to tax involved the power to destroy and that political issues arose out of the effort, through the state, to regulate differences of economic interest.

Cicero in his own *Commonwealth* (*De Republica*) insisted that the commonwealth could not be created by just any coming together of men but must be a coming together (*consociatio*) grounded both *consensu juris* and *utilitatis communione*, *i.e.*, by a consensus of agreement on the basis of law—what today we call a constitutional system—and also upon a community of utility or shared economic interest. One, he thought, must depend on the other. Do they in the New Empire?

The revival and adoption of the term commonwealth to describe the change of the Old Empire to the New has a present psychological and practical as well as purely historical interest. Its official adoption as a part of the integral title *British Commonwealth of Nations* dates from the Irish Free State Constitution Act of 1922, which in turn depends on the heads of agreement for a treaty between His Majesty's Government of the United Kingdom and the Sinn Fein delegates in December, 1921.

Yet the term *British Commonwealth*, *tout court*, had been used in those important resolutions of the Imperial War Conference in 1917 that spoke of the Dominions as its

autonomous units and India as an important part thereof. The use of the term with the addition of *Nations* as a new name for the Old Empire doubtless owes something to General Smuts, who had first adopted the term in speeches during the War (in London in 1917). And it was also General Smuts who had helped to bring about the peace parleys with Sinn Fein. The term with the significant addition "of Nations" appeared in some of the speeches of Dominion ministers during the Peace Conference and it apparently caught on with the Dominions and British ministers at the Prime Ministers' Conference in London in 1921 which had been sitting during the truce in Ireland. No doubt General Smuts had himself taken it over from the Imperial Federationist Group, chiefly from Mr. Lionel Curtis' War-time books *The Commonwealth of Nations* (from pre-War studies) and *The Problem of the Commonwealth* (1916). The full term was probably first used in the prophetic study of *The British Commonwealth of Nations* (1920) which Mr. H. D. Hall wrote to rebut Mr. Curtis.

The title was about all that was taken from the *Round Table* propaganda for imperial federation. The new idea of the Commonwealth that slowly took shape up to 1926 had no leaning toward fiscal unification or any other form of imperial economic unity, even for purposes of common defence. On the contrary, it followed the evolution predicted by Mr. Hall in that it was specifically based on complete Dominion independence in economic relations, with equality of status and consultative coöperation as the basis for such legal unity as was demanded by High Policy. Even in the 1917 Resolutions, that under the pressure of War-time feeling looked toward more effective common action, and the formulation of a scheme of closer union in a conference to be held after the War, the "autonomy" and "increasing equality" of the Dominions had been stressed.

This was the conception of the meaning of *commonwealth* which was destined to triumph. The element of community

is strictly limited to exclude any real sharing of public wealth, either by common taxes, or tariffs, or ownership of natural resources. Each unit is completely independent in these matters. If the British Empire remains a single state in international law—a proposition doubtful enough—it is not a state with any of the ordinary powers over its component parts possessed by a confederation. It cannot even levy upon them for purposes of common defence.

Practically it seems always to be becoming more nearly a *common wealth* only by the promise of joint action to safeguard the vital security of all its members. In economic matters some mutual advantages are conceded, but their range is very narrow and, even so, these minor advantages are a source of perpetual controversy and are subject to abrupt change. The use of the term to express any idea of pooling of economic resources or uniformity of fiscal policy expresses a pious and far-off aspiration rather than a fact. There is, in Cicero's language, a real though very limited *consensus juris;* but there is no *utilitatis communio.* How long can the former exist without the latter?

Historically considered the word *commonwealth* itself might seem a little suspect: After the use of "Commonwealth and Free State" by the famous Commonwealth Act of 1649 in Cromwell's time, which described in these terms "the people of England and of all the Dominions and Territories thereunto belonging," the word in English usage got a distinctly antimonarchical flavor.[1] This flavor was urged against the adoption of the title of "Commonwealth" for the Australian federation. Parkes (a great admirer of the

[1] A flavor which it had not, of course, had in the classical writers of the time, *e.g.*, in Bodin, *Six Livres sur la République* (*De Republica libri* 6). In the Act of 1649 it was thought necessary to add as the end of the act: "and shall from henceforth be governed as a Commonwealth and Free-State by the Supreme Authority of this Nation, the Representatives of the People in Parliament, and by such as they shall appoint and constitute as Officers and Ministers under them for the good of the People, *and that without any King or House of Lords.*" (My italics.) No doubt this republican taint helped the name to find favor in Pennsylvania and Massachusetts, where it is still used instead of *State.*

Commonwealth period in English history) had suggested this name to the Constitutional Committee of the First Sydney Convention on Federation that had met in 1891. Alfred Deakin's warm championship finally carried the Convention by a majority of two to one for a term reminiscent, as he admitted, "of the most glorious period in our history."

It is one of the most perfect ironies of circumstance that this term has been taken over to describe the New British Empire. For it had been torn violently by the parliamentary civil wars from its neutral signification and had got in consequence an antimonarchical twist that in England has hardly been forgotten. Surely only in England or in *Through the Looking-glass* Land could a word so pregnant of old republican meaning have been hit upon for the purpose of describing an empire in which today the only abiding *common wealth* is precisely the Common Crown! Yet one must remember that the modern facts are quite as republican as any might have wished in 1649 and far more so in reality than was Cromwell's Lord Protectorship: since the Lord Protector turned out to have been something of a cuckoo's egg laid in the nest of the parliamentary Commonwealth. Today the Crown and the phrase "People of the Irish Free State" are used in the Constituent Act of that Dominion as interchangeable terms of sovereign authority. If Mr. de Valera ever were able to set up his republic, he might, of course, cut off its British connections altogether and become more Irish—more *Sinn Fein* ("ourselves alone")—but the Free State could hardly be more republican than it is now, as far as its control over the Crown in Ireland goes.

The ideal of commonwealth was attacked in the Australian Federal Convention not only for its republican taint and its centralizing flavor but because it suggested, to some of the more conservative members, communism in *goods* as well as good. Pooling resources in a more or less communist or socialist state was everywhere in the radical early

nineties of the last century something of a bugaboo. From the "state's rights" point of view centralization of control was also what the Australian colonies did not like about federation. The commonwealth movement in Australia succeeded in imposing a federal government over the states which the Labor Party has more than once seized for socialist experiments. Federation into the Commonwealth succeeded also in tying the states by a financial centralization far stronger than appears from a casual look at the constitutional division of federal powers. In Australia the name has therefore doubly justified itself and borne out the fears of individualists in both respect to property rights and states' rights.

But there was never the remotest chance of a similar success for the federation of an imperial Commonwealth. Geography alone would have settled that issue. What exists now is hardly more than a firm and continuing alliance. Even during the World War, the resources of the Dominions were little more pooled with the British than were those of the Allied and Associated Powers. There was also a debt settlement on separate accounts within the Empire after the peace treaties, and some bickering over the division of the spoils of enemy alien property and reparations. The British Commonwealth of Nations is in no true sense of the term a commonwealth. It is not even a true federal partnership, as we have seen, since each member is very careful to limit his liability and to refrain from pooling resources. Politically considered it may be called an alliance to which a Common Crown and certain constitutional agreements give a few confederate aspects. Economically considered it is no more than a league of unusually friendly and coöperative, but still firmly independent, states. When we approach its foreign commercial treaty relations and its diversity of attitude at Geneva this will become more strikingly than ever apparent.

Failure to work out any really far-reaching scheme for mutual preferences in each other's markets is a phase of the

Imperial Conference of 1930 that is too fresh in memory to require much emphasis. Whatever faint hopes may have existed of an economic entente went glimmering with that Conference, in spite of the agreement to revive the issue at a special conference to be held in Ottawa in the summer of 1931. The Dominions wanted Great Britain to tax all foreign imports that competed with their own primary products, but none of them was prepared to pull down the stiff tariff barriers which it has erected against British goods. Even though British exports in most classes are given substantial preferences over foreign exports to the Dominions that fall in the same categories, the preferential Tariff rates for British goods are made high enough effectively to protect any existing secondary Dominion industries, and even some that do not yet exist![1] The bargain which Mr. Bennett offered—a general increase of 10 per cent of all *existing* tariffs against non-British imports in return for the creation of a similar tariff in Great Britain—struck the British public as almost derisory. It would have meant raising by only 3 per cent, for example, the preference to British goods on a 30 per cent *ad valorem* tariff whose effect was in many cases already prohibitive of British as well as of foreign imports into the Dominions. And *per contra*, its application to foodstuffs and raw materials in England would have meant a 10 per cent tax on foreign products or it would have meant nothing at all—10 per cent of zero being still zero. Mr. Bennett did well to admit that he put it forward only as "a basis of discussion." But even as a basis for discussion, it effectively despatched any hopes that the Dominions were ready for a real bargain that would open their markets to British goods.

[1] The Balfour Committee on Industry and Trade found that the 1924 average *ad valorem* protection imposed on foreign goods by the Dominions was 18.3 to 21.5 per cent for Canada, 21.5 per cent for Australia, 20.5 per cent for New Zealand, and 11.8 per cent for South Africa. The preferences to British goods ranged from 2.8 per cent in South Africa to 12 per cent in the case of Australia and New Zealand. Protection has been far more increased than preference since that date.

In fact Mr. Ramsay MacDonald in a broadcast speech aimed at the whole continent of North America felt himself justified in claiming as one of the virtues of the Conference that he had at least been able to keep Mr. Bennett from getting away with too much of what he humorously termed "the swag." There was an acrimonious rejoinder from Mr. Bennett threatening practically to sabotage the approaching 1931 Conference in Ottawa[1] when in a Westminster debate Mr. J. H. Thomas, the British Secretary for Dominion Affairs, used a colloquial but effective phrase to describe the Canadian offer: "There never was such a humbug"! But on the other hand, Mr. Bennett had already been quoted by a reliable *Manchester Guardian* reporter as speaking of Manchester and other British manufactures as the product of "sweated labor"; and his new High Commissioner to London announced in Toronto that his mission to England was to be yet another crusade to save her from degeneration. These exchanges represent profoundly important divergences of interest and of national points of view, and as such will offer the psychological commentary required to understand the statistics of Dominion trade.

In economic matters, then, as far as public control of wealth—*commonwealth*—is concerned, the Great Dominions are now in the position of practically independent nations. Even Indian fiscal autonomy is approaching that goal. Commonwealth is simply a pious misnomer, though that need annoy only purists. But it implies for the states of this British League an ideal that appears to be very differently interpreted: Certainly it does not mean shared public control of wealth, as it does in its original sense.

There are, though, some real uses and common interests in the existing status. The economic advantages of possessing a Common Crown may be summed up on the side

[1] The Ottawa Conference was in fact called off for 1931, on the convenient pretext that Australia and New Zealand found it impossible to attend! After the sweeping victory of the Government of National Union in England, Mr. Bennett has again proposed to convoke the Conference at once.

of the Dominions as affording to them some of the privileges noted in a different context in the last lecture:

1. Diplomatic protection, the treaty rights of British subjects and shipping and general security and international prestige under all ordinary conditions at a very small cost for all diplomatic services and for defense.

2. The Common Crown also makes it possible for them both to give and to receive special preferential treatment in British markets without having to yield the same favors to all most favored nations under trade treaties.

3. The Dominions and India, as well as the colonies, get whatever advantage there is in having their stocks listed as Trustee Securities in London, into which a certain volume of trust funds is no doubt forced by statutory limitation of possible investments. This is said not only to decrease the stamp duties to a minimum but actually to lower the interest which must be paid by something like a half of one per cent on public loans—if Mr. J. M. Keynes is correct in his estimates.

4. British-assisted emigration to the Dominions has been to some degree a capital export, in the form of man power educated and bred at the expense of England. Under the terms of the Empire Settlement Act and the Loan Agreement for settlement in Australia, a good deal of British public money has also been spent. Australia, for example, was urged to borrow £34,000,000 at a very low interest rate in order to finance development schemes for land settlement. Over £9,000,000 had been spent on these particular schemes before the agreement was suspended by an Australian ban on further immigration. Canada has used a much more modest amount for settling families in several of the provinces.

On her side the United Kingdom gets very little *direct* economic advantage from the Common Crown except the special status of preference to her exports. But the heritage of a former control and the long tradition of colonial purchasing in London, as well as the use of the Bank of England

by Dominion banks and recourse to the City for loans, all help to fertilize British trade opportunities in the Dominions and to give England in some degree the sheltered markets of which she is in great need in these times of industrial stress. Of the total of about £800,000,000 of Dominion, Indian, and colonial government loans that have been made since the Colonial Stocks Act of 1900, a very large part has been spent in England. Only South Africa, and lately to some degree India, exercise with any freedom the right to spend money borrowed in London elsewhere than in England or at home for purchases of public supplies.

The technique by which England profits in the Dominions, though, is in the main that of indirect economic control whose operation depends on keeping the Dominions friendly, though not legally subordinate. Their prosperity, increased through diversifying their industrial structure, has meant larger British markets, particularly markets for industrial plant and equipment. British exports considered in terms of absolute volume have increased to the Dominions since 1913, the pre-War year on which calculations are always based. But there is no doubt that their fiscal autonomy has hurt England in many cases by building up uneconomic industries behind absurdly protectionist tariff walls. Her hold on their markets, while it has been decreasing less rapidly than her hold on foreign markets, has been slipping by any comparison relative particularly to the United States. Nor is there any doubt that the Dominions' newly conceded powers over merchant shipping legislation will have possible dangers for the great British lines.

Excepting Canada's relations with the United States, the United Kingdom is still by far the Dominions' best customer. Under the stimulus of the Empire Marketing Board, which tries to create a favorable consumer's preference for their products, this is apt to remain so, even though they broaden their markets in other countries. Canada, even so, normally sends over a third of her exports to England, Australia more than 40 per cent, and even India with her need for diverse

markets for her crops and raw materials sends about 23 per cent of the total to Great Britain. For the Dominions other than Canada and Australia the United Kingdom offers a market that attracts over half their exports. The Union of South Africa sends about 55 per cent, New Zealand almost 80 per cent, and the Irish Free State actually over 96 per cent of her total exports.[1]

The Mother Country is also in the position of holding the lion's share of their imports except in the single instance of Canada.[2] Let us take the 1928 figures as the basis, an exceptionally prosperous year, one whose statistics have now been thoroughly digested, and more favorable if not more normal on every count than the two succeeding years. Great Britain, who held over 11 per cent of the world's total export trade, held a little more than 35 per cent of the trade of the whole British Empire and only about 9 per cent of the foreign world's imports. Of her total exports, on the 1928 figures, India takes over 11 per cent. This constitutes 46 per cent of India's total imports as compared with the 64 per cent of her total before the World War, a drop of 18 per cent. Australia comes next with British exports to the value of £55,654,000, or 40 per cent of her

[1] These figures, corresponding to the estimates made on a basis through 1928 and used by the delegates to the Imperial Conference in 1930, require some revision. The *Economist* of Sept. 26, 1931, gives the following percentages (1929) of total exports that went to the market of the United Kingdom.

Argentina	32.2 per cent	Denmark	56.4 per cent
Australia	38.1 per cent	U. S. A.	16.2 per cent
Canada	25.2 per cent	France	15.1 per cent
Irish Free State	92.3 per cent	Germany	9.7 per cent
India	21.2 per cent		

The variations for the rest were not large enough to be significant.

[2] The Irish Free State takes 78 per cent of her total imports from Great Britain, New Zealand 48 per cent, and the Union of South Africa 44 per cent. Canada takes less than 20 per cent of her total imports from the United Kingdom. The figures on the following pages are taken in the main from the Report of the Empire Marketing Board on *The Growing Dependence of British Industry upon the Markets of the Overseas Dominions* (1930); from the Appendices to the Summary of Proceedings of the Imperial Conference of 1930 (*Cmd.* 3718); from the *Handbook on the United Kingdom* (1930) of the U. S. Department of Commerce. See also Appendix III, B., E. M. B. Report No. 26.

total imports compared with 52 per cent in 1913, a drop of 12 per cent. But Australia still purchased up through 1928 about £8/10*s* per capita from Great Britain, a total value greater than that purchased by all the 120,000,000 Americans, who furnish Britain's third best customer. In spite of the fact that the British share of Australia's total trade relative to foreign competitors is shrinking, this large purchase was probably beyond the capacity of Australia to pay. India alone takes almost as great a volume and percentage of the total British exports as Canada, South Africa, and New Zealand grouped together. All the Dominions, considered as a group, take about 24 per cent of Britain's total exports out of the 46 per cent which goes to the overseas Empire as a whole.

The figures for Great Britain's share of the total exports from the Dominions show less marked shrinkages since the War, but the Lion's share is falling, even as a market for the products of the overseas Empire. The almost monopolistic hold of England on her Dominions is gone. The Dominions trade *inter se* is as yet unimportant in the total context of Empire trade: Canada had a trade agreement with Australia (the benefits of which were extended to New Zealand by an order in Council) which permitted a considerable interchange of their mutton and dairy produce for Canadian lumber, pulp and paper, and some manufacturers such as automobiles. But resentment in Canada against New Zealand dairy competition led to rescinding the order in Council for New Zealand—according to Mr. Forbes, New Zealand's Prime Minister, without adequate formal denunciation or discussion with his government. New Zealand retaliated in kind by putting Canadian goods on the general tariff schedules, where they would enjoy neither the British nor the intermediate preferences previously accorded to them.[1]

[1] Only rubber boots and wire netting escaped the general tariff retaliation.

Canada has just negotiated (August, 1931) another trade agreement with Australia giving practically the former rates of preference to everything except butter.

Canada's Economic Place in the Empire

The position of Canada deserves especial study in this economic constellation. In the first place Canada is of all the Dominions the most advanced industrially. Her plant is already capable of great expansion, probably enough if sufficiently protected to drive out nearly all imports of British and most American staple industrial products. Only in shipbuilding, railway supplies, and electrical machinery, and perhaps in woolen textiles, is she apt to be without adequate industrial production to compete, with the aid of tariffs, provided that Mr. Bennett's "Canada first" protectionist policy can survive the onslaughts of the outraged farmers and consumers generally.[1] At the present time Canada alone of the Dominions is in a position to compete in any degree with Great Britain for industrial overseas markets—a fact most marked in the West Indies and South America, and especially in her automobile export from American branch factories; but applicable now to a growing range of industrial products, including farm machinery. Canada's total exports amounted to about $1,228,000,000 in 1928—to use the same year throughout. Even with a banner wheat year her wheat exports amounted to no more than a third of that total. On an absolute basis of production values if not of exports, she is now predominantly a manufacturing country and she has increased her share of the whole world trade from 2.78 per cent in 1913 to 3.76 per cent in 1927.

What has been the effect of this change on her relations to Great Britain? Primarily due to geographical reasons

[1] In the debate on the Statute of Westminster on June 30, 1931, Mr. Dupré, the Solicitor-General in the present Conservative Government in Canada, called attention to the fact that Article 12 of Part 4 of the Draft Agreement on Merchant Shipping which formed part of the proceedings of the Imperial Conference of 1930 permitted " . . . every part of the Commonwealth to impose customs tariff duties on ships built outside that part" and "to give financial assistance to ships registered in that part." This, he argued, ought to enable Canadians "to see to it that our shipyards and our shipbuilders are provided with work."

and secondarily to the stimulus of the War, her purchases from the United States have dwarfed her purchases from Great Britain. Where Great Britain held 21.3 per cent of Canadian imports in 1913, she held only 15.6 per cent in 1928. The United States increased her share from 64 per cent in 1913 to 64.9 per cent in 1928 and 68.6 per cent in 1929. These figures are significant though relative. Canada has actually increased her total purchases from Great Britain from $132,070,000 in 1914 to $185,918,000 in 1927—no real decrease even allowing for the difference of perhaps 50 per cent between the price levels of 1913 and 1927. But making all allowances, the British share in Canadian imports has dropped relative to the total. Canada's imports and trade contacts are now more diverse. And American investments now surpass the British by almost half in the total of outside capital in Canada.

The picture of the trade balances to British eyes looks quite lopsidedly in favor of the United States. Canada imported in 1929 from across the border a total of about $868,000,000 as opposed to exports of almost exactly $500,000,000. But one must remember the invisible items which probably tend to balance this international account—about $300,000,000 for expenditures by United States tourists in Canada—only partly balanced by Canadian tourists in the United States. A formidable if unknown quantity of Canadian liquor goes southward, most of it now by the devious sea route but probably in the aggregate not less than an annual amount of $100,000,000 and possibly very much more, producing a considerable profit for Canadians but also a substantial income for New York liquor rings—as the *I'm Alone* case has shown.

Nevertheless the British who buy from Canada about $55,000,000 more yearly than they sell—$230,000,000 as compared with $175,000,000—naturally feel aggrieved. Australia, on the other hand, presents the special case of having, by dint of borrowing from England at the

rate of about £30,000,000 up to £40,000,000 a year on public account, a trade balance in favor of Great Britain averaging (according to the Australian figures) about £7,500,000 a year for the last five years.[1] But that balance is obviously the result of overborrowing and overbuying, as the catastrophic fall in Australian exchange on London has shown since the flow of loans from the City has dried up. From all the other Dominions except the Union of South Africa, the United Kingdom imports far more than she exports. If South African gold and diamonds from the mines are counted as a trade export, this is true also for South Africa.[2]

These Dominions on their part complain, though, that they take a far greater proportionate share of British exports than their chief competitors, the Argentine and Denmark. The Irish Free State likes to point out that while Great Britain takes £45,000,000 of imports as against the £36,000,000 of exports to the Irish Free State, nevertheless the Irish Free State takes five times the volume of British

[1] Some discrepancies between the British official trade figures and those of the Dominions come from different statistical methods and the use of different periods for fiscal years. Still the figures given require careful checking and show how loose even official estimates may be when made in the course of speeches to Imperial Conferences. The item for the disparity between Canadian and British exports to each other is taken from the statement of Mr. J. H. Thomas, Secretary of State for Dominion Affairs, in his address to the Imperial Conference of 1930 (Cmd. 3718, p. 28). According to the Canadian *Year Book* for 1930 (pp. 492–493) the British exports to Canada were for 1928, $186,435,824. Allowing for different time periods in the statistical year this checks well enough. But Canadian exports to the United Kingdom are $410,691,392. These figures agree substantially with the U. S. Department of Commerce *Handbook of the United Kingdom*, p. 551, which in turn supports Mr. Thomas' figures (Cmd. 3718, p. 29) rather than the Australian figures (p. 548 of the *Handbook*). The Canadian figures appear to include re-exports and exports through United States' seaports, which are not included in the British statistics.

[2] These values were, in 1928, £29,689,000 for gold and £6,718,000 for diamonds, largely re-exported (*Handbook of the United Kingdom*, U. S. Department of Commerce). According to the "Memorandum on the Trade of the British Empire; 1913 and 1925 to 1928," issued by the Imperial Economic Committee (1930) as its Thirteenth Report, in 1927 Great Britain and Northern Ireland took about 40 per cent more produce from the Empire overseas than in 1913 and only 15 per cent more foreign produce. Exports to the Empire overseas declined by only 9 per cent compared to a 30 per cent drop to foreign countries.

goods that goes to Denmark, which in turn sells twice as much in the British market as does the Free State.[1]

England retorts by pointing out that while, without exception, they all take more goods from the United States than they sell to that country, they reverse the position in the English market.

These facts are often cited in the campaign for greater tariff preferences all around in order to show what large opportunities exist for increasing inter-imperial trade. But the fact is that the Dominions, if they are to increase their own secondary industries and continue to diversify their foreign markets, can give very little more of their trade to England. They can, of course, penalize the United States in favor of Great Britain, as several of them have announced their intention of doing;[2] but they will, in the attempt, be diminishing or closing a market of very great future profit. And on her part Great Britain can hardly help them through more extensive tariff preferences without taxing foreign raw materials and discriminating against sensitive customers like the South American countries whose favor she is courting. The same stroke would raise costs at home.

It is probable, therefore, that the general technique of the Mother Country for holding a dominant position in the

[1] These figures for the Irish Free State's export and import trade with the United Kingdom, given by Mr. McGilligan in *Cmd.* 3717, p. 124, substantially check with the other official sources, though the estimate of Irish imports is liberal. On the other hand the relative estimate of the amount sold by Denmark to the United Kingdom seems decidedly exaggerated as compared to the Irish Free State's exports. According to the *Handbook on the United Kingdom* of the U. S. Department of Commerce (1930) the imports of the United Kingdom from Denmark in 1928 were valued at £53,058,000 and those from the Irish Free State at £45,147,000. Exports from the United Kingdom to Denmark in that year were £9,760,000 and to the Irish Free State £35,080,000. Nor is there a very marked relative variation in other years.

[2] Both the Dunning and Bennett tariffs of 1930 in Canada had this aim, but the later Conservative tariff increased protection against British imports, thus cutting down the preferential advantages, even though relatively they are maintained. Australia and New Zealand employ this weapon against the United States, too, but the shrinkage of all imports into the Dominions, due to their economic distress, falsifies any general conclusions as to the hurt done to the United States since the new tariffs were imposed.

economic life of the Dominions must be an indirect one, almost as indirect as if they were independent states. It may be doubted, of course, whether even this indirect control could be as successfully applied in foreign states as it can where the pound sterling is the main medium of exchange and where sentiment and past political subordination have worn the channels of trade into ruts. The use of the Canadian dollar is almost symbolic of the difference in the economic status of that Dominion. It is, though, true that only the highly esthetic new currency of the Irish Free State among the other Dominions is tied fast to the exchange and gold value of the British pound sterling. So that the use of the pound as a currency stands for a psychological rather than an actual value to British trade. Only radical currency reformers like Mr. J. M. Darling have dared propose a unified currency system for the Empire. It would seem to be manifestly unworkable without a surrender of fiscal control to a common center.

Some economists have even suggested that it is this very sheltered condition of the Dominion markets, that has been aided by voluntary preference even more than by tariff advantages, which has helped to bring about the decline of many British export lines. Not feeling the need of aggressive salesmanship and constant adaptation to the Dominion markets, or indeed to her colonial markets in general, the British manufacturers have shown a marked lack of adaptability. They have had, in consequence, to give ground to the United States and to Germany and Japan in many lines. In automobiles the same horsepower tax that has effectively protected the British market has created a type of car that was until lately almost useless for the general colonial export trade, where power and sturdiness are essentials. There is no use blaming this reversal of position on the World War. The facts are as they are. Two of them are now beginning to be generally recognized: (1) The United States' increased trade has come in new industries, generally, rather than in those in which England was com-

peting before the War. They are, on the whole, not of a type for cutthroat competition. (2) The industrial supremacy of the United States which was assisted by the War was implicit in the nature of American processes, and probably inevitable, if it is not done to death by speculation and by the excesses of tariff protection and raids on the Treasury by special interests.

What effective hold can Great Britain retain, then, on the economic life of her Dominions, and how can it be exercised?

In the matter of direct trade relations she is granted preferences which average according to estimates by the Dominions Office about £14,000,000 per annum and have probably been somewhat increased in their theoretical value by recent changes in Dominion tariffs.[1] This nominal figure is of course very much subject to criticism in the light of the fact that much of it depends on reckoning the differentials of duties on British goods which are under no circumstances really competitive with the foreign goods more heavily taxed in the tariff schedules. Reckoning the advantages on the same nominal basis, Australia alone would have rebated over £7,000,000 in a single year.[2]

In return she grants to Dominion goods preferences estimated to amount to only about £2,000,000 a year. This preference goes in large part to Australia, but a useful amount, and proportionately to white population quite

[1] Until 1930 the average *ad valorem* reduction on British goods dutiable under the Canadian and Australian tariffs amounted to roughly 30 per cent of the general duty. The New Zealand preferences are slightly more, and the Irish considerably less. The South African preferences are also somewhat less, after the reductions effected in 1925 by the Hertzog government. A treaty with Germany in 1928 would have, if it had been implemented, accorded that country *future extensions* of preferences on the same terms as the British. By agreement with England in 1930 it has not been carried out by a concrete implementation. In return South Africa gets a continuance of the preferences to her products which had been threatened by Mr. Snowden.

[2] Under the tariffs passed by Mr. Scullin's government absolute embargoes have been placed on many products including some which interest England. The general level of the tariff has been so substantially raised that even the imperial preference rates are in many instances prohibitive. American exports have been most hit, however.

as much, to South Africa and to New Zealand. Canada profits from it much less, as her main exports to England are staple crops like wheat.

Indirectly England affords them a most useful stimulus to voluntary consumer's preference for their products (as well as to home British products) through an annual expenditure for advertising by the Empire Marketing Board (E. M. B.) in England of about £370,000. The last Imperial Conference agreed that the expenditure need not be confined to advertising in Great Britain. Rather more than this annual sum devoted to advertising is also spent by the E. M. B. in subsidizing scientific research that will directly or indirectly aid the marketing of Dominion as well as British home products. The tables published in the reports of the E. M. B. up to 1930 show roughly that the allocation of expenditure on research projects runs to about 80 per cent of the total to the United Kingdom, as far as the location of the center receiving the grant is concerned. But it must be remembered that low-temperature research successfully conducted in England may revolutionize the whole problem of shipments of perishable produce—meat, diary products, fresh fruits, etc., from the Dominions to England. So the basis of comparison is not a true indication of the proportionate benefit derived from the grants by the Dominions. The Government of Great Britain, unlike that of the United States, must subsidize general as well as special research because of the lack of those great private foundations that exist with us.

The system of preference granted by the Dominions to England would be completed into a modified neomercantilism if England could give their primary products a general preference in her market. It is for that that the Dominions press, without being willing to reduce their own protective tariffs, even though they are willing to tax foreign imports more heavily than British. Great Britain can hardly accept this solution without taxing some of her foreign imports. Unless this tariff preference to their products increases the

price of food and raw materials, it will be of no use to the Dominions. If it does, it will hurt the consumers of England. This dilemma is really unescapable. Stability of markets through quota systems without price control is an illusory hope. Bulk purchase runs all the danger of placing speculation as to world prices in the hands of the state. To be sound in principle it too would have to be joined to an international control of production and prices. The cry for more preferences is a natural cry; but it is the cry of weakness, and neither the Dominions nor England stands to be much strengthened by the proposed reciprocity, on any basis so far suggested.

When a tariff preference for products of the Mother Country was proposed by Mr. Jan Hofmeyr of Cape Colony at the Colonial Conference of 1887 (and within the next decade was actually begun by Canada), the preference was offered to the United Kingdom without any claim of reciprocity. It was proposed as a pure gift, or in some measure as a grateful offset to the imperial services, chief among them the protection which the British fleet rendered to the Dominions and for which they were not taxed. But the Dominions by 1902 were already pressing for some return in kind. Sir Wilfred Laurier was hardly more frank than the Australians. Joseph Chamberlain was finally won over to the policy of granting this *quid pro quo* by giving a small preference to Empire wheat, with a view to the gradual approximation of an imperial *Zollverein.* But he was unable to carry through his program. His party was smashed in 1905 very largely on that issue, and the "Dear food," "No tax on food" cry was introduced into British politics, which had heard nothing like it since the days of the Corn Law League. At the Conference in 1907 (the last to be called a Colonial Conference) the triumphant Liberals, in the rather truculent phrase of Mr. Winston Churchill, "banged, barred, and bolted the door" in the face of the demands for preferences made by Mr. Deakin of Australia and by some of the other Dominion prime ministers.

During the War the McKenna duties granted a preference of 33⅓ per cent to the Dominions and so did the Key Industries Duties of 1921 and the Safeguarding Duties that have extended industrial protection since 1924. They have been of little assistance to the Dominions which do not send manufactured goods to England. They afforded, ironically, as their main result, a relief that extended to branches of American automobile factories in Canada. In the 1919 Finance Act small preferences on dried fruits, tobacco, sugar, and wine were given which helped Australia, New Zealand, and South Africa. But Mr. Baldwin was defeated when he tried in 1923 substantially to increase the range and variety of these preferences by an appeal to the country, even though he declined to advocate a tax on imports of foreign raw materials and staple foodstuffs. The creation of an Empire Marketing Board (with a potential grant of £1,000,000 a year from the British budget to spend on research and on advertising the marketing of home and Dominion products in Great Britain), together with some slight increases of preference in 1925, was the best he could do after his return to power. The E. M. B. was held out to the Dominions as a sort of sop for the disappointing failure of the promised preference. And it has unquestionably aided in stimulating the remarkable increase in the consumption in England of Dominion products since that date.[1] The last Imperial Conference insisted on putting its fund on a permanent trust fund basis, in order to remove it from the charge of being spent simply as the Secretary of State for Dominion affairs should decide.

[1] The last report of the E. M. B., issued in June, 1931, shows that in the depressed year of 1930 new records for the consumption of sixteen standard articles of Empire produce were achieved in the British market.

On the other hand, while the Board had a provision of £476,000 for its research activities (through approved grants) in the estimates of 1930–1931, and had asked for a total provision of £659,000 for all its services in 1931–1932, the hand of economy has descended heavily upon it. The National Government, in balancing its budget, has announced slashes of a quarter of a million pounds in the grants both to the E. M. B. and to the Colonial Development (advisory) Committee (September, 1931).

Labor came back to power in 1929 determined to remove all tariff duties on foreign sugar and foodstuffs that made Colonial preferences to the Dominions possible; but it has shown the utmost benevolence to the E. M. B.'s work. The "safeguarding" duties, too, were marked for reform and were to be allowed to lapse as the Conservatives had originally promised, at their expiration between 1930 and 1933. But Mr. Snowden was so far prevailed upon at the Imperial Conference in 1930 as to spare the Dominion preferences, and even the sugar preference which the West Indies so desperately needs, for another three years, subject to the right of the British Government to determine its own budget. No doubt his need of revenue, as well as his colleague's desire to mollify the protests from the Dominions and from the imperialist sentiment in Great Britain, helped to draw away Mr. Snowden from Cobdenite orthodoxy. About the only return of an immediate character which he got was the assurance of South Africa that it would maintain British preferences and drop the German treaty.

The significant and perhaps the sinister thing for the United Kingdom is that the Dominions in 1930 seemed fairly unanimous in putting the offer of increased preference on a strictly reciprocal basis. The older unilateral grant of preference as a grateful recognition of their debt for imperial services has given place to an attitude more calculating of the *quid pro quo*. In case of war Great Britain can hardly refuse to defend them, whatever trade policies they pursue. On that basis they can impose high tariff protection even against the Mother Country—as Mr. Bennett does in his "Canada first" policy. On one ground or another, in any case, they have, without significant exception, increased their tariffs against British goods in the last few years.

Facing that fact, Mr. Snowden is perhaps entirely justified in being skeptical of the benefits to the cause of imperial unity of perpetual bargaining conferences which will wrangle over tariff preferences. The era of goodwill that

has followed the Balfour Resolutions—rising out of their grant of constitutional equality in principle and out of the liberal spirit later shown in applying that principle to law—might eventually be jeopardized if an attempt were made to exploit goodwill by trying to get tariff concessions from the Dominions on a bargaining basis. Any such effort—given the fundamental lack of real bargaining points—might quite well lead to an unpleasant deception of hopes and to mutual recriminations. It is a dangerous path which Great Britain may be wise in eschewing. As long as she remains predominantly a Free Trade country, the Dominions can hardly reproach her with any inconsistency of policy or favoritism to particular parts of the Empire. If they insist on fiscal independence, they can have no grounds for denying her the same privilege.

The Mother Country has, after all, other quite effective holds on the economic life of all her Dominions except Canada. Banking in the other Dominions is largely controlled from London, directly or indirectly, and banking is a powerful factor in holding trade. The National Bank in South Africa has a controlling block of its stock owned by Barclays, and the Standard Bank (the only other large bank) is almost equally British. The largest Australian and New Zealand banks are to very nearly the same degree British institutions. Only Canada is outside the credit monopoly of the City of London and the benevolent restraints of the Bank of England. The control of the Bank of Montreal, and to a slightly less degree the Sun Life Insurance Company, remains in the hands of the same interests which control the Canadian Pacific Railway. This is, in turn, though largely owned in England, controlled effectively by Montreal capital. Barclays Bank is the only predominantly English bank chartered in the Dominion. The Royal Bank of Canada is interlocked with the Westminster Bank, but not in any sense controlled by the latter.

India, like the other Dominions, relies on the City for her money market. Nor is there any sign that, in the absence

of a large bill-broking market, the proposed Central or Reserve Bank of India can have much effect in the rates of the exchange banks, since the latter will continue to have recourse to London. Government-controlled banks which function to only a limited degree as central banks in the Reserve Bank of the Union and in the Commonwealth Bank of Australia have so far proved quite ineffective to control rates either of exchange or of bill discounting because of this centralized reliance on the London money market. The South African Bank has helped to control the "money ring" rather better than the Australian, but that is partly due to the larger South African gold export and better economic position.

Great Britain still retains, too, the lion's share in the control of Dominion industry in South Africa and a good portion in the others, partly through branch factories but much more through directorates or stock ownership in England. In some instances dummy boards of directors are maintained in the Dominions in order to escape British income tax by incorporation overseas, just as American corporations sometimes pick what Prof. W. Z. Ripley has called "charter-mongering" states to evade blue-sky laws. The proportion of Dominion companies in which voting stock control[1] remains in London is even larger than those controlled in the main by British directors. This is particularly true of public utilities and hydro-electric stocks, railways, and banks. And these companies naturally buy supplies from British firms wherever possible.

British shipping lines also have important tie-ups in the economic life of the Dominions and a virtual control of transport for all except Canadian trade. The insurance companies of the United Kingdom, too, take a large toll of Dominion capital for investment under direction from Great Britain. Similarly, British sugar refineries have

[1] According to the estimates in the *Economist* of Ocotber 25, 1930, about 90 per cent of Dominion commercial share and loan capital of a total value of £678,000,000 was held in England.

extensive interests particularly in the West Indies and in Australia, and the same thing is true for large-scale land-holding and development companies throughout the Empire.

The schemes for advancing imperial economic unity have varied all the way from direct attacks such as the plans of the Imperial Federationists looking toward an Imperial Customs Union, equally unacceptable to Great Britain and to the Dominions, to proposals like that put forth by Mr. Darling at the Imperial Economic Conference of 1923[1] and by Sir Oswald Mosley in 1930 for creating an imperial currency exchangeable at par throughout the Empire. Any such schemes simply forget that the Dominions have won long ago a fiscal independence which they intend to keep. But efforts like those of the late Lord Melchett and the Empire Economic Union to promote unity by what is called *Imperial economic rationalization* do not make such bold frontal attacks. This plan has the support also of the Federation of British industries and the British chambers of commerce. They hope to attain a moderate but sure success by a flanking movement. By obtaining substantial control of the major Dominion industries, British interests might accomplish results where the "Empire Free Trade" crusade of the Newspaper Peers, for all its sound and fury, signifies nothing. The shrewder followers of Lord Melchett propose, in other words, to follow the same strategy that the United States has pursued by placing branch factories in Canada.

It is arguable that in nearly all the respects in which this indirect control exists, the economic ties of a Dominion with England are hardly different from those of any independent state under British economic influence and in roughly the same stage of economic development—let

[1] Mr. Darling has recently renewed his proposals, adopting a currency unit called a "rex," whose psychological value will appropriate once more the virtues of the Common Crown! In order to restore the prosperity of India and China, he proposes an arbitrary bookkeeping exchange basis for silver to gold of twenty to one. The factor most dangerous to his scheme, Mr. Darling thinks is "The gold mentality" (see *New York Times*, p. 6, January 28, 1931).

us say the Argentine. Indeed, the economic relations of the Argentine with the United Kingdom are certainly closer than those with Canada, which has been more and more drawn into the trading orbit of its great neighbor immediately to the south. There is almost £500,000,000 of British capital invested in the Argentine.[1] In 1929 a special trade agreement was negotiated with former President Irigoyen by Lord d'Abernon's Trade Mission, giving the United Kingdom a guaranteed proportion of Argentine's railway purchases and tariff concessions on other commodities such as textiles, silk, and rayon. If that trade agreement is ever implemented it will be an ironical commentary on two facts: (1) A similar effort to reach agreement with Canada failed; and (2) Canadian duties will probably on an average be more burdensome in the future than those of the Argentine to British trade.[2]

The hold of the United Kingdom on her Dominions is hardly greater, therefore, than on other areas without the Empire. If Lord Melchett's scheme were carried out by promoting branch factories in the Dominions and by getting agreements among business men throughout the Empire to rationalize markets as they are trying to rationalize production, the same technique might equally be employed with foreign states at a similar stage of economic development. Indeed it has been extensively employed by the very Imperial Chemical Industries, Ltd., of which Lord Melchett was the guiding spirit. Mr. Ramsay MacDonald, speaking to the Labor Party Congress during the 1930 Conference, made veiled charges that this was happening to the detriment of the Empire, through the practice on the part of British

[1] The conservative estimate of *The South American Journal* placed the amount listed on the London Stock Exchange at the end of 1929 at £432,717,280. According to the U. S. Department of Commerce, American capital in the Argentine then amounted to $770,000,000, and by 1931 had reached $807,777,000.

[2] The Balfour Committee reckoned, in the Report to the Board of Trade on the State of Industry and Trade in Great Britain in 1924, that British goods paid only 13¼ per cent in Canada as opposed to 32 per cent in the United States, 37½ per cent in Spain, 41 per cent in Brazil, 15¼ per cent in Italy, and 20½ per cent in the Argentine.

firms of allotting the Canadian market to American producers by means of such economic *ententes*.

England's indirect economic control over the Dominions does differ in some important respects from her influence over other states—say the Argentine. Allowing that President Irigoyen's overthrow by a revolution has effected trade relations rather less so far than party overturns in Australia and Canada, the Argentine has the competing loan markets of the world but no Colonial Stocks Act to establish her interest rates. She is less dominated by British shipping and banking. Further, the granting of special tariff preference to Great Britain in the d'Abernon Agreement raised at once a great outcry from all the nations with "most-favored-nation" treaties. The intervention of the revolution gave a convenient reason for not proceeding, and the suspension of the agreement seems to have resulted. A Dominion could not have been challenged in a similar act. But the same facts show that Britain's interests lie in world markets, not merely in a defensively tariff-protected empire. South America alone would be enough to prevent England from going very far along the road toward a closed Empire, built upon a *Zollverein*.

There is no doubt that the steady tendency of the Dominions and India to broaden their markets and increase their economic independence from London has helped also to force constitutional issues. The hold which England developed over them in their period of legal subordination is weakening. They have all, without exception, substantially raised their tariffs against British as well as foreign goods since the World War, and they are talking now of abandoning British preferences entirely if they get no return in kind. South Africa had gone farther than the rest along these lines in her foreign trade treaties, but she now appears to have had a change of heart. The rest, though, are grumbling audibly in the manner of Mr. Bennett, who complained that if the Labor Party's attitude in England marked the next Economic Conference at Ottawa, Canada

would be forced to take other measures and look elsewhere than to England to protect her interests.[1]

In the as yet unimplemented Trade Treaty of 1928 with Germany, the Union of South Africa had granted to the Reich in principle on a most-favored-nation basis any future extension of the preferential rates given to Great Britain. Similar treaties are understood to be in process of negotiation with Italy, Holland, and France. Although this is largely a gesture, since it has not yet been put into effect by a specific agreement and since it did not affect the existing advantages already granted to Great Britain, it is not an empty gesture. As a threat of future policy the German Trade Treaty raised a storm of apprehension and some ill feeling in England. It also helped to disrupt for a time the Customs Union which the Union of South Africa had succeeded in maintaining with the Rhodesias. Though this Customs Union has now been patched up again, it has been done so only after great labor and misgiving on both sides. Probably the promise to retain imperial preference in the United Kingdom for another three years was made conditional on the Union's agreement not to proceed further on the road to abolishing special treatment for England in future tariffs.

But it is small wonder that the industries of England, faced by high tariff walls on every side, even in India and some crown colonies, are clamoring for protection of their home market. The great days of British competitive supremacy in the markets of the world are gone—and it was on them that the Cobdenite Free Trade flourished into a dogma almost religious in its hold on all British parties. The new

[1] After his return from the Imperial Conference Mr. Bennett made a special trip to Washington which gave rise to some speculation. It probably had to do, however, mainly with Prohibition enforcement and with the Saint Lawrence Waterway. In July, 1931, a new Trade Treaty with Australia was announced, but New Zealand in the meantime had retaliated against Canada by putting most Canadian goods on the general tariff. The Australian Treaty gives Canada on a list of about 450 items the preference accorded to British goods. Canada in return permits the privileged entry of many Australian products, though butter, the chief item of profit, has its tariff raised by four cents a pound from the duty of one cent which it paid under the old treaty.

cry is now for sheltered markets. The staple industries of England, long convinced that with cheap raw materials and no artificial restraints they could conquer and hold the world's trade, are now trembling under the impact of large-scale mass production from countries with resources as great and with tariff walls to shelter their domestic markets. There is a faltering in the conviction of the efficacy of Free Trade. Wages, the industrialists of England see, are no longer left to the play of so-called natural economic forces. The laborer is at least partly protected by the state. Why then should not the state protect the struggling industrialists also?

The Conservative Party in England has heeded this change of heart, and Mr. Baldwin is asking to have weapons put in his hands so that he may use tariffs as a powerful bargaining argument in negotiating future trade treaties and beating down the barriers which are constantly going up against British goods. He feels that he can make some headway even in the Dominions with this basis of giving a *quid pro quo*, supplemented by a scheme of fixing by law the quota of Empire wheat that must be used in British bread. In increased protection the Conservatives see a tonic to industry that will decrease unemployment, raise taxes by less painfully direct measures than levies on incomes, and incidentally tend somewhat to decrease real wages by raising money costs. Otherwise, they say, money wages must come down drastically. It is a variation of the full-dinner-pail argument that has been found to be an effective argument to workers on the Continent as well as in the United States. The terrifying rapidity of the shrinkage of foreign markets makes tariff protection for the rich British market very tempting as a political program. Added to the hope of raising from £50,000,000 to £75,000,000 of revenue by general tariffs (which Mr. J. M. Keynes[1] says could be devised without raising the cost of living substantially), the protectionist arguments look attractive enough.

[1] Subsequently Mr. Keynes, under criticism from Mr. Cyril Asquith and others, has revised his "revenue-tariff" estimates to a slightly lower figure on a

Against this the Labor Party offers the Dominions no hopes of any tariff preferences beyond those already in force, and only partial compensation through a quota scheme by means of milling "import certificates", with a possible alternative in bulk purchase on a sort of bartering basis through government import boards. The Ottawa Conference when it is eventually held will have to face one of these British programs in the hope of getting something agreed upon where the Imperial Conference of 1930 could accomplish nothing.

But if Mr. Baldwin should immediately come into power, what hope is there of a change in the prospects of imperial economic unification? He is not likely to be in power if he concedes to the newspaper crusade of Lords Rothermere and Beaverbrook (who have been trying to stampede the Conservative Party into so-called "Empire Free Trade") anything more than keeping "a free hand" to bargain with the Dominions. For while Mr. Baldwin may win an election against a Labor Party weakened by the rise in unemployment and in taxation, provided he sticks to a straight program of protecting British industries, he can hardly hope to defeat a solid Liberal-Labor front in campaign that involves the prospect of extensive import duties on foreign foodstuffs and raw materials. The Imperial Conference of 1930 showed how empty were Lord Beaverbrook's hopes of getting the Dominions to lower their tariffs against British goods. It made all future talk of Empire Free Trade mere nonsense.

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10 per cent *ad valorem* tariff basis. But he still maintains the proposition that the cost of living would not be significantly raised by such a duty. If, however, the revenue is to be raised the goods will come in, and that defeats protection. If, on the contrary, the goods are stopped by a tariff wall, there will be less revenue realized. In the former case, at least, the cost of protection will certainly be added to the goods, and the cost of living would be raised.

Mr. Keynes himself, in a letter to the *Times* of September 22, 1931, maintained that the relapse of sterling from a gold parity had disposed of the tariff as an economic issue by automatically limiting imports.

Since these lines were written the prospect of a second general election in England, to be fought largely on the tariff issue, has become a certainty. The National coalition, after an overwhelming victory over an almost solid Labor Party Opposition and some of the Liberals sticking to Mr. Lloyd George on

The industries of England and the bankers in the City are divided and seriously divided on the more general issue of tariff protection. For the first time since 1870 a substantial protectionist sentiment has developed in quarters where previously to be a protectionist implied a sort of stigma of immorality. Even in Manchester "judicious" protection is viewed by a majority of the Chamber of Commerce with favor.

It may be that the last great market that is even comparatively "free trade" will be closed. The temptation is very great to take the step in the hope that retaliation would force down foreign tariffs. On the other hand, it might stiffen and render fatal the economic warfare of nationalistic systems that so burdens the trade of the world. It would be a great pity if Great Britain should give an added impetus to the movement toward closed systems in Europe—even a federal protectionist league of Europe—just as signs are developing there of a hearty reaction like that in the United States against the exaggerated levels of the Smoot-Hawley tariff. The general crisis is promoting a tendency that is world wide to put some check on the absurdity of building impassable trade barriers by administrative as well as by direct tariff restrictions to the flow of international commerce. Against the dumping methods of the Russian export monopoly, capitalist states, if they do not develop remedies through joint action against uneconomic nationalism, will therefore face a real threat from the Soviet system which tariffs alone cannot avert. They must find ways of rationalizing production and distribution as well as consumption on international lines, if they are really to set their houses in order. More tariff protection will not help. The root of the evil lies in the nationalistic factors which result in uneco-

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"No Tariffs," may find its huge majority unmanageable. Inflation having been forced by events, the tariffs would still further reduce real wages. If tariffs raise costs for the export industries, however, this may offset the temporary stimulus of inflation. But this reasoning will hardly impress the high-protectionist Tories who form the great bulk of the new House of Commons.

nomic stimuli to production—at their head, tariffs. The remedy lies in a freer system of exchange and in some form of international control of the production of basic commodities.

The adoption of protectionism for England, in the face of the dangers of increasing costs to an industrial system which must live by exports, will not be unopposed. Shipbuilding does not like to think of paying more for steel. The export and finishing industries of England are all similarly circumstanced. Experience with the Safeguarding of Industries Acts shows that they disappoint two hopes once held for them: they do not assist the lowering of prices through fostering large-scale combination, nor are they merely temporary needs to be shortly removed. The only "rationalization" which they have fostered resulted, in the artificial silk industry, in heavy losses from increases of capitalization which were without economic justification. Protection tends, on the evidence, either to promote energies of a purely inflationary character or to permit present inefficiency to survive. The more painful method of cutting losses and effecting new organization is the real need.

The indirect effects, too, of high tariff protection in jeopardizing the parliamentary system by increasing the weight of pressure groups are very rightly dreaded in circles where such foresight is necessary. The adoption of a general protective tariff, in short, would only be the result of a growing despair of making British industry efficient enough to overcome the difficulties which it must surmount. Protection in England, with the other neomercantilist variations in efforts to shelter Empire markets, is a confession of weakness. But fear, in the face of the long strain of rising unemployment and lost markets, is not unnatural. And with Mr. J. M. Keynes and the *Economist* talking of a "general revenue tariff"—with exceptions for some raw materials and reexported goods—it looks as if the door for protectionism were being forced open by the need of revenue.[1]

[1] Since this was written events have moved very rapidly toward the conclusions suggested. If the curious array of forces now grouped under Mr. Mac-

Happily capital investments abroad and the financial power of the City give a great strength to the British system. Every year in good times somewhere in the neighborhood of £285,000,000 comes in as an invisible item to balance the international trade accounts by the returns from British investments abroad; and another £50,000,000 of foreign debt is redeemed or refunded. And that investment is, as yet, not reduced in volume. It stands as before the War at something well over £4,000,000,000. As a banker and shipper for the world, the United Kingdom is still supreme. If her industry can recover its competitive strength, and if the period of falling prices and the currency and credit disturbances due to the rise in value of gold and the fall of silver do not add to the shrinkage of markets; if China and India and Egypt can be pacified and boycotts ended; if Russia can be brought back to trade relations without becoming a colossal dumper of goods at less than production cost in the world's markets— if, above all, the world keeps a general peace and returns to economic sanity, Great Britain need not fear a gradual decline like that which overtook Holland from the later seventeenth century. So far her predominantly free-trade system has permitted her to go on, in spite of a terrific burden of taxation, competing for world markets. She has stood the world depression better than any other great power except France. Her new industries, products of a decade, show that adaptability is not lacking.

But there are, certainly, a number of terrifying *ifs* at the present time. The gold problem is not yet settled so as to

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Donald's leadership wins the general election (this has now happened and with a landslide of votes), England will undoubtedly go in for much increased tariff protection. Given the need of "economy" measures, and with the support of the Liberal Cabinet members, this victory seems probable. That really means that the Conservatives will have successfully manoeuvered the "economy" crisis to get the whip hand to impose tariffs. It is hardly possible that Mr. MacDonald can do more than postpone the struggle over high protection beyond the resumption of the Ottawa Conference next year. "Dumping duties" may be the compromise in the meantime.

avoid falling prices, despite the fact that almost two-thirds of the annual new gold supply comes from within the Empire and that loan arrangements and friendly agreements between the Bank of England and the Bank of France and the Federal Reserve System of the United States have been generous to England. The inefficient use of gold, tariffs, reparations, war debts, armaments, and population pressure still loom as dangerous for economic and political peace as the dubious boundaries established by the peace treaties.[1] The shutting off of emigration, even by her own Dominions, adds almost a last straw. And there is aways Russia: If the Soviet régime explodes under the inhuman pressure of the Five Year Plan, it may yet like Samson pull down the Temple pillars about it by the disturbances that would result. And if Bolshevism survives, the new vigor given to Russia's traditional *Drang nach Östen* will shake the foundations of England in India, Persia, and China.

The difficulties are as black as those faced by Britain at the end of the Napoleonic Wars, and the trade rivals more powerful. Yet the resources of the Empire are so enormous that, given peace and the organizing ability never lacking in the past, England can win through. She is still the greatest bulwark to the capitalist system and to international peace. For on the maintenance of those two systems depends England's future reconquest of prosperity and, with it, the very survival of the richest Empire the world has ever seen. Her problems are not those of holding an empire alone but of keeping at peace and *at work* the outside world in which two-thirds of her trade interests still lie.[2]

[1] This was written in February, 1931. Subsequent events have shown how grave this complex of political and economic insecurity was—and will be. Now that the pound sterling has gone off the gold standard *under pressure*, the banking supremacy of the City *is* threatened. Even if stabilization at a lower exchange and gold value is effected, the psychological blow to the City's prestige is a very heavy one, though British export industries may profit temporarily.

[2] Some of these conclusions differ as to probabilities from the more pessimistic views of M. André Siegfried, whose book appeared too late for me to consult. His earlier criticism of my own work I have gratefully acknowledged in the Preface. Generally the difference comes in the emphasis which he places on the

Economic commonwealth with the kindred Dominions, then, is and will remain an ideal cherished mainly by those who would like to see the hold of England strengthened on her Dominions in order that she may enjoy such huge markets as they see protected within a single system for their American rivals. Dominion autonomy means that there can be no pooling of fiscal policy, raw materials, debts, or currency. As a fact *commonwealth* can be realized by England overseas only to the degree of getting British goods that do not compete with Dominion manufactures admitted on more favored terms than foreign goods. As Dominion industrialism grows these non-competing goods become fewer and the need for diversified trade outlets with foreign countries increases. By indirection, however, England may hope to retain in all the Dominions except Canada a substantial preponderance of trade and financing. For the other part, access on favored terms to her immense colonial dependencies may one day be very valuable to the Dominions in the struggle for raw materials or markets.

It will be to other ties than the economic, however, that England must look in the future for the holds with which to retain the willing loyalty and coöperation of her offshoots overseas. Can she hold them by family ties alone: by blood, sentiment, and a shared culture? Will socialism as a philosophy and as a practice of government be an integrating or a disintegrating factor in the future of the British Commonwealth? On these questions depend the answer we must give to the question: Can the Empire be renewed?

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psychological factors of conservatism, smugness, and inertia in retarding British recovery and on the crucial nature of the coal problem. But on the psychological side, British character has at least the virtues of its defects—a great social stability and high standards of craftsmanship. It will be apparent from later discussions of raw materials and oil that I do not feel that England is doomed by the world's increased coal production.

Chapter IV

FAMILY TIES IN THE EMPIRE:

RACE, RELIGION, AND THE CULTURAL HEGEMONY OF GREAT BRITAIN

> Do not dream that your letters of office, and your instructions and your suspending clauses are the things that hold together the great contexture of this mysterious whole. These things do not make your government. Dead instruments, passive tools as they are, it is the spirit of the communion that gives all their life and efficacy to them. All this, I know well enough, will sound wild and chimerical to those vulgar and mechanical politicians who think that nothing exists but what is gross and material. But to men truly initiated and rightly taught, these ruling and master principles . . . are in truth everything and all in all.
>
> —Edmund Burke.

> *Idem sentire de republica* was with them a principal ground of friendship and attachment, nor do I know any other more capable of forming firmer, dearer, more pleasing, more honourable and more virtuous habitudes.
>
> —Edmund Burke.

> A partnership in all science; a partnership in all art; a partnership in every virtue and in all perfection.
>
> —Edmund Burke.

If economic reintegration of the Empire—a *commonwealth* in the tangible goods of the world—seems to be impossible, what of a cultural commonwealth of Nations, united in a community of spiritual values? It was toward such a relationship of Britain to her colonies that Burke's wisdom pointed. Today whatever there is of solidarity in the foundations of the British Commonwealth must rest

on this basis: a community of purpose and ideals capable of resisting the diverse economic pulls of Dominion nationalism. Such economic ties as remain must depend upon genuine utility and reciprocity. The success of the new Commonwealth ideal depends upon the existence of an abiding loyalty in the Dominions to the British political system and cultural heritage. It must be a loyalty capable of translation into constitutional agreements, jealously kept, if it is to hold the Dominions to constant allegiance to their Common Crown; for that allegiance must mean willingness to share a common world destiny. There must be at least this *terra firma* on which Balfour's platonic myth of commonwealth can be grounded, if the Empire is to be maintained on its present status.

No one can question the real value of that Crown as a symbol of deep sentiments of common history and a shared past. But there is, we have seen, a growing tendency to treat it as if it were divisible—no longer an imperial Crown but a Crown Separate for each Dominion. The whole effort of the late Earl of Balfour in his famous credo for the Empire—New Style—was to make that crown the symbol of unity. It was to mean a "special relationship" between the parts of the British Commonwealth for which England would gladly use the analogy of family relations. The "free association" of the members was to be that of kindred nations bound by ties of blood and historical association and willing to defend those ties at need against all comers. Are racial and cultural ties adequate to save even a limited indivisibility for the Crown?

If the new bonds of Empire are to be spiritual rather than legal, it will be necessary in order to understand them to plunge boldly into that newly darkened continent—psychology. One need not, however, be so rash as to propose penetrating the jungle of the unconscious. It is not necessary to find collective Oedipus complexes in the Dominions at the clinical roots of all family difficulties in the Commonwealth of British Nations!

The origins of the Dominions as in the main colonies of settlement from the British Isles mean that the blood tie to England is strong. But is this alone enough to insure that the Dominions will continue to link their international destiny with that of Great Britain? Blood is said to be thicker than water; nevertheless the immense intervening stretches of ocean have, by their thinning effect, aided the growth of loyalties to Dominion interests rather than to British. The prime ministers of the Dominions continually assert in London that they are first of all Canadians, South Africans, Australians, Irishmen. Only New Zealand seems to be first of all British in national sentiment—a sort of detached county of England as an outpost in the Pacific. In many circles in England this "Canada first" attitude has been welcomed as making easier a defence of an "England first" attitude. England, too, wants Dominion status!

The claims of priority for Dominion interests are freely acknowledged therefore in England by all parties. They cannot but be reminiscent to Americans of our own pre-Civil War days of dual citizenship and divided loyalties. The Union, in the United States, endured through a tragic struggle with the spirit that sent Robert E. Lee southward, the words on his lips: "I am first of all a Virginian." Can Imperial citizenship be kept by sentimental ties the primary category in the Dominions?

Even so limited a degree of unity demands something more than mere kinship as its base. The Irish Free State must be bound with other ties than those of race, certainly others than those of religion. South Africa, with the Boer blood predominant among its white population, must have the memories of war and concentration camps erased by the consciousness of shared political ideals, economic advantages, and international policies. It must find the cultural system of the Empire inclusive enough to allow South African nationalism its place, yet a system worth preserving for its own sake. The cultural hegemony of Great Britain must prove itself capable not only of tolerating

national diversities but of adding to these loyalties a larger loyalty compatible with them. Great Britain for this end has to depend upon her prestige as the center of spiritual values, of freedom, and of toleration and upon the rich heritage of English art, letters, and science as well as of English liberty. In the New Empire she is put severely upon her good behavior by the Dominions.

She can hardly appeal to the same sources of sentimental loyalty from India and the tropical colonies as those which hold her other Dominions. Neither race nor religion can bind these dependencies to the Crown. Lord Milner in his *Testament to the Empire* rightly stressed this difference as fundamental. It indicated to him that concessions to subject races could not be expected to create gratitude and ought therefore to be more charily made than to kindred blood. Indeed, the very fact that Indians and other subordinate races are also British subjects serves to make that category of citizenship less attractive to the Dominions and to exacerbate both England's autonomous and her dependent communities with problems of immigration restriction and economic discrimination against Oriental British subjects in the Dominions.

The policy of a "white Australia" finds an echo in all the other Dominions which receive immigrants. The result has been not only to complicate foreign relations with the Oriental powers, Japan and China, but to raise a domestic issue with India. The tie of citizenship by being stretched so widely has been drawn too fine. As a bond of common loyalty it cannot hold racial divergencies together and but dubiously supports the strain of economic differences. Like Roman citizenship after Caracalla it is threatened with a universality that becomes too embracing to retain its original significance.

The origins of the settlers in the Dominions is sometimes given an exaggerated importance as a racial tie. It insured a useful predominance of racial affinity to Great Britain only in Canada, Australia, and New Zealand. The per-

centage of those born of stock from the races of the British Isles to those of other national stocks runs approximately to sixty per cent for Canada, in spite of her more than 3,000,000 of French descent; and to about ninety per cent for the other two Dominions, even if the original inhabitants of the Australasian Dominions are included. In South Africa, where blacks outnumber the white population by almost four to one, the percentage of white inhabitants of the Union who are mainly of British racial stock is considerably less than a majority in all the provinces except little Natal. Intermarriage and some racial infiltration from continental Europe to the mining and trading centers and the presence of a large Hindoo population, now about 150,000, are all complicating factors. People of Boer descent or of mainly Dutch descent probably form somewhat more than half the white population of something more than 1,500,000. On any estimate the Dutch racial strain contributes the larger share of the "poor white" population that is the crux of the South African race problem.

But if these figures are taken as rough indices even of nothing more than the probable strength of blood ties, one must immediately enter a *caveat*. The British Isles include, geographically, the population of Southern Ireland (now the Irish Free State); but the spiritual bounds of the British community do not include the Catholic Irish element of Ireland which has sent so large a proportion of the overseas flow.[1] In Canada, though not to the same extent as in the United States, the Irish element of the population has carried political weight. It has not been a weight thrown toward closer relations with Great Britain, in either case. In Australia, too, particularly in the Labor Party, the Irish and Catholic element has been the backbone of anti-imperialist feeling. So that whereas the Afri-

[1] The figures on people of Irish descent in the United States and in the Dominions do not differentiate the northern Ulster counties from the rest of Ireland. They are therefore misleading on the point of imperial attitude. The estimates run from 8,000,000 to 10,000,000. Probably about 2,500,000 of this total are to be found in Australia and Canada.

kanders' stubborn sentiment for independence has had no overflow into the rest of the Empire, the long festering of the Irish sore at the center had the effect of spreading a virus of anti-British feeling throughout the most loyal Dominions.

With the healing of the wound in Ireland, even though the scars still show in the boundary settlement with Ulster, the source of infection is removed and there should be hope eventually of counting the Southern Irish population in the Dominions as bound at least by the ties of self-interest to the New Empire, in which the Free State is an equal partner, now enjoying the added prestige of a seat on the Council of the League of Nations.

The Irish influence, like that of South African nationalism, wherever it is found, is uniformly thrown toward making the Commonwealth only a league of independent states. Both Irish and Afrikanders would have ultimate finality to decide for coöperation or noncoöperation left to each member. What that decision would be in a pinch would depend on the individual case. That is not, certainly, what Balfour hoped from the Common Crown. It is too much, though, to expect the old rancor to disappear soon or entirely in the overseas population of Southern Irish origins while bitterness still survives in Ireland. From time to time it is fanned up in Canada or Australia until Orange and Green begin to remember again their painful past enmities, and Drogheda and the Battle of the Boyne go on re-echoing with a ghostly fury.

One must remember, then, that even a population derived almost wholly from the British Isles does not settle out of hand the problem of sentimental ties. The young nationalism of the Dominions, suspicious from a long past of being treated as "mere colonials," is likely to make the most English or Scotch blood in the Dominions extremely touchy about their own new national interests and prestige. Great Britain is paying a very heavy price for the perhaps inevitable air of patronage with which colonial visitors to the

Mother Country used to be treated—only less heavy than that which she has to pay for pride of race in India, now that the Raj is so weakened in prestige that it must talk in terms of equality.

This generation of British politicians and officials probably at once curses and envies the high-handed manner in which Lord Salisbury was able to put the colonies in their place as lately as the first Colonial Conference held in the year of Queen Victoria's Golden Jubilee. The shoe is now so much on the other foot that the price of Dominion co-operation is a mealy-mouthed unction and an attitude of placation on the part of England that must grate on even these—the most hardened diplomats in the world. Exchanges of frank speech such as those that have recently taken place between the Canadian Conservative leaders and the British Labor ministers on the question of the "humbuggery" of Mr. Bennett's tariff proposals are no doubt very refreshing to both parties—after the thick atmosphere of cant in which Imperial Conferences have their usual being.

In the Crown colonies, too, racial ties are not always adequate bonds to the Mother Country. In Kenya Colony, for instance, when the Colonial Office, under constant pressure from India, has to make a place also for a large Indian contingent in East Africa and assure its protection, the white settlers feel that they are being forced to play the rôle of a pawn in the larger imperial policy of conciliating Indian opinion.

In Africa, race becomes such a welter of conflicting forces —Dutch and English, Indian and black man—that the result is a perpetual struggle: Pull Devil—Pull Baker! It divides as often as it unites the Empire. Of course in the Union of South Africa, except where the Dominion Office retains its control of the native territories of Basutoland, Swaziland, and Bechuanaland, the Government of the United Kingdom is not in a position to interfere in order to protect the natives from whatever treatment the Union

Government may mete out to them. The only point in which the Imperial Government can any longer constitutionally claim an interest within the Union proper is in the native franchise in the Cape Colony which, by the terms of South Africa's Constituent Act of 1909, can be taken away or modified only by a two-thirds majority of a joint assembly of both the houses of the Union Parliament.

Efforts on the part of General Hertzog's extremist followers in the Nationalist Party to escape this constitutional check have been met with disapproval by their Prime Minister himself. So far the attempt to modify the franchise by the required constitutional process has not come near success, and the Nationalists are increasingly restive under the check imposed.[1] It seems doubtful after the Report of the Conference on Dominion Legislation in 1929 whether the Government of the United Kingdom would reserve an unconstitutional act for the King's pleasure. General Hertzog himself has said that it would be proper, though, for the Courts to declare unconstitutional an act so passed and he has discouraged all attempts in his own party to force the issue. His native policy has been, in some respects, more worthy of praise than that of General Smuts, even though the latter has been in other regards more amenable to British influences.

South Africa, like Kenya Colony, also has a very large Indian population, largely the result of importing coolie labor into Natal, with the subsequent attraction of trading classes. The Government of the Union and the Government of India have been at odds over the treatment of Indians in South Africa on many occasions. All parties in South Africa seem to be united in their desire not only to restrain future Indian immigration but to reduce the present Indian

[1] Perhaps the issue will be forced to settlement by the resentment aroused in South Africa on account of the action of the Judicial Committee of the Privy Council. In April, 1931, this Imperial body allowed the appeal in the case of *Rex V. Ndobe* to test the validity of the Native Administration Act of 1927, as that had been construed by the Appellate Division of the Supreme Court of the Union.

population by subsidized repatriations of those who can be persuaded to return to India.

The 1918 Imperial War Conference passed resolutions accepting the basis of reciprocity for the treatment of migrants from one part of the Empire to the other. But this had little deterrent effect on the Dominions' treatment of Indians, since almost no migration from the Dominions to India existed. In the 1923 Imperial Conference, following a sharp tilt in the 1921 Prime Ministers' Conference between General Smuts and the Indian delegates, the relations between South Africa and the Government of India became strained nearly to the breaking point. General Smuts, on his part, was forced to abstain from accepting the Imperial Conference's Resolution on the point of the equitable protection throughout the Empire of all British subjects. He even advanced the claim that, failing unanimity, the Conference's decision had no binding moral obligation and certainly no constitutional validity—a point of great importance to the future of the Imperial Conferences. Sir Tej Bahadur Sapru, one of the Government of India's delegates to the 1923 Conference, went so far in countering this stand as to intimate that India might feel constrained to raise the matter of the treatment of her nationals in South Africa before the League at Geneva and in a more definite fashion than her delegate's protest in general terms at the 1921 Assembly. Membership in the British Commonwealth of Nations, unless the Commonwealth as a group could bring adequate pressure to bear to prevent harsh treatment of British subjects by one of its own members, would become, he suggested, a less attractive ideal to India as the end of her constitutional development.

But nothing came of this threat. The Indian delegates to all conferences must be approved by the India Office in London. While that Office is quite willing to have the Government of India speak its mind freely to the Union of South Africa, or to the settlers of Kenya, it could not comtemplate with equanimity the possibility of raising

this dispute to an international status. How long this will be possible under the new régime in India may be a matter of doubt, even though the Viceroy, under control from England, still retains the power over India's external affairs. If the experience of the grant of responsible government to the Dominions is of any significance, the possibility of retaining control over India's foreign relations in the hands of a government at the other side of the world is slight. So that India may join Ireland in the attempt to raise *inter se* disputes to an international status. *Per contra* the prospect of such a dispute with India being raised to the international level has perhaps prevented South Africa from joining the Irish Free State in pressing for the right of resort to the League or to the World Court for the *inter se* disputes of the Empire.

It was in the early stages of the struggle to get better treatment and protection of his Hindoo compatriots in South Africa that Gandhi first achieved distinction in the Empire. During this period, from the very beginning of the Dominion's existence, he pitted his "soul force" and non-coöperation against the Dutch wiliness and stubborn determination of General Smuts. At present the situation has been much improved by the fruitful diplomacy of Mr. Srinivasa Sastri, who in 1927 was able to effect a considerable change of policy, if not of heart, in South Africa. By a "gentleman's agreement" no legal disqualification is to be enforced against Indian economic equality in the Union. How much of the success of his mission was due to quiet pressure from England can only be guessed. In any case a college for Indians in Durham, Natal, named in Mr. Sastri's honor, now bears tribute to his work. His missions to the other Dominions—Canada, Australia, and New Zealand—succeeded in ameliorating somewhat the lot of Indians already settled there, although concessions as to immigration were made only to students and *bona fide* tourists and traveling business agents. British Columbia in Canada still holds stubbornly to disfranchising its Indian

settlers and otherwise discriminating against them. British citizenship does not, therefore, as is often claimed, carry automatic privileges throughout the Empire.

The fundamental racial problem of the Empire has been, however, not one simply of clashing colors and the struggle for domination in areas of white settlement. That issue has so far never been in doubt, though the future may hold a serious questioning of the solution in a region of black predominance such as South Africa and the Rhodesias. The inevitability of continued racial strife in such areas with the growing incorporation of the native population into an industrial economy will no doubt produce serious civil difficulties, even the uprisings feared in South Africa.

But an even more momentous imperial problem, viewed as a long-run cause, is the slowing down of the stream of emigration to the Dominions from the United Kingdom itself to a mere trickle.[1] The maintenance of anything like superiority of the British strain in Canada and its approximate equality in South Africa depends on defeating the superior fertility of the French and the Dutch by renewals from England. It is equally true that if the sentimental attachment to Great Britain as a mother country is to be refreshed continually, there must be a steady flow from England to the Dominions. The psychological aspects of the problem are even more important than the economic—desperately as the tight little island of Britain requires some outlet for its surplus population in the face of dwindling markets and rising unemployment.

Imperial Conference after Conference has reiterated, as the last did, that "the problem of the better distribution of the white population of the British Commonwealth continues to be a question of paramount importance for the

[1] Even in normal years the net outflow to the Empire overseas in the years since the World War has fallen to less than 100,000. The Report of the Overseas Settlement Committee covering the depression period of January 1, 1930, to March 31, 1931, shows that the total net balance of outward over inward migration in 1930 was only 25,955 of whom a balance of only 7,799 remained in the overseas Empire!

British Commonwealth as a whole." It has even been called the most vital point for the future of the Empire. Yet all experience with the operation of emigration, both as a mass movement and under the schemes of the Overseas Settlement Department since the World War for the assistance of selected emigration, go to show that the problem is not only, as is recognized, economic but, more important still, psychological.

The unassisted emigrants to the United States are said by Canadians to be superior to their *own* inflow from Britain both in numbers and in quality. The inhabitants of the Dominions, in any case, are now in overwhelming majority born there. They feel all the proprietary rights in the natural resources and the standards of living of their Dominions that are evident in the United States. In South Africa the existence of a "poor white" population growing in numbers and forced below the racial standard of living has for more than a generation effectively barred the acceptance of immigrants without large capital resources or special technical and professional competence. The white population has therefore grown with painful slowness—only about 8 per cent in fifteen years.

But it is not simply the economic depression, peculiarly difficult for countries still mainly agricultural or producers of primary products, that has led the Dominions to discourage further British immigration. It is a question of "Australians first," "Canadians first," and so on. The Conference Reports themselves state "emphatically" that in their opinion "the primary consideration in dealing with the question of inter-imperial migration should be not the conditions in the country which the settler is leaving but the absorptive capacity of the country to which he is proceeding." And in the face of the manifest determination of each of the four Dominions which receive immigrants to determine that capacity dogmatically in response to a political pressure that is always for closing the door still tighter, the continuation of an elaborate machinery for

Empire settlement represents something of a triumph of hope over experience. No real gain can be made until a revival of prosperity in the Dominions serves to attract British settlers.

A glance at the problem in its outlines of development may serve to emphasize this fact. From the days when Francis Bacon remonstrated that "It is a shameful and unblessed thing to take the scum of people, and wicked and condemned men to be the people whom you plant," that method of settling colonies produced friction. It is the fashion to jest that the Australians never boast of having ancestors who came over in their own *Mayflower*, given the character of the first settlers sent out. But this stupid jest forgets two things: that an overwhelmingly large total volume of much the same character had been transported to the American colonies and to the West Indies. In the second place, one ought to remember that the Australians early grew strong enough to force the abolition even of the small-scale transportation of convicts that existed before the middle of the nineteenth century. The bulk of their settlers compared, no doubt, quite favorably with our own.

Up until the time when *laissez faire* and Cobdenist indifference to the colonies brought to an end all Government interest in emigration—roughly in the period just after the creation of the Dominion of Canada, say from 1870—there had been a continuous struggle between two conceptions of policy.

The one school, associated with the name of Edward Gibbon Wakefield, the most picturesque and determined figure among colonial reformers whose day dawned with the Great Reform Act in England, may be called the policy of assisted and selected emigration, preferably of families and communities, made up of persons able to pay for crown lands and to farm them successfully. Wakefield himself is one of history's most astounding bundle of contradictions: the abductor of heiresses, writing from Newgate Prison the

famous "Letter from Sydney"—compact, of course, from no first-hand acquaintance but pretending to criticize from his own experience the tragic failure of the convict system of colonization. Yet he was a man of enough determination and fervor to capture the ear and then the imagination of archbishops and to intervene fruitfully as a collaborator of Lord Durham in the famous Report. New Zealand is his great monument as the father of this *Art of Colonization*, selected and assisted by both church and state. It has been said of him that to have furthered his schemes he would have taken on the Grand Llama himself and all his praying wheels; and indeed he is known to have nibbled tentatively at the bait of support from the Chief Rabbi.

Though it helped to bring to an end the pro-consular government under which the colonies were still treated as "dumping grounds," Wakefield's policy was far from holding the field, even during the heyday of his influence in the period when responsible government was coming into being. The Colonial Office never stopped flirting with the simple bureaucratic scheme of Wilmot Horton, Under-Secretary of State for War and Colonies in 1822. Mass emigration of "redundant workers" from Great Britain, Horton thought, could be stimulated by state aid on a large scale. It was the colonists themselves who put a stop to this form of "pauperizing" emigration, which really caused them far more harm than the few convicts who were shipped to penal colonies. When the colonies obtained control of their governments they soon took over crown lands and more often than not abandoned Wakefield's land policy. But before 1873 the Colonial Land and Emigration Board in England had given free or reduced passages to 352,000 settlers—a large nucleus in those prolific times. With the triumph of Cobdenism and *laissez faire* in England the Board went out of existence.

From that time until after the World War, emigration was left to natural forces, but it continued rather steadily. Up to 1913 emigrants went annually to the number of

over a hundred thousand from Great Britain to the overseas Empire. After the War the Empire Settlement Act, with the approval of the Dominion prime ministers, put £3,000,000 from the British Treasury yearly for a period of fifteen years at the disposal of a Committee of Overseas Settlement, acting through the Overseas Settlement Department under the Dominions Office in Whitehall. Grants were to be made on an agreed basis—usually on what is called in the United States a fifty-fifty basis—to those Dominions whose schemes were approved. Like most postwar schemes to encourage land settlement, it professed to be aimed chiefly at helping the returned soldiers to lands "fit for heroes to live in." Unfortunately the Dominions' own soldiers felt that they had the first call, and the newcomers were not always welcomed. The land settlements have produced their largest crop in costly economic failures. British settlers in Australia, particularly, complain bitterly of their deception.

Nevertheless, through this and subsequent schemes including a loan program of £34,000,000 for land development in Australia, up to the beginning of the year 1930, the Overseas Settlement Committee had assisted under terms of the Empire Settlement Act a total of 369,360 persons—of whom almost half went to Australia, somewhat fewer to Canada, with almost 40,000 for New Zealand and less than 1,000 to the Union of South Africa. It is difficult to say with any accuracy how many of this lot returned from the Dominions to England. Every year there is a large flow back from the Dominions to the United Kingdom, and *less than half the number who each year leave England are assisted under the Act.* In 1929 and 1930 the figures for net immigration dropped very rapidly to a few thousands for each Dominion, under pressure of restrictions from the Dominions and of hard times. Australia had to put almost a complete stop to immigration in spite of having expended almost £9,000,000 of the £34,000,000 loan.

TABLE I.—MIGRATION WITHIN THE EMPIRE
(From *Board of Trade Journal*)

Year	United Kingdom emigration to Empire[1]	Gross return to United Kingdom from Empire[1]	Net outflow to Empire
1913	285,046	61,525	223,521
1920	198,593	63,877	134,716
1921	136,777	52,547	84,230
1922	118,410	49,687	68,723
1923	157,062	44,438	112,624
1924	132,217	47,356	84,861
1925	105,225	42,339	62,886
1926	132,306	39,079	93,227
1927	122,733	42,184	80,549
1928	108,982	46,170	62,812
1929	106,900	43,949	62,951
1930	59,241	51,442	7,799

[1] For residence of one year or more.

TABLE II.—EMIGRATION FROM UNITED KINGDOM
(From British *Board of Trade Journal*)

Year	Total emigration from United Kingdom	To British North America	To Australia	To New Zealand	To British South Africa
1913	389,394	142,622*†	76,082†	14,707†	11,945†
1920	285,102	118,837	28,974	14,853	15,157
1921	199,477	67,907	27,751	11,513	12,903
1922	174,096	45,818	39,099	12,259	8,772
1923	256,284	88,290	39,967	9,392	7,629
1924	155,374	63,016	38,599	11,061	7,568
1925	140,594	38,662	35,006	11,730	7,004
1926	166,601	49,632	44,513	16,565	8,295
1927	153,505	52,916	40,991	7,841	7,572
1928	136,834	54,709	28,714	4,975	7,095
1929	143,686	65,558	18,377	4,700	5,766
1930	92,158	31,074	8,517	3,981	4,559

* Dominion of Canada only for the twelve months ending March 31, 1914.
† *Statistical Abstract for the Oversea Dominions* and *Cmd.* 2738.

Canada has managed to absorb an average of almost 60,000 British immigrants annually up to the past lean year, about half of whom have been assisted under the Empire Settlement Act. There is, though, a strong movement in Canada to limit the flow.

The Dominions complain that many of the prospective settlers who are sent to them are unfitted for farm work and drift back to the cities. The Canadians deport British immigrants who become public charges, and the latter seem heartily glad to get back to a country of mild weather, plentiful "pubs," sports, races, and cinemas, and a regular even if scanty living for the unemployed at state expense.[1] Under the conditions existing in the Empire, there is little incentive for the coddled unemployed of England, infected with the virus of great cities, to venture out into the rough and tumble of Colonial existence. It would be interesting to reckon the average cost of settling a single emigrant in the Dominions. But it is probably impossible, in the light of private assistance rendered by the Salvation Army, churches, Big Brother movements, and other agencies. The government of the United Kingdom has spent in the neighborhood of £5,500,000 outright, without reckoning loans and overhead; including the money loaned by the Dominions and hopelessly lost, the total must run to over £15,000,000.

As to whether such an expense can be justified by the results, it is hard to say. One must remember that each man who is added to the "dole" in England takes the equivalent of the annual income on roughly £1,000. And if during this crucial period the ties of race have been strengthened by new British recruits who maintain contacts with England,

[1] Nothing that Mr. Stephen Leacock has written is more humorous, even if unconsciously humorous, than his picture, in the *Economic Integration of the British Empire*, of 2,000,000 unemployed workmen in Great Britain gazing hungrily across the sea at the great wide open spaces of Canada. The fact is that those empty wastes fill most of the unemployed with aversion. They turn from their contemplation, when that is forced on them, with relief to look at the familiar and comfortable ugliness of British cities or the quiet beauty of British soil long conquered by man.

the next period of recurrent prosperity may find these settlers using the method of "nominating" other settlers, in order to start once more the flow of families from England that so fertilizes the growth of sentimental attachments to the Mother Land, and keeps a majority of English descent in Canada.

At their best, racial ties can promote only the loyalty of coöperation. The strong nationalism of the Dominions quickly absorbs into its own life this dwindling stream. Indeed, the presence of a "Native Son" movement, strongly organized and politically of some weight in Canada, and the complaints of settlers in Australia that they are treated as "foreigners" and often not given the aid promised by the governments there, show significant states of mind in the Dominions, that are not easily changed.

Deeper than the effects of this modern settlement, though, are the ties of kindred ideals and of the sense of a shared history and of the soil of England from which the colonists have sprung:

> . . . *This little world,*
> *This precious stone set in the silver sea,*
> . . . *this England.*

These ties may seem vague and mystically tenuous, the gossamer bonds only of sentiment. It was Germany's mistake to rate them so. For they were destined to prove their claim under the strain of war. Canada certainly stood in small immediate danger from Germany. Yet her answer was instantaneous at the outbreak of hostilities. And her man power, along with that of the Australasian Dominions, may well have turned the scales against German victory in those first years of the War.

Religion

Religion itself is another of those spiritual ties which defy rational evaluation. Yet some account of the effect of religious community and religious differences is essential if

one is to grasp the inner spirit of the British Commonwealth. It was fittingly said at the last Lambeth Conference that there was gathered a commonwealth of churches, freer indeed in their association than the Commonwealth of Nations. For at the Lambeth Conference a Bishop of Rhode Island spoke for the Episcopal Church in America as to his peers.

The Church of England in its connections with the Dominion churches depends for its ecclesiastical unity upon the same type of consultation that marks the Commonwealth of Nations as unique. It pioneered in the experiment and its experience has shown the strength and weaknesses of the plan.[1] The established Church of England has been, always, a powerful spiritual leader, but one with no control over its autonomous branches overseas. Their communicants are almost always centers of loyalist tendency for obvious reasons of class and origin. When a few years ago the evangelical Protestant churches of Canada, with only a strong Presbyterian defection, attempted a fusion into the United Church of Canada, there might be some doubt as to whether it was not as much a victory of nationalism as of religious unity. Certainly it was not a victory for Episcopacy even though the Church of England in Canada held aloof. It is significant that the relative strength and power of the Anglican communions in the Dominions might serve as the rough measure of the intensity of their "British" loyalty. New Zealand is far in the lead on a basis proportionate to population, with Australia not far behind; but Canada and South Africa and finally the Irish Free State are laggard at the rear.

Is there not perhaps a connection between what has been called the "drooping of a fighting faith" in the Protestant

[1] The Resolutions of the Lambeth Conference of 1930 reaffirm the doctrine of previous conferences as to the nature of their "Consultative Body." They might almost as well be used to describe what is a great need of the Imperial Conferences: "The Consultative Body is of the nature of a continuation committee of the Lambeth Conference and neither possesses nor claims any executive or administrative power."

sects as a whole, and a dwindling of the sense of imperial duty which helped to spread the Empire? The great period of Protestantism evolved an ethic apt for an Empire ruled at home by an extended electorate. For it evoked the fullest sense of individual moral fervor. It was a capacity which has sometimes been characterized as hypocritical, since it was always capable of believing with enthusiasm that its own interests were profoundly right and morally superior to any other interests in conflict with them. The French mind, stamped with Cartesian lucidity, finds this to smack of hypocrisy. But if that sense of individual moral responsibility for imperial destinies is lost in a mood of Hamlet-like self-questioning under the same blight of criticism that has sapped religious faith, the man-power of Empire may lose its morale. Empire as well as religion are affected when men begin to treat the problem of faith with the sophistication that says:

There is no expeditious road
To pack and label souls for God
And save them by the barrel-load.

Church and state *do* have a profound inner relationship and no state can continue to exist without the discipline of an appropriate religious faith, though it may run on an accumulated *ethos* for a long while.[1] Bolshevism itself erects

[1] Viewed in this light the recent danger to the Great Dome and then the restoration of Saint Paul's Cathedral—called the "Parish Church of the Empire"—is symbolic. The Lambeth Conference with its 300 bishops met there to celebrate the feat of science which had saved Wren's great monument to the Anglican faith, reminiscent of Rome but more greatly aspiring: Saint Paul's is almost swallowed up by the City—the financial heart of the Empire. The fanciful may find in that, too, a parable! The dangers which threatened its dome came from the vibrations in that City. And even now all danger cannot be said to have passed, since the foundations rest on a shallow clay pit which, if deep excavations for modern building were allowed in the contiguous territory, might be flooded dangerously by the loosened waters. Science, for the time being, has shored up the great edifice to a newly imposing solidity. But Saint Paul's is afflicted by the unforeseen dangers of a new age of building on a large scale. It can be protected as a monument only if that type of building is foregone in its neighborhood—a parable that the "mass-production" economists are tempted to apply to the economic structure of Great Britain.

Marxianism into a religion whose prophet is Lenin—a fighting religion which militarizes its guardian priests and soldier citizens as Plato would have done. It is this conviction that lends a ruthless strength to the régime, which, added to the racial cruelty of the Orient, takes such strong measures to rule. While the Western nations blanch, appalled, at the zealots' results, the results none the less are such as to inspire both fear and wonder. Great revolutionary movements partake of this religious fervor, and so do Empires in their rising days.

It is not without point, either, that the New Empire having satisfied the Dutch Reformed theological spirit of South African nationalism, by a pious concession to the principle of freedom in the Balfour creed, stands in less danger from its old Boer antagonists than from the more uncompromising republicans among the Irish. It is hardly necessary to elaborate here the painful history of the connection of religion and politics in Ireland or its fruits in the Dominions.

The religious alliance of church and state in England itself is in a parlous condition. The rejection of the revised prayer book by a free vote of the House of Commons showed how near to disestablishment the Church of England has already been pushed. The Protestant sects there seem much farther from even coöperative toleration than they have shown themselves to be in Canada and in the interesting experiment in the United Church of South India. Self-respect may force the Church of England at home, on the witness of bishops and archbishops, over the brink of disestablishment. That step would remove the last remaining alliance between church and state, already somewhat Erastian in substance, that exists in the Empire. The colonies early took the path that the Church was later forced into in Ireland and Wales: No disestablishment was necessary, since colonial establishment had not been attempted. But when the Church of England turns nearer high-church practices and Catholicism, it loses its spiritual leadership for the Dominions overseas.

It is not merely a question of the decline of the Church of England or of the Nonconformist Protestant sects as props of Empire. The missionary movement which from Livingstone's time won so much of its territory in Africa for Great Britain has its contemporary uses also. The most curious one is martyrdom. Nothing so strengthens the possibility of a strong and united policy in China as the death of missionaries, particularly if a few Catholic Sisters or Fathers are included. But missionary activities unfortunately have a darker side for the Empire. The missionaries estranged, from the beginning, the settlers in Africa through championing the natives. They have kindled, though, a fiercer resentment in India and China because of the assumption of superiority on which their presence was thought to rest. And in some areas like the Sudan where clash with fanatic Mohammedanism would be serious, missionary intrusion is actually forbidden by the British rulers.

Mohammedanism itself numbers most of its adherents among British subjects. It plays every conceivable rôle toward the Empire, strengthening, on the whole, the British Raj in India because of its fears as a minority community; but proving uneasily responsive to Moslem woes in the rest of the Empire. This was shown by the reaction against England of the Indian Moslems after the harsh treaty of Sèvres with the Caliphate, and after Zionism began to bear hardly on the spirits of the Arabs in Palestine.

Israel, too, has its place in the Empire, and its weight impinges on the very center.[1] It has furnished statesmen like Disraeli and Lord Reading and industrialists like Lord Melchett. Many of the high captains of finance are numbered in the tribe of the faithful. And now it is hard to say

[1] Indeed, there is a "British Israelite Society," capable of propagandizing by purchasing whole sheets of important English newspapers, that puts upon all Britons the undeserved distinction of being a lost tribe of Israel: It is for that reason that the favor of the Lord has descended on them, his chosen people, in the form of the Empire! It need hardly be said that these are not of the "Israel," meant in the text above.

whether the Colonial Office, after its recently announced policy of restricting the Jewish development by migration of a "national home in Palestine," is more frightened of the Wailing Wall or of the old bogey of Wall Street, just now also wailing. Probably quite wrongly, British opinion has thought Zionism to have influence in that quarter. In any case we are offered a contemporary spectacle uniquely miraculous: of Daniel not only invading the lion's den but Daniel roaring at a lion thoroughly cowed! Verily he who speaks of "taking one's ease in Zion" had best not repeat the well-worn scriptural cliché within the hearing of the harassed officials of the Colonial Office!

The welter of religions in the dependent Empire numbers some like the Hindoo orthodoxy which oppose powerful barriers to any real spread of the doctrines of democratic self-government for which the ideal of commonwealth professes to stand. Unless Gandhi, a new Saint George, can slay the dragon of caste, it will be an India ruled by a Brahmin oligarchy and by Moslem and Sikh feudal landholders and the Indian Princes that will result under anything like autonomous institutions. Socially the results may well be reactionary.

One may surmize that the caste orthodoxy of the dominant Hindoo religion is in far greater danger from the new god Machine than from Saint Gandhi and his spinning wheel. On the other hand, religious revolutions have produced undreamed results before now. What Buddhism partially accomplished some force may still better bring about in an India torn with spiritual and physical travail. But to the historian of politics rather than of religions, the chances of violence and anarchy or repressive autocracy seem more probable than a spiritual regeneration that will chain these ancient enemies—if the British Raj should too soon give over India to the Indians.

What is that Raj doing to maintain its cultural prestige throughout the kindred as well as the dependent Empire? The answer is that its scientists, its inventors, its thinkers,

its writers still hold their place in the van of Western civilization. Failure of the Empire, if it occurs, will not be theirs. Excepting Einstein—a name *pour épater les bourgeois*—there is no contemporary figure that holds the imagination of the world who does not find his peer in that little island. The failure is not there—if it be a failure. English poetry still fires the imaginations of distant kinsmen. British song and story—Scotch, Welsh, Irish, and English—still nourish the heart's deepest loyalties.[1]

London is still the cultural Mecca of the Empire. Students from the Dominions, even from Canada, value most of all British degrees. The professorial ranks of the Empire are filled with men trained in Great Britain, and many humbler teachers own the same allegiance to the *Almae Matres* of the Mother Country. Every effort is being made to spread this influence, the experiment going so far as to permit a small-scale exchange of teachers in the state-supported schools between England and the Dominions.

London drains the very best talents of the Dominions to almost the same extent as those of Scotland, Wales, and Ireland. Only Canada is powerful enough to hold its own most promising youth, in the face of the pull both to the metropolis of England and southward to its powerful neighbor. And even Canada supplies a certain quota of its best professional and business talent for export to England.

No summary of cultural influences would be complete without noting the use to which the bestowal of honors has been put. It is true that today titles are suspect in most of the Dominions. Only New Zealand and Australia, and then only when Labor is not in office, still go on recommending

[1] Santayana in his essay on "The Lion and the Unicorn" in *Soliloquies in England* says that the Unicorn may stand for that England (ought he not to say Britain, for the heraldic beast came from Scotland?) "that more than any other country is the land of poetry and of the inner man . . . a land of tenderness and dreams. The whole country hugs its hallowed shams . . . " "There is a universal conspiracy of respect for the non-existent. English religion, English philosophy, English law, English domesticity could not get on without this 'tendency to feign.' "

them. Presentations at Court and the social prestige of the British aristocracy continue to command a value not at all to be despised. As for British hospitality—it is a diplomatic weapon so beautifully and skillfully used that the Dominions in despair give up any man stationed long in London as lost to the cause of Dominion nationalism. Without forgetting the scriptural authority for preferring wine to water for a wedding (at least of hearts) or for thickening the ties of blood, British diplomacy has turned its practiced arts to subtler forms by the flattery of royal entertainment for its Dominion guests. Even the roughest colonial diamond, under this skillful polishing, shines more brightly for the Crown of the Empire and returns to his native veld or prairie or pasture land with a sweetened temper and a new appreciation of the meaning of commonwealth. Perhaps we may hope as Americans that the new preoccupation with the Dominions will spare the more susceptible of our own diplomats the delightful but devastating arts that so obviously, in the early stages of the War, overwhelmed Mr. Page at the Court of Saint James.

Language

Like other family ties, a common language constitutes at once a bond and a fruitful source of misunderstandings. The resentment which the English feel at the overwhelming flood of American-manufactured talkies under which they are submerged—Hollywood imperialism, it could be called—does not appear to be quite so enthusiastically shared by the Dominions. The accent may be atrocious from the point of view of the linguistic chastity maintained by the British Broadcasting Corporation. But it can hardly approach Cockney, either at home or in Australia. The interest and the speed and action of these films seem to serve as a sort of intoxicant against which no quota legislation can save the market for duller British films. It is a return in a curious kind of stimulants for the British exports of intoxicants which our own legal prohibition has signally failed to keep

out. Every Imperial Conference attempts to reach more effective agreements throughout the Empire for administrative restrictions on the import of American movies and talkies. Yet the Dominions, like England, continue to be nourished from this source. Recently the desperate expedient of sharing the British market through agreement with an American company to assist in improving the technique of the British film-making companies has been attempted. In return the American company gets a combination of "branch factory" and cartel arrangements in England.

Important as this side of the language problem is—and its cultural effects are in no danger of being underestimated—the literary supremacy of Great Britain in the Dominions in unchallenged. Indeed, a great part of the United States still acts as Rome did to Greece in this rôle—as the imitator and worshipper at the shrine of the older culture. For proof consult the royalty figures of British authors in the United States. Canada alone of the Dominions comes under American literary and cultural influences other than those of the cinema and industrial design.[1] To this flood of magazines and books the border is no serious obstacle—not even so much as it is for the flood of Canadian strong drink that moves southward by devious as well as by direct routes.

The effort to create a nationalist language standing on equal terms with English in South Africa has produced Afrikaans—not Dutch and to the days of Sinn Fein and the Gaelic League in Ireland have led to even more heroic efforts to revive Gaelic and to break away from the cultural domination of England. Teachers and civil servants in Ireland must know what passes as Gaelic—one must be careful not to miscall it Erse—though it is really a very dubiously remodeled modern version of the primitive Irish tongue. Compulsory Irish for education and office holding has

[1] Mr. Bennett has attempted to put a stop to this in his latest tariff changes by imposing a duty on periodicals by weight. Naturally this is fatal to such literally "heavy" reading as the *Saturday Evening Post*, whose price in Canada becomes prohibitive!

done more than any other single act of the Free State to put any genuine reunion with Ulster beyond hope of accomplishment.

On the other hand, compulsory English in India has provided the only possible means of common communication in a subcontinent embracing at least seventy distinct languages.

The spoken word is now being made available from England to all the Dominions and India by wireless telephony and by a proposed special broadcasting program from the B.B.C. This solution of long-distance direct oral communication is a manifest help in obtaining rapid consultation—but anyone who has struggled with very long-distance telephone communications may be pardoned for wondering whether it will result in greater harmony than was reached by cabled despatches. The very habit of writing despatches—by which most of the consultation of the Empire must still be done—engenders a rather combative frame of mind in both the receiver and the sender—as Lord Morley noted from his ripe experience in trying to govern India by means of despatches. But the wireless telephone, subject to "fading" at crucial moments and the difficulties of enunciation, might produce even worse misunderstandings, with the added drawback that no means of completely insuring privacy has yet been attained by invention.[1]

The Empire Press Union, while it does not see eye to eye with the Imperial Cable and Wireless Merger on the question of press rates, is just as devoted to the case of better imperial relations through the written word. This Union, aided by the substantial monopoly which Reuters' agency enjoys over the news service of most of the Dominions and India, and indeed throughout the world, is able to see that the news of the Empire comes for the most part uncontaminated from foreign sources. Again one must except

[1] In spite of these objections its use for important diplomatic conversations is becoming universal. The King himself can now be advised directly from Canada—by telephone!

Canada, which uses the Associated Press and United Press services freely.

Propagandist associations of every type and degree of seriousness flourish on the patriotic aim to weld the bonds of imperial sentiment closer. The old Royal Colonial Institute, now the Royal Empire Society, is one of the most important, with a total membership of 1,700 to 1,800 and a very comfortable club in London. It furnishes headquarters for overseas visitors, an excellent library on the Empire, and a center for propagandist work through its member groups and its journal, *United Empire*. The Victoria League does similar work in the Dominions themselves on a larger scale. One might name a dozen organizations whose aims are all propagandist for Empire unity, difficult to distinguish otherwise than in their backing and prestige: the Navy League, the British Empire League, the Empire (Day) Movement, the Overseas Club and Patriotic Movement, and several others of less importance but with equal professions of imperial piety. For educational purposes there are the Universities Bureau of the Empire, the Empire Students Federation, and the Dominion Associations of Rhodes Scholars. Labor is given contact, if not unity, by the Commonwealth Labor Conferences of the Trade Unions and Labor Parties and by the spread of the Workers Educational Association and the Fabian Society. The Chambers of Commerce of the Empire are nominally organized into an imperial unit and abounding at least in resolutions. There is likewise a propagandist body, the Empire Economic Union, which also does useful research work, of which the late Lord Melchett was the moving spirit. The organization even of the Red Cross and of the Medical and Professional Associations along imperial lines lends point to the latter part of the French wit's *mot: Un anglais, un sportsman;*[1] *deux anglais, un club; trois anglais, un grand empire!*

The existence of this wealth of propagandist activity shows a realization of the pertinent fact that the only hope

[1] I prefer to use this variant instead of the more usual *imbécile!*

of the survival of the contemporary British Commonwealth as a unit must lie in creating a sense of the supreme value of the civilization which England represents. To that end special "Imperial" Conferences are multiplied, and "experts" are brought from the ends of the earth, not alone for the tangible results their meetings accomplish but to fill them with the spirit of coöperation on which the Commonwealth depends. The great apostle of this form of imperialism was Lord Milner, and after him Mr. L. S. Amery, Conservative Secretary of State for Colonies and for Dominion Affairs. But they have found willing imitators in the Labor Party and apt disciples in the Civil Services in London.

If man is a political animal, the Englishman is that animal in its highest political degree: He thrives on conferences. To the Dominion politicians and experts the prospect of a trip to London is never displeasing. Indeed one of the strongest reasons for the maintenance of the appeal to the Judicial Committee is the interesting trip it affords to the lucky counsel. And the same motives—human, all too human—are a mighty prop to the ability of England to gather its Dominions in conferences of the Empire on every administrative and expert interest.

Macauleys' improbable New Zealander, if indeed he should ever stand pensively viewing the ruins of a vanished civilization from what was once London Bridge, will no doubt place a heavy burden of guilt upon his non-coöperative ancestors—more probably upon those of other Dominions—ungrateful children who allowed this Imperial Rome to pass. Improbable I have called him, because this Rome, though it may diminish, will hardly be destroyed. In the most dire event, like Rome its monuments would be more enduring than marble or bronze, for its laws and its social habits will have stamped more of the human race with their impress than any civilization the world has seen. And its strong offspring will be apt to survive so long as this whirling terrestrial sphere permits its human inhabitants to vex the land and the seas and air with their comings and goings.

Chapter V

SOCIALISM IN THE BRITISH COMMONWEALTH:

COMMON PROBLEMS OF GREAT BRITAIN AND THE DOMINIONS

> The Treasury, more than any other Department, seems to have a strange power of dominating and daunting unorthodox Financiers. It has succeeded in turning Mr. Philip Snowden, that Robespierre of Socialism, into an orthodox exponent of Gladstonian finance.
>
> —Ramsay Muir, *How Britain Is Governed.*

Both race and religion have been dissected with what Dostoyevski called the "learned knife" until they are in danger of being killed by an unusually scientific and of course successful operation. Yet if our analysis of the family ties of the Empire was a just one, we may agree that, in spite of their dissectors, both race and religion are living realities. Like other qualities that escape measurement by calipers and calories, they move and have their being in the deepest springs of human action. Their components may be various, and the whole not uniform; nevertheless it is true that in the Commonwealth of Nations, *British* still stands for cultural characteristics that are borne by kindred blood streams to the world's ends. Cricket and football and the spirit that is summed up as "playing the game" mark everywhere in the world the most politically minded of all races. Even where race has not helped, cultural influences have been powerful aids. The tough survival value of British traditions and the Protestant morality which has characterized British settlement have chastened the nationalism of the Dominions with the sense of being parts

of a larger culture than their own boundaries enclose. Their very nationalism is one that both a racial economic vigor and a truly British love of free institutions have developed. The Mother Country, by a wise tolerance of the ways of youth, has kept remarkably strong the hold she has on the affections of her family of kindred nations. She appears to have won to the New Empire, by her skilled concessions of status, both the reluctant Irish and the Boer nationalists. But if the disruptive aspects of nationalism have been reasonably restrained, is the same thing true of class struggles in their bearing on imperial unity?

It is interesting for those who try to stand once in a while critically outside their times to note that the contemporary trend of sociological radicalism has a much tenderer feeling for class as a historical determinant than for race or religion. Class enjoys the prestige of being connected with the new and dominant school of economic determinism; though why class should be credited with getting loyalty great enough to maintain solidarity against immediate economic interests is a point for psychological rather than for purely economic determination. No doubt the life of great cities and the wheel of industrialism have weakened the loyalties to family and religion as opposed to class loyalties nourished by suffering and by materialistic utopias of deliverance. But the question of the unit of moral choice can hardly be determined so easily. Why should class command loyalty? Are the motives of allegiance and sacrifice to it any more economic in character than those which sustain nationalism?

The English Utilitarians took over into economics the Philosophical Radicals' preoccupation with the individual as the unit of the simple pain-pleasure calculus by which the greatest good of the greatest number was to be determined. Much as Karl Marx owed to this school, he resolutely damned the "economic man" to this degree: In place of an abstract individual Marx stressed the concept, equally abstract, of class. This concept had the great virtue of

fastening his idea of the industrial proletariat to a social grouping which had some possibility of being united by being made self-conscious of its bonds of community. Workingmen, possessors of no capital except their labor, could readily be brought to unite as long as it was literally true that they had nothing to lose but their chains. Trade unionism was as essential an outgrowth of the industrial revolution as is corporate financial structure.

But the diversification of society under an industrial economy makes as unreal now as it was in the days of predominantly peasant agriculture this clear-cut Marxian distinction along such broad class lines as proletariat against the rest. One has only to remember what Marx forgot: how large an agrarian yeomanry or peasantry the mainly industrial nations hold; and how stiff an opposition it puts up against being militarized as it is in Russia or industrialized as it is in the United States. Proletariat and *bourgeoisie* even in the most developed industrial societies find their class lines vigorously drawn only at their extremes. The occupational diversity, which in the older societies has developed an elaborate caste structure, does not permit, except for purposes of communist propaganda, lumping the whole of society into the spoilers and the dispossessed. Labor in industry, too, has its hierarchal degrees of skill in spite of the conquest of the machine. The "white-collar" worker is as essential as any other. The control, certainly the possession, of capital tends to diffuse itself in extent, even though concentration of management goes along with it.

This fact, it may be, has chastened socialism in the nations of the British Commonwealth where it must command democratic majorities. The class war has not been able to array its sides clearly enough to keep discipline. Labor has had to appeal for Liberal support from the middle class and technical and professional groups.

It is important at the outset to remark that the bitter clash of class struggle, which communists see as a war to

the death, does not exist, at least as yet, in the Empire. The struggle is a constitutional one. Socialism differs from communism in two important respects: (1) It insists as far as possible on every nationalized industrial service paying its own way, with the elements of cost accounting and price and market retained. (2) It has attempted historically to achieve this economic end by democratic, constitutional means.

But the element of class loyalties, one would have thought, at least if it were really more powerful than nationalism, might afford a basis for party coöperation within the Commonwealth of Nations of a closer order between those members where Socialist or nearly Socialist governments were in power. At the same time it would prove, one would also have supposed, a disruptive influence as between governments of a different political temper. Since governments of a professed socialist character are in office in Australia and in England, and nowhere else in the Empire, one might expect some interesting developments.

It is true that the nature of the imperial connection has been a favorite football for party politics in the Dominions. But the curious fact is that the political complexion of governments—Socialist or Conservative—in England has seemed to have surprisingly little effect on the intimacy of the constitutional ties or the degree of coöperation among the members of the Commonwealth proper. The Conservatives are several degrees more active in pressing for reciprocal tariff preferences and for creating more imperial organs in London. The Labor Party is, it may be, for its part somewhat more successful in disarming Dominion suspicion of foreign policy initiated by Great Britain, because of its more pious international professions and through a more skillful use of consultation at Geneva. But on the whole the presence in power of an equally radical Labor Party in Australia has had little effect on changing the temper of inter-imperial relations. Indeed the most serious constitutional dispute of recent years arose through the Australian Labor Govern-

ment's pressing its brethren in the Labor Government in England to allow the King to be advised directly to appoint a native Australian to be Governor-General.

There was also the diverting spectacle of two professed socialists, Mr. Scullin and Mr. Snowden, taking precisely opposite sides of the question of the merits of tariff protection—each in a fashion so dogmatic as to preclude any hope of agreement.

In some ways the arrival of the Labor Government, which theoretically could have been expected to be more conciliatory to Dominion nationalism, was an upset to the Dominion extremists. It meant re-educating ministers by the new technique of constant pressure for constitutional concessions to a point that the Conservatives had reached long before. As Labor had much less hope of larger tariff preferences from the Dominions, it needed to concede less to them legally. The Dominions certainly, up to the present, have got no more from Labor than they would have had from the Conservatives.

Democracy in the British Empire has meant the end of *laissez-faire*, by pressure on the state to intervene. Socialism, both in England and in Australia, really goes but little further toward the realization of public control and almost no further toward ownership than does government by parties which profess to be anti-Socialist. The Liberal Party, in the days of Mr. Lloyd George's radical budgets, began the march. Conservatism in England has always treated the state as if it were a feudal landlord dispensing favors to tenants through land-settlement grants in the Dominions and aid to the home farmers; and by grants, tariffs, and loans to industry. Something of the same tactics mark such conservatism as exists in the Dominions. South Africa, though manifesting less interest in socialism than in racial problems, has had since 1924 a coalition of Nationalists and Labor in power which has exercised a growing degree of state interference in economic matters. New Zealand had nearly always had a socialistic tinge to its agrarian govern-

ment, no matter which party was in power. Only Canada is definitely outside the influence of socialist ideas, as far as the Dominion's federal government goes. For the Irish Free State has been forced from its origins to keep some sort of pace with British social legislation—although a laggard in respect to recent changes because of its comparative poverty and its predominantly agrarian economy.

The Free State Nationalist Government now in power is trying to attract capital to Ireland, by methods quite Hamiltonian. The opposition of Fianna Fail and Labor have, however, forced it to embark on some radical state experiments in the control of land settlement, housing, and like measures. The dictatorial habits developed by the present government when it had no party opposition gave it a somewhat *étatiste* philosophy to which extensive state regulation and ventures like the Shannon electricity scheme are congenial.

Canada, like the United States, has so far had no trace of professed socialism except in the agrarian West. Yet its Government, like ours, has been forced to abandon *laissez faire* in the effort to rescue the farmers, in the West organized as a majority into the Wheat Pool. Even Mr. Bennett occasionally comes out for measures that would elsewhere be called socialist. And in the Ontario Hydro-electric System, publicly owned and efficiently operated, Canada has furnished the Power Interests of the United States a bogey at which they are perpetually shying stones. The example is fraught with real danger as a basis of comparison to the pyramided holding companies of our privately owned and largely unregulated systems, spreading as they do their network through many states in such a way as to escape effective control by any one jurisdiction.

But socialism is also a matter of the temper of a people. In the Dominions change of economic status is almost as free as in the United States. Their strikes are less organized than those in England and correspondingly more violent. The Rand in South Africa and the Australian Docks have

seen civil disturbances almost amounting to social revolt. In the nations of the Commonwealth this temper differs naturally, since in them the industrial way of life and its effects on character are at very different stages of development.

In England where socialism has perhaps proceeded farthest with the aid of an older and more fixed industrial system, its main weight has nevertheless been felt not in experiments in the direction of nationalization but in increasing expenditures on the social services and in legislation affecting hours and conditions of labor. The fiscal machinery of England, relying as it does so largely on the direct form of taxation through income taxes and death duties, is a thinly disguised means of employing the capital levy. The Dominions for their part are in the flush of a young industrial strength with survivals of a pioneer traditions of individualism like that of the United States; while England already finds general agreement on the necessity for the state to control the conditions of mining and the sale of coal, to control the entire electricity supply of Great Britain, and to operate the telephones and even radio broadcasting as state monopolies. Coupled with the principle that England owes every man a living, therefore, one finds experiments like the Coal Bill of 1930, the Central Electricity Board,[1] the Post Office's control of the telephones and telegraphs, the British Broadcasting Corporation, the widest extension by the state of accident, health, and unemployment insurance; and now the proposed Land Bill, the Marketing Bill, and the Consumers' Council Bill. Even Mr. Maxton's ill-thought-out "Decent Wage for All" Bill has had a second reading. The principle of *socialization* if not of completely orthodox state socialism may be said to be established as the immediate goal of Labor in England.

[1] Like the Ontario Hydro-electric Commission, the Commission, which works out schemes for pooling all the electricity supply of England, Wales, and Scotland in five gigantic systems, interconnected, is removed from direct political pressure. Its powers are more like those of a holding company. It was created by the Conservatives. The Land Bill *et al.* that follow are probably buried for some time by the last (1931) election.

Social planning and a degree of state control of all economic activity are proceeding rapidly, though haphazardly, to alter the structure of British economics. No change of parties will affect great reductions in the range of state activity that has already been enacted into law. It would not be tolerated by the electorate, and it would not be popular with the paternalistic sentiments manifested by Conservatism in England since Disraeli's time. Balfour, like Bismarck, attempted to kill Socialism, as he had also since tried to kill Home Rule in Ireland, with kindness. But socialism thrives on that sweet poison. The World War, which was responsible for the enormous growth of industrial nationalism in the Dominions, was also the mother of a numerous brood of socialist experiments throughout the Empire. The member states, fighting for their lives and that of the Empire, reorganized industry, controlled shipping, commandeered securities, and went in for bulk purchases and the rationing of supplies. During the War there was small difficulty in controlling wherever control was strongly desired by the Government. But in spite of all attempts at control, profiteering was a scandal, and the coal miners went out on a strike at a moment crucial to the fortunes of the Allies. Governments of a democratic complexion find limits of action even in war time.

In some of the Dominions socialistic experiments were an old story before the War. Australia and New Zealand really showed England the way long ago in minimum wage legislation. Australasia as a whole had pushed compulsory arbitration of wage and industrial disputes much farther than England has yet gone in its trade boards. Australia in particular presents at the present time an electorate entrenched in its command of the state, unwilling to give up those high wages it has won by reckless borrowing;[1]

[1] After a conference between the State Premiers, Mr. Scullin's Government, the Opposition, and the Commonwealth Bank, an agreement has apparently been reached (June 20, 1931) to reduce salaries and pensions of public servants. Wage reductions are still bitterly resisted by Labor, and Mr. Lang of New South Wales refuses to coöperate.

and apparently willing in New South Wales even to repudiate its debts rather than to lower its standards. But it is significant that the state of Queensland has, after fourteen years of experience, recently abandoned the scattered forays into competition with private business through state owned mines and other ventures. It was Queensland under Mr. Theodore which engaged in very confiscatory agrarian legislation against British landholding companies and big landlords. This in turn provoked the City of London to shut off loans for some years to that state.[1] New South Wales, for its part, has found no better remedy for the £4,000,000 deficit of its railway system than to group its public utilities under one state board and to try to tax privately owned competing wheel traffic heavily enough to drive it out of existence. In Australia as a whole, bounties and state aid to farmers and protective tariffs for industry have followed the lines of least political resistance. The result may be seen in the present exchange value of the Australian pound and in the disappearance of Australia's power to borrow abroad today on any terms.

In the usual types of social legislation, with the possible exception of public trading through marketing boards for certain agricultural and dairy products, neither Australia nor New Zealand has pushed its intervention so far as England. In municipal socialism—that is, housing and rent laws, ownership of public utilities, and municipal banking—the Dominions have followed British experience rather moderately, usually because they have had less confidence in their municipal governments and less immediate need for public control. But all the original Dominions own the larger part of their railways. Only in the case of Canada is there a private competing system—the Canadian Pacific—at all comparable as to size with the state system. Canada also has a line of steamers and so heavily subsidizes others in the West Indies trade as to

[1] Mr. Theodore succeeded, however, in floating some loans in New York, and he was followed in tapping this new source by the Commonwealth Government.

make them practically state controlled.[1] The Commonwealth Line of Australia was proving so costly that Mr. Bruce's government disposed of it several years ago for about £2,000,000, apparently in very good time—before the effect of the present depression had put many shipping lines, including Lord Kylsant's Royal Mail interests which bought these vessels, close to the edge of bankruptcy.

What is the peculiar nature of socialism in the nations of the British Commonwealth that has produced these characteristic experiments: partly socialist, partly coöperative, partly admitting the need of private enterprise? How does it bear, as a party movement, on their common problems? Finally what will be its effect on the ability of England to hold her dependent Empire?

Let us take up in detail some of the types of socialism that are common to nearly all parts of the British Commonwealth.

Agrarian Socialism in the British Commonwealth

In some respects agriculture, because of the peculiarly inflexible character of its response to overproduction, has preceded industry in attempts at state planning and control of the disposal of export surplus. State interference of a regulatory character over rates of public utilities and their practices and in some instances complete state ownership and operation have often been originated by agrarian communities. But the state has rarely followed socialism through to control of agricultural production. Only in

[1] Mr. Bennett in his budget speech on June 2, 1931, gave a pessimistic summary of the ventures: The Canadian National Railway system after the War had to take over and organize about $500,000,000 valuation of decrepit systems, necessitating the further expenditure of around $400,000,000. Naturally there is an operating deficit, but the road seems to be as efficiently run as the necessity of operating over poor territory permits. The steamship lines to the West Indies are said to lose about $700,000 annually.

The most recent developments (September, 1931) in Canada indicate that a strong effort is being made to consolidate the whole railway system, both the Canadian National and the Canadian Pacific, under a single direction, with a guarantee of dividends by the government.

Russia has the state attempted completely to socialize the land—with what strong measures the entire world is now familiar. Elsewhere in Europe it was the peasant and not the state who took over the land of expropriated holders after the World War, just as he had after the French Revolution.

Control of currency and credit and banking policy has been the oldest theater of war for the politically embattled farmers, even though it is hardly a more important one than land policy and taxation. The Granger movement in the United States showed the tendency of an agrarian movement to shift the strategy of attack to the fields of transportation and marketing. In the Dominions the same tendency has been pushed further than mere regulation of utilities and coöperative marketing. They have embraced, in all except the Irish Free State, the principle of state ownership of the railway systems even though operation is at some financial loss. It is arguable that without state assistance these roads in many instances would never have been built, particularly for opening up sparsely settled regions. Nor were their building and operation when under direct state control nearly so filled with spectacular corruption and sheer thievery from the public wealth as was the case in our own days of railway pioneering. Now the Dominion systems are suffering, as railways are everywhere, from motor competition. Their plight, however, is not peculiar to railways that are state owned and operated, though political pressure to maintain uneconomic services is undoubtedly an added burden.

In the field of marketing, the type of voluntary large-scale coöperation of the Canadian Wheat Pool for the purpose of regulating prices had, by withholding the crop from being dumped on the market too suddenly, given rise to analogous organizations among the farmers and dairy producers of the Australasian Dominions and in South Africa. These Dominions have added legislation for establishing compulsory marketing boards to collaborate with existing coöperatives in order to promote "orderly"

marketing. Generally these boards have statutory powers to regulate marketing or even to act as merchants themselves. This is hardly a step beyond our own Federal Farm Board; and it has been imitated in England in the pending Agricultural Marketing Bill that is now before Parliament. The *principle* of compulsion which is involved in this bill has been approved by both Conservatives and Liberals.

If this is socialism, it is socialism of a type which most states with a surplus of agrarian products have inaugurated in greater or less degree. The practice of marketing and standardizing the grades of products is strictly controlled in all the countries of the British Commonwealth—in the Dominions by means of export licenses as well as by inspection. The addition of compulsion in the use of marketing boards, usually after agreement by a majority vote of the producers concerned, has been put into effect since 1924 by domestic pools for dried fruit in western Australia, Victoria, and British Columbia.[1] Queensland and New South Wales have more embracing Primary Products Pools along the same lines for most agricultural products. The Australian Federal Government has established export control boards for dairy produce and dried and fresh fruits. The example for these export control acts really was taken from New Zealand where boards were set up from 1921 onward, for meat, dairy produce, fruit, and honey. South Africa makes pools compulsory for the minority if 75 per cent of the suppliers, selling 75 per cent of the products, petition for control under the Coöperative Societies Act: Tobacco, wine, fruits, and dairy products are now subject to control. The Irish Free State has attempted to control in this way only her dairy products, through setting up a Dairy Disposal Company.

Although compulsion in marketing to prevent the dumping of surplus in such a way as to break the market has

[1] The British Columbian compulsory pool for the control of marketing surplus outside the province has just been declared *ultra vires* the province's powers in the federation by the Canadian Supreme Court.

had its ups and downs, it seems thoroughly established in principle. With market control, however, on socialist principles would logically go a control over growers adequate to prevent overproduction. Here, however, the state has played so far only the benevolent rôle of a free-spending capitalist fairy godmother who dispenses good gifts, though indeed they are susceptible of harmful use. The bounties to producers, tariff protection of agriculture, and imperial preference all stimulate production. Australia is in the throes of a struggle over the guaranteeing of a price for wheat, and Canada has been forced by supporting the banks behind the voluntary wheat pool to come very near to that practice in fact if not in law. But that has a familiar ring also to American ears. This is state assistance to particular interests but it is of course not related to socialism, if the political oratory of this country in this connection is worthy of belief.

But state reclamation land projects on a huge scale like the Murray River project in Australia and the works in South Africa and India come very near being socialistic in utilizing public capital. In most instances, except perhaps in a small percentage of those in India, these reclamation projects have involved enormous financial loss—at least on any predictable scale of return. But the state undertakes them in the public interest, though it allots the land to *individuals*. In India pressure on the land would mean famine if new areas could not be developed. In the Dominions, the need of closer settlement for purposes of general development is held to warrant the large outlay by the state.

Inter-Imperial Organs of Control

To a limited extent the problem of control over monopolies and some attempts at fixing rates have developed new inter-imperial machinery. The Imperial Shipping Committee, while it functions as a purely advisory body and with no sanctions for its unanimous recommendations,

was originally empowered to consider complaints against shipping-company charges and the system of deferred rebates and tying-in contracts, as well as the complaints of the companies against unjust taxation, regulations, port charges, bad harbor facilities, and similar grievances. By means of associating representatives of the Dominions with British representatives of the Board of Trade and of the great shipping lines, the Premiers' Conference of 1921 hoped to work out agreed settlements for some of these difficulties. The tangible results of this committee are not very great except in its intelligence work on port facilities and classification. Both the Dominion governments and the shipping companies have stuck to their practices—the former of taxing gross profits, sometimes a form of double taxation, without regard to real income; the latter of maintaining the rebates and tying-in contracts. The Imperial Shipping Committee has, however, usefully encouraged organizations of shippers to confer with the shipping lines directly.

In cable and wireless communications, though, the problem of joint control seems to have been put upon a truly "imperial" or "commonwealth" administrative basis. The Cables and Wireless Merger (Imperial and International Communications, Limited) is to be supervized by an advisory committee, representative of all the governments concerned. This advisory body, brought into existence in late 1929, after a series of conferences, takes over the work of the old Pacific Cable Board, whose scope of activity had been gradually extended to include West Indian Cables. When it became apparent that unrestrained competition with the wireless companies, chiefly British Marconi and its Dominion branches, would eventually bankrupt most of the cable companies in spite of the fat reserves piled up during and after the World War, the Imperial Merger of both systems was sanctioned. The Merger was defended in Parliament as a measure of imperial defence and economic strategy. In spite of these

claims, the British Post Office has refused to give up its state-owned and -operated beam wireless station at Rugby much to the new Merger's patriotic distress.

The Advisory Committee itself, backed by the British Government's ability to take away the Merger's license in England and by the Dominions' rights over the operations in their territory, has on paper the power to limit rates, sanction new construction, veto the discontinuance of old services, and generally scrutinize the finances of the merger. It is too soon as yet to tell whether Sir Basil Blackett's Imperial Merger will be able to manage its advisory board, who are paid fixed salaries out of the company's funds, or whether regulation by what is really an international administrative body will be effective. At present the Merger is engaged in trying to drive Western Union and Postal Telegraph out of Canada, in spite of their reciprocal tie-ups with both the Canadian railway systems. From appearances the Advisory Committee of the Merger seems to be first of all imperial in its interests and only as an afterthought concerned to regulate the private profits to be derived from the monopoly.

The Nature of British Socialism as a Party Movement

British Socialism and its counterpart in the Dominions is the product of parliamentary and constitutional democracy. It has proved itself capable of winning power by securing votes. It is in consequence evolutionary, the product of the old Fabian temper that stressed "the inevitability of gradualness." It expresses a philosophy of the state that is in practice little different from that of contemporary Liberalism, since in Liberalism the idea of the state as a benevolent regulator and umpire has long ago taken the place of the older concept of the state simply as policeman. Partly this moderation of a Socialist Labor Government is explained by the fact that the Party has never taken office with a working majority but has always been dependent

upon Liberal support. But that also means that class support alone will hardly be able constitutionally to give it complete power. Indeed the supplanting of the Liberal party by Labor was largely the result of the accidental breach in Liberal unity during the War, and in the "khaki" election of 1918 fought by Lloyd George under the vengeful whip and spur of the Newspaper Peers.

Socialists are by conviction of doctrine the enemies of economic imperalism. By inheritance in England they are also Free Traders, since most of their older leaders like Mr. Snowden grew up during the full flowering of the seeds sowed by Cobden and Bright. Perhaps for that reason the budgets of Mr. Snowden have so far been classic masterpieces of orthodox public finance in the Liberal tradition—except for the fact that he had to stretch his second budget in 1930 to cover between forty and fifty millions sterling of increased expenditure on unemployment and social services. England's stake in attracting capital to its great banking center, the City in London, is so great that Socialist ministers and the Governor of the Bank of England appear to get on famously. The Labor leaders are not going to run the risks of a catastrophic break with the City and with the great industrialists in order to put on a real capital levy, though they will without flinching put another sixpence or shilling in the pound on to the terrific tax of four shillings and sixpence already paid by all but the poorer classes in Great Britain. They insist that industry in England must rationalize production and marketing and stop sniveling for more aid from the state. In this respect they are harder-heated than ever the traditional Liberals.

As against this program Conservatism proposes to relieve unemployment and to raise a large volume of taxes by protecting industry through tariffs that distribute the tax on all consumers. If this raises costs it will do it only as a mild and much needed inflation would, they say. When formerly Mr. Winston Churchill talked of curbing Socialist extrava-

gance and of cutting down the social services, those who had studied his budgets as Chancellor of the Exchequer were inclined to raise a skeptical eyebrow. But Conservatives now have a better fighting election program: they profess that the relief of unemployment that would be gained by protecting the rich home market would more than offset the slight difference in cost between British articles and foreign. They add the hope that by bargaining with the Dominions for greater preferences and by developing the Colonial Empire they may restore prosperity for both. They talk, though without much conviction, of turning the Empire one day into a more self-sufficient economic unit by means of fixing "Dominion" quotas and by shutting out foreign goods everywhere in favor of imperial, increasing voluntary consumers' preference by "Buy British" campaigns and through advertisement in addition to giving mutual tariff preferences. Generally they favor—as long as Baldwin is their leader at least—only a very slightly firmer policy toward India, Egypt, China, *et al.;* a slightly larger navy; more prestige and less piety in foreign policy; and less reliance on Geneva to get both economic and military disarmament. Toward the Dominions, they are quite as liberal in constitutional matters as the Labor Party, though they are more subtle in capitalizing concessions by getting some tangible agreements on economic matters—imperial communications and the like—in return. Where Labor is sympathetic to more expenditure for social services, Conservatism favors generally more tariffs and state subsidies to industry for research bureaus; and more grants and loans to colonies for expenditure in England. Conservatism would use the resources of the state to aid private initiative in developing as rapidly as possible the resources of the Empire.

The Conservatives are therefore committed to a paternalistic state, distributing special privileges for private profit but with the professed aim of balancing the national economy: To save wheat farming in England they would force millers to take a mixed quantity of English home wheat in

the "Empire loaf" in order to raise, as France has raised, the home price. Similarly the state already furnishes capital, under Conservative inspiration and command, at low rates to insure payment on export credits[1] and likewise loans to develop industries and markets that are financially shaky. It is perhaps not socialism, but it is a far cry from *laissez-faire*. A few more large-scale failures like that which Lord Kylsant's shipping companies appear only doubtfully to have escaped might force even a Conservative state in England to operate services or to forfeit its loans. So far Conservatism has preferred to cut losses when they are incurred with the state's money, as our own Shipping Corporation has in the United States.

It may be only a happy accident, though it seems rather to be a fixed characteristic of the parliamentary system, which brings these parties alternately into power as the needs of empire dictate. When a naval treaty which requires conciliation has to be negotiated or when there are some similar *démarches* toward disarmament that must be made at Geneva, in comes Labor with Mr. MacDonald, and Mr. Henderson, with a hostage from left-wing Tories in the person of Lord Robert Cecil, all spreading an atmosphere of peace and goodwill. If Indian and Egyptian resentment is to be disarmed, ministers who have been branded in the past as anti-imperialists calm the angry waves with the oil of fine promises. At the same time the Labor Party is effectively bound to support the terms of the settlement arrived at when it goes into opposition—and these terms rarely go much farther than the Foreign Office wishes them to go. The result of this knowledge of the practical bounds of Labor concessions is to discourage further revolt, by showing the limits which a responsible government of His Britannic Majesty may not pass. In consequence there is an amazing degree of continuity in British foreign policy, even under an

[1] The Labor Government had gone so far in June, 1931, as to extend this arrangement to a loan available to foreign government purchases up to 60 per cent of the total—no loan to be over £250,000. This assistance to Russia had been vigorously criticized and will probably be buried by the new Government.

alteration of governments whose programs seem to be so dissimilar.

This is worth remembering before we attempt criticisms. It is also worth recalling that Great Britain today employs more people in industry than before the World War; that her foreign trade is as large. Her economic structure is less subject to extremes of speculative disarrangement than the American, and her social policy is bolder and less tentative. Before Americans cast stones they have a lot of breakable glass to examine at home in the way of social inaction in the face of the most glaring social needs.

Since the Representation of the People Act of 1918 enfranchised practically the whole adult male population in Britain and most of the females—and Mr. Baldwin himself added the rest in time to throw him out of office in 1929—the Conservatives have to keep up the terrific increase in the cost of social services. They cannot afford in the face of this addition of eight or ten million poorer voters to the electorate to be outbid by Labor for the vote of the unemployed, the widows and the old-age pensioners, the parents of the children over school age and up to seventeen who now get a "dole," and the rest.[1] Prior to the War a person who accepted Poor Relief was automatically removed from the voters' register. Since the War that is no longer true of the vast numbers on the dole, some of them probably fraudulently, who will vote heartily against anything capable of being represented as a tax on food and equally heartily in favor of anything capable of being represented as another benefit to them from the state. Add to this the great impetus that the War gave to displacing men from employment by women, many of them not in need of supporting themselves. The women force men on to the dole by their entry into commerce and industry, but no power on earth can curb them from doing so, now that they have votes.

[1]The results of the last election indicated that, with the aid of a dramatic royal intervention, British democracy would back stern measures. But the reduction of social services will not go far, even in the present mood of economy and exaltation.

Great Britain's Economic Position

Fortunately there are enough voters in England and in Scotland, outside the largely Irish Clydeside, who are sufficiently frightened by huge budgetary increases to call temporary halts on this budget-making game from time to time. To a Scotsman, particularly, the logic of reasoning that £50,000,000 is not great increase when the annual budget has already passed £800,000,000 is just bad logic still. The pound sterling, he feels, cannot be treated in terms of such relativity, even for purposes of state expenditure. Death duties and succession taxes, budgeted to take care of current expenditure, certainly dissipate capital. A call to take the road back to economy came out in January of this year (1931) over the weighty signatures of Earl Grey and some of the old-line Liberals who have deserted Lloyd George and Sir Herbert Samuels. They point to the drastic reductions in salaries in Italy, Germany, and even Australia and call for a similar policy in England, with a "purge" of the abuses of the social services. Mr. Snowden himself is probably sympathetic, but the bulk of both the Liberal and the Labor parties in England can see hope for the future only in increased expenditures for national public works to relieve unemployment. Conservatism, for its part, is far more given to the preaching than to the practicing of budgetary economy.[1]

[1] The crisis precipitated by an adverse trade balance which has mounted during the last year to over £1,000,000 a day on the visible items, and by the facts advertised to the whole world by the May Report (of the Committee on National Expenditure, July, 1931, *Cmd.* 3920) resulted in a flight of capital from London that was estimated by the end of September, 1931, to have reached the enormous total of £200,000,000. Under this crisis Mr. MacDonald's newly formed National Coalition Ministry, although opposed by almost the whole of the Labor Party, attempted to save the gold parity of the pound and to curtail the prospective deficit of around £170,000,000 by making the most rigid economies—a cut of at least 10 per cent in the unemployment insurance expenditure and a general lowering of wages and salaries in the public services, including the Civil Service, that went beyond the demands of the May Report. On this issue they have since then successfully faced the country.

In spite of treasury credits secured from the French Government and Bank of France and from American private banking interests to a total of £200,000,000,

First of all, let us do justice to the actual position. *Chronic* unemployment exists everywhere except in France, since the War. Nor can it be claimed that other states keep their treasuries inviolate from political raids. No one can give the figures for *acute* unemployment in the United States today with real accuracy, but they certainly top the German figures, now almost 5,000,000. Further, no one can deny that only the unemployment insurance funds, rescued from bankruptcy by state relief in England, have kept millions for whom there really is no work off the poor-relief rates of local areas. But relief in this form and with no real work offered by the state to those whom it relieves is an expensive business. In 1930 the British taxpayer contributed an extra £36,970,000 over his quota—at a minimum estimate—to this fund.[1] In 1931 he will contribute about £100,000,000 over and above the contribution made by industry. The fund has gone into debt about £85,000,000 and its future deficits must be met in large part by government borrowing. Five thousand more officials to administer the fund have been employed by the state. The amount expended by Labor since its entry into office on public works in order to relieve unemployment had risen to £135,000,000 by February, 1931. With the unemployed figure up by another million for last year over the high average of unemployment—a million and a half—maintained regularly since the War, prospects of a decrease are not bright. In 1930 the taxpayer had to provide about £67,000,000 and the employed about £30,000,000 to the fund. That is, in round figures, a total of half a billion dollars

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the pound sterling was driven off the gold standard. The consequent rise in prices and a "strike" in the Fleet appear to have influenced the government to reduce the maximum salary cuts. Great Britain is following Australia's successful example in a large-scale conversion of internal government debt to lower rates of interest.

[1] The First Report of the Royal Commission on Unemployment (*Cmd.* 3872, of June, 1931) estimates an annual deficit of about £39,450,000 in the Unemployment Fund when the average number of unemployed on the "Live Register" reaches 2,500,000.

a year, and at present the state "lends" to the fund to the extent of $4,000,000 (rising to $5,000,000) a week that it can hardly hope to recover.

It is generally admitted that unless unemployment relief had been taken over by the state in some fashion, revolution would have made a clean sweep of a régime that permitted widespread suffering. Thrift, measured by savings accounts, does not seem to have suffered. But in its present form, the insurance succeeds also in immobilizing labor and offering to employers the temptation to throw workmen on the state in slack times. Where capital investment will really bring national returns by state works in Great Britain, the policy of putting these men to labor may be socialistic but it is sound. Otherwise a degeneration of morale ensues from enforced idleness. Probably less than half a million men have been on the "dole" regularly (without turnover), though that number is growing. But most of the unemployed are manifestly not fit for heavy construction work such as is contemplated in the usual programs of public expenditure. And other types of public works are not economically sound. The example of Australia, now on the verge of bankruptcy, ought to be enough to show where unproductive socialist expenditure can lead England. Failing a general revival of industry or some more successful method of mass emigration than has so far been tried, the unemployed will remain to be dealt with. It appears to be politically impossible to tighten up enough to make a vital budgetary difference on the means of relief. They can be got rid of only by being absorbed by industry.

The socialist ideal, if it could be put boldly into execution as it has been in Russia, throughout industry and agriculture, might have, its friends claim, at least the virtue of trying whether general staff work like that of war-time planning might not force modernization and rationalization through nationalization of the British industrial plant—where no other pressure now seems to be adequate, and where funds are lacking. The Industrial Development

Corporation, an adjunct of the Bank of England, has not yet been able to force general changes in industry because it has not been able or willing to rescue hopeless businesses by merging them at the cost of the more flourishing ones. Nor has it had the power to force rationalization and mergers by making overcapitalized and stagnant industries cut their losses in order to participate. But the sweeping socialist solution itself, even if it did not precipitate an exodus of British capital, could hardly do more than salvage what remains of the coal, steel, and textile industries. It could not force open the markets that they must win back or create anew.

One must remember, however, that coal, steel, and textiles are hard hit in every capitalist country of the world, though perhaps nowhere quite so drastically, relative to their former positions, as in Great Britain. Productive efficiency over all industry in England has actually increased, according to competent economists, about 10 per cent since the World War—a fact that accounts for the higher standard of living that England seems to maintain despite her chronic unemployment problem. There are more persons employed by a substantial margin than there were before the War.

Some of the British experiments in public ownership but non-political corporate management, like the British Broadcasting Corporation and the Central Electricity Commission, are distinctly hopeful and useful forms grafting the initiative and energy of competent management on to socialist ideas of restricting private profits on monopoly. The form taken is that of a "public corporation" in which the state does the shareholding but interferes hardly more with management than would private shareholders. This is a new combination of "corporatism" and "socialism." On its record it has already shown distinct advantages, which the Conservative Party has itself recognized.

Political uncertainty, plus the general depressions and protective tariff period through which the whole world is

passing, are undoubtedly hurting Great Britain very painfully. But it is only partly the terrific incidence of taxation that has brought stagnation. Partly also it is because in instances like the cotton trade and some of the other textile industries there is a combination of labor resistance and managerial indifference to modern methods. Add to these a tremendous overcapitalization during the spurious "boom" of 1920–1921, and one has the main reasons why British staple industries seem to be fatally doomed to shrink. Textiles, aside from rayons and silk and the finer grades of wool and cotton spinning and cloth making, appear to have suffered a shrinkage to about two-thirds of their pre-War volume and one that will hardly be regained as long as foreign tariffs to protect the domestic competitors within their walls keep on growing. Since cotton goods account for almost one-fifth the total value of all British manufactured goods, this is a serious loss. The iron and steel industries are in almost as bad a case, with, however, a few bright spots here and there. Shipbuilding has had ups and downs, and so has the motor trade, but both seem to be firmly equipped to ride out the depression and hold their relative positions in the world—the former, of course, one of world dominance. The latter is unimportant only if compared with the total of the automotive industry of the United States, but it is still superior to that of European countries. The newer luxury and specialized industries in normal years have been doing amazingly well. The shift to the south of England has coincided with a change in the character of British industry. Taken on the whole, they have been enjoying good dividends and maintaining sound reserves. One who scans the Company Reports in *The London Times* must be struck by the frequency of dividends, even in these last lean years, of 10 per cent or more. It would seem to be in the creation of new industries and in a more varied industrial structure that British hopes for the future lie—since some relative shrinkage of its staple industries is

almost forced by the industrialization of the rest of the world.

The Labor Party up to this time has directly affected British industry only by the Coal Bill, which forces—rather ineffectually because of amendment by the Lords—some regional pooling and the beginnings of national control of exports—partly, its opponents claim, at the cost of the home market. In common with Conservatism, Labor has refused to break strikes and has been willing to leave existing safeguarding duties untouched (except for lace). It has even permitted the Conservative Derating Act which took the burden off local rates from industry to remain on the statute books. That amounts to a clear gift from the state to industry of around £18,000,000 a year. Under some estimates it costs the central revenue in one way or another about £30,000,000.[1]

Finance and industry are still able to dictate that the state even under a Labor government must not cramp their free play in fighting for world markets. Mr. Snowden and Mr. J. H. Thomas equally accept a philosophy of rationalization, though the cost be heavy in the way of increasing technological unemployment. The Labor Party has also suffered to remain in force the numerous special grants which Conservatism has made to the Empire services and to British industry for research. These could really be justified as socialistic to the degree that they afford state aid: to the Department of Scientific and Industrial Research there is a grant to the tune of about £400,000 a year, on the average, and a similar sum goes to the purely research activities fostered by the Empire Marketing Board. But the Department of Scientific and Industrial Research, doing work of a sort usually left to private foundations in the United States, is working in close coöperation also with the great Trades Associations in Great Britain, the Cotton Growing Corporation, and its

[1] The May Report (*Cmd.* 3920), referred to above, estimates this cost to the central budget for 1930 at £26,000,000 (p. 19).

like. It is therefore using government money to bolster up an industry from which private profit is derived—possibly a justifiable principle but one more often associated with the Republican Party in America and the Conservatives in England than with Socialism. The same thing is more than ever true of guaranteed colonial development loans that are earmarked for expenditure in Great Britain.

In the matter of taxation the difference is less marked than Labor theory would like to see it. It is true that since 1910, the year that marked the beginning of success for the bold legislation for the social services under Lloyd George's budget, the charges for these services have increased 450 per cent. Education has benefited most, but housing subsidies, social insurance and pensions and general state paternalism swell the total. Since 1910 the figures have mounted from £62,921,000 to £341,777,000 in 1929, for total state expenditure on these services in England, including local rates; and they are still going up.[1] But this has been in response to a steady pressure on all parties, and the end of the increase is far from being in sight as yet. The Conservatives when they went out of office in 1929 had themselves added a total of £100,000,000 for their six years in office to the cost of government during that period. Mr. Churchill's budgets themselves added widows' pensions and derating to the expenditures. As for the Liberals, they appear up to the present to find no solution for unemployment except by spending additional hundreds of millions of pounds on public works, until quite recently advocating the raising of a billion dollar loan, even before the exact works to be undertaken were decided upon.

Under the burden that all parties must impose, and which Labor has certainly increased, British capital is showing unmistakable signs of uneasiness. Gold shipments are alarmingly increasing to France and America. Britain's

[1] According to the May Report's classification only £121,300,000 of the total expenditure for "Social Services" fell upon the Central budget for 1931 (*Cmd.* 3920, pp. 18–19).

gold reserve is down to below £150,000,000[1] as against £432,000,000 for France and £914,000,000 for the United States. Her total debt stands today, at round figures, £7,600,000,000: Given the increased purchasing power of money today, that is quite equivalent to the £8,000,000,000 to which the debt rose at its peak in 1919. There has been no real reduction. With the wavering of sterling exchange the very stability of the City of London as the banker of the world—the last stronghold of Britain's wealth—would be threatened.[2]

So far there are no certain signs that decline has set in as a permanent or cumulative affair. Banking is an art that

[1] In July-August, 1931, a further alarming drop of almost £30,000,000 in the gold reserve, apparently due mainly to withdrawals of short-term loans to London by Dutch and French private banks, occurred during the German panic. Subsequent events have been traced in previous notes.

[2] The terrific loss of gold from London following the period of threatened German collapse shows how exposed to technical shifts the City is. On the other hand, by the expert findings of the Report of the MacMillan Committee on Banking and Industry (*Cmd.* 3897), according to the majority report (June, 1931) there is actually a decrease in late years of the indebtedness of Britain to foreign lands.

The Report comes to the conclusion that banking policy must be bolder but realizes that only an internationally managed inflation, engineered by general agreement among the central banks of the powers, could help very directly. Adequate account of the fluctuations of commodity production under such inflation does not seem to be taken. Adherence, too, to "cheap money" at all costs helped to drive the pound off its gold parity.

The fate of the City must now depend on stabilizing the pound. For since the Report appeared England appears to have embarked on an unintended experiment in inflation *via* renunciation of the gold standard of sterling parity. The shift of banking to New York, it is true, depends on whether the United States may be headed toward some inflation also. A number of countries, including in fact all the British Dominions except the Union of South Africa, have found it necessary to follow sterling rather than the dollar. Who will be left on the gold standard? Chaotic exchanges will not help confidence.

Persistent rumors of American inflation appear to have assisted a natural movement of gold to France so that the $5,000,000,000 of American gold holdings that was reached in September, declined sharply by nearly $710,000,000 until after the visit of M. Laval to Mr. Hoover, while the French gold reserves continue to mount above $2,500,000,000. Only an International Currency Conference, backed by some gigantic strides toward freeing the movement of goods from the nationalistic barriers imposed upon them at present, seems at all calculated to achieve any result in the direction pointed to by the MacMillan Report. But the United States is not likely either to inflate or to give up the gold standard.

cannot be improvised, and British skill and character still command their tribute from the capital of the world. The speculative orgies of Wall Street and the French Government's policy of discouraging foreign loans—only recently abandoned—have combined to protect London's reputation and the City's sound financing business. The total of British foreign investment has slightly risen, in absolute terms, at least, above its pre-War magnitude. It is still greater than our own American foreign investments by about 25 per cent, standing in 1930 at $20,500,000,000 compared to an American stake abroad estimated at from $15,000,000,000 to $17,500,000,000,[1] excluding War debts in both instances. Even in Canada British capital investment is almost two-thirds as great as our own, roughly $2,250,000,000 British to $3,650,000,000 American.[2] From the total invested abroad by Great Britain a yearly return of about £285,000,000 in interest payments comes in to balance the international accounts of the United Kingdom, if Sir Robert Kindersley's figures are correct. Somewhere in the neighborhood of £150,000,000 a year in good years like 1928, compared with an average of well over £200,000,-

[1] For the higher estimate made by Mr. R. Winkler, see *America's Stake Abroad* Foreign Policy Association Information Service, vol. VI, No. 24, Part I, p. 454, February 4, 1931. These figures appear to include all loans floated in the New York Market and do not allow for foreign holdings. Compare *Handbook of the United Kingdom*, U. S. Department of Commerce, p. 14, where the estimate of our investments abroad for 1927 is stated as only about $13,500,000 in all. The Department of Commerce estimated $15,500,000 in 1929. Of course British estimates, like everything said above, are affected by Britain's relapse from the gold standard. The *Economist* estimates that the Kindersley figures for interest on British foreign investments are at least £30,000,000 too large, even for good years.

[2] *The New York Herald-Tribune*, quoting Toronto Industrial Commission, June 24, 1930. In 1913, according to the same source, only $2,420,000,000 of external capital was invested in Canada of which three-fourths came from Great Britain and only one-sixth from the United States of America. Since these lectures were delivered, Premier Bennett in the Budget Speech of June 1, 1931, estimated the total capital employed in Canada to amount to $17,500,000,000, excluding private capital in domestic enterprizes such as farms, and homes. He estimated that 65 per cent of this total figure was owned in Canada, 20 per cent in the United States, and 13 per cent in Great Britain.

000 just before the War, is still available for reinvestment abroad. But if the yearly average of surplus income available be taken over the five-year period 1925–1929, the amoun is less than £90,000,000 per annum. This is a significant shrinkage and emphasizes the fact that England is not able to compete on equal terms with the United States at present in the volume of foreign loans floated.[1] But these figures say nothing of the proportion of the total which is foreign capital that is placed through London and that is a considerable item. Of course the merchandise balance of trade is very considerably adverse to Great Britain, averaging around £350,000,000 or more a year. The invisible items, chiefly shipping, interest on foreign investments, banking and insurance services, and tourist expenditures, however, give a slightly favorable balance of international accounts except in very bad years.

But Great Britain cannot forever live on her fat. Where America can recover from periodic crises and go forward confidently—so long as her natural riches are not exhausted—Great Britain sees her coal supremacy passing and her industrial supremacy challenged not only by the United States but by Germany, which has passed her in the volume of exports in 1930. If industry fails to compensate for the decline of the staple trades by new products and by establishing a marked superiority in the luxury markets of the world, ultimately Great Britain will follow Spain and Holland into a slow decline. Her only escape from such a fate will be in changing the conditions of economic nationalism abroad and in conquering the wasteful tendencies of democracy at home.

What bearing has this analysis on the Empire and on Socialism as a party movement?

[1] In 1913 only £35,000,000 of English loans were floated, while £161,000,000 of colonial and foreign loans were raised at the same time; but in 1928 the proportions were tremendously reversed: £264,000,000 of English loans were made in that year and only £105,000,000 of foreign—a very great relative shrinkage in the volume of foreign invsttment.

Alternative Paths to Recovery: Socialist Internationalism or Capitalist Imperialism

In the first place, it is clear that Great Britain must exert her full efforts to make good her losses in some directions by finding and developing new markets and new sources of wealth. What she has lost in coal she must and is making good in oil, by the Napoleonic policy of the Royal Dutch Shell and Anglo-Persian oil companies, particularly since the War. Some exaggerated estimates of Great Britain's share of the world's oil reserves place up to 75 per cent of the total under British control, though much more of this lies in the United States than in the Empire, and the bulk of the rest is not on British territory. Only 3 per cent lies in the Empire proper. She may also be able to use the new low-temperature pressure process of turning her coal deposits into liquid fuel. But failing a revolution in the conservative habits of her capitalists and producers, she is thrown back more desperately than ever by foreign tariff barriers on her own dependencies and on the marginal markets of the world. As far as possible she must work out joint arrangements with other colonial and agricultural powers to prevent the glutting of the market with primary products such as petroleum, rubber, cocoa, palm oil, sugar, minerals, timber, etc., which her dependencies produce, even though she looks with mixed feelings on wheat and cotton now sold below the cost of production. In other words, she must lead the way to international capitalistic rationalization or go down.

Standing squarely across her imperial path in many exploitable resources, notably wheat, oil, timber, minerals, and to some degree cotton also, now stands the Soviet Giant. He is useful to the Empire only in that he threatens the Dominions economically and makes them more dependent on British favors. From Russia's dumping of raw materials that compete with their own the Dominions may in the future suffer even more than from the agricultural tariffs of the United States. If the Russian Giant is to be

served industrially in return for his raw materials and foodstuffs, England is building up her most powerful future rival for control of India and China and perhaps ultimately for the trade of the world. She is certainly dooming the exploitation of much of her own Empire, since Russia is the most formidable competitor for the same markets in several basic primary products.

Here Socialism, looking both toward Russian reconciliation and toward a humanitarian trusteeship for the backward races of the Empire, runs most clearly afoul the Conservative ends of blocking Russia and of exploiting the Empire as rapidly as possible. Perhaps it is a longer-range philosophy to depend upon disarming Bolshevism by multiplying contacts with the countries of industrialized capitalism. One system or the other may go under as the result of the shock. Why should it be the more flexible system of modern Western capitalism? Friendly intercourse, therefore, with Russia may conceivably be the price of peace for the Empire. Like the question of free trade *versus* protection, the colonial policy of trusteeship, also, may be a greater guarantee for the ultimate future of the Empire, since it conserves the only available labor supply and avoids trouble. But for the next decade, in which international rivalries and Russian pressure will be growing, the Socialist policy seems at first sight to be a desperate gamble with a ruthless opponent, determined on the final destruction of capitalist England and its Empire.

It may be that there is, however, a deeper strategy in the Labor attitude toward Russia and toward the dependencies. In the first place, only by keeping the dependencies reasonably content under British imperialism can India and perhaps Egypt be saved. On the whole a Russia hopeful of getting British capital and a Russia even partly bound in respect to propaganda and kept on tolerably good behavior may be a Russia less dangerous as a source of revolutionary unrest. In this conclusion, at least, the

other Dominions have joined Great Britain, though they have reserved the right of separate action in admitting Russian agents with diplomatic immunity. Canada has gone farther: She has just put an embargo on imports from Russia of coals, minerals, and wood pulp and has been met by a retaliation on the part of Russia that is far more harmful to her own exports, in terms of value, at least.

Beyond the reconciliation of Russia and the subject nationalities lies the Labor strategy of strengthening the League of Nations, with a leaning toward giving mutual assurances under Article 16 and the General Act of Geneva in return for some greater measure of European disarmament. Labor distrusts Pan-Europa as either a vain gesture or a dangerous rival to the League. Roundly taken, the moderate Labor Party's conception doubtless is that England can pull through unless there is another continental flare-up; but that in that contingency Communism might sweep most of Europe and a good part of Asia into Russia's Soviet camp. The thing to do at all costs, then, is to prevent the flare-up. The Independent Labor Party, the left-wing radicals, seem at times to welcome the prospect of Bolshevik triumph and to work for it in England.

Naturally the Conservatives have something of the same fear that is shown by moderate Labor. Locarno is the tangible proof of it. But there is a growing right wing of Conservatism which plainly looks on the League as a broken reed, on Russia as a hydra to be dealt with in Herculean fashion, and on Pan-Europa with some complacency. Behind that complacency lies the hope that a few bogeys like Russia and the Yellow Peril, aided by this Pan-European threat of federation and aided, too, by protectionist tariff excesses in the United States, may serve really to bring the Dominions to heel, both economically and politically: An Empire Re-Union would be the hoped-for offset to European Union and Russian economic threats.

These two opposing schools of strategy are equally concerned about the future of Empire. But they read that future differently. The Conservatives see a shift of emphasis to the colonial Empire along with a much fainter hope of bringing the Dominions into closer economic union. The Socialists see the possibility of transforming the nature of the Empire, of showing a way to internationalism by reconciling nationalism to a coöperative world order. Even if the British Commonwealth be reduced only to a series of friendly alliances, India may be held to profitable economic intercourse under British protection and with the goodwill of its people. This is the reward of altruistic righteousness that Labor thinks may be reaped in the entire East from a policy of concession. Where the Conservatives would meet violence with force or the threat of force, Labor would push force into the background and rule by conferences—concerned to bring back peace even more than honor.

Now it is easy to pass summary judgment on the merits of these two schools but hard to be satisfied with the predicted results: Nearly all attitudes toward social policy are grounded on rooted views of human nature. To observers of a Conservative temper the Socialist philosophy seems to doom England inevitably to the rôle played by Holland since the eighteenth century. Cut off from the loyal support of the Dominions, and faring from the point of view of recent trade barriers relatively worse at their hands than at those of foreign states, England's imperial prestige and prosperity would be sapped. Abroad in the rest of the Empire the weakness of the great King and Emperor overseas would be spread like a bazaar rumor, increasing tenfold all the difficulties of governing the subject peoples. The consequent loss of dignity and the vacillation would destroy a century of firm justice. At the roots of the tree itself, the axe of Socialist taxation and class war would have been laid, and the trembling of the farthest limbs would bear testimony to every stroke. Only by an about-face to strong government and economy, to a new gospel of imperial

duty, and a strengthening of capitalist enterprise by all the force at the command of the state can England be saved. The younger the Tories the more vigorous the shout: "England, wake up!"

The Socialist is inclined to start at the other end and reverse these findings with startling thoroughness and some appearance of having reason on his side: The Imperialist is just a lazy fellow who wants to live by making others work—a mercantilist and an exploiter. His day is done, now that the rest of the world is catching up to British standards. The "gentleman" must come down into the market place and earn his way. In the first place nearly all England's present ills, the Socialist thinks, are attributable to the capitalistic imperialism which could not avoid the last war. The great bulk of the budgetary burden (from one-third to one-half of it for debt services of war borrowing), the loss of man power and of markets all flow from that tainted source. Therefore to follow the old way is merely to invite a second and more final disaster. England can at present maintain her rôle of leadership in the world only if she throws up new talents to replace the losses of the War and the decline of the governing class. Education for the masses, democratic responsibility, and a decent standard of wages and living alone can make this possible. Along any other path lies progressive decline and at its end revolution.

Capitalist economy, according to its Socialist critics, after having had its orgy of speculation and exploitation, is itself bogging down under the problem of maintaining a continuously increasing consumption to take care of its overaccelerated and uncontrolled production. As doughty an economist as Mr. J. A. Hobson even finds the root of its evils in the toll laid on spending power by capitalist methods. He gives an economist's sanction to free spending by the state to remove the lag in consuming power. Socialists say that the anarchy of free competition, curbed partly by national trusts and ineffectually by international cartels, has manifestly broken down before the problem

of falsely stimulated consumption, with low wages, under nationalist competition: The distributing mechanism is thrown years out of gear by a speculative, inflationist price period; and with no better regulator than the gold standard, the capitalist nations are bound to experience recurrent depressions increasing in seriousness. England, whose industrial life depends on stable world markets, is most exposed to this weakness of capitalist economy. If her bankers thrive, it is at the expense of industry and therefore not for long, since capital production is dwindling in England at its source. The contrast with the planned economy of Russia, which is alleged to be reaching with such gigantic strides a position that may force basic changes in the world distribution of production, is most painful and enlightening. To men of the socialist persuasion, it seems that if it is met by nothing more farsighted than a continuation of the unregulated competition of nationalist capitalism, the end is not doubtful.

From this reasoning it follows that England's one hope is to organize the democratic nations of Europe and the West, inviting the collaboration of America, for concerted economic action through Geneva. So far the failures have been disheartening, but as pressure increases a change of heart might be expected. Though it calls itself Socialist, at heart Labor is content to put off "nationalization" indefinitely and rely upon international finance for help.[1] If, therefore, the British Empire can transform itself into a workable league of nations within the world League, on a purely consultative and coöperative basis, divesting itself of a mercantilistic philosophy of exploitation wherever that status is not based on consent, it may afford more effective leadership to the great democracies of the West in the coming struggle with the common enemy, autocratic Bolshevism. Left-wing Socialism would of course

[1] By abandoning this attitude of compromise Labor went down to a smashing defeat at the last election. Conceivably it may have in future to give way to Free-Trade Moderates as the official opposition, if the probable split over high protective tariffs develops. On this issue Labor is divided.

go further and insist that the democracies must learn to accept the strength of Bolshevism through a completely socialistic control of industry.[1]

A few years ago there would have seemed to those in England outside the ranks of the Second International only one valuable item in this Socialist program: its attitude toward international coöperation. Today, however, many men of moderate views are asking whether there may not be elements of social planning and a greater rôle for the state in the regulation of economic life. At the same time, though, they are beginning to wonder whether this control can come about under democratic machinery. Democracy seems to insure a free play of interests but not their regulation to a line of continuous policy. Yet how without all the evils of oligarchy and obscurantism can an international control of the "blind" factors of production be obtained? Perhaps under pressure business interests may find the answer in international cartels.

The anti-Socialists themselves are intent in England on breaking the power of organized Labor and the Trade Union Congress over the state. The Conservative Trades Dispute Act of 1927, now being repealed by Labor, was a step in this direction. It is hardly disputable that the General Strike of 1926 cost England at a minimum more than £300,000,000, to say nothing of the shock it gave to the social fabric. Anti-Socialists point to coal strikes, almost continuous in South Wales or other areas in Great Britain since the War, to the textile strikes and lockouts that help to cripple industry and to a consequent loss of working days running into astronomical figures. England

[1] Perhaps the split in the Labor ranks which has resulted in Mr. Henderson's succeeding to the leadership of the Party will force it further to the left for the time being. But there is too much responsible leadership left in the party that has repudiated Mr. MacDonald not to water down its socialist program if it again gains power. The flight of capital from England which would take place if the present program of Labor for nationalizing the banks as well as industry should ever be attempted would sober any but the most doctrinaire advocate of socialist principles.

must have strong government at home and abroad is the summary—government, that is, by those who can govern, not by those who are pushed. Above all she must give business and finance a free hand and the whole backing of the state. Only so can she have enough energy to integrate and exploit her colonial riches, protect her own interests in a bitterly nationalist era, and at the same time preserve the peace of the nations by keeping a formidable and united front to the rest of the world.

Between the upper and nether millstones of these clashing philosophies—socialist internationalism and capitalist imperialism—Liberalism as a party movement seems to be today in danger of being ground completely out of existence. The Liberals cannot hope to get proportional representation, which is opposed by both the other parties. The only hope of maintaining a separate identity is to keep the present Labor government in power for the two-year period needed to pass the alternative vote—an electoral reform which would probably double the Liberal strength in Parliament. To do this may well prove to be impossible in the face of Sir John Simon's defection and the distrust of Mr. Lloyd George's leadership. Yet without electoral reform there will not much longer be room for the Liberal Party as a mediator from outside. Elections become too much a gamble in statistics, so that a growing tendency to back one of the extremes can be seen. The younger Liberals are tending to shift right to the Tories or left to Labor as they favor more the claims of a strong, capitalist Empire or a moderate free-trade socialist internationalism. Some of them are casting about for a new economic policy, but the ground seems to be pretty well pre-empted. Sir Oswald Mosley's bid for their support rested on an incredible hodgepodge of Protectionism, Socialism, Empire Free Trade, and nonsense. Whether Liberalism is able to survive as a unit or not, its supporters will probably dictate for some years to come the fate of British Socialism and in large measure England's policy toward the problems of

Empire. They will serve to make any policy of Socialist nationalization impossible and equally defeat capture of the Tory Party by the Die-hards.[1]

Looked at in ultimate terms, the problem of empire sometimes tempts one to embrace a philosophy of history that would attribute a degeneration to political structure almost corresponding to the organic analogies that have always tempted the interpreters of the decline of civilizations—of whom Oswald Spengler is one of the most recent and most poetic. Do empires inevitably follow the way of all flesh: *Pereunt et imputantur?* Shall we deny that there seems to be a slackening of fiber, a weakening of racial stock, a species of spiritual exhaustion that overtakes old empires? Is the ideal of the leisurely gentleman compatible with strenuous survival? May not economic battles still go on being lost "on the playing fields of Eton"? The final question must be: Is the British Empire really *old* or only taking one of those periodical new leases on life that have been occurring about every hundred years since "Good Queen Bess's glorious days"? When we look at the scandals of the "dole" and the burden on the budget of the social services, let us not forget what a mess Poor Law Relief was in a hundred years ago or in the days of the Chartists and the Corn Law Leaguers. May England not pioneer once more in a type of national planning for production and fair exchange that retains the profit motive as the incentive, even though it be regulated? She rejects the regimentation of communism, but she retains a sufficient degree of integration of economic policy to prevent social upheavals and the worst evils of exploitation. Desperately she is trying to teach international coöperation

[1] This general analysis seems in fact to be confirmed by subsequent events. The Liberal Party as a party has been split between the Ministerialists, hitched reluctantly to the protectionist chariot of the Conservatives; and on the other hand a handful of "no-tariff" men whom Mr. Lloyd George is having to ally with the Labor Party. But whatever the fate of the party, the Liberal voter remains to be reckoned with as a balance between the other two parties—and will in the future.

to her own Dominions and to the rest of the world. If she foregoes the old delusion of a closed imperial system, she is well equipped to succeed.

But your pessimist will not allow it to be possible: Socialism, to the deterministic temper of historical interpretation, is only a symptom of the passing of the vigorous Will to Rule or Will to Power. Generations of soft living at home and the drain of the more vigorous man power abroad for wars and for holding the outposts of Empire bring the gradual quiescence to domestic stagnation and then an imperial decline. The home population by virtue of its power to exploit the government that in turn exploits the Empire grows more and more unwilling to undertake the stern duties of rule or to "hive off" for colonizing purposes.

You may choose which you like of the alternatives. As for me, I read the signs to mean that Great Britain is still the van of an alert democracy which repudiates class-war.

Where she is pioneering in the social order we must one day come though we may, with wisdom, avoid her worst mistakes. Let us hope that both England and the world will have learned the lesson of her experience and succeeded in establishing a rational and secure international order. Democracy in England is in danger from lack of leadership as it is elsewhere. But its foundations are firm and it has so far avoided the worst socialistic as well as the worst capitalistic excesses. If it is only in the twilight of a culture that the Owl of Minerva takes her flight, the goddess of wisdom may none the less be invoked to save by reason what mere physical vigor can no longer accomplish. England's rule is like that of the matriarch of a family now rapidly maturing. It depends on moral force, on the hold of institutions, on the subtle uses of venerable symbols, and on a gradual transformation of traditions that retain their spiritual essence. It depends on keeping her temper in the face of what seem to be ungrateful acts by the Dominions; upon conceding much and willingly, as far as can be done without cost of dignity or of self-respect.

The left wing of the Independent Labor Party and the impatient younger Tories want strong action, the one veering toward Communism, the other toward Fascism. Both are for a stronger line toward the Dominions, the one of rudely telling the Dominions to assume whatever responsibilities they like, even at the cost of "cutting the painter"; the other of recapturing the Dominions into discipleship to the idea of a strong and united Empire. But in the light of the ties by which the Empire is bound, in the light of the peaceful world in which it can alone survive undiminished, it may well be, despite all apparent inefficiency, that the placid moderation of leadership like that of MacDonald and Baldwin, mediated by the surviving influence of Liberalism, is the wiser policy. *Unus homo nobis cunctando restituit rem*—Ennius' classic epigram on Fabius Cunctator—need not be applied to Mr. Baldwin in any spirit of irony, as it too frequently is. India may well have been saved for the Empire by his backing of Lord Irwin's deliberate policy of not rushing matters in dealing with Mr. Gandhi. And the same policy has borne the fruits of social peace at home, bar the one bad delay that permitted the General Strike.

If the biological explanation is correct, nothing can save Empire. If it is wrong, only intelligence and patient reasonableness can hold the home population in bounds, the Overseas Empire to loyalty, and the other nations of the world to peace.

In that sense, at least, Mr. Baldwin's moderate supporters show, almost as much as Mr. MacDonald's, the acceptance of a new attitude toward imperial as well as toward world responsibilities. Not only by the radical degree of his party's advance toward a sweeping paternalistic philosophy of the state but by a genuine concern for subject peoples and for world peace can Mr. Baldwin appropriately echo Sir William Harcourt's famous summary: "We are all socialists now."

Chapter VI

THE DEPENDENT EMPIRE:

EXPLOITATION OR TRUSTEESHIP. INDIA AND THE TROPICS

> It may be fairly questioned whether the possession of India does, or ever can, increase our power or our security, while there is no doubt that it vastly increases our dangers and responsibilities. When we inquire into the Greater Britain of the future we ought to think more of our Colonial than of our Indian Empire.
>
> —John Seeley, *The Expansion of England.*

These sentiments of the great inspirer of the movement toward closer union for the kindred colonies during the latter decades of the nineteenth century still command assent in some quarters in the Empire. But generally the neo-Imperialists who hope for a closer economic union with the colonies and Dominions would be the last to give up India; and the colonies toward which they turn with the most real hope are the crown colonies. India bulks so large in the economic interests of the Empire, and the Dominions have become so nearly independent states, that the control of India is of the utmost importance to the future prosperity of England. Mr. Gandhi's agreement with the Viceroy, Lord Irwin,[1] therefore caused a sigh of relief in Great Britain and the easing of a tension which no conference with the Dominions would create today. Not since the settlement with Sinn Fein in Ireland has there been such a welcome agreement.

But in India, as was the case in Ireland, the testing of the agreement must come in applying the New Constitu-

[1] For the terms of the agreement reached by the Viceroy and Mr. Gandhi see Appendix V, D. The proposed outlines of a federal government for all India are given in Appendix V, C.

tion, whose outlines have just come out of the first Indian Round Table Conference in London. What does the settlement in India mean to England and the Empire? It is fair, before undertaking its critical examination, to say at once that it seems to have been the best possible solution under the conditions which existed. One must remember that those conditions included a British India already under dyarchy—*i.e.*, some powers delivered to Indian ministers in the provinces and a Viceroy who had become, even for the central government, increasingly responsive to the elected members of his Legislature. The essentials of British control for some indefinite time yet to come are preserved by the London proposals, yet the nationalist sentiments of Mr. Gandhi's followers are placated by concessions that will give them some fiscal control and that will allow them to go still farther, if they can, along the road to a federally united and autonomous India. At the present time the agreement has at least afforded a new lease on life for British rule in India, which was so beset with difficulties.

British imperialism under modern conditions is, all the evidence so far has agreed in showing, as complicated a puzzle as was ever set for human wits to solve. Picture yourself as one of His Majesty's principal secretaries of state—say for India or for the Dominions or the colonies—or even, greatly daring, the Prime Minister himself. In any one of these responsible posts you would have to weigh your actions knowing that their results would affect not only the millions of Britons but the millions of the Empire, for a great part of whom you would be the effective trustee of their interests. For India or for the tropical colonies you would have to act with the knowledge that your decisions would affect the fortunes and perhaps the very lives of hundreds of millions. You would have to carry with you both a properly watchful British Treasury and a naturally suspicious and pessimistic Foreign Office in any decision made; and you would have to reach this decision knowing

that England's future prosperity might depend heavily upon your choice. If you failed to placate a sentiment of nationality in India that could not be resisted, you would jeopardize the British Raj. But if you yielded prematurely you might plunge India into anarchy. The responsibility is not a light one.

Or take the final integration of imperial policy for the future: Ought the emphasis to be put upon the kindred Dominions, with their presumptive capacity for industrial development and the increase of a British population? That was certainly Seeley's idea, and it still marks the hopeful school of his neo-imperialist disciples led by Col. L. S. Amery, former Colonial Secretary in the Conservative cabinet. These imperialists have taken on the color of the times. They do not hope for the miracles promised by Lords Beaverbrook and Rothermere from "Empire Free Trade." Long before the Imperial Conference of 1930 had shown so finally that that cock would not fight, they had learned to hope that the Dominions might be won back by indirect economic control—"imperial rationalization"—or by direct bargaining, by sentiment, by "scientific" advice from "imperial" bodies of experts, by the multiplication of conferences, and by the stimulation of emigration. Gradually, they hope, an imperial sentiment may take new form in closer political union, marked by the idea of a genuine economic commonwealth, whose riches and markets would be shared by all the equal partners. But the Dominions and even the more advanced colonies, as we have seen, do not seem to share that hope. They are not prepared to shoulder family burdens or to turn their wealth and energies to imperial responsibilities. Indian nationalism is hardly more emphatic than their own in repudiating the idea of any economic union.

The alternative, despite Seeley, seems to be a more efficient exploitation of those areas under political control where the Empire is still imperial in its sway. This means, first of all, as it did after the loss of the American colonies,

more attention to England's mightiest dependency and to her largest single market, India. And if India itself should ultimately prove as intractable as the Dominions to a mercantilist type of imperialism, there is still an enormous dependent empire of colonies. There British enterprise, supported by all the force of the state, might still be thrown to aid the exploitation of those rich tropical dependencies where great wealth is yet to be extracted: tin and rubber from the Malay peninsular; palm oil, sisal, and copra in Africa, copper and other minerals in the Rhodesias, and cotton from the Sudan, with timber riches and other crops widely scattered over the Empire. In a way this shift of emphasis to the colonies of exploitation shows a reversion to colonial methods more like those traditionally associated with France and Spain.

If the teeming native populations of the tropics can be lured into capitalist employment by developing their desire to possess things, the declining Empire may still recover. Holland, though she saved only the Dutch East Indies, has prospered. Her example is cited by British imperialists. Through cultivating more wants, a consequent willingness to work, in order to own, might be implanted in the natives of British Africa, as it has been sown profitably in the Malay Peninsula and the Dutch East Indies. Even without the Dominions, such a colonial Empire might aspire to a degree of economic importance, at least equal to any European rival.

But the native policies and the methods of government differ very radically. It is too soon yet to know whether the Dutch and French, by their firmer hold, have retained what England may lose; or whether, on the contrary, the more liberal British policy may not simply be several decades ahead of the continental colonial methods.

It requires a very high standard of ethics to avoid exploiting this wealth as rapidly as possible even at some cost to native welfare. Probably only the need of protecting the negro as the only available laborer will save him, ultimately, from harsh exploitation. But he owes much

also to the intervention in England of Exeter House and the missionary societies.

The figures of population, taken on an absolute basis, would apparently sanction this economic emphasis on the exploitation of India and the tropical colonies. For in addition to about 320,000,000 of Indians still under British rule, there is a population in other dependencies, mostly tropical, of about the same as the total white population of the Empire, roughly 60,000,000, without including Egypt or states under British influence. The unfortunate limitation, of course, is that the tropical native, for reasons of race, climate, temperament, even religion, has a standard of wants as well as of capacity for production that permits him to consume a relatively small per capita proportion of British exports. India takes only 11 per cent and the rest of the dependent colonies only 10 per cent of the total; while the white Dominions, about one twentieth as numerous, consume more British exports than the whole dependent Empire.

Any efforts to increase the consuming powers of the tropics must raise dubious moral issues. To confer on the native "the benefits of civilization" is merely to lift him willy-nilly from a state of culture anthropologically integrated with his character into one where his security is increased but the old savage freedom of self-sufficiency is gone. That is aways the other side of the "white man's burden," and it is a long, slow business, at best.

But if the native himself can have his wants increased and his productive stamina developed, the needed markets for increased capitalist expansion are provided. His mere numbers offer a field for the increase of new marginal markets: A few yards more of cotton cloth to each native, the simple theory goes, and Manchester is restored to prosperity.[1]

[1] Unfortunately this calculation is like that of the celebrated Colonel Sellars who was wont to reckon in these imaginative terms: "Four hundred million heathen Chinee in China. Two eyes to every Chinee: a bottle of Sellars' eye-wash to every eye—every bottle a dollar—millions in it, man, millions in it!"

The case of cotton textiles in India illustrates aptly enough, however, what is happening to the Indian market which England has so long enjoyed and still the greatest of them all. There, even more than in the colonial dependencies of the East, Japan has been cutting in on the British market by the sale of the cheapest cotton goods from the great mills established at Osaka during the World War. Before the War Japan had 1 and Manchester 90 per cent of Indian cotton yarn and cotton goods. Now Japan is overhauling England with giant strides, which would, if continued, soon bring her to parity. This competition alone, formidable as it was becoming, need not have been fatal. The disastrous blow has come from India itself.

The older mercantilist theory, which had up to the latter part of the nineteenth century been pursued with some constancy, has been aptly characterized as dooming the dependencies under its sway to a perpetual rôle as "hewers of wood and drawers of water." Consistently applied, it had forbidden in the American colonies the establishment even of forges and such elementary manufactures as were available. But in India the policy was relaxed. Indian capital, finding an opportunity in the latter half of the nineteenth century to start mills with the lowest-priced labor available in the world, began in Bombay, as British capital did in China, to manufacture cheap cotton goods. From Bombay the mills spread to Ahmedabad and to Sholapur and Nagpur and then to several Indian States, always moving inland and up country to new labor supplies.

The native mills were long prevented by the Manchester manufacturers, through the India Office in London, from putting on a protective tariff duty. Later they were forced to pay an excise or countervailing duty on native manufactures equal to the small duty, 3.5 per cent *ad valorem*, which had been imposed. Under these conditions the Bombay mills made little headway. But after the War, aided by Indian nationalism, the mill owners in India forced the concession of small protective duties—without an

offsetting excise and with no imperial preference. Under these conditions Japan gained, and England lost both to the Indian mills and to Japanese. In 1930 the Finance Member of the Indian Central Government, acting on the Indian Tariff Commission's recommendation, accepted duties of 15 per cent against British and 20 per cent against foreign cotton imports in the chief categories that were competitive with Indian mills. Only a quarter of the total British imports really compete with Indian textiles. It is the Japanese who are hardest hit by the new duties in the cheaper grades of textiles. But an amendment on gray piece goods had to be accepted finally which robbed even this slight concession to imperial preference of much of its value. So that the principle of protection of native manufactures at high rates against British as well as foreign goods has been accepted.

The principle of imperial preference to Great Britain promises in the future, therefore, as in the past, to get very short shrift in India. Since India's great exports are staple crops, no preference in the British market is possible in return. And India is trying desperately to spread and diversify her trade contacts to get away from her dependence on the British as *entrepreneur* or as an *entrepôt.* Greater concessions of fiscal autonomy in budget making to India in the new Constitution probably mark the beginning of the end of British economic sway over India, as far as it depends on political power.

This surrender is more serious in India than in the kindred Dominions because of the inflamed "anti-foreign" propaganda which the Congress Party has leveled chiefly at England. The Dominions have never been permitted to nourish a sense of oppression, and, except for Ireland and the Boers in South Africa, they have never been subjected to repressive rule. Even in these instances there was not the bitter stigma of color to brand racial inferiority upon them. In India all these exacerbations of nationalist feeling were present.

Gandhi began with the symbol of the *charka* or spinning wheel as a revolt against India's being enslaved to the machine. It was always something more than a symbol; it was a real weapon in the hands of seasonally idle agriculturalists against poverty. But recently the hatred of the Nationalists seems to have been diverted from industrialism as a process imposed on them by Western masters to hatred of industrialism outside India and of British industrialism in India. The Congress Party, in spite of Gandhi's release from prison, continued for some time the wholesale burning of "foreign" cloth and the boycott on British goods. The Resolution passed by the Working Committee at the end of January, 1931, reminded sellers of foreign cloth and yarn and the Congress workers that "the boycott of foreign cloth, being a vital necessity in the interest of the masses, is a permanent feature of the national activities and will remain so until the nation acquires power to exclude foreign cloth and foreign yarn from India, whether by total prohibition or by tariff." It has put down among Gandhi's Eleven Points the protection by high tariffs of *Indian*-controlled factories of any size. Peaceful picketing to enforce this discrimination is permitted by the settlement with the Viceroy. The slogan, though, is to be changed to "Buy Indian cloth" instead of "Boycott British cloth"—a point of great importance. But the old weapon of the boycott may be at any time resumed. The Tolstoyan saint seems to have been captured by the native capitalists and converted, for practical politics, to a program like that of Alexander Hamilton for encouraging native industries by state aid. Of course he may be only using the Indian capitalists' financial support as a stick presently needed to beat the British. He claims to have converted them to *khaddar* (homespun). Some mill owners actually wear it! There are, however, signs that the prolonged economic crisis has weakened their confidence in their ability ultimately to control Gandhi and the Nationalist revolt, which they have so far in the main supported.

Probably in any event India has reached already a stage of industrialism that will make its Nationalist movement intent on the same process of industrial self-development that has marked the growth of the Dominions. If indigenous Indian capital can be reconciled to a friendly attitude, Great Britain may yet hope to retain a large share in the increased buying power that wide-spread industrialization in India should develop. But in order to do so, she must allow the tariff rates to be set by Indian interests, probably in such a way as to penalize for many years to come the Indian consumer. So far the Bombay mills have shown no signs of developing an efficiency that would permit them to continue to expand without protective duties.

This surrender of fiscal power over tariffs, if it were made complete, would seem at first sight to be a generous concession of power. In fact it would mean resigning British claims to trusteeship over the control of Indian politics to the interests of the inarticulate and unorganized 280,000,000 of illiterate *ryots* or peasant cultivators and placing that control in the hands of Princes and an oligarchy of politicians,[1] who seem so far to speak primarily for the interests of Indian Capital. If the degree of budget control is surrendered to a responsible legislature that is contemplated by the agreements reached in the Round Table Conference in London in January, 1931, this abdication of internal rulership seems inevitable. In order to hold India as a Dominion, England seems reconciled to placating the native capitalist at the immediate expense of Manchester and the possible expense of the Indian peasant.

Protective duties on cotton offer only a typical and important illustration of what this change of masters means on wider fiscal issues. The Montagu-Chelmsford

[1] As Mr. Shiva Rao asked at the Conference: "Will the transfer of political power from a foreign government to a combination of representatives of the Princes (nominated, not elected), landlords, and capitalists make any appreciable difference to the masses of the Indian people?" *The London Times*, p. 9, January 17, 1931. See also *Proceedings* of the Indian Round Table Conference, *Cmd.* 3778, pp. 433–434; pp. 256–257 *ff.*

Reforms had laid down in the 1917 Announcement: " . . . the progressive realization of responsible government in British India as an integral part of the Empire." The Report of the Joint Select Committee of both houses of British Parliament which sat in 1919 went further and laid the grounds for what is now called the "Fiscal Convention of Non-interference from England." The London Conference of 1930–1931 merely sanctioned with its approval and elaborated somewhat further this convention:

> Whatever be the right fiscal policy for India for the needs of her consumers as well as for her manufacturers [said that Committee's Report in 1919], it is quite clear that she should have the same liberty to consider her interests as Great Britain, Australia, New Zealand, Canada, and South Africa. In the opinion of the Committee, therefore, *the Secretary of State should as far as possible avoid interference on this subject when the Government of India and its Legislature are in agreement* [author's italics] and they think that his intervention, when it does take place, should be limited to safeguarding the international obligations of the Empire or any fiscal arrangements within the Empire to which His Majesty's Government is a party.

This convention was sanctioned in practice and was acknowledged by Lord Peel in 1922 to operate in the Government of India as that was directed from London.

Of course, this did not mean responsible government or the bowing of the Viceroy to the will of a majority of an elected legislature on all matters of fiscal policy. The Viceroy had to support the legislature on his own responsibility before the convention would operate.

After the putting into effect of the Round Table agreements, however, the Viceroy will apparently have to accept the wishes of his legislature through a responsible cabinet on all tariff policy. But he would retain general control of finance where it affects the Army, international obligations, and the credit of the Government of India or in connection with its public borrowings. The charges for defense amount to about 55 crores of rupees annually,

or 32 per cent of the total expenditures of all government in British India, compiled from both central and provincial budgets, and over 60 per cent of the central budget. As long as the Army remains under the control of Great Britain, this sum will constitute a charge on the consolidated fund and will be removed from ministerial control. The Finance Minister will be responsible to the Legislature in matters of taxation and in general budgetary matters, subject only to the three exceptions already noted and to the Viceroy's "emergency power" of interference in case of a breakdown of government. No definite time limit for the retention of control over the Army and the credit of India has been agreed upon, though twenty-five years appears to have been spoken of by Labor members of the Conference in London.

This surrender means that the legal power, at least if the Reforms prove to be workable, will exist in India to penalize British interests by tariffs and by internal discrimination. Presumably, the irksome salt tax which raises only 6 crores of rupees (£4,500,000) or 3 per cent of the total revenue needs, may also be removed, though Indian elected representatives rarely seem to wish to abolish it in fact. There are several native industries waiting for more assistance. The extensive Tata Steel Works, with some of the richest ore deposits in the world and labor at a fifth of the cost to foreign competitors,[1] is at the beginning of its development probably and is completely controlled by the great Parsee interests. These works have had high protective duties costing the country 1.5 crores of rupees (about £1,120,000) and bounties of 20,000,000 rupees. The extension of secondary industries built on this expensive foundation must follow if India is to be launched on the path of economic nationalism. They may and probably for some time will be uneconomic, as even the Tata works seem to be, but they can be developed by tariff walls none

[1] Wages are not greater than 3 rupees for skilled and 12 annas for unskilled labor per day.

the less for that, if the walls are built high enough. Australia points the dubious moral. The cotton textile industry now in existence comprized at one time nearly 300 mills with about 7,000,000 spindles. The hosiery mills, too, have suffered severely from Japanese competition. Both have fallen lately on evil times on account of the depression of the primary products which make up India's income. But the Indian mills just now are being tided over by the boycott on British goods even more than by the tariff.

At the present time, even if one reckons every workshop employing over twenty men as a factory—including seasonal milling concerns—there are still less than 1,500,000 men, women, and children describable as factory operatives in British India. For purposes of representation in the International Labor Office this lifts India into the first eight industrial countries eligible for the governing body, but it leaves the proportion to other workers at less than one per cent. This leaves obvious room for expansion, but even with excessive government aid this expansion must be slow. It now adds only 40,000 a year to industry. Of the three industries that employ more than 200,000—cotton, jute, and coal mining—the latter two are controlled by "foreigners," *i.e.*, by British capital and management. Many of these mill workers work only during the slack times of the agricultural seasons.

The surrender to native capitalists is, however, far from complete under the Federation as planned. The details of the Federation have not yet been worked out sufficiently to know whether the "safeguards" (which Great Britain has told India flatly that she will retain in the hands of the Governor-General) include a power wide enough to prevent the reservation of all coastal traffic to an Indian-owned and state-subsidized merchant marine. The Congress Party is persistently pressing for this national monopoly and it forms Gandhi's eighth point of the "Eleven Points" in which he has stated the demands of Indian Nationalists upon the British Raj. The safeguards would presumably

prevent discriminatory legislation against any category of British property in India, such as the proposal of the Nationalists to force the Indianization of all boards of directors of firms operating in India.[1] Doubtless the reduction by one-half of the land revenue, which is the third of Gandhi's points, could be prevented by the Viceroy as interfering with the necessary budget of the Army and even with India's credit, as could several of his other points, possibly even the abolition of the salt tax. The protection of the silver rupee exchange value at 1*s*/6*d* and the effort to tie it up with a gold exchange standard by keeping India's store of government gold in London could presumably be linked with the power to protect India's credit

[1] Lord Peel made a significant comment on this point at the final session of the Round Table Conference: "In transferring power the British Government cannot be indifferent to the interests of those who have trusted to her for protection and security. I confess that I listened with surprise to the reservation made in some quarters on Friday last to the complete equality of treatment which I had understood it was agreed on all hands should be awarded to British traders and British trades. I must make it clear that our future attitude will depend upon such equality being accorded. I shall be obliged to withdraw what I am about to say now unless that condition is fulfilled."

The Committee of the Whole Conference at their last meeting on January 19, 1931, substituted a more binding agreement for the indefinite and doubtful phrase used in the Report as originally made. The original was: "It was urged that a commercial treaty should be concluded between Great Britain and India guaranteeing to the British mercantile community trading rights in India equal to those enjoyed by Indian-born subjects of His Majesty on the basis of reciprocal rights to be guaranteed Indians in the United Kingdom." This was not an agreement; it was merely stated to be "urged" "in behalf of the British commercial community." It was also to rest upon "a commercial treaty" drawn between two parts of His Britannic Majesty's realm—a doubtful and dangerous principle for future diplomatic unity, as the Irish Free State precedent had shown. It was therefore amended to take this form: "At the instance of the British commercial community the principle was generally agreed that there should be no discrimination between the rights of the British mercantile community, firms, and companies trading in India and the rights of the Indian-born subjects and that an appropriate convention based on reciprocity should be entered into for the purpose of regulating these rights." *Cmd.* 3772 (1931) pp. 48–49.

The effect of this agreement, if it can be enforced on India by a commercial convention, will be to protect not only British shipping rights, banking interests, and commerce but also the world jute monopoly now enjoyed by sixty factories along the Hoogli, almost entirely controlled by Scotsmen.

abroad, thus defeating Gandhi's second point, which demands an inflation of the rupee to 1*s*/4*d* exchange value. The deflated value now operating has probably hurt producers, but inflation would give only a temporary relief to industry and at the expense of the wage earners.[1]

Up to this time the lack of industrial enterprize in India seems to be due more to the investing habits and lack of skilled labor and of organizing ability among Indian capitalists than to British control. But the Nationalist Party appears to be firmly convinced that it has only to boycott foreign goods, wave the magic wand of tariff protection, bounties, state monopolies, and government loans to insure prosperity. After all, one has heard arguments like that rather nearer home. Industrial prosperity will in some mysterious fashion appear in answer to the appropriate magic, accompanied by incantations on the exchange value of the rupee.[2]

But were all the Governor-General's safeguards to disappear entirely, the very composition of the new federal parliament for a United States of India, as outlined in London, would be a great protection to British interests. In the first place, the cabinet does not have to resign unless its demise is commanded by a two-thirds vote of both houses of the Federal Legislature in joint session. This insures some independence and stability for the Governor-General's executive even in the face of great hostility in the legislature. The precise membership of each house is still indeterminate, but the preliminary opinion of the Round Table Conference was that the Senate should be a body of 100 or 150 members indirectly elected by the provincial

[1] The American Senate has seen fit to entertain a Resolution by Senators from the silver-mining states condemning the policy of "demonetizing" silver in India. India, on the decision of its British rulers on the spot, followed England off the gold standard. Mr. Gandhi in London protested because the Legislature in India had not been consulted.

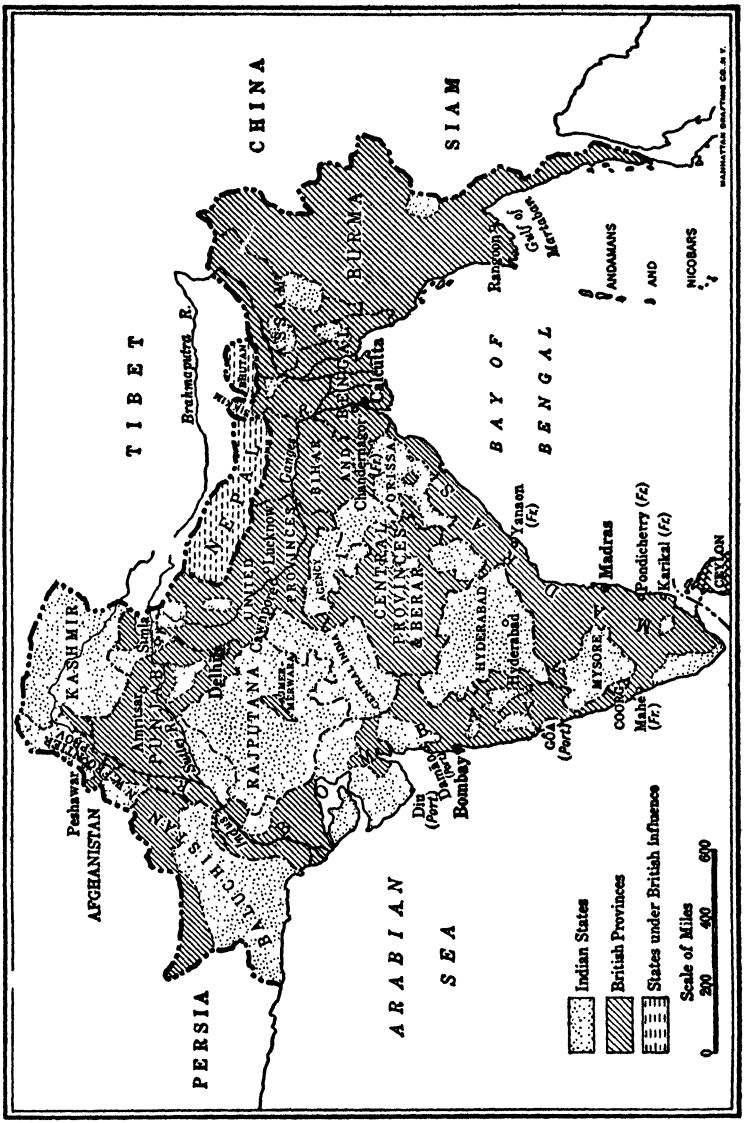
[2] In some Conservative circles in England it is suggested that the Indian Nationalists would be glad so far to inflate the rupee that the payment of the fixed charges on the Government's debt and other debts to British owners would become impossible. The control of the exchange value of the rupee, therefore, is one of the fundamental reserved powers.

legislatures, whose members meet at regular intervals and are not subject to general dissolution. The lower body should contain about 250 or more members elected by communal electorates, either directly or indirectly. They are capable of being dissolved as a body before their five-year tenure has run out.

The essential point is, though, that the Indian Native States will also have to be represented in the Federal Parliament and that they will come in only if they are given strong states' rights and a representation out of proportions to their population—one that will insure something very like a veto power. At present they accept the tariff of British India under pressure from the Viceroy. But need they do so when Protectionist Nationalism is in the saddle?[1]

In numbers the Indian States comprise about 72,000,000 of India's total of over 320,000,000. If the Princes make common cause in the more important states such as Mysore and Hyderabad, with populations roughly as great as that of New York State and Ohio, they could enter the federation, if at all, only on their own terms. Once in, they could combine with other elements, perhaps the Moslem communal delegates, who represent between 60,000,000 and 70,000,000, and together they could prevent almost any action by the dominant Hindoo majority. This is even more probable when one reflects that the Hindoos themselves find a non-Brahmin party developing strongly in Madras and other parts of India, and the "untouchables"

[1] According to Mr. MacDonald's statement of cabinet policy to the last session of the Round Table: "The precise form and structure of the new Federal Government must be determined after further discussion with the Princes and Representatives of British India. The range of subjects to be committed to it will also require further discussion *because the Federal Government will have authority only in such matters concerning the States as will be ceded by their rulers in agreement made by them on entering into federation.*" The "great compromises" of this federation have yet to be made. Recently the Maharaja of Patiala, a defeated candidate for the chancellorship of the Chamber of Princes, attempted to lead a movement in India to repudiate the federal solution, upon which he had previously agreed. Some of the smaller States were sympathetic to him but the larger stood fast.


TIBET
CHINA
SIAM
BURMA
PERSIA
AFGHANISTAN
ARABIAN SEA
BAY OF BENGAL
Brahmaputra R.
Peshawar
KASHMIR
Amritsar
Simla
Delhi
RAJPUTANA
Jodhpur
Jaipur
Ajmer-Merwara
UNITED PROVINCES
Cawnpore
Lucknow
Allahabad
Benares
AGENCY
BIHAR
Chandernagor (Fr.)
Calcutta
BENGAL
ASSAM
BHUTAN
CENTRAL PROVINCES & BERAR
ORISSA
HYDERABAD
Hyderabad
Yanaon (Fr.)
Madras
Pondicherry (Fr.)
Karikal (Fr.)
Mahé (Fr.)
MYSORE
COORG
GOA (Port.)
Dio (Port.)
Daman
Bombay
CEYLON
Rangoon
Gulf of Martaban
ANDAMANS
AND
NICOBARS
Indian States
British Provinces
States under British Influence
Scale of Miles
0 200 400 600

Map of India.

and the Sikhs not always of the same mind as the rest. Burma will be completely removed from British India to which it has been only lately and imperfectly joined. Its 13,000,000 presumably will be governed more as Ceylon is, or even less democratically.

It would be foolish to try to predict with any precision how this experiment at trying to evoke a national will from a very limited electorate, in which as yet no solution of the separate communal as opposed to the common roll has been found. In the most divided political community in the world, if Nationalism unites the legislature at all, it will be only to the extent that the new powers will certainly be used to embarrass the Viceroy. The effort, which goes much farther toward responsible government at the center and toward incorporating the Indian States than did the Simon Report, most certainly represents all that England can be expected to concede without withdrawing entirely. The creation of a strong central reserve bank, removed from political influence, was recommended by the London Conference. No doubt this proposal is financially sound; but it will not recommend itself to Indian Nationalism on terms of freedom from their control, any more than will the Viceroy's power over internal as well as external loans. The proposed bank has already been described in Indian Assembly as only a tool of the Bank of England. The erection, too, of a supreme court with powers of judicial review that may become as sweeping as those of our own Supreme Court of the United States may help to ease the burden that will certainly be cast upon the Governor-General in deciding as between federal and provincial powers. But in the end the Central Government is to have coercive powers over at least the provinces of present British India, and the Viceroy as Governor-General retains personal emergency powers to intervene and carry on the Government of India, backed by the Civil Service and the Army, in the event that the elaborately balanced parliamentary machinery breaks down.

The success of the whole experiment depends upon the possibility of working checks and balances in India into a federal system under the ultimate control of the Viceroy. At the outset it must depend on a change of heart in India. But even if that change occurs, the functional difficulties in operation will be gigantic. The power to make the unwieldy mass move in a common direction must come from an Indian national opinion, where not more than 30,000,000, at a maximum, of the population have any possible capacity for working complex representative institutions, and where the larger part of this intelligentsia will be interested in government or professional jobs or economic advantages derived from control of political power.

The country is unable economically to provide many more government posts. It might displace some of the 3,000 British officials in the higher offices; but Indianization thus far has added materially to the number of offices, clerks, and costs of overhead administration.[1] And a study of the present sources of taxation shows that the Nationalist policy could hardly increase the revenue, even if it shifted the onus of taxation from salt duty and land taxes to tariffs. The possibility of collecting direct income taxes on a heavier scale in India is negligible, all parties seem to agree, from any but the European community.[2] The railways —nearly all of which are already state owned—cannot return a larger profit without damaging the producer. If Gandhi's prohibition of alcoholic drink succeeded, it would cost the state heavily in revenue and in enforcement. The boldest Nationalist can hardly count on adding to the "bare bones" of the state's budget for police, justice, and protection as it stands more than a rupee or two per capita for social services. The Army might be cut down from its 55 crores of rupees, but at what cost otherwise in security?

[1] The superior services, where salaries are the object of attack by the Nationalists, contain 3,500 European and 1,700 Indians. The whole civil service contains only about 12,000 Europeans as contrasted with 1,500,000 Indians.

[2] The Congress Party talks, however, of adding taxes on high incomes from land, at present taxed only through land taxes.

Although 60,000 British and 155,000 Indian troops seems a full reservoir to draw upon, the last War showed it to be none too large.

One must never forget in India that the invasions from the north could become again a real danger, particularly as Bolshevism shifts east. The warlike races of India gain their living by the profession of arms. Incursions from the border tribes as well as internal security dictate a considerable army. Over 250,000 troops were needed for the Afghan troubles just after the World War. So far the different communities of race and religion have achieved unity only on getting rid of the English. The real test of the "unity" so much praised in the London Round Table Conference will come with working out the results of that conference in India. As long as a procession with music can start a communal riot or a slain cow dragged before a Hindoo temple or a dead dog thrown into a Moslem mosque can stir up trouble on a serious scale, British control has a justification. "Every sect saith," as Oliver Cromwell noted from his rich experience of warring sects: "'Oh give me liberty!' But give him it, and to his power, and he will not yield it to anyone else." The new settlement recognizes this by protecting minority and communal interests with the incidental result that this binds them to British rule.

Nor has social reform much prospect of further headway under Indian responsible government. The law against child marriage was finally forced through the legislative council in 1928–1929. It is said to be systematically violated by marriages arranged outside the jurisdiction of British India by the simple device of going over into the Indian States or by evasion through concealment. Factories will tend to escape control by the same means, for labor legislation is not to be a *federal* subject. Caste and religious custom will yield to Nationalism only if the latter in turn promotes very rapid industrialization in India. The Nationalists urge that education is the only way to instill birth control and to bring "purdah" to an end. It may be that they are right,

but the possibilities of sweeping educational reforms do not exist under any government.

Take such a question as indigenous banking and its relation to lending and to currency. The Indian practice of hoarding gold and silver has been an age-long drain on the world's resources of precious metals. No currency reform can touch this habit. The important thing would be to change the banking habits of the people, by curbing the strangle hold that the money lender has over three-fourths of India. Partly this is a question of immemorial custom—the peasant bankrupting himself to pay for the marriage festival of his daughter at usurious interest rates. But as the money lender is nearly always a Hindoo and politically powerful, he is able to prevent legislation by the majority community. The Hindoo *ryot*, as well as the Mohammedan, feels helpless. The answer, of course, is in the nature of coöperative peasant banking along the lines of the German Raffeisen Banks. Great strides have lately been made with British help in this direction. Coöperative banks now have Rs. 50 crores of resources; postal savings banks now have 2,000,000 depositors and £20,000,000 deposits.

The same sort of difficulty is encountered in improving the breed of cattle where the tenet of the greatest of the various religions forbids the slaughtering of animals under any conditions. The milk strains progressively deteriorate under the haphazard village methods of herding and breeding. And yet cattle form a main item of wealth for four-fifths of India's people.

The paramountcy of the Crown over the Indian States under the existing régime led to very useful pressure upon them by the residents, acting under the control of the Viceroy as representative of a British King. Now that these same States will face a viceroy acting for Indian ministers, they may well face him in a very different temper. Labor legislation they have already refused to make a federal power. That will prevent India from signing, certainly from enforcing, international labor conventions. Merged in a

federal India the Princes will look to the protection of their interests in the way they best understand in dealing with Indian politicians.

The precise details of the federal powers, the compromises to be arranged for communal representation in the weighting of the votes given to Moslems, to Sikhs, to the Untouchables, to the Anglo-Indians, to the European Community of about 200,000, and to the Indian Native States for these reasons will all be extremely important in their effect on *social* policy. The nature and extent of the safeguards for British control of the budget, the Army, the civil service, and foreign affairs all remain to be elaborated. Apparently now that civil disobedience has been called off, Great Britain is prepared to amnesty Congress prisoners in order that all elements may share in the work of the Second Round Table Conference in London, which will be a constitutional convention, as we should say, for all India.

But substantial steps have already been taken by the Labor Government, strongly backed by the Liberals and tolerated by the Conservatives, to create an Indian Sandhurst for the training of cadets in addition to those who come to England and to increase the Indianization through officers with royal commissions in the Army. Apparently the methods of recruitment and control of the Indian Civil Service have not been entirely settled, but an Indian parliament hungry for patronage and with increased powers will certainly proceed farther with Indianization as it gains strength. The effect upon the morale of the British civil servants must be what Egyptian experience has already shown. The power of the purse in the colonies has always shown this to be the inevitable development of legislative control over fiscal policy. It is ironical that a strong body of the moderate Indian opinion represented in the London Conference seemed to favor increasing the British element in the services of the Native States on the grounds that the Princes would not listen to Indian advisers so readily!

The feasibility of using the Princes as tools to pull British chestnuts from the fire in the federal body remains to be proved. It is already suspected by the Nationalists to be a British trick. But it is equally suspect to the British Tories as an inadequate safeguard. The proviso read into the approval of the Conference proceedings by Lord Peel and Sir Samuel Hoare in behalf of the Conservative Party deprived their support of the results of any final significance. Even Mr. Baldwin's repudiation of Mr. Churchill and the latter's withdrawal from the Tory "Shadow Cabinet" had little more significance than to show that the party leader thought that this was no time for hot words to India.

If this experiment initiated by the Labor Party on the advice of a Conservative Viceroy succeeds in mollifying Indian opinion through increasing the power of its active politicians and surrendering at least the tariff and taxing aspects of fiscal matters to them, it will have accomplished a great feat of statesmanship. But Lord Willingdon, able as he is, is a man of advanced years. If he fails to keep a firm hand, the struggle for India will develop into a guerrilla conflict between a Nationalism that will probably add to the boycott and the refusal to pay taxes both Soviet methods and Russian aid, where it is possible to get the latter. Jawarhalal Nehru now professes to prefer non-violence to communist methods. He may not always do so. The inevitable reaction in England, on the other side, toward strong government may be expected. Mr. Churchill himself may find his chance to come back to power. For England cannot, at this stage, without disaster both to herself and to India let go all holds. Lord Rothermere is brutally frank about basing his support of strong measures on this ground. British investments, public and private, in India run to enormous sums for which no trustworthy estimate exists but which cannot fall short of £750,000,000, if investment controlled by Britons who are in India be included.[1] The great railways

[1] The known figures run well around £500,000,000 under any responsible estimates. It is perhaps significant that a "Committee on the Investment of

and irrigation works and much of the public building of India have been the product of British investment and reinvestment in India, though an examination of the trade balance over the past centuries will show that India has supplied most of the wealth that allowed this flow of capital.

At this date the scaling down of India's debts to England would be a catastrophe of the first magnitude. It has been contemplated with enthusiasm by Gandhi's followers and defended on the ground that British power to borrow for India in England has saddled the country with a debt service item that, along with the Army and highly paid civil service, is leading it to bankruptcy. It is a common protest, too, by the Nationalists that England is still further saddling India with these debts raised at higher rates of interest than necessary. India has offered a well-paid career to the picked British civil servants who have been sent out to it for three generations after the reform of the East India Company's methods. And one of Gandhi's strongest points is the reduction of these salaries for the higher-grade services (now held by only about 3,000 Englishmen) by one-half or more in order to suit the reduced revenues that he foresees as necessary for India's economic salvation. Yet India's power to borrow, free of British control, might be greatly diminished if it did not vanish altogether.

If a concerted effort in this direction of cutting salaries were made by the new responsible government under its budgeting power it would certainly demand the intervention of the Viceroy to save the day. Like the Army itself the higher civil service in India is essential to the continued functioning of that enormous machine. The "home charges" for the recruiting of the British soldiers for the Indian Army have increased several hundred per cent since the War.

For this reason the most crucial issue in the future as between the Indian Nationalists and the Viceroy will probably be not the decrease of this Army, important as

External Capital in India," which reported to the government of India in 1926, found it either impossible or unwise to arrive even at a general estimate.

that is, but the scaling down of soldiers' pay and of all salaries and pensions. One may also expect from the extremists an attempted repudiation of India's public debt to England. Only by some such revolutionary measures can any substantial economic increase for social services be made. It goes without saying that such a step in India would mean, as it would in Australia, a break with the capitalist system and the destruction of future borrowing power.

The new government, as it is proposed, has many of the characteristics of the scheme by which Lord Durham wished to introduce responsible government on the installment plan in the colonies of Canada. It proposes a federation where he proposed union in 1839. But it is a federation with powers over the provinces of a sort hardly so extensive as those possessed by the Union of Canada of 1840 though greater in all probability than the later Canadian Confederation's powers in 1867 over Canadian provinces. The Viceroy at the center will really be supreme if the necessity exists for him to assert his powers. The reserved powers, aside from public lands, are aimed at the same safeguards for imperial interests, even though tariff control be conceded from the outset in India. There is at this stage no mention of the degree to which amendment of the constitution can be attempted in India. But the power of altering the fundamentals is clearly intended to rest as it does now, with the British Parliament. Remember that it still rests there legally for Canada, and with Canada's consent. The precedent may prove useful. The Indian States will hardly be less chary than Quebec of their direct relation to Great Britain as a protection of "states' rights."

If this scheme is intended, as it is professed to be, merely to serve as a transitional stage on the way to fully responsible Indian government and Dominion status, it may serve as Lord Durham's did to bridge a gap and to permit the transition. It has been described aptly as "reserved Dominion status." But it has many of the elements of an attempt at fixing in perpetuity the *status quo* which was

also Durham's original effort.[1] In this respect the constitution is in some danger of sharing the destiny that attended the same sort of effort at federating Ireland under the Government of Ireland Act of 1920. This ill-fated Act attempted to use Ulster, as the Round Table Conference appears to have attempted to use the Indian States, that is, as a brake on the Nationalist movement. But if India attempts to push matters farther than the agreement reached in London, as the Sinn Fein elements succeeded in doing by terrorism in Ireland for the abortive Act of 1920, they may meet a very different temper in England from that which surrendered to Sinn Fein.

In the first place the British probably rightly estimate that the force behind the Nationalist movement in India is less resolutely determined and less desperate than the force that spread terror through Ireland. The Indian character reacts very differently to strong masters than does the Irish. Passive non-violent resistance has moral force, but it can not break firm rule unless it maintains solidarity of front among the rival communities of India over many years—as Mr. Gandhi can hardly hope to. Then the Irish were in a sense a kindred and certainly a neighbor nation, whose ruthless suppression by force would have roused a great moral indignation in England that could not have been repressed by censorship. Its repercussions in America and in the Dominions were so dangerous for the Empire that even the late Lord Birkenhead and Winston Churchill finally came handsomely to terms with Sinn Fein. Furthermore India's only possible large ally in a violent struggle—Bolshevist Russia—might prove a more harsh master than England, and India knows it.

After the terms which have been offered to India and after the peace terms accepted by Gandhi, England may

[1] When Mr. Srinivasa Sastri in London before the Conference claimed that Dominion status implied the right of secession, he was promptly set right by Lord Chelmsford himself. "Responsible government" will not be suffered, if England can prevent it, to destroy the rest of the context: "*Within* the Empire." *The London Times*, July 23–24, 1930.

once more wonder at her own moderation—on better grounds, no doubt, than Clive did after fleecing the native rulers of his day. More than that she has established a good claim to sympathy from moderate opinion everywhere, if these terms are rejected and the Nationalist Congress Party should decide in the future for war to the knife. England has always aimed at setting the moral stage so virtuously as to put her prospective opponent in the wrong. She maneuvered the Germans into this position in the World War. Having done so, her chastisement can be carried out, with right British unction, in the name of duty.

Such a reversion to "strong" policy will come only if the present scheme is rejected by the Nationalist Indian politicians or rendered unworkable by an insistence on repudiation of debts. But if the reaction in England to strong repressive policy should come, it would ultimately render the bewildered peasant, on the margin of subsistence over most of India, a very fertile field for Bolshevist penetration. Up to the present the dual policy held to by Lord Irwin—conciliation, combined with firmness in sticking to law—seems to have prevented much sympathy for communism among the Nationalists. But the money lender would be a popular object of peasant hatred. Should repressive measures have to be tried in the future on a large scale, the influence of Russia over India might become as formidable as it was over the Chinese Nationalists prior to Borodin's discomfiture—indeed, as it well may come to be again. England's success in the East in solving the Indian riddle may therefore be crucial in the struggle with Communism in Asia. England in India is thus between the devil of a Bolshevist threat in Asia if India becomes an area of perpetual repression and the deep sea of abandoning India to a native oligarchy.

Population Pressure and the Commercial Revolution

The problem of India is on a large scale the problem that the Empire faces wherever it has a developed civilization

drawn into the network of capitalist economy. With the best will in the world, and in spite of high statesmanship, Great Britain must almost certainly become engaged in a struggle against several formidable future enemies in India, if she is to aid the newest Dominion to full status. In addition to her psychological handicaps on account of race and an imperialist history, Great Britain must take the blame of Indian agitators for facts over which she has no control.

The first is the Malthusian law of population pressure, increased in its weight by a religion of fertility that demands enough sons, in the face of a terrific infant mortality, to make sure of *one* at least who will carry on the name. When a Western imperial power brings peace and some security against famine and pestilence, it merely removes natural checks. No amount of increased land development can ultimately outstrip such fertility, even if the death rate remains as high as at present. India has a million and a half increase to absorb every year, with few outlets for emigration. It is a race that has tragic aspects, if the food supply is not pushed constantly ahead.

The second is the unhappy fact that having set one's hand to the plow, especially if the plow is mechanized, it is less than ever possible to turn back. In India, as in Egypt and China, the Industrial Revolution has been less sweeping in its effect than the Commercial Revolution, which has broken up the self-sufficiency of the small village and its cultivators. The craftsmen, the village menials, all are swept along with the cultivator into a world economy. By building railways and great irrigation schemes the life of India has been forced out of a simple economy of self-sufficiency into dependence on the world markets. Famines can be prevented from decimating huge areas of India only by efficient government. The peasant is now more and more dependent, as he is in Egypt and other parts of the Empire, on the price of cotton or staple crops like jute and tea, rice and rubber. He is integrated into the texture

of a complicated economic system over which he has no degree of control and to which he feels no conscious relation.

The Royal Commission on Agriculture in India, 1928, had to face a general agreement among experts that the land in India has been impoverished by forcing more and more craftsmen on to it and thus decreasing the average holding to less than the margin necessary to support a family. Hopefully, however, it remarked that

> In the Punjab—where the area under irrigation from government works has steadily increased from 2,300,000 acres in 1887–1888 to an average of 10,400,000 acres for 1921–1922 to 1925–1926—the possibilities of further expansion are far from exhausted. The Sutlej Valley project will when completed in 1933–1934 provide perennial irrigation for 2,000,000 acres. But other great schemes are under consideration. The Thal project even in its revised form would command an area of nearly 1,500,000 acres . . . The construction of the Sukkur Barrage across the Indus just below Sukkur will irrigate over 5,000,000 acres . . . In the United Provinces, the Sarda Canal will, it is estimated, irrigate annually an acre of about 1,700,000 acres.

A total of over 48,000,000 acres is artificially irrigated, over 21,000,000 by government works.[1]

And of course the same sort of development is going on in the Sudan and in Iraq and on a minor scale in Palestine.

This is very impressive. It could be supplemented by speaking of the over 40,000 miles of railways built by the state system at a cost of more than £600,000,000, of the network of communications, and of the growth of modern roads to take the place of ox-cart tracks. It could be made still more imposing by adding the effort to introduce modern sanitary health measures in India—a task comparable to cleansing the Augean stables: The *Sanitas! Sanitas! Omnia sanitatum!* of Disraeli's joke is in prospect of becoming dead earnest fact for modern colonial administration. Or one

[1] Most of the statistical data in this chapter were taken from volume I of the Simon Report ("The Indian Statutory Commission")—the best single source of accurate information of this type.

might speak of the change of life implied for those few who receive higher education among India's illiterate masses. England has in India foregone public primary education on any comprehensive scale because the productive level of the country could not support at once the Army of about 215,000 troops—of whom 60,000 are British—and at the same time educate masses of peasants. Even where the Raj has afforded education of a professional nature or trained civil servants, it has done so in such a way as to Westernize their minds and produce a semi-occidental culture. All these things lead fatally to forcing India into a world system where she must have security and efficient government or perish. And England's past policy has been one of preparing Indians only for minor responsibilities.

There is something very noble about Gandhi's superhuman efforts to lift his countrymen beyond this level of dependence upon a benevolent and paternal foreign autocracy, beyond caste, beyond servility, beyond the toddy shop and the opium habit—in Rousseau's striking words, "to force men to be free." But though he work a spiritual regeneration in his people, how can he cast off the chains of industrialism that have been riveted upon them? The conflict becomes one of ideas and therefore truly epic in its quality.

The British, who have brought to the old East these blessings of modern irrigation, communication, sanitation, can fail in their task only if they do not create an India able to use these things. And that implies a type of government and of finance for which as yet neither Indian political experience nor Indian character are prepared. If Britain withdraws prematurely, or if she allows herself to be displaced as regulator and umpire in this vast, complex *Raj*, she will have failed in trusteeship. The struggle in India must be *against* wastage of resources both human and natural and *for* gradual raising of productive capacity. On the other hand, under the pressure of opinion in India and

its increasing control of taxing and budgetary machinery, profitable British exploitation of India will be very difficult in the future. She is rapidly losing her hold on the Indian market, the figures dropping from 64 per cent of Indian imports in 1913 to 46 per cent in 1928 and still farther in the depression of 1929–1930.[1] All her chief foreign competitors continue to increase their proportional share of the Indian market.

Her indirect hold, too, will be shaken if the exchange banks are controlled in the future by an Indian banking policy and if supplies are bought without regard to British interests but in response only to Indian needs. The United States ranks second—a bad second, it is true—in the Indian market; and Japan is close on American heels. India, therefore, is rapidly passing outside the range of British mercantilist policy. Like the Dominions she is pressing for the removal of restraints on her power to organize her national economy without regard to British economic hegemony over what was once the mighty treasure trove of the Indian Empire.

In the future, unless England is prepared to reconquer India with ruthless thoroughness and at the risk of Bolshevizing it, her policy must be the same that she has followed in the Dominions—one of patient concessions to local interests with the retention of as much control of economic life as is possible by indirect measures. The sentimental bonds of the Dominions must, however, be replaced by ties of interest and the *Pax Britannica.*

Ceylon

It is not in India that the principle of democratic government for tropical dependencies is being most genuinely tested. Ceylon offers by way of contrast to the electorate of 4 per cent which now determines representation in India an effort to put into effect something approaching adult

[1] During the fiscal year of 1930–1931, under the operation of the boycott British exports into India formed less than one-third of the latter's total imports.

suffrage. The Commission on Ceylon also attempted to get rid of the communal electorates which have so far defied all efforts to merge them in India.

> We have come unhesitatingly to the conclusion that communal representation is, as it were, a canker in the body-politic [says the Ormsby Gore Report on Ceylon], eating deeper and deeper into the vital energies of the people, breeding self-interest, suspicion, and animosity, poisoning the new growth of political consciousness, and effectively preventing the development of a national or corporate spirit.

This effort to create an electorate based on national democracy rather than on communal oligarchy is perhaps the most radical experiment yet undertaken in colonial government in the tropics. It is true that the Governor is to retain twelve official nominations to make sure of representation for the Europeans, burghers, depressed classes, and as far as possible for the Moorish and Malay minorities. The Tamils and Kandyans, though handicapped by their territorial distribution, will be numerous enough to secure some representation, though the Sinhalese majority, like the Hindoos in India, will be overwhelming if communal lines persist. The Governor is also to retain the inevitabel "reserve" and "emergency" powers, though it is clear that they are intended to be used not so much to protect minorities as to prevent financial breakdown.

The proposed federal constitution for a United States of India retains the form, at least, of parliamentary responsibility for its executive cabinet. But in Ceylon the executive is to be based on committees of the single-chambered legislature in a sort of imitation of the London County Council, and with no coördinating cabinet. The chairmen of these seven committees will administer most of the departments and, sitting as a board, will control the three officers of state who administer justice, finance, and the civil service.

This experiment will be watched with great interest because of its bearing on India. The former government of

Ceylon, like the provincial governments in British India, had become almost unworkable because the Governor found himself confronted with a critical and irresponsible majority of elected members. Under those circumstances his powers of certification aroused perpetual friction and had to be used, just as in the case of the provincial system of dyarchy in India, to relieve ministers of responsibility for unpopular acts. Such a power is, in any case, as Sir Anton Bertram has noted in his useful book on *The Colonial Service*, "no substitute for an official majority."

Under these circumstances the new government, while retaining the Governor's emergency powers, will devolve more complete responsibility for ordinary administration upon the native legislature.

Neither in India nor in Ceylon is the precise course of evolution in the self-governing British Dominions being followed. Profiting by experience in the West Indies, and in the working of previous experiments in the East Indian tropics, the British Government is avoiding the development of parliamentary responsibility along lines that will foster majority rule. Against responsible government imperial control has never held its ground. The British rulers are therefore encouraging checks and balances, some separation of powers, and in India they are adding the complexities of federalism to the protection of both "state rights" and communal minorities. As concessions to Nationalism and to the interests of native ruling classes they are surrendering fiscal control over everything but the last essentials required to balance budgets and protect the borrowing power of these areas. Tariffs and ordinary budgetary policy, with all that this control implies in the way of allowing local interests to manipulate the favors of government, are being surrendered to governments controlled by Nationalist sentiment.

Will the retention of the remnants of imperial control prove to be more possible under the system of checks and balances in these tropical dependencies than it was under

the parliamentary responsibility of British colonies? The answer depends ultimately on the capacity of the Indians and the Ceylonese to assume the responsibility which has already been accorded to them. It is possible, even, that the history of Jamaica may be repeated in Ceylon and that the pendulum may swing back to a greater degree of imperial control. But in India that retrogression from Nationalism can come only if the reforms initiated by the Montagu-Chelmsford Report during the World War and the Government of India Act that followed in 1919 should prove to deliver over India to a state of government intolerable even to Indians in its inefficiency.

The pessimistically inclined, who view this attempt at launching the East upon Western experiments of self-government as only another sign of the weakening of the whole British Empire, love to recall that when the Britons in the fifth century A.D. addressed their recital of the "Woes of the Britons" to Rome, asking for a return of the Legions and the *Pax Romana*, the time had passed when this was possible. Rome was too burdened with its own woes to give heed to the plaints of its barbarian frontiers in Britain. And in this plight of the ancient Britons the darkly oracular see an omen and a precedent for modern India.

But the pattern of empires is no more fixed than that of other human institutions. The New British Empire has not abandoned its dependencies in their helplessness and inexperience. It retains enough of tutelage to train them for responsibility. As to whether, if responsibility fails, a resumption of stricter rule will be possible, only one truly gifted with prophecy could dare a positive assertion of any weight. Prophecies are not wanting, but of their truth grave doubts persist in minds habituated to a detached scrutiny of the puzzles of history.

Exploitation or Trusteeship in the Tropics?

What holds good for India as to motives is less true of the tropics because trusteeship is less enforced by a powerful

revolutionary opinion there and more dependent upon moral restraints. Something of the spirit of Kipling's classic remains true of the British rule over the "backward peoples." It becomes more than mere cant in the tropics:

Take up the White Man's burden
With patience to abide,
To veil the threat of terror
And check the show of pride
By open speech and simple
An hundred times made plain
To seek another's profit
To work another's gain.

That at least is true of the civil servant and of the army. The motives of the British Government, however, are necessarily mixed. No one can doubt a feeling of responsibility for native welfare in England. But there is also a strong and natural desire to further and to protect British economic interests, to which the most benevolent Colonial Office cannot remain indifferent.

Colonial Dependencies and Neo-mercantilism

All the dependencies of the Old Empire, though, are not helpless wards. It is really no more possible to reimpose mercantilist practices on the Crown colonies that have tariffs of their own than it is for India. Crown colonies like the Rhodesias, or the West Indies, or even Malta and the Straits Settlements, Ceylon, Hongkong, and the Protected States of the Malay Peninsula, have fiscal systems of their own, with tariffs for revenue, or free trade for their advantage as trading posts, as their own interests dictate. Most of them which have tariffs grant some degree of preferential treatment to imports from Great Britain, and a few of them like the British West Indies, get a useful tariff preference in return on sugar. England for her part is not willing to increase this preference sufficiently to raise the cost of sugar to the point that Lord Olivier's Commission

of Inquiry claimed to be necessary to save these sugar colonies from bankruptcy. Sometimes it is the colonies that try to exploit the metropolis!

Some of the other colonies, such as those in East Africa and the West African colonies which are tied by the old Berlin Act for the Congo, have been prevented by international treaties from according preference to England. This is also true of all the Class A and Class B Mandates. But in the crown colonies and protectorates and even in the Mandates there are other ways of achieving sheltered markets for British goods. One of them, and probably the most effective, is to retain all purchases on public account in the hands of the Crown Agents in London, operating as a detached branch of the Colonial Office. Mr. Amery, as Colonial Secretary, made the statement in the House of Commons that over 98 per cent of all public purchases for the colonies made in other than contiguous territory were thus restricted to British goods—a formidable total. British specifications, used nearly all over the Empire, put a difficult handicap on competitors who use different units of measure or engineering specifications.

The Dominions have won free from the enforcement by the Crown Agents of this monopoly through establishing agents-general to do their own buying. The old colonial agents have now become High Commissioners, housed in magnificent buildings along the Strand and around Trafalgar Square. Canada and the Irish Free State and the Union of South Africa make purchases in the cheapest market; most of their buying on state account is now done directly from the home capital city instead of through London. Germany, Belgium, even the United States, have begun to get contracts for railway supplies—on competitive tenders—if the price discrepancy is very obvious for the same specifications. The Shannon electricity scheme in Ireland was awarded by the Free State to the German engineering firm of Siemens & Co., and the beet-sugar factories to a Belgian syndicate. The other Dominions and India exercize the

same right, theoretically. Actually India practices it, since the separation of her High Commissioners' Office from the India Office in 1920, to a greater extent than Australia or New Zealand. The latter usually "buy British," with loyal imperial patriotism, for all their public purchases abroad, even when the prices are substantially higher than those of foreign competitive tenders. Tenders from non-British firms are sometimes not invited. On the other hand, Indian loans for railroad supplies have been pushed, according to the Nationalists, to the point of damaging India's credit and restricting the money market for Indian industry, with the primary aim of keeping British steel and railway-supply companies going in the hard years since the World War.

In part this economic loyalty, in the Dominions at least, is sentimental; but in larger part it is explained by the greater necessity of the Australasian Dominions and India to borrow in the London market under the special advantages of the Colonial Stocks Act. Canada and the Irish Free State can and do borrow in New York. But the Union of South Africa, although she borrows almost entirely in London, reserves the right to spend in any market. The Indian Government at New Delhi, like the South African, is buying more and more directly from the home capital. In 1927 the High Commissioner in the India Office in London bought only 77 per cent of the total of £6,372,000 from Great Britain. Of the remainder Belgium got 8.3 per cent, Germany 5.7 per cent, America 4.4 per cent—with a total of 23 per cent from all foreign sources.[1]

The crown colonies who borrow in London under the 1900 Stocks Act are in a very different position as regards control. They are practically limited, as far as public purchases go, to expenditure in England. They are now encouraged to borrow under even more favorable terms than the

[1] Actually the German bids are said often to be very much lower than British bids accepted; but the former are rejected on the convenient grounds of "higher inspection costs" and failure to meet specifications drawn up to fit British plants.

Dominions by the Colonial Development Act of July, 1929, under which their loans are guaranteed by British Treasury and interest is fixed at the lowest rates. These loans are administered by a Colonial Development Committee advisory to the Colonial Office. The sums borrowed must in practice be spent as much as possible for British goods or British services which have the effect of promoting employment in England. This use of guaranteed loans to fertilize British industry is being extended even to the mandated territories like Palestine—sometimes saddling these territories with loans out of proportion to their probable capacity to repay.

The monopolistic character of these concessions and loans in mandatory territories has been subjected to some criticism on the grounds that the restricted expenditure which is required indirectly violates the Open Door clauses of the A and B Mandates. But it is idle for the Permanent Mandates Commission to criticise Great Britain for not spending more money in developing Palestine and making further Jewish immigration possible, unless the League body is prepared to see the funds spent in a way that will bring some profitable return to the home industry of the mandatory power. Otherwise Mandates, already hedged about with galling restrictions, will be too irksome and too unprofitable to attract "trustees for civilization."

Into Palestine it will be possible to go somewhat more thoroughly in the next lecture, as its importance strategically and its geographic connections link it naturally with Egypt, Iraq, and the Suez Canal.

It is the tropical dependencies of Africa to which we must turn to consider a quite different problem from that raised by civilizations as advanced as those of India and Egypt. The robust days of colonial freebooting are gone, probably for as long as European civilization holds together. Yet many modern difficulties are legacies from the origins of the colonies—the days of rabid land grabbing in Africa through concessions from native chiefs arranged by mission-

aries, by government agents, by traders, and by chartered companies. The facts are as they are. Every foot of Africa is now claimed by a European power, except Abyssinia. And there the Ras Tafari enjoys a dubious security with Italy and England eyeing his kingdom. The African colonies are blessed on the West Coast, as far as native policy is concerned, by the impossibility of permanent white settlement there. It is generally agreed that this fact, aided by a wise colonial policy of assuring to the natives their own lands, has led to the most satisfactory protection of the native. Nigeria, the Gold Coast, Gambia, and Sierra Leone were all—until the recent slump—prospering under native cultivators for cocoa, palm oil, etc., with Lever Soap and other interests acting, it is true, as benevolent overlords for their economic life, but with no serious complaint of forced labor or depopulation.

Indirect Rule in the Tropics

The new school of imperialism, which recognizes the inefficacious character of force in its simpler forms, is inclined to feel that modern empires have done their most successful work by indirect rule. From the point of view of economic exploitation it is certainly true that the profits of the indirectly controlled territories of the British Empire, under protectorates or protected states, have compared very favorably with those derived from the dependent colonies under direct rule. This is notably true of the Indian States under the British Crown. It must be admitted, also, that in the tropical areas outside India, which are indirectly controlled, the expense of government is less onerous to both the imperial government and to the native and that on the whole "trusteeship" in the native interest has been effectively exercised. Tribal institutions in West Africa and the rule of the Malay sultans in the Malay States of the East Indies have been maintained without the usual disruption of cultural habits so necessary to native happiness. A degree of real initiative has been



The British Empire in Africa.

implanted in West Africa, and in the Malay States of the East Indies the native population has been left to its own devices, though its prosperity has been increased by the tin mines and rubber plantations controlled by British capital. The future of racial difficulty has been, perhaps, drawn nearer by the introduction of Chinese on a large scale into the tin mines and as the trading classes of the Malay States. But this overflow was perhaps inevitable with the development of the territory and has so far been equitably controlled in the interests of both races by the British.

West Africa has seen the development of trusteeship and exploitation in its most typical British form. Gambia and Sierra Leone, Ashanti, and the mandated British Togoland are islands in the midst of French territory, isolated with only partial success from the effects of the French policy of Europeanization. Cocoa and ground nuts and some palm oil and ginger form the main products. The number of petty tribal chiefs and the weakness of tribal organization make direct rule necessary in these areas, and the same thing is true of the northern portions of the Gold Coast. The Lever interests extend their hold down this coast wherever the ingredients of soap are found. But their system permits the continuation of native cultivation.

In the southern portions of the Gold Coast, the stool (or throne) system of the old military confederation of the Ashantis[1] made possible the retention of tribal institutions and indirect control. The Colonial Office intervenes as sparingly as possible, chiefly for transportation, communication, and education. The communal land systems of the tribes have been preserved and extended by reserves of government forest areas.

Nigeria and the Cameroons, stamped with Lord Lugard's ideals, constitute a population of about 20,000,000. This area has preserved a native system of agriculture, as

[1] This is supplemented by the organization of the Fantis and Twis. See *Cmd.* 2744 (1926) and R. L. Buell, *The Native Problem in Africa.*

opposed to the plantation system of East Africa, and it offers in northern Nigeria the most thoroughgoing application of exercising control indirectly through the "paramount chiefs." If there is any prospect of an "African civilization," distinctively resting on native culture, it is in West Africa that it should find its cradle. The retention of native courts and native treasuries, as well as native rulers, makes possible a real degree of political responsibility as well as the retention of cultural habits.

The Problem of East Africa: White Settlement

The high plateau regions of the East Coast, however, and in the highlands that rise like island groups in extensive ranges from Kenya Colony through Nyassaland and down through northern and southern Rhodesia, have produced the problem already familiar in the Union of South Africa. Uganda is more like the West Coast in climate and institutions. But on these high plateau regions, some of them 6,000 feet or more above sea level, the conditions of the tropics are sufficiently mitigated by altitude to permit extensive white settlement. And where white settlement has begun alongside of black, the black man is in danger of being gradually deprived of his land and of his tribal organization and forced more or less thoroughly into a sort of serfdom to the white planters or into labor in the mines. Germany had followed this plan with thoroughness before the World War.

It is this region, known generally to Americans as an area which big-game hunters regard as just this side of their ultimate Happy Hunting Grounds, which has tempted General Smuts to revive Cecil Rhodes' grandiose dream of a White African Dominion for Great Britain. As if to make up for the threatened defections among the other Dominions and India, he points England's way to making good the weakening of imperial loyalties, by another patient experiment in the plateau regions of eastern Africa. Would the result, in the light of the present temper of

Kenya Colony, be different for this new and composite African Dominion—once it reached some strength? The unhappy fact is that the colonists have so far shown only resentment of Colonial Office interference in native policy and would unhesitatingly throw it off if they could.

Another fact equally unhappy for General Smuts' thesis is that it remains to be proved that white racial stock does not degenerate even in the uplands of the tropics. Without making any more precise geographical reference, one may say on the evidence that white races appear to become especially susceptible to hysteria in some parts of Africa. Nor are the high plateau areas available for settlement anything like so numerous or extensive as the General's fancy would lead one to believe. They rise like scattered islands in a country otherwise uninhabitable (for whites).

In the already celebrated Rhodes lectures which he gave in Oxford in 1929 General Smuts thought that the native stood only to benefit by contact with white civilization, provided adequate tribal land reserves were assured to him. The native laborer in the mines General Smuts pictured as working for an interval and then returning to his wife and family in the tribal areas for holidays. This represents, he thinks, a distinct elevation of status over the hunting and warring savage who was subject to slave raids and pestilences. The General did not take the trouble to defend very much the effect on tribal institutions or on the health conditions in the mines. Although the latter have been greatly improved, disease still claims a terrific toll among the indentured black "boys" who are imported from the tropics to the cold and dusty winter of the Rand. Nor did he approve that part of Cecil Rhodes' celebrated Glen Grey Act by which a tax was imposed on all native heads of families "who did not go out to work beyond their district for three months in the year." He felt this to be useless, even more than unethical, since the inducement to work was adequate now from "the rising scale of his [the native's] needs in food and clothing"

without such "unpopular" pressure. But the universal testimony of students of the native problem is that any such general willingness to work with any regularity on the part of the native comes only when he is without adequate land to support himself in his tribal ways. And on General Smuts' own witness his shortage of land has greatly helped "voluntary" recruitment in South Africa.

It is this stripping the native of lands and game that is desired by the Kenya settlers. It is an old story. In America it was the passing of the land and the buffalo that ultimately tamed the Indians of the Great Plains. In South Africa the Mozambique Agreement permits the combing of Portuguese territory for labor. But even with this aid there is a great dearth, increasing as Rhodesian copper begins to compete with the mines of the Rand for labor.

The other features of the Glen Grey Act—individual as opposed to communal land holding and the retention of tribal authority—according to the General have worked great good. The former has saved the native from an uneconomic agricultural system that exhausted the land. The latter has given their chiefs and headmen some authority in local matters and has fostered an indigenous culture by giving the natives something to do as a group. Even though it is less inspiriting than the old game of war, the tribal supervision of local affairs such as sheep dipping, agricultural improvement, and the minor matters of dispensing justice give some zest to life—or, as the General puts it, "provide the natives with plenty of bones to chew at and plenty of matter to wrangle over."

Now the implications of this policy in the long run are those of "keeping the native in his place." In South Africa, with overcrowding in the reserves, this is physically impossible. The implied segregation—"separate parallel institutions"—goes so far as the prevention of the introduction of black women and children to live in the areas where the native men work. The end in view is even more social than it is economic. It is concerned to protect the white race

from miscegenation and the pressure of the black's living standards. Wages for unskilled labor are too low for "white men" to live on. The phenomenon to fear is the increasing number of "poor whites"—over 100,000 of them already reduced to a state approaching pauperism—many of them *bijwoners* whose holdings are gone and who are unable to farm. Their fate in a black land troubles General Smuts; and leads him to advocate native segregation as the only possible protection of the whites. Lord Lugard supports the policy of segregation where possible (and it was also Lord Milner's) on grounds of prevention of the spread of native plagues. General Smuts himself accepts the fact that the attempt to introduce "the color bar" into industry by South African statutes has been unhappy and that industrial segregation would be "both impracticable and an offense against the modern conscience." He rejects, on the other side, Cecil Rhodes' British policy of "equal rights for all civilized men," especially when it is applied to parliamentary institutions. With good Dutch obstinacy he holds to the principles enshrined in the constitutions of both the old Boer republics: "No equality for black and white, in church or state."

No Southerner in the United States but will sympathize with this predicament of a Liberal. The point, though, becomes crucial in determining how the natives are to be represented under the new dispensation of parallel development. Who will protect their interests? What education should be given to them? Shall they have political rights? It is a question that South Africans or a majority of them would like to answer as Southerners have done in the United States—by practically taking away even the Cape Colony franchise from the 16,000 natives who satisfy the property and educational tests and now enjoy the vote through a constitutional guarantee.[1] But where natives

[1] The substitution of the "communal franchise" would take the native out of politics. This is supplemented by the Wage Act of 1925 fixing minimum wages for a "civilized standard of life"—really for the whites—and by the Color Bar Act of 1926 which permits the exclusion of natives from certain occupations by ministerial discretion. The last is not enforced.

have been drawn into the "civilized" status of industrial areas in the towns there is no more hope of tribal segregation. The solution is too simple to be possible. Unless the standard of life of the black is raised, there can be no economic future for South Africa except its mines, and this implies the hard saying that the whites must educate their "masters" or stagnate economically.

The moral of General Smuts' policy would hardly be taken to heart, in any case, by the rest of Africa, even if it were the best policy for South Africa. Native areas are apt to be reserved only when the best tribal lands have disappeared. The Union is already casting covetous eyes on the crowded native territories administered by the British High Commissioner to the Union and raising the question of their cession to the Union. General Hertzog, too, has stood champion in London for the native policy of the 10,000 white settlers in Kenya and the 35,000 Rhodesians as against the Colonial Office's policy of protecting the millions of natives. In the South African Mandate of former German Southwest Africa, the suppression of the Bondelzwart rebellion and the treatment of the natives were vigorously criticized by the Permanent Mandate Commission in Geneva—only to be met by stubborn assertions that the Union had at least "administrative sovereignty" and proposed to be its own interpreter of the terms of its "sacred trust" under the Mandate.

The Colonial Office and private British enterprise are straining every nerve to consolidate the former German Southeast Africa into a loosely federated unit with a Commissioner or Governor-General responsible for all policy in native matters. They wish to incorporate the untapped riches of Nyassaland with Kenya, Tanganyika Territory, and Uganda. The latter areas as a whole are probably not suitable for white settlement. Economically this federal colonial union would have both advantages and disadvantages. The great Zambesi bridge has just been well started after lavish expenditure under the Colonial

Development Acts guaranteed loans—probably to a total amount of £10,000,000 to construct the railway lines. Though Tanganyika is a Class B, not a Class C Mandate, the League will probably not support the German protest against this minimum degree of consolidation with the British colonies around it.

What will be the effect of the native policy of opening up this territory, added to the prospects of a future Rhodesian copper-mining boom? (One-fourth of the world's copper is already being produced in this African treasure house.) Undoubtedly a shortage of labor and a resulting pressure on the natives to work. Farming does this more slowly, though it makes even more impossible the segregation which General Smuts desires.

Kenya Colony and all of East Africa with its total of 20,000 white settlers as against about 12,000,000 natives have already had some experience of the same problem. Indian settlement now complicates that colony's policy also. But the opposition in Kenya to being brought under the principles of the Hilton Young Report of 1928, advocating East African federation, arose from the feeling that this policy (in which the hand of the bishops and of the nonconformists churches and Rev. Oldham were evident) would mean in practice an "Africa for the Africans" policy fatal to future development and white settlement.

There are in Kenya itself only a few thousand Europeans, not all of British origin, with a growing colony of East Indian traders amounting to roughly 40,000. India finds the East Coast of Africa a natural and accessible outlet for the constant overflow of its population. There then develops the same clash of interests as has appeared in Natal, between a dominant white community, whose position is undermined in ruling natives and perhaps in exploiting them, and a second race of a lower standard of living but one that is still superior to the aboriginal. A common electoral roll is desired by the Indians as a sign of their equality. But it is bitterly opposed by the settlers

and postponed by the Colonial Office. The Kenya legislature has accorded a representation to the Indian community of five elected members, among its non-official members, with one for the Arab and eleven for the European communities. The official members are twenty in number, controlled by the Governor. The Colonial Office has in a recent statement of policy insisted that, as long as the total electorate numbers less than one per cent of the population, the Secretary of State for Colonies must retain the official majority and if need be legislate against the wishes of both white and Indian settlers.[1] Until lately no definite lands had been reserved for the natives, but now crown lands in Kenya are set aside in trust for them. There is still about 4,500 square miles of land which is possible for white settlement, but much of it is coveted by the Indians.

Both of these foreign groups of settlers are able to make themselves felt on the spot by pressure from England or from India. The African native must depend on missionary influence at home and on the Colonial Office, supported by liberal opinion in England.

It is impossible in these limits to discuss adequately the merits and demerits of Colonial Office control or whether or not the "obscure clerk" called "Mr. Mother Country" is a better agency of government than the "prancing proconsul." But one may risk a summary judgment on the evidence: The system of British colonial government strikes a balance very happily between the extremes; and the present practice of sending Colonial Office officials for a tour in the colonies and of bringing officials of the colonial service back to London seems to be especially useful. Colonial Conferences every few years also assist in bringing the opinion of administrators to bear on the bureaucracy of Whitehall and Downing Street. The organization of voluntary associations (like the West Indian Association) may for Africa ultimately grow to the

[1] *Cmd.* 3574 (1930). The whole matter is now being carefully thrashed out before a Joint Parliamentary Committee on East Africa.

African Council that Lord Lugard has proposed and that General Smuts wishes to extend to include South Africa. Voluntary groups to protect commercial interests such as the East African Joint Council, the West African Council, and Settlers Leagues already exist; but no advisory bodies can take the burden of responsible control off the shoulders of His Majesty's ministers in England. Much, therefore, must depend on the Secretary of State for Colonies. He may be like Joseph Chamberlain, who was called "our master" by the Colonial Office and nowise in mockery. Or he may be like some later incumbrants who have sometimes seemed helpless in the hands of their subordinates.

In spite of the declaration of Winston Churchill's White Paper on Native Policy of 1922, reiterated in the Ormsby-Gore Report of 1925, that the interests of the native in Africa are paramount, the official majority that protects them in Kenya has been maintained with great difficulty. Since Sir Samuel Wilson's report on opposition in East Africa to the Hilton Young Recommendations, the life of the official majority has been dangerously in the balance.

Nor is this to be wondered at. The settlers who have planted homes in Africa are bound to view the native with different eyes from the colonial administrator, certainly with no such benevolence as is shown by the Colonial Office. If the native stands in the way of the expansion that would strengthen the colony and increase its prosperity, if his lands are coveted, it is difficult to make white men feel that their superior civilization should not be given the free play to expand even at the cost of the native. They ask with some asperity whether Africa is to be held forever in trust for savages who waste its resources or who do not use them, when it might strengthen the Empire and white civilization if it were opened up as America was. There is no question that protection of the native temporarily restricts labor supply and decreases the rapidity of settlement. But as the native is often the sole source of labor supply, his protection is simply conserving a resource.

The ethical question involved is a very pretty one. Do human beings of every stage of culture represent equal moral values—all equally ends in themselves, as Kant would have put it? Or should they not be weighed in terms of their cultural significance. Pioneers may not be humanitarian or morally beautiful personalities. But are they not the forerunners of a superior civilization? Or, on the other hand, to those who cherish unspoiled nature more than the ignoble *vulgus humanum* may not any policy of restricting white settlers that prevents the gutting and sacking of areas of this distracted globe be defensible, *ipso facto?*

The British Government, has, on the whole, been more concerned with native policy than the French. On the other hand the Belgian reforms in the Congo go so far as to permit the recruiting of only 10 per cent of a given area for labor for fear that tribal institutions should decay. The *mise en valeur des colonies* of the French has been a primary object, with man power for war purposes stressed. The Dutch have been even more economically minded in Java and the East Indies, though their so-called "ethical policy" has wished to preserve native institutions. But they have both, perhaps, been less unfortunate in the effects of their assimilative cultural policies on native psychology than has British paternalism. The French have given the native an army morale; the Dutch have turned him to gainful occupation. Yet in the East the path of concessions to nationalism, painfully trodden in India, may yet have to be followed in Indo-China and in the Dutch East Indies.

A factor of prime importance for the future in Africa is the spread of Islam. It is a religion anthropologically better suited to native customs than is Christianity and it is said to have had a wonderful stiffening effect on the survival value of tribal institutions. For the first time the native of Africa, newly turned Moslem, finds a support for his self-respect in the face of the impact of white civilization. For that reason and because of its suitability to his tribal

background, the simpler faith of Islam is filtering over all Africa like a trickle that in some areas becomes a flood. Its importance can hardly be adequately estimated at the present time. Of course all the impact of Arab culture has not been equally happy. But where tribal authority has survived with Mohammedanism, the native is at least strengthened in his self-respect.

The lessons of colonial policy emphasize the necessity of providing land for the native in adequate quantity if he is not to be reduced to a serf. Segregation, therefore, seems to justify itself in sparsely settled farming areas, and so does the retention of tribal institutions where the native can be isolated, for his own sake as well as for that of the whites. It is doubtful whether he does not antagonize others more than he protects himself by demanding native political representation. Probably where he has found spiritual backbone in Mohammedanism and retained his tribal life and has had sanitation enforced on him, he will cease dying off in the mysterious way that primitive people sometimes have of fading out as if of a broken heart before white civilization. "You have given us back the country," one of the headmen put it to Julian Huxley. "We are men again."

On the other hand, where the conditions of urban industrialism exist, segregation can be carried only as far as social rather than legal pressure permits. Ultimately the natives who can achieve a civilized status cannot be debarred from economic opportunity without pulling down the white civilization to a lower level.

The Ormsby-Gore Report in 1925 piously pointed to East Africa as a region for threefold trusteeship: first, for the advancement of the natives; second, for humanity as a whole by developing to their fullest extent the natural resources; and, third, the protection of the interests of the settlers whose "initiative, knowledge, and material resources are necessary instruments in the fulfillment of the first two tasks." But if all are to be equally weighed, the

rate of exploitation of tropical dependencies must be greatly retarded. Exploitation and the adequate protection of the natives do not lend themselves to easy reconciliation. The white man may lift them from old ways to new, may teach them to labor and to save, may mesh them into his own intricate economy, protect them from the tsetse fly, from the mosquito, and from tropical diseases. But unless he leaves them the land, they are doomed to a serfdom of one sort or another. In her hour of economic need, will Great Britain be able to afford this additional luxury of conscience—the protection of the natives as if they had vested interests in the riches of Africa? In yet another sphere her international example is destined to affect, perhaps for centuries to come, the attitude of the West toward the backward peoples.

Chapter VII

THE LION'S SHADOW:

GOVERNMENT BY INFLUENCE IN EGYPT, THE PROTECTED STATES, THE BORDER STATES, AND CHINA

> . . . There are certain regions of the world the welfare and integrity of which constitute a special and vital interest for our peace and safety. His Majesty's Government have been at pains to make it clear in the past that interference with these regions cannot be suffered. Their protection against attack is to the British Empire a measure of self-defense. It must be clearly understood that His Majesty's Government in Great Britain accept the new treaty upon the distinct understanding that it does not prejudice their freedom of action in this respect.
>
> —*Cmd.* 3109.

Sir Austen Chamberlain's significant interpretative note to the British signature of the Kellogg or Paris Peace Pact[1] served to bring sharply to the attention of all the other signatories of the pact—now practically the whole civilized world—the fact that the Empire does not stop at its juristic boundaries. "Influence," said Washington, "is not government." Yet influence may serve the same ends as government; may even be more effective than direct rule in attaining those ends.

"Spheres of influence" are even less tangible to the eyes of jurists than are "protected states." For purposes of economic penetration or of strategic control they may quite as effectively mark off areas of imperial domination where foreign interference will not be brooked and intrusion will be resisted with all the force at the command of His Britannic Majesty. When Africa was being partitioned in

[1] See Appendix VI, D_1 and D_2.

the latter half of the nineteenth century, and the islands of the Pacific were being allocated among the powers, war was hovering almost as dangerously on the horizon as when Russia looked covetously at the Bosphorus or the Khyber Pass, the Key to India. Fashoda found French echoes in the New Hebrides and Agadir, German echoes in New Guinea. The limits of influence of these so-called spheres ran as near to infinity in African hinterlands as had the boundaries established by early royal charters in the American colonies. "The Mountains of the Moon" were symbolically named.

It is not for Americans to cast the first stone, we who have extended a legitimately defensive Monroe Doctrine to mean the effective control of the whole Caribbean area and of Central America. If we have stood for the Open Door in China and Manchuria and in the Mandates, we have effectively slammed it shut for the Philippines and Porto Rico and brought Cuba under preferential tariff arrangements like those known in England under the term "imperial preference." If England guards the Suez Canal and the route to India as the arteries of her life's blood, do we not similarly cherish Panama and the neighboring regions?

It is true that our boundaries of influence are not so indefinite as those of the older Empire. Yet our business and other national interests are forcing us to police Chinese waters; and we have only recently determined to take our paternal responsibility away from Liberia off the coast of Africa and to withdraw—for how long?—from Haiti and Nicaragua. The State Department finds it necessary to back our oil interests in Mesopotamia—is it really "a blessed word"?—if they are not to have this area of the world's reserve supply vanish into other control. Gradually we, too, begin to understand the solicitude for the destinies of nations and areas at the other side of the world.

To Great Britain, though, these destinies are often so intimately linked to her own that to sever the connection might be organically disastrous. The routes of her sea-

borne commerce are her very arteries of life. She must hold Gibraltar, Malta,and Cyprus, the Canal, the Red Sea, and Aden and the Indian Ocean, or her control over India is gone; and with it Ceylon, Burma, the Malay States, and the scattered archipelagos of the Pacific. The expenditure on the fundamental preparation of the Singapore naval base has gone on, substantially without interruption, despite Labor Party professions. Hongkong and the rich carrying trade it enjoys, the British hold on Shanghai and the trade ports of China, and British prestige in the Pacific cannot be left to the guarantee only of Five or Nine Power Treaties, useful as those international commitments may be for making the Pacific live up to its name. The Australasian Dominions, quite as much as England, look on the security of the route to India and the effectiveness of a British fleet in the Pacific as matters essential to their very survival—7,000,000 or 8,000,000 white people thrown out as the outposts of their civilization in lands that look empty to the crowded orient. They must join Mr. Ramsay MacDonald in his ungrammatical but intense seriousness in asserting that "The fleet is us!"

It cannot be said that the other Dominions accept an equal responsibility for British interests in all these dubious spheres of interest or even of influence. They have sharply reminded Great Britain that the Chamberlain reservations to the Peace Pact put no responsibility upon the Dominions. Canada has even washed her hands of Egypt, though Australia has not:

> We consider [read the Canadian note in answer to a British invitation to adhere to the proposed Egyptian Treaty with the British Empire in 1927] that were an issue to be raised as to the assumption by Canada of military obligations in Europe or the Far East, as would be inevitable were the Canadian Government to recommend entering into a military alliance with Egypt, it would be prejudicial to the relations between Canada and other parts of the British Empire, as well as to the interests of Canada itself.

The Treaty had therefore to be projected only in the name of the United Kingdom, not of the whole Empire, though Australia insisted on being satisfied with the protection afforded to the Suez Canal route under its terms. It raises the interesting question of whether the Dominions, too, might go in for separate alliances.

No doubt objections of the same sort would operate even more decisively in the case of British interests in the Treaty of Alliance with Iraq and in the troublesome border states where Ibn Saud's Islamic revival looms as a threat to Transjordania. The Dominions were coldly non-committal when Lloyd George and Winston Churchill tried to stampede them into declarations of support against the Turk in 1922, in order to back General Harrington at Chanak in holding Constantinople and the Straits. Nor would they, presumably, rush to arms to protect the Anglo-Persian Oil Company's rights in Persia, unless Bolshevik penetration threatened a general conflagration.

This leaves England to shoulder alone the whole burden of Sir Austen Chamberlain's "roving Monroe Doctrine," as it has been called. The Gateway to India, Afghanistan and the Khyber Pass, the control of the Northwest Frontier Provinces, and Bhutan and Nepal remain her imperial responsibilities, as does India proper. If she recognizes, as Sir Austen also claimed on another occasion, no Japanese rights in Manchuria except those "conferred by treaty" —presumably with China—she must be prepared to assert her responsibilities there with no positive commitments to aid from the Dominions, though with probably a greater chance of immediate support in China than she would get from them under their exemption in the Locarno Treaties that guarantee the most important point in the European *status quo*.[1]

[1] This surmise has been confirmed by subsequent events. The sudden development of a Manchurian Crisis involving China and Japan, with an ominous possibility of Russia's entry, showed how useful the League is to the diplomatic unity of the British Empire. It showed also what few had hoped—that the United States, too, was prepared to coöperate with the League in bringing the Peace Pact of Paris to the attention of the parties in conflict.

These border areas and the regions under specific British protection therefore afford a contingent threat to the diplomatic unity of the Empire and a strain on the ultimate indivisibility of the Crown. The combinations of force that the United Kingdom might have to repel with all the means at her disposal would elicit Dominion support only if the threat of the Empire's life were as formidable as that unloosed by Germany in 1914. In the Pacific areas, even in the Middle and Near East, Australia and New Zealand could be counted upon. Revolution in India, were Britain heavily involved elsewhere, under such circumstances would possibly stimulate participation by South Africa and Canada—though the setting of the contest would be all important on such points. But "consultation" alone would not insure their support. The mere fact that they are "kept informed" does not commit them to act. In most instances, like the Irish Free State, they prefer to disclaim in advance any responsibility. They are therefore not kept so fully informed on British policy in these areas as is Australia, since the latter maintains a special *liaison* officer in London who enjoys the greatest confidence of Whitehall and Downing Street.

If one proceeds eastward along the main channel of the Empire's sea-borne trade with the Orient, the concatenation of strategic with economic interest becomes apparent. The bases, like Gibraltar, Cyprus, and Malta, in the Mediterranean are primarily of naval and military importance, a fact sufficiently emphasized by the last War. Egypt, however, has a dual significance in which the protection of the Suez Canal that forms her border is only one part. For in the possession of a firm hold on Egypt lies control of a large part of the long-staple cotton supply of the Empire, and behind Egypt lies the Sudan, the source and master of the Great Nile Waters and the link with the Cape-to-Cairo stretch of African territories in which only the controlled Portuguese ally shares.

Abyssinia, it is true, holds a position of great importance on this route. For by means of the construction of a dam across the Blue Nile at Lake Tsana, a station has been created still higher up toward the control of the source waters than the Sudan. The geographer Strabo long ago noted the irony of this situation: "If you dispute Providence and Destiny, you can find many things in human affairs and nature that you would suppose might be much better performed in this or that way, as, for instance, that Egypt should have plenty of rain of its own without being irrigated from the land of Ethiopia."

The Ras Tafari is bound by the 1902 agreement between Menelik and the British, acting for Egypt, "not to construct or allow to be constructed any work across the Blue Nile, Laka Tsana, or the Sorbat which would prevent the flow of these waters into the Nile except with the consent of Great Britain and of the Sudan." In 1927, probably because of his annoyance with the secret agreement between Italy and Great Britain to coöperate and allot spheres of at least commercial influence in Abyssinia, the Ras entered upon an undertaking with an American firm, after consultation with our State Department, to undertake the construction. England, after a protest, has finally consented to the undertaking on the proviso that she should guarantee the capital to be employed and the bonds to be issued by means of an agreement with the Sudan to pay water taxes for fifty years, the title to remain vested in Abyssinia.

This obstacle to British control over the Nile Waters still remains. Unless the Ethiop changes his skin by shedding his independence in this warlike kingdom, the Lion will take on a somewhat spotty hue in absorbing this part of Africa. And the Abyssinian Government, by its protest to the League against the Italian and British understanding on coöperation in commercial policy in Ethiopia, showed a firm determination to protect the reality as well as the legal forms of its independence.

To understand the relations of Egypt to the New Empire needs a résumé of recent history: The status of the Sudan and the presence of British troops in Egypt constitute the two principal sources of disagreement which prevent the conclusion of the treaty which the Foreign Office has been trying to negotiate ever since 1921 with an Egyptian Government.[1] The British dislike of what the language of diplomacy calls *une situation nette* is at least partially responsible for the dubious juristic status both of Egypt and of the Sudan. Egypt's theoretical subordination to the Sublime Porte was rudely and practically ended by the establishment of a British Protectorate after the outbreak of the War with Turkey in 1914. British joint intervention in 1879 with France and sole occupation in 1882, in order to put an end to the economic fantasia of Ismail, had already cut the knot that tied Egypt to Turkey in everything but her share in the Ottoman tribute. For that burden Egypt, after an unsuccessful protest, is still juridically obligated to the foreign bondholders. The Suez Canal, cotton, and the great issue houses of London and Paris really controlled the situation until the War, with England acting as collector and protector. Cromer's régime was aptly described by Nubar Pasha: *Ce n'est pas un gouvernement, c'est une administration.*

The establishment of a Protectorate during the War might have been accompanied by annexation, with the promise of something like Dominion autonomy after the cessation of hostilities. But the British wished to keep their moral skirts clear and perhaps overrated the danger of downright measures. Military pressure on the population, the forced labor measures, and the requisitioning of stock that was sold back at high prices afrer the War, all added fuel to Nationalist resentment. The Wafd (Committee) movement was almost identical in character to Sinn Fein in Ireland, for its motto was *Masr lil Masrjin* ("Egypt for the Egyptians"). It is worth remarking that Wilson

[1] For the text see Appendix VI B.

was besieged at Paris by three men that the British delegation was able to circumvent, for the time being. Yet these three were destined to plague the Empire for self-determination and to continue in some measure their common cause: De Valera for Ireland, General Hertzog for South Africa, and Zaghlul Pasha for Egypt. Irish methods, having succeeded, are given the sincere flattery of imitation by India as well as Egypt. Only in South Africa have parliamentary methods carried the day; and there General Hertzog seems to have been won over to the new Commonwealth ideal and away from independence.

When Lord Milner, after a visit to Egypt in 1920, became convinced that the Nationalist movement could not be repressed, he advocated a treaty with a government that could command popular support. Failing to get assurances from the Wafd or even from the government in power on the vital points involved, the British Foreign Office took the unusual step of making a unilateral declaration of the independence of Egypt, subject, however, to the passage of a General Act of Indemnity covering the Protectorate period and to the four matters of British interest reserved for future settlement by negotiation. This policy of concession strengthened the Wafd movement in prestige and made its object, inevitably, the removal of the four restraints still imposed by Great Britain:

1. British control, in spite of Egyptian claims to sovereignty, over the Egyptian Sudan.
2. The protection of minorities and foreigners and the status of the British garrison in Egypt.
3. The Suez Canal and British communications through Egypt.
4. The defence of Egypt against all foreign aggression and interference, direct or indirect.[1]

[1] For the text of the note communicated to the foreign powers see Appendix VI A1. This note and the later supplementary note to the powers when the abortive Geneva Protocol was being contemplated may be regarded as the first fruits of a British policy which later produced Sir Austin Chamberlain's wider doctrine and the reservations to the Optional Clause and the General Act.

The result of this declaration was really to make Egypt a protected state, under British control, even though the King of Egypt was allowed to create a ministry of foreign affairs and legations abroad. Egypt was not permitted to apply for membership in the League, and no change in the *status quo* of the relations of other powers in Egypt was involved. The capitulations had therefore to be retained, under British protection.

A long series of efforts ensued to get an Egyptian government that would negotiate a satisfactory treaty, admitting the paramount British claims to administer the Sudan and to protect the Canal. In the course of them the Egyptian parliament created by royal charter in 1923 was twice dissolved by the King, the first time certainly under pressure from the British High Commissioner, and Egypt continued to be ruled in the main by the high officials who were still British. Field Marshal Lord Allenby as High Commissioner to Egypt suffered from a soldier's temper and probably made serious errors in exiling Saad Zaghlul Pasha and in demanding the right to irrigate unlimited quantities of Sudanese land as a part of the retaliation practiced after the murder, by Egyptian revolutionaries, of the Sirdar, Sir Lee Stack, in 1924. Lord Lloyd, who followed him, managed to govern strongly by forcing the Egyptian royal dictatorship to allow new British officials to come in, after the previous retirement of many by agreement and with ample pensions. But it became apparent that the Nationalist movement was gathering popular strength and had the sympathy of much of the foreign population in Cairo and Alexandria. It was therefore decided by the Labor government to allow the Wafd to form a government in 1929 with which to negotiate a treaty.

The negotiations in London during the spring of 1930, after some all-night sessions at which the Australian Liaison Officer in London sat in, had apparently reached a successful conclusion. Allenby's claim to unlimited irrigation in the Sudan had already been repudiated by the Conservative government and an "Agreement on the

Use of the Nile Waters" had been concluded, before Labor came in in 1929, that protected the rights of Egypt to an adequate flow at the proper seasons in spite of the erection of the dams on both White and Blue Nile at Assuan and at Gezirah. Mr. Henderson, the new Secretary of State for Foreign Affairs, was sufficiently conciliatory to agree to remove British troops to the inhospitable Canal Zone, away from the fleshpots of Egypt, whenever suitable accomodations should have been arranged by the Egyptian Government and at the latter's expense. Under the proposed treaty Egypt was to become a permanent ally of Great Britain (but not of the Dominions) and was to have a seat arranged for her by England in the League assembly. A face-saving formula, recognizing British administrative rights over the Sudan under a revival of the principle of the Condominium of 1899, was said to have been found by the negotiators. Some points about the principle of Egyptian immigration into the Sudan remained. But Mr. Henderson's colleagues in the Cabinet, under pressure from the Liberal Party and the powerful interests in it which are concerned with the Sudanese Development Company, felt that Mr. Henderson had already gone too far, and the accord fell through at the very last moment without being signed. The Wafd politicians returned to Egypt disgruntled but also somewhat discredited. The Wafd had been unable to deal with the serious economic crisis except through the purchase of cotton. This step had depleted the reserve fund of E £40,-000,000 until it stood in 1930 at half that figure. The failure to win a diplomatic victory in London stiffened the opposition of the King to their policy.

A short time after their fruitless mission to England, King Fuad dismissed the Wafd ministry and fell back on a Palace ministry once more, this time led by Ismail Pasha Sidky, a man apparently of great resolution and ability. The disturbances that followed allowed Sidky Pasha an invaluable opportunity to remind Great Britain that he

was answerable for law and order in Egypt and to pose as the champion of national interests by securing the withdrawal of the British warships sent on an urgent mission to protect foreign life and property. He pointed out that the British garrison had not been needed and that order had been restored by his own forces. British neutrality ought to permit any Egyptian government to run its own affairs, no matter how constituted.

In order to consolidate his position and run no chances of upset by the Wafd, the present Government has secured the King's assent to a reversion to the system of indirect election sanctioned by the 1923 Constitution but abandoned by the Wafd. It has also "reformed" the Senate by assuring that over half its members (60 out of 100) will be nominated by the King and that its powers will be coördinate with those of the Chamber. The Lower House, now elected indirectly, will have its primary Constituencies skilfully arranged so that the areas in which voting takes place will be well controlled and gerrymandered against the Wafd Party. There is also an interesting provision that those who practice liberal professions outside Cairo will be ineligible for office—rendering most of the Wafd delegates ineligible at a single throw. As a result the Wafd Party as a whole decided to boycott the elections. So certain of the results are the administration that the prophecy has been given out from governmental sources, already, that 62.5 per cent of the population will sanction the régime, despite the Wafd intention to boycott the polls. Mathematical certainty of prediction, for the outcome of a future election, when it is refined to such statistical accuracy must be the envy of even our own excellent ballot counters in cities like Philadelphia and Chicago.[1] It all reminds one of the story

[1] On the aftermath of the elections Sidky Pasha immediately announced that 65 per cent of the electors had sanctioned the régime—a margin of 2.5 per cent over the figure suggested in these lectures, delivered two months before the election! For Sidky Pasha's statement see *The New York Times*, May 19, 1931. Subsequently the figures were raised still higher. Some Labor Party M. P.'s have protested.

told by Lord Bryce of the French electoral official addressing his colleague before the counting of the ballots: *Maintenant, mon cher collègue, il faut completer l'œuvre du suffrage universel!*

This certainty of the result may somewhat scandalize the British Labor Party, which has declared its intention not to negotiate a treaty with any government that does not command popular support. But, after all, 62.5 per cent, even delivered before the election, is an impressive figure of popular support in these non-voting days. If Sidky Pasha can hold power, Egypt run by the Egyptians may be better run for British purposes than in the days of any proconsul since Cromer and Kitchener.

The Sudanese settlement, if it is consented to by such a government, would leave working control in the hands of Britain but assert at least a juridically joint title. No government in Egypt can do less than assert a formal "right of sovereignty over the Sudan" even though it should have to admit the "joint administration thereof by the two high-contracting parties," as laid down in the Convention of 1899. But the British Government refused to accept this formula in 1930 and insisted on the right of the Governor-General to "continue to exercise in the joint behalf of the high-contracting parties the powers conferred on him by the said convention," *i.e.*, the Condominium of Egypt and Great Britain agreed to in 1899. On this point and on the right of the Governor-General to restrict Egyptian immigration into the Sudan the negotiations broke down, if the official report is to be credited.[1]

If a face-saving formula for Egypt can be arrived at that will leave the British beyond the reach of having the juridical issue raised before the World Court or the League, once Egypt is a member, the treaty will probably be signed and ratified. The juristic position of the 1899 Condominium is no more hopelessly entangled than is the present juristic

[1] For the precise text of the proposed Treaty of 1930 see Appendix VI, B. [Selections from *Cmd.* 3575 (1930)].

status of a Dominion. Among other things it was an agreement made without the consent of the legal suzerain, Turkey, and was in the second place under strong suspicion of being a unilateral act, since Lord Cromer was practically both parties to the agreement. Egypt refused to come to Lausanne in 1923 or to sanction that Treaty as it affected her. The 1899 agreement for a Condominium speaks further of joint *administration*, not *sovereignty*.

The facts of the case on which the British mainly rely show them to have been in sole possession since 1924 (after the ultimatum to Egypt following Sir Lee Stack's murder) but to have received a subsidy for military expenditure from the Egyptian Government, in lieu of the Egyptian troops withdrawn, to the extent of £750,000 per annum. This subsidy is undoubtedly intended by Egypt to maintain intact the Egyptian claim to suzerainty. The separate administration of the Sudan from Egypt was originally explained by Cromer on grounds of convenience in escaping the international régime of capitulations to which Egypt was (and is) subjected. The Sudanese administration has been nursed from the time of its conquest by Egyptian funds. The total debt to Egypt will be difficult to estimate, but with interest it must amount to between £10,000,000 and £15,000,000, depending on whether interest is paid and at what rates. But these are legal niceties, which the British Lion, *quâ* Lion, has never allowed to spoil his appetite. They are like the treaties made with the Crown by the protected Indian states—useful as entering wedges. In the Sudan, Lion is most natively and determinedly lion, prepared to roar you in his old manner and not in the manner of Bottom, like "any sucking dove": The Sudan contains, under proper irrigation, much of the richest long-staple cotton land in the world. It is well governed by Great Britain, and enormous sums have been and are being expended from British loans to construct still further irrigation works and drain the swamps that absorb millions of cubic feet of the Nile's precious flow. It is furthermore

the link with East Africa for which at Fashoda the Lion long ago lashed his tail angrily and roared out the French. He will not give it up.

In equity it is fair to state that the Sudanese seem to think that "Sudan for the Sudanese" is as good as "Egypt for the Egyptians." They have received generous treatment for their land from the British and have recovered from the Mahdist terrorism to which they were long delivered by Egyptian incompetence. From this period in which the Sudan was almost depopulated they were rescued only by the expedition sent jointly by England and Egypt but officered effectively by the British. They do not want a change of masters. If the Wafd profited by lessons from Ireland and Sinn Fein, Great Britain has not lost in Egypt the lesson of her hold on Ulster—a hold in this case that could be made a strangle hold by control of the Nile Waters, if Egypt ever refused to behave with a sense of propriety toward the Empire.

This sense of security in the Sudan may be responsible for the effort to rule Egypt more and more by indirection. The proposed treaty with Egypt, arising out of this state of affairs, is very interesting juridically for its effort to integrate still another member of the League into a rigid offensive and defensive alliance with England. It has all the earmarks of the negative practical aspects of Dominion status, *i.e.*, agreement to "consult" on all matters of high policy and security and to act in common against any enemy of either party. The same cloak of equality of status is used, though the fiction is too apparent in the case of Egypt to be taken seriously.[1] This new technique is also

[1] None the less it is worth remark that Sir Austen Chamberlain on December 23, 1929, rather vigorously criticized the proposed treaty not only for giving definite promises of removing British forces from Egypt to Ismaila on the western bank of the Canal Zone but also for allowing British policy to be governed by Egyptian foreign policy. He pointed especially to the dangers of Egypt's possible use of the League and the Court after the signature of the Optional Clause by Great Britain. See *Journal of the Parliaments of the Empire*, vol. 11, No. 1, p. 22.

to be applied to Iraq, with the prospective consent of the League of Nations.

In these nations which England is trying to release from direct control by means of treaties of equal alliance, the economic fundamentals of the problem must be faced on quite the same terms as in India. Having lifted them from an agrarian economy, that had permitted to the *fellahin* the poor self-sufficiency which they had enjoyed since the Pharaohs, into a complicated system of costly irrigation and transport, England has forced these lands to have efficient administration or suffer heavily for failure. Nationalism, by expelling the English administrators and reenthroning King *Bachshish* in the name of democracy, may give the peasant a bad time of it. Its critics claimed that the Wafd had already done this during its tenure of power and was no doubt rather happy to seize the constitutional issue to let go control in order to avoid a confession of economic failure in administration. The only extensive fiscal reform of the Wafd period was painful to Great Britain as well as to the consumer, but it probably was justified as a means of spreading the base of revenues: That reform was a protective tariff, based on the Geneva categories but passed in spite of foreign protests. It will tax consumers—about the only effective way of taxing the foreign residents in Egypt. But the capitulations remain until England, after the treaty has been made, implements her promise to try to persuade foreign states to surrender their extra-territorial privileges in Egypt. What success may she expect? And if Egypt denounces the capitulations, as Turkey and China and Persia and Iraq have done, will Great Britain back her? England retains a certain international responsibility for Egypt as long as she prevents others from acting, just as we bear the same unhappy burden for Central America and for Mexico under the Monroe Doctrine—modern version. Is Roosevelt's option to England in Egypt a live one? "Govern or get out" was the substance of the Colonel's

bluff comment. But if she gets out, will she keep others from getting in? And if she does, will not Egypt under the Egyptians have a painful period ahead?

Only if England can keep a friendly government in power in Egypt, willing to listen to her Resident Adviser without threats of force, can "government by influence" be effective enough to run the administrative machine that is modern Egypt. She probably will be forced to back now Wafd, now Palace[1]—and both seem to the detached observer rather bad bets. She will need as never before the most skilled diplomacy to match these subtlest of Orientals without the threat of force. When, if ever, the garrisons are removed from the cities, and now that England has signed the Nile Waters Agreement, force in its two most effective forms could hardly be used, except as a last resort. England's one ground of strength is that the Egyptian, having had a taste of the uncertainty of his own masters as administrators, may prefer to have the British retain a discreet position of directing authority.

The psychology of rulership under these conditions becomes more crucially important than ever before in the Empire's history. Long practice in dealing with Oriental potentates has helped to fix on the British official certain traditions that have been hailed as racial characteristics. Are they not as much the result of a century or so of dealing with India successfully along these lines? The first point is the maintenance of a perfect self-control and poise, aided by the unimaginative and phlegmatic training of British games—a Platonic discipline to athletic fitness and a sense of team loyalty. The mask of complete self-possession cultivated particularly in the English public schools is often characterized by those who dislike it as either smug or stupid or both. Yet it permits the saving of face, so

[1] Up to the present it has been possible to maintain a judicious neutrality. But the ratification of a treaty with Sidky Pasha's government that alienated the Sudan to Britain might give the Wafd its necessary rallying cry for Nationalism—as the Denishawn incident did in Cromer's time.

important with all Orientals, and its virtues in concealing possible weakness are noteworthy under any conditions. Here the "gentleman" is at his best, and diplomatic Waterloos are still being won on the playing fields of Eton. Witness Lord Irwin's handling of Indian agitation.

Add to this the high qualities of honor and honesty, at least in the routine of administration, that are stamped upon the whole of the British civil service. These qualities have given residents in protected states, carefully chosen for their positions, a degree of influence far out of proportion to the force with which they were supported by England.

The *hauteur* of the British official that keeps him apart from native life and that has in the period of unquestioned supremacy been of great prestige-value has under modern conditions its less pleasing sides. The "white man's burden" attitude is resented by "the new-caught sullen peoples." It has aroused everywhere in the Orient that resentment that colored races are manifesting to white domination. This lack of flexibility toward the social equality readily conceded by the French is now costing the British heavily under the New Empire. It helps to account for what the English feel is an astounding lack of gratitude on the part of people whom they have ruled, as rulers go, far better and more justly than other powers have done.

But "a policeman's lot," under any circumstances, "is not a happy one." We have the immortal assurance of Gilbert and Sullivan for it, the uncrowned but perpetual laureates of Great Britain. And as Eastward the course of Empire takes its way, the task of ruling Mohammedans, comparatively uncomplicated by religious feelings in Egypt, grows bitterly difficult under the policy of establishing in Palestine a "national home for the Jews," adopted by the Balfour Declaration of 1917. Perhaps the Colonial Office is heartily sorry that the Zionist movement refused the British offer in 1903 of Kenya Colony as a national Jewish home, leaving the movement free to concentrate upon Palestine during the World War. The very sentiments which render

that land of religious memories so precious to Moslems as well as to both Jew and Christian make more difficult the problem of reconciling Jewish and Arabian interests. For the Mandate from the League under which Palestine is administered by Great Britain not only imposes this carefully worded dual aim of the Balfour Declaration upon the mandatory but stresses the development of self-governing institutions. Balfour's phrase had been "the establishment in Palestine of a national home for the Jewish people . . . it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine."

Reduced to its simplest terms the Palestine problem is whether or not the Zionist movement, subsidized liberally from America, is to be allowed through the economic superiority of the Jewish Agency and the gradual infiltration of Jewish immigrants, to swamp the Arab by coming into Palestine in such numbers as would turn the mandated territory into a predominantly Jewish national state. That is what political Zionism has consistently hoped; and that is what the Arabs, many of them now landless, for other reasons as well as Jewish economic pressure, fear.[1]

The riots of the summer of 1929 and the incidents connected with the Wailing Wall are fresh in memory. They indicated an explosive temper among the Arabs that would probably not coöperate with any British efforts in Palestine grounded on the further extension of substantial Jewish rights of settlement. The danger is, of course, from the British point of view, that this Moslem agitation will spread into the whole Arabian Middle East. The summary disposal of King Hussein, the British puppet in the Hedjaz, by his rebellious sheiks and Ibn Saud, shows how difficult it is to rule the Arab, even by subsidizing his own leaders.

[1] Zionists have challenged the statement that Arabs are rendered landless to any degree by the land policy of the Jewish National Fund. See the Report on Agricultural Conditions in Palestine by Sir John Hope-Simpson (*Cmd.* 3686) and the British White Paper on Palestine (*Cmd.* 3692), and the criticism of "The Statistical Bases of Sir John Hope-Simpson's Report" issued by the Jewish Agency in May, 1931.

The British Policeman may find his hands really full with the problem of protecting the existing Jewish minority from the vengeful tribesmen of Transjordania and from Ibn Saud himself if the issue of religious fanaticism is raised. In such a contingency it would be very doubtful whether it would be possible to count on much support from King Feisal's *Iraqi* levies, in spite of the recent treaty of alliance, since the latter are also Arabs and Moslems.

But Palestine, for all its venture into Zionism, is, in the estimation of the Foreign Office, worth the trouble that it has cost and will cost Great Britain: In the first place, the adoption by the United Kingdom of the Palestine Zionist policy in 1917, even subject to the careful safeguards of the Balfour Declaration, allowed the Jews of the world to think of the Allies as bound by promise to promote the Zionist wish of many great figures like Lord Rothschild in England, to whom the memorandum was addressed. Lord Melchett and Sir Herbert Samuel added their influence, and gifts poured in. In the United States the Zionists included Brandeis, Judge Mack, Felix Frankfurter, and Felix Warburg among other outstanding leaders who wished to build a new Jerusalem and once more to construct a new (though a purely symbolic) Temple upon the ruins of the old. President Wilson lent them his benevolent aid. During a period of the War crucial for England the Foreign Office seems to have thought by means of the Balfour Declaration to assure the support of a most influential and hitherto rather anti-Allied group of Jewry, including, it was hoped, figures from that vague myth "Wall Street," for the Allied cause.[1] After the War, in spite of all the difficulties that

[1] The obscure history of the Sykes-Picot agreements and the promises made to Emir Hussein by General MacMahon appear to give some support to the Arab claims that Palestine was to be included in Arab territory. Palestine became once more a Promised—"a too much promised"—Land. But the sources are so difficult to trace that the Foreign Office and Colonial Office version of the Treaty given in *Cmd.* 1700 (1922) is usually accepted, and this excludes Palestine as well as Syria from Arab control. For the Arab case see Rihani, *Around the Coasts of Arabia*, pp. 111 *ff.*, and Mrs. Fannie F. Andrews, *The Holy Land under Mandate*, *passim*, especially vol. II, pp. 39 *ff.*, and J. deV. Loder, *The Truth about Mesopo-*

were entailed, the hold on Palestine helped to give strategic control over the Suez Canal and a base of operations to control the Middle East and Egypt. A strong and vigorous colony, whose success depended on Britain's rule, was planted. In addition to the strategic advantages, the possibility of the Rutenberg Electric Power Concession and the extraction of mineral salts, chiefly potash, from the Dead Sea indicate more attractive possibilities of an economic order than the Jaffa orange groves or Palestinian wine and olives. If the Dead Sea salts extraction proves commercially feasible on a large scale, an abounding field of wealth will be opened up. It may have been the meeting ground of Foreign Office policy with the "political Zionism" of Chaim Weizmann that an energetic and subsidized Jewish colony should undertake this industrial regeneration of the old Holy Land.

For the present, however, unless further subsidies or a fresh flow of private capital is available, Palestine appears to be populated beyond its immediate capacity to absorb

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tamia, Palestine and Syria. For the claim advanced especially by French critics that Wall Street influence was brought by the Balfour Declaration in 1917 to the side of the Allies, Zionists point out that most of the prominent figures in Wall Street who were Jews were either already pro-Ally or remained anti-Zionist in their sympathies. One ought to note, perhaps, that the *pour parlers* with the Zionists had already been under way for nearly two years. At that time pro-Ally sentiment was not so strong.

There can be small doubt, in any case, that the Foreign Office believed—if we can credit the revelations of the Russian archives made after the Revolution—that in the words of the secret memorandum sent to Sazonoff on March 13, 1916, from London, when the Balfour Declaration was being considered, " . . . although, as is known, many Jews are rather indifferent to the Zionist idea, a very great and influential part of Jewry in all countries would greatly appreciate the proposal. One of the results would be the conversion of the Jewish elements in the East, in the United States of America, and other places to the cause of the Allies—elements whose attitude is at present rather antagonistic to the Allies." A short history of the agreement is to be found in *The Great Betrayal,* written by the important Zionist leaders Rabbi Wise and Dr. deHaas, and more amply in Temperley, *History of the Peace Conference,* vol. VI, and from the Zionist view again in Leonard Stein's *Zionism* and in Sokolow's *History of the Zionist Movement.* The bibliography is amply given in Mrs. Andrews' *The Holy Land under Mandate.*

immigrants. The Zionist Jewish Agency and Lord Rothschild's older land Scheme for the Jews have heavily subsidized the settlers and enabled them to supplant the Arab. Subsidies to Zionism in Palestine amounted to £500,000 a year at least, and Zionists put Jewish expenditure at £31,500,000 since the War. It is not a question of illegality but of the pressure of a subsidized community with an industrial background and a higher standard of living upon one which has only its old oriental methods and its own resources to depend upon. The resultant friction was inevitable. According to Sir John Hope-Simpson's Report on Palestinian Economics, the land once alienated to the Jewish National Fund has passed irrevocably from the Arabs' power. The latter were even excluded from laboring on some of the land acquired by the Jewish Agency. It was in order to correct this by limiting the inflow of Jewish population that the famous Passfield White Paper was issued.

Under a storm of Zionist criticism and cries of betrayal, and under pressure from the same English opinion that had seen the utility of the Balfour policy, Mr. MacDonald addressed another public letter to Dr. Weizmann, as Lord Balfour had addressed his Declaration to Lord Rothschild. By softening down the terms of the White Paper so as to leave future immigration policy uncertain, the Zionists, or at least Dr. Weizmann's followers, appear to have been satisfied.[1] The Arabs, however, who before were well disposed toward the new policy and were apparently prepared to try political coöperation, now in their turn cry "Betrayal!" They are particularly incensed at the permanent alienation of land that is conceded by Mr. MacDonald's interpretative letter that they now call the "Black Paper." They have attempted to start an Arab fund to match the Jewish.

[1] At the July, 1931, Conference of Zionists at Basle, Dr. Weizmann was not reëlected to his usual presidency, and his compromise with the British Government was drastically criticized by important leaders. Zionism, however, understands the necessity of maintaining diplomatic relations with the mandatory power. For the MacDonald Letter, see *Parl. Deb.*, vol. 248, No. 58.

A standing problem in the Mandate is its administration by the Colonial Office, with state purchasing done through the Crown Agents and all concessions for the development thus practically controlled by Great Britain. A heavy loan burden for expenditure largely to be made in England has been shouldered upon the Mandated Territory, so that if Zionist support were withdrawn the administration might become hopelessly bankrupt. Palestine has been saddled with a share of the Ottoman public debt by the Treaty of Lausanne. Her budget includes a heavy charge for police protection. About 40 per cent of the total revenue is raised by taxation on the Zionists. Textile manufactures are discouraged, the Zionists say, with an eye to safeguarding the interests of Manchester.

These complaints show the other side of the shield: Great Britain, having made a good thing of Zionist support during the World War, the Zionist critics allege, is now preparing to go back on the bargain. If the Jews are doomed to the status of a permanent minority, Palestine can never become once more their own Holy Land. But it is difficult to see much justification for the Mandates Commission's harsh strictures on British parsimony and failure to preserve order in Palestine. The duty of trusteeship can be imposed only if the financial burden of maintaining it is not to be severe—otherwise there will be a dearth of trustees and a reaction in favor of the simpler methods of purely colonial control. The large loan that is being raised for Palestine will presumably be spent for development and about 50 per cent of it, as the first draft of the Colonial Development Committee's plan stands, is calculated now to be unproductive of economic results.

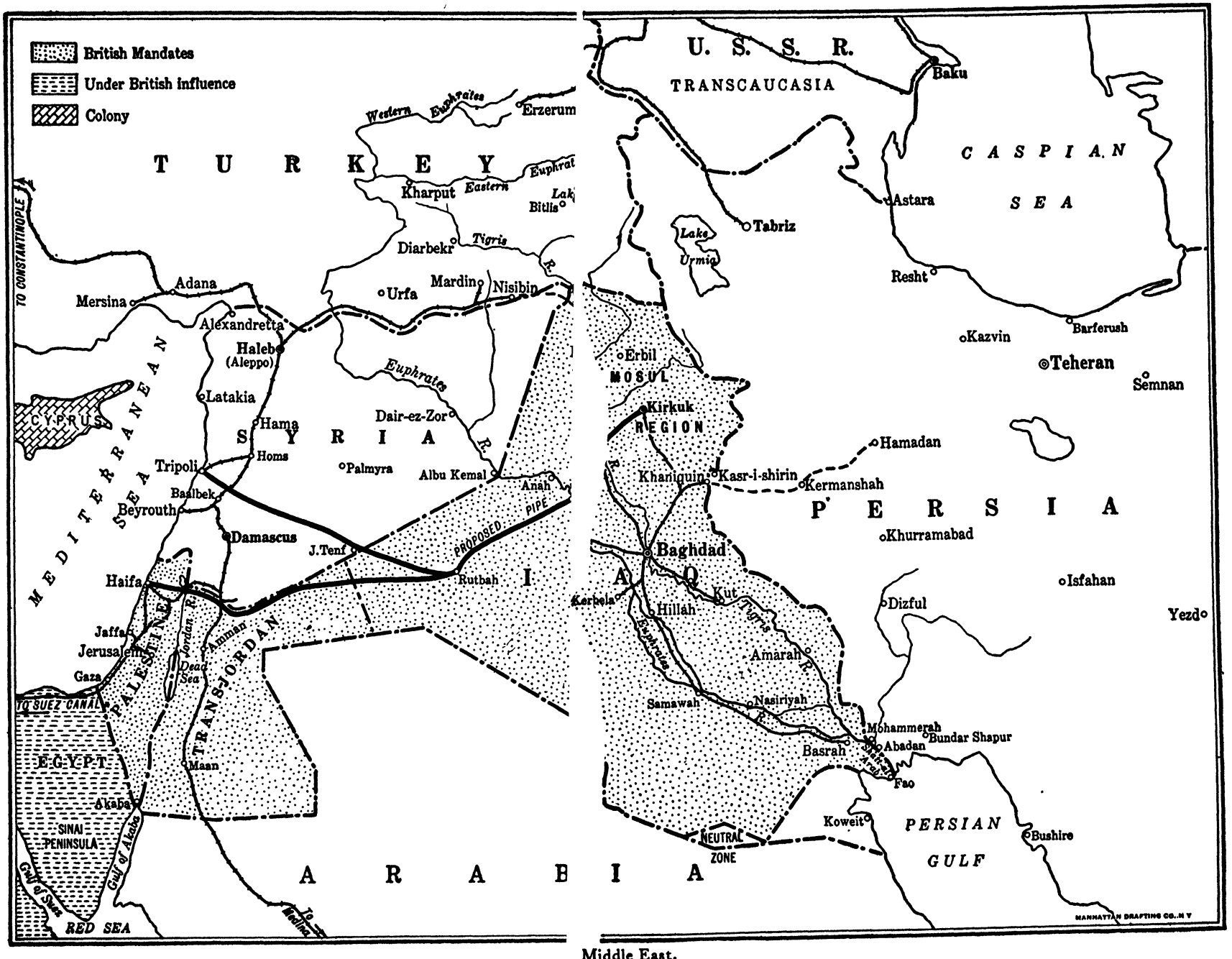
When one remembers that the Jewish national home is being created in the midst of a Moslem population agitated by the fundamentalist revival of Ibn Saud in Mecca, one can understand British fears of provoking a Moslem uprising in the Middle East. Particularly at a time when the support of the Moslems of India is so vital to

the British Raj, Palestine must be handled in such a way as to avoid creating a *jehad.*

King Feisal of Iraq has recently been promoted from a mandated ward of Great Britain to the status of an "equal" ally on much the same terms that are offered to Egypt. It remains to be seen whether Great Britain will succeed in introducing her new ally, formerly under Mandate from the League, into polite international society at Geneva without some caustic comment on this fashion of adding to British weight in the League. So far criticism of the termination of the Mandate has centered mainly on the inadequate provisions left in Iraq for protecting minorities like the Kurds and Armenians. Behind these complaints there is also a very real concern about the possibility of the former Mandatory Power escaping the "Open Door" provisions, once the Mandate is terminated, by obtaining through a treaty an especially favored position. But the British taxpayer has been growing increasingly restive under the heavy military expenditure incurred in the Mandate for Iraq, even though Mesopotamia be a blessed word and an anchor strategically for control over both Mosul oil and that of Persia. If Iraq can be held under an alliance and a treaty protecting British economic interests—such as the one just negotiated—it is less expensive for that reason.

The excellent work of the British administrators in Iraq deserves great praise. Their contribution has been truly remarkable in bringing Iraq agriculture and general economy to a position that makes it possible to allow a relaxation of British direct control. But behind the strategic elements of possession of Iraq—some of which are retained for the Air Force by the new Treaty—and deeper even than questions of British as against French or Russian prestige in this area lies the question of oil.

Oil in this area had already begun to trickle into diplomacy before the World War. The Anglo-Russian Agreement of 1907 placed about two-thirds of the population in the


British Mandates
Under British influence
Colony
TURKEY
Western Euphrates
Erzerum
Eastern Euphrat
Kharput
Lak
Bitlis
Diarbekr
Tigris R.
TO CONSTANTINOPLE
Mersina
Adana
Urfa
Mardin
Nisibin
Alexandretta
Haleb (Aleppo)
Euphrates R.
Latakia
Dair-ez-Zor
CYPRUS
SYRIA
Hama
Homs
Palmyra
Tripoli
Albu Kemal
Anah
Baalbek
Beyrouth
Damascus
J.Tenf
PROPOSED PIPE
Haifa
Ruthah
IRAQ
Jaffa
Jerusalem
Jordan R.
Amman
Dead Sea
Gaza
PALESTINE
TRANSJORDAN
TO SUEZ CANAL
EGYPT
Maan
Akaba
SINAI PENINSULA
Gulf of Akaba
Gulf of Suez
RED SEA
To Medina
ARABIA
MEDITERRANEAN SEA
U. S. S. R.
TRANSCAUCASIA
Baku
CASPIAN SEA
Astara
Tabriz
Lake Urmia
Resht
Barferush
Kazvin
Teheran
Semnan
Erbil
MOSUL
Kirkuk
REGION
Hamadan
Khaniquin
Kasr-i-shirin
Kermanshah
PERSIA
Khurramabad
Baghdad
Isfahan
Kerbela
Hillah
Kut
Tigris R.
Euphrates R.
Dizful
Yezd
Amarah
Samawah
Nasiriyah
Mohammerah
Bundar Shapur
Abadan
Basrah
Shatt el Arab
Fao
Koweit
NEUTRAL ZONE
PERSIAN GULF
Bushire
MANHATTAN DRAFTING CO., N.Y.

Middle East.

sphere of Russian influence north of the line drawn south of Kermanshah, Isfahan, to the Afghan frontier near Birjand. But it left the oil regions substantially in British hands. The purchase of control of the Anglo-Persian Oil Company by the British Government in 1913 assured the diplomatic protection of this area, for it frankly linked it with the principal source of oil supply for the Navy. The adventurous career of William Knox d'Arcy secured this "empire under influence" for England. In 1901 he carried a fortune made in Australian gold and put a part of it into prospecting a sixty-year concession secured from the Shah, which covered nearly 500,000 square miles of territory.

During the War, in 1917, Winston Churchill persuaded the Government to take over £199,000 of first debenture stock and in 1919 to subscribe further for 3,000,000 ordinary shares. The Persian Government now gets about £1,000,000 a year in oil royalties. The expenditures in Persia of the Anglo-Persian Oil Company form an important item in balancing the adverse international accounts of the Shah's kingdom—to say nothing of the indirect revenues from roads, railways, and pipe lines. Probably its economic domination of the country accounts for the fact that Persia is almost unique in showing an increase in the British Empire's percentage of its import trade, the figures having risen from 12 per cent of a small 1913 trade to 35 per cent of a greatly magnified trade today—its greatest increase of the period and one of the few cases in which the Empire has gained over foreign states.

Quite recently, it is true, the Soviet Union has won a diplomatic victory in having Persia imitate its governmental monopoly of foreign trade. British interests are said to be hurt by this imitation of the Russian system and to have lost ground.

During the World War Persia was brought in by Sir Percy Sykes to the extent of the organization of the South Persian Rifles and the holding of South Persia against hostile tribes and their Turkish allies. But after the War

nationalism and Russian influence accomplished for a time as complete a throwing off of British influence as occurred in Afghanistan. There was an Anglo-Persian Treaty signed in 1919 which would have reduced Persia to a sphere of British influence but it was rejected by the Perdian Mejis in 1921. Lord Ronaldshay in his *Life of Lord Curzon* summed up the previous situation as one under which "the virtual control of the country had passed into the hands of Great Britain." Still the passing of British influence over Persia was never complete. With the accession of Riza Khan as the Shah in 1925, the Bolshevik influence, which had threatened to supplement the British, waned. Sir Henry Clive and Sir Percy Lorraine made their diplomatic weight good; as they were able to do, though less effectively, with Ibn Saud in the Hedjaz and to some degree in Afghanistan.

The present relations of Persia to England are very intimate, even though there is no claim of an official status on either side. Great Britian has helped to reconcile the other powers to the abolition of the capitulations; she has shown a liberal policy toward Iraq's desire for independence and at the time acted as a mediator with Persia on points of dispute. The Anglo-Persian Oil Company is a sort of *imperium in imperio* in Persia and has been one of the causes and perhaps one of the agencies for the concessions made to Persia in the matter of British financial claims. In return Persia has entered into an agreement with Imperial Airways which permits the latter to use the coast of the Persian Gulf as a link on the air road to India. The situation is aptly summarized from the British point of view by a few sentences taken from the *Times* supplement on Persia of 1930:

> To the British Empire the integrity and prosperity of a state which contains one of our most important sources of liquid fuel and lies along the air route to India and Australia is a major interest. To Persia British friendship may be of the utmost value in eventualities easily imagined in days when the Russian experimenters are threatening the old civilizations of Asia and

the airplane and the motor car have made northern Persia as accessible as the Coasts of the Gulf.

Three factors of prime importance exist in all the region from the Mediterannean to the Persian Gulf: oil; communications by air, land, and water; and the potential threat of Russia. Persia is closely affected by all three. With the newest Arab states, the threat of a Moslem uprising is even more important for the present than Russian influence. But in them, too, oil is the greatest immediate stake. It is not only a question of prospective development and the share in it to be allotted to the Great Powers. It is also a question of the location of the pipe lines which will distribute it and of their outlets to the Mediterranean as well as of the strategic railways whose location will be thus determined.

The connection of Mosul's oil resources with the British efforts to include that villayet in the boundaries of Iraq have been sufficiently aired. The opinion of the Permanent Court of International Justice supported the claims of Iraq. Turkey acquiesced in the award of the Council of the League as to the boundaries, receiving a payment of $2,500,000 in lieu of oil royalties. That left the British as the mandatory power for Mosul's oil resources for twenty-five years under the terms of the award. By agreeing to allow French and American capital interests to participate to the extent of 27 per cent each, Dutch Shell and Anglo-Persian were able, after some oleaginous diplomacy, to retain the remainder. These percentages were reduced to 23.75 per cent and later to 21.25 per cent each, giving British interests the controlling share. This control is not a complete monopoly, and the Government of Iraq, restive under long delay that produces no revenue, now talks of inviting new concessions.[1]

[1] The Iraq Petroleum Company, representing these international interests, has finally secured once more a practical monopoly of the rich new fields and has agreed to lay a pipe line (see map) from Kirkuk with outlets bifurcating at Tripoli and Haifa, in French and in British mandated territory respectively.

Behind the murky screen of these operations lay a series of arrangements between French and British and American interests, the latter pair ofwhich seem to have fallen out over the division of Russian oil and the terms of purchase from the Soviet Government. The French wish to break their dependence on foreign sources of oil supply by constructing *at once* a pipe line through Syria to Beirut, to implement the original San Remo agreement. Great Britain is loath to accept this solution, which would still further increase world oil production, already ruinous for prices. She insists in any event on having at least one other outlet for the pipe line or preferably two pipe lines—one running through Palestine. Strategic railways would have to be built to parallel these lines and to open up the Near East. Meantime the Iraq Government is pressing to get some development started and is thus tending to assist the French thesis of immediate exploitation, as opposed to the British policy of conservation in which the American interests—afraid of overproduction—seem to have connived.[1]

This experiment in international coöperation by private or semi-public oil companies, backed by their governments, has so far met with great difficulties. Sir Henri Deterding, though he has succeeded in acquiring and exploiting huge areas of the heavily bearing oil lands of the United States for the Shell interests,[2] has blocked American penetration of British oil reserves in India and Burma and has fallen out seriously with Standard Oil of New York over Russian purchases. If the capitalist countries cannot evolve a formula for coöperation, these areas of the world that are

[1] See note above. The French Government accepted the Tripolis-Haifa outlets as a solution, and the Oil company has contracted with Iraq to proceed at once with the pipe lines. Whether the work will actually be begun under economic conditions like the present remains to be seen.

[2] The Federal Trade Commission in its Report on this situation in 1923 said that the Shell Union Oil Corporation of the United States, controlled by the Royal Dutch Shell Company, controlled over 240,000 acres of oil land in the United States. It has since that time enormously increased its holdings through subsidiary companies.

British spheres of influence may develop further trouble. The Anglo-Persian Oil Company, in which the British Government bought the controlling interest just before the World War, appears to have consolidated its hold in Persia, despite the earlier efforts of Mr. Sinclair's interests, which fell with his own fortunes after the oil scandals that were unearthed during the Harding administration.

Capitalist society, faced by the large-scale control of raw materials capable of being poured out in a flood, if the Soviet export monopoly advances with success to a realization of its program, must organize its own resources on better lines of international planning. Unless the great industrial and consuming interests of the capitalist nations are allied by sharing access to the world's raw materials on equitable terms, there will be greater temptation than can be resisted, either to struggle over the control of the Russian output, as has been the case in oil, or to engage in cut-throat trade wars.

What applies to oil applies, though less acutely, to the tin export control that is rigorously enforced in the Malay States, protected by Great Britain, and to the potential rubber control of these areas, joined with the Dutch East Indies, like that already attempted under the ill-fated Stevenson Act. Russian manganese does compete, though Russia has not yet become a formidable producer of other metals and is of course no competitor in tropical products.

Would it not be feasible to organize a gigantic international investment corporation as an adjunct of the Bank of International Settlement with subsidiary holding corporations enjoying free access to each of the basic raw materials of all the allied colonies? Of course there ought to be no difficulty about participation in the mandated territories under the terms of the A and B Mandates. Even those regions like Persia now controlled or fought over by only two or three states ought be included in the scope of operations. Participation in the exploitation of these resources where they were colonial rather than manda-

tory in character might be made to bear revenue royalties to the Allied colonial powers, Great Britain, France, Belgium, and Portugal, sufficiently large to commercialize a large part of the war debts. Such an international enterprise would enable national interests to participate in the raw materials of the world without being "held up" to ransom by export monopolies such as those that have existed in rubber, jute, coffee, and some other materials. The shaken bases of the capitalist economy, require some such international "rationalization" to cure nationalism. We hear a great deal in the United States about our moral duty to pool the losses of the World War by assuming the whole staggering total of all these debts of the Allies. But what of the assets of the victory? After all, the colonies were saved by the War for the Allies. The United States, who helped materially to bring that result about, would have a just claim to obtain some portion of the Allied war debts to be paid out of any profits to the colonial powers, accruing from the royalties paid by these holding corporations beyond the costs of governing the territory. The internationalization of control would meet many obvious difficulties—just as the Anglo-American Copper Company in Rhodesia is being assailed by British competing companies. Export control of raw materials such as that of tin from Malaya and the Dutch East Indies would be affected. Vested interests would in some cases have to be bought out on a basis fixed by arbitration. Or as an alternative they would have to be absorbed by the International Company on controlled terms. No schemes could be allowed for exploitation that would involve a native policy that could not be sanctioned by the conscience of civilization as that is recorded at Geneva.

It is true also that, in the past, proposals having something of a similar character have failed. The Knox neutralization proposals for an international loan to China to buy up the Russian and Japanese railway concessions in Manchuria or to build new lines met with little support and

some intense opposition. But the economic situation of the world and the prospects of difficulty from reparations and war debts and equitably distributed raw materials now make a different setting. Germany, with an opportunity to acquire raw materials to work out more reasonable reparations, and Italy, with her difficulties both in finding a use for labor and in acquiring sources of supply, ought heartily to coöperate. France would gain from general European stability. If commodity prices could be to some degree regulated by a more rationally planned world production, all would benefit, and a standing defect of nationalist economy would be remedied.

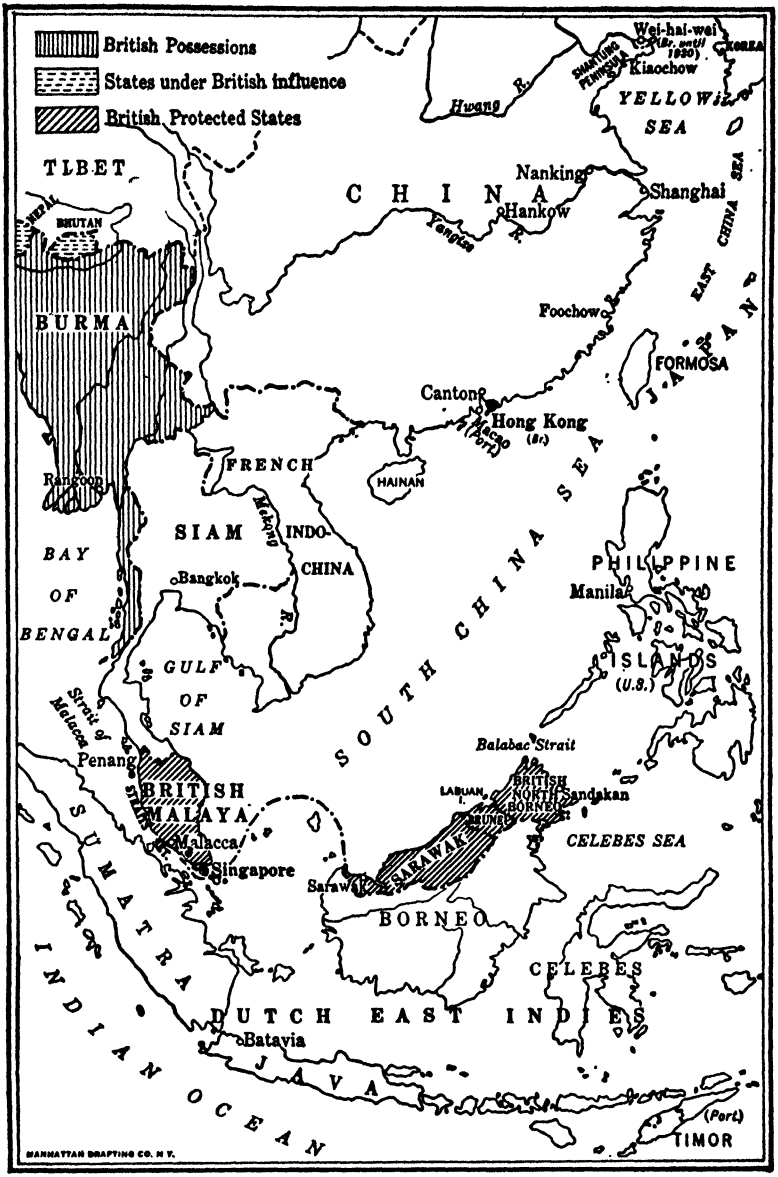
As for Great Britain, unless she bolsters up the international régime by admitting participation in the wealth on which she is now sitting somewhat ineffectually, her struggle to retain her extended and strategically vulnerable interests will probably involve more wars and will eventually exhaust her strength. On the other hand everything which she can do to integrate a world economy in which capital and development are freed to function to their maximum efficiency will strengthen her Empire and her chances of survival, undiminished. It is particularly important for her to coöperate rather than to clash with the United States in this common task.

Indirect Rule in the East Indies

The economic importance of British Malaya to the Empire is so great and the type of imperial control exercised there is so unique that the Malay States merit especial attention. The Ormsby-Gore Report on Malay[1] summarizes the economic aspects of the matter in a revealing paragraph:

> The Government revenues of British Malaya—Colony and all Malay States—were roughly £20,000,000 last year [1927]. The overseas imports of British Malaya as a whole for the year 1926 were valued at £117,000,000 and the overseas exports at

[1] *Cmd.* 3235, p. 21.



British Territories in the East Indies and in China.

£147,000,000, both figures being exclusive of bullion and specie. These remarkable totals exceed those of the total external trade of the whole of the rest of the colonial dependencies put together. The value of exports per head of population of British Malaya for the last two years has exceeded that of any other country in the world and is higher even than the figure for New Zealand, which leads the self-governing Dominions in this respect.

The success of indirect rule in holding Malaya under what amounts to a monopoly for British-controlled capital has been remarkable. Efforts of American smelting interests to obtain a foothold in the tin industry of Malaya have been signally defeated. The degree of direct control over policy varies with the States, but the degree of economic control is absolute over them all. The Stevenson Rubber Export Control Act (British), which for a time succeeded in raising the price of rubber for all consumers, operated chiefly in the rubber-growing states of the East Indies. Its disastrous failure showed that the exploitation of a partial national monopoly—partial even had the Dutch given full support—provoked excessive production by marginal interests. But, it also showed, during its operation, the degree of control exercised by Britain over the East Indies.

The Malay States fall roughly into three categories. The first group is a colony (the Straits Settlements) under direct control. It comprises Penang, Christmas Island, Malacca, Singapore, Labuan, the Bindings. In it is the great Eastern naval base at the port of Singapore, on whose fortification work has been at least temporarily suspended. But contributions to this naval base amounting to millions of pounds sterling have been made by the native rulers of the Malay States and by New Zealand, already. The Resident-General who coördinates all policy in the Malay States is the Governor of the second group, the Federated Malay States, which comprise Perak, Negri Sembilan, Selangor, and Pahang. Though they are theoretically still Malay territory, they are in fact directly administered as British protectorates.

The third group, the Unfederated Malay States, are protected states in the full sense. Their internal affairs, that is, are controlled by their own Rajahs of Johore, Brunei (of Borneo), Trengganu, Kelantan, Kedah, and Perlis. But the British Empire, which controls their external relations, is also in a position to exercise practical tutelage through the residents whom it maintains at each court.

Sarawak is ruled by the descendants of Rajah Brook, themselves British subjects but protected by a treaty with the Crown. The picturesque history of this personal dynasty, carved out for himself and passed on to his descendants by a forceful Englishman, is illustrative of the romantic diversity of the ways in which the British Empire has been built. No doubt it owes its greatest thanks to trading and chartered companies. But individuals have played a part characteristic of the British genius for "acting on one's own."

In all these states British rule is extended in fact as far as it is necessary to insure order and economic stability. Control is far more extensive than it is in West Africa. There is a Chinese Protectorate under the Colonial Office to safeguard the interests of the Chinese who have been imported to do the work which the Malay was not willing or fit to undertake in the mines. And over them all is the shadow of the great organizations of capital, stretching out from the City in London to reap the riches of the East, the inheritors of Marco Polo and his followers on the trail to the Indies.

Trusteeship in this area has meant preserving his land to the native, enriching the rajahs, and governing efficiently. Its hold is unshaken. If exploitation has produced in the Chinese coolie immigrants a problem for the future, the Malay as yet shows small signs of resenting it enough to force a relaxation of the British hold on his own rulers.

China

In China, proceeding still further to the East, Great Britain has sometimes in the past attempted to get joint

action from the other powers. But as that action was usually directed toward bolstering up her own preponderant interests, sometimes at the expense of the Open Door and against equitable treatment of China's legitimate national aspirations, her success particularly since the World War has been minimal. Ever since the Opium War and the forcing of the railway concessions and the Boxer indemnity, Great Britain in China has been in Chinese eyes the most formidable exponent of imperialism. The great port of Hongkong became a British colony by cession after the Opium War, and it now dominates the trade of much of China and the whole East. In the International Settlements at Shanghai, the most important of the Treaty Ports, control of policy is effectively British, though there are two Americans and one Japanese as well on the Council of the International Settlement, and the French maintain a separate settlement. The International Settlement is assessed at $500,000,000 and the French Concession at $100,000,000. The concession at Hankow had to be surrendered during the early phases of the Nationalist successes, but the formation of a separate municipal corporation, in which British interests were represented alongside of Chinese, retained some element of protection. Recently the Labor Government in England has announced the fact that the concession of Weihaiwei would be returned to China within the year to fulfill the Washington Treaty, as Japan has done for Kiaochau in Kwantung. China has denounced extra-territoriality but permitted the retention of the *status quo* in practice. The Nationalist government has recently levied a new customs tariff of a rather surprising moderation. So far, the great powers have kept a united front in refusing to recognize the abolition of extra-territoriality in practice, though they have yielded an admission of its rightness in principle to "save face" for the Nationalist government.

As long as China remains an area as dubiously united as at present, with an administration still only at the beginning of its modernization, British policy will neces-

sarily be to hold its concessions in the treaty ports by force if need be, but to be as conciliatory as she is forced to by the conciliatory policy adopted by the United States. Her investments in China are on a scale only about one-third or one-fourth as great as those in India, but the necessity of keeping goodwill is equally great. Banking, insurance, shipping, and investments in China show Great Britain outdistancing all other powers, as she does also in concessions. Only Japan is a serious rival at present, while our own leadership is limited to a wider missionary activity, of whose value grave doubts have been expressed in many quarters, including the Chinese.

A strong and prosperous China would be the greatest boon to all trading countries, even if the process of change to full national control meant some loss to the concessions presently enjoyed. The Nine Power Open Door Pact signed at Washington, in February, 1922, and the subsequent advances to complete control by the Nationalist government are far from meaning that spheres of influence in China are really at an end. Japan in Manchuria is firmly established, Russia is willing to fight for its railroad, and Great Britain, too, holds on to its remaining concessions and mines and railways with great tenacity. Great Britain in 1931 has shown her desire to be friendly to the new China by remitting, even thus tardily, the remainder of the Boxer indemnity of £11,000,000, though with the canny provision that the money should be spent for development purposes on railways, roads, etc., the stores for which are to be bought in Great Britain. The money will no doubt be loaned to China to effect these purchases. But unless something is done to stabilize silver as a currency and the Nanking government as the ruler of China, not much can be hoped for the expansion of the Chinese market for many years to come. China's borrowing power depends primarily on the stability of her government, and her government in turn depends on borrowing.

If I have emphasized the difficulties of Empire as Lion, as I did previously the troubles of Commonwealth as Unicorn, it is with the view of enlisting your sympathies for a King of Beasts now sorely beset in nearly all his old haunts. Who could better supply the rule of law and unity that British influence runs through these diverse lands if Lion is ever forced to withdraw? The success of British imperialism, however, must under the new conditions lie in harmonizing conflicts of interest and attracting partners for profitable business ventures. Otherwise the signs are not wanting that her world-wide interests will exhaust her strength in the effort to hold against all comers, including the new nationalism of the East, what she has won so hardly during the past centuries. Her colonial policy, like her domestic and her foreign policy, must rest upon international conciliation and upon the grateful support of her former wards, now her "equal" allies.

Chapter VIII

PAX BRITANNICA AND THE PEACE OF THE WORLD

THE DIPLOMATIC UNITY OF THE BRITISH LEAGUE OF NATIONS: CHECKS AND BALANCES AND GRAVITATIONAL ATTRACTIONS FROM EUROPE AND AMERICA

> Magnanimity in politics is not seldom the truest wisdom; and a great empire and little minds go ill together.
>
> —EDMUND BURKE.

What one would most like to know about the New British Empire is what future lies ahead of its imperial unity. Is the equilibrium temporarily established by the Balfour credo on Dominion status really stable? Can the formula be extended to retain a hold on India and perhaps Egypt and the lesser states? Or is the disruption of the British system inevitable, like that of a fainting sun that gradually ceases to warm its planetary system by its central radiance? Dangerous as forecasting in politics may be, it is after all the chief end of the study of government. For whether as a science or as an art, the principles which one must follow have to be derived from the practice of politics. The essentially pragmatic end of the study of actual political behavior is to understand in order better to know and even to direct the future of events.

Academic respectability among scholars is sometimes so much a matter of never being bold in hypothesis that reputations for soundness rest on the number of reservations entered per square paragraph. But at the risk of becoming academically disreputable, ought we not to confess honestly that the study of the past and present behavior of the British Empire in all its rich constitutional

variety has for us the main interest of assisting an intelligent guess about the answer to this question: *Will the New Empire be able to hold together?* What centripetal force can restrain the developing sense of national self-sufficiency in the Dominions? Can formulae of association be found to restrain the inevitable growth of national ambitions and the consequent agitation for complete and real independence of British control in India, as well as in Egypt, and the states where British influence is equivalent to economic and political domination? The relations between the states that are actually within the Empire and their sovereign, the British Crown of the United Kingdom, tend always to become those of allies in a league of nations—some kindred, some merely held by interest. As coercion vanishes, what will supply its place to hold such a league together? Can loyalty to a Personal Union, to a symbolic common kingship, bind modern states to permanent coöperation?

The answer to that question will no doubt *not* be found only in the formalization of machinery or the multiplication of conferences, no matter how skillfully consultation be used to commit to common responsibility; or the crown be manipulated to furnish a binding yet inoffensive link. The answer must ultimately be found in three factors of historical development:

The first is the context of world politics in which the British Empire exists. One may sum this up simply enough by saying that the Empire can probably not prevent the development of entirely independent, perhaps conflicting, economic and diplomatic policies by the Dominions and by the subject states, if the world is to pass through even one more period of savage wars destructive of civilization, particularly if their catastrophic center is in Europe. Equally its unity would be threatened not by force nor by exhaustion but by the easy lapse of the need of mutual support, if the world particularly in its non-European areas, should enjoy a prolonged period of almost complete peace in which the League of Nations furnished an adequate

gyroscopic stabilizer for all international relations. The fate of the British Empire as a coöperative league depends to some degree, then, on the success of the world League of Nations in preventing the *débâcle* of yet other Armageddons; or, at the other extreme, on the probably inevitable failure of the League to establish a millenial peace.

In the second place, the need of a British league of states bound by closer ties than are secured by uncombined membership in the world League at Geneva will depend upon the retention by the United Kingdom of its power and prestige: (*a*) In the economic sphere this survival rests on England as the financial center of the world through banking, insurance, and the directing brains of large-scale industrial organizations; as the greatest consumer of the raw materials of all British Dominions and dependencies; and finally on the ability of its export trade, its manufacturing, shipping, and its marketing agencies to hold their own in world exchange, supplying articles of as good quality, *and to suit the market*, more cheaply than competitors; or alternatively developing a competitive superiority in quality markets, turning from staple trades to specialization. (*b*) On the political side, its attractiveness as the center of a British league of states must rest upon the protection and prestige afforded to the citizens of such a league as subjects of one Crown. As long as British diplomacy and the British fleet inspire a world-wide and respectful confidence and keep a *pax Britannica* within the Empire, neither the Dominions nor India nor Egypt nor any of the lesser states is apt to desire a complete separation from this source of strength. But if British policy is dictated by the desperate measures of a political unit burdened beyond its strength and weakening in its ability to afford protection, new alliances may be expected where real independence is already so great. Even the loyal Australasian Dominions cannot be expected to remain satellites of an imperial sun if it should no longer be able to dispel the storm clouds of the Pacific area. Should England weaken at home as Rome did, under economic

decline, European catastrophes, and a too great burden in the far corners of the world, the Dominions, India, Egypt, *et al.*, can be expected to follow the historical course of the outlying parts of Empire: separate survival, or conquest by other powers. Efforts to draw the Empire into a new economic unity through tariff protection and similar measures only betray weakness.

If these elementary but none the less baldly true alternatives seem grounded in a too deterministic and pessimistic view of history, even considered as hypotheses, one need only turn for confirmation to the third factor, the complementary side of the struggle of interests within the imperial system. For this struggle must resolve the centripetal and centrifugal forces of Empire into a new coöperative partnership of at least *legal* equals or sink into a dissolution of all the bonds that mean common citizenship and diplomatic unity in peace and war. The corollary of British attraction for the other chief constituent parts of the Empire must be a need of British support by the other partners. If they develop economic and political contacts with other states of a more intimate and binding nature, or if their own strength of position permits them to judge each issue of British policy without regard for the general need of protection under an alliance that implies diplomatic unity, then neutrality in war and secession as a fact cease to have a purely theoretical interest and become practical issues. How much responsibility for common policy will the Dominions and India be prepared to assume in order to lighten the British burden?

The present British method of achieving the loose but essential unity of federation by consultation, without an imposed fiscal unity or a common representative organ, has the danger as well as the virtues of its flexibility. To the Dominions (and on some matters to Egypt) it permits practically complete economic independence and demands only common action on the most vital issues of High Policy, citizenship, and war. Legally the members will

each have the legislative power and actually they are rapidly developing the executive and diplomatic machinery to decide their own international acts. Although it is possible at present for any one of them to bring the whole Empire to its support if it is embroiled with other states, that is because under the existing system it is possible for any Dominion constitutionally to veto the positive action by any partner of whose course it may disapprove. That will be the case as long as diplomatic unity and the indivisibility of the Crown are insisted upon. Joint responsibility without a machinery of joint control other than Imperial Conferences and telegraphic or telephonic consultation seems to offer all the disadvantages of a system of *liberum veto.*

But consider the alternative solution: If the Crown is divided so as to permit independent action by separate kingdoms without any legal restraint to enforce common policy, the Empire will have become merely a loose alliance and not a permanent union of states—an alliance capable of dissolution whenever any partner disapproves of the action of the group—or acts in a way disapproved by the rest. It is for that reason that the Foreign Office has consistently held out for an undivided "Common Crown."

The question, then, is whether the formal links which now exist and the machinery of getting common agreement are adequate to the three factors and to the probable developments of each: (1) a world neither too peaceful nor too torn by war, in which a British league is essential to supplement the world League; (2) a league of British states in which the dominant partner is not too involved in its own difficulties or too exhausted by them to be useful to the rest; (3) a willingness and a need on the part of the other partners to concede as essential the necessity of joint action and to assume the consequent responsibilities.

At the outset the hypothesis was advanced, perhaps rashly, that diplomatic unity for this type of a league of states is, in the face of all the facts, a real possibility.

It was on the evidence that has now been more fully stated as to the nature of the New Empire and its context of world relations that this confidence in the stability of the present system was rested: on the facts, England is far from being "down and out." She is recovering from even the long exhaustion of the World War, though that process is a slow one and painful. Her economic power is relatively diminished, but it is today potentially as great as that of any other power except perhaps the United States. Her strength is still the basis of the most extensive system of security afforded to a torn and uneasy world. If the evidence has been read rightly, on the political side the psychological ground has been wisely prepared by social reform at home and by constitutional concessions overseas for such coöperation as the Common Crown demands. Economic forces, so long as no rigid scheme of fiscal unity is attempted, are given free play. England's position of moral leadership in the capitalist world has not been destroyed, though it is being shaken by stupid nationalism. For the Dominions the psychologically galling restrictions on their legal autonomy have almost completely disappeared. Egypt needs only to be placated by a face-saving arrangement in the Sudan; and India, as a whole, like Iraq and the lesser states, is far more exercised about status than about abuses of British power. If only powers of achieving diplomatic agreement on the perfect formula to equal the tradition set by Balfour are available, even these Nationalist movements may be restrained to tolerable tranquillity. Much of the Old Empire has already passed without great or real loss. What remains of its unity ought not to be impossible to retain, for its advantages fairly balance its restrictions. The psychological ground for the working of the Balfour credo has, then, been well prepared.

Toward the kindred Dominions every possible use has been made of indirect economic influences, of sentimental and of racial ties. In all ordinary policy the greatest degree of individual freedom of diplomatic action is accorded.

Canada, *e.g.*, now settles her own relations directly with the United States. For India, Egypt, Iraq, and the alien rest, force, kept discreetly in the background for emergency use, is judiciously combined with a diplomatic moderation. And one must remember that each of these subordinate states, more than any of the Dominions, must face the question—enough to trouble any leader other than a mystic like Gandhi—What is the alternative to this sort of British guidance? It is not an anarchy like China's? Or alternatively a change of foreign masters? With faces like that of the inscrutable Nipponese, the Caesarian Mussolini, and the grinning Bolshevik on the near horizon, placid John Bull must seem less a "tryant," even to Nationalist agitators. Certainly the elements of these subject communities to whom law and order and economic stability are the great *desiderata* will reflect seriously before pressing for more independence than is implied in some sort of Dominion status. In India and Egypt this part of the community includes not only wealthy classes but the peasants, the depressed classes, and the so-called *bourgeoisie:* Misery may produce more political trouble, but national independence will hardly remedy the misery itself. On the contrary, an unprepared independence would certainly make misery more appalling.

For different reasons, then, the Dominions can reasonably be expected to accept partnership and the dependent states a more autonomous alliance in spite of occasional, never decisive, protests. The equilibrium under the British Crown is not stable, but it is to some degree self-adjusting. If the right of legal sovereignty in its fullest sense were conceded to the Dominions and India, including the complete independence which implies the rights of neutrality and secession, what would happen? Is it not probable that the actual strength of Great Britain and their own interests in an armed world of nations still not completely without suspicion of aggressive designs would hold the Dominions to the existing alliance with the British Crown?

Indeed there is some opinion in England which holds that the best method of retaining their support may be to complete the juristic evolution to a Personal Union for the Dominions, putting them on their own separate international responsibility and demanding that they coöperate actively if they wish to share the privileges of the British League. Foreign opinion is probably more than content to have the Dominions remain linked as closely as possible to Great Britain by a unitary Crown. That link assures a guarantee of non-aggressive action, if it is to be *common.* The British Crown helps to extend *pax Britannica* to *pax mundi* by this restraining effect of imposing unanimous agreement on the members of its Commonwealth.

Perhaps the best way of considering the probabilities in an equation like that of the adequacy of the present system of a British league of states, allied by close economic ties and a Common Crown, for the retention of the diplomatic unity of the Empire is to ask what demands this imposes on each member of the Commonwealth in its international capacity, and how the years since the War have shown that these demands have been met. Then a look at the developing constellations of international relations may give us a tolerable guess as to the sufficiency of this arrangement for any predictable future.

The former problem—that of the constitutional bonds of the Crown—we examined in the fable of the Lion and the Unicorn. The Common Crown, our inquiries have already assured us, means at the present time no constitutional restraint, except in India, upon full *economic* independence for members of the Commonwealth—even in treaty relations. Egypt, it is true, is deprived of control over the Sudan and is still denied full fiscal autonomy by the capitulations. But her title to the Sudan is at least disputable and the régime of the capitulations is an international servitude on her sovereignty, whose removal can be accomplished, if at all, only by the promised good offices of England to the other powers. If she attempts

brusque measures like those followed by China and by Turkey, she must be prepared to force out all foreign influence by the same show of armed strength. This, under the very shadow of France and Italy, Egypt can hardly hope to do. Her best hope lies in British support and in eventual membership in the League of Nations. Her status would, like that of Iraq under the Treaty of Alliance, involve the negative aspects of Dominion status, *i.e.*, community of policy with Great Britain where issues involving sanctions arose. Otherwise Egypt would become in law a completely independent state.

In India, too, the control of the United Kingdom over fiscal policy does not prevent protective tariffs against England. The future surrender of British control over the budget necessary to maintain the Army of India can come about as only the result of a unanimity of revolutionary force in India that is not presently in sight. A time limit of twenty-five years for the Indianization of this Army appears to have been spoken of in the Round Table Conference in London. But it is not definitely stated.

For the Dominions fiscal liberty is complete. Great Britain must in the future control them to whatever degree she does by an indirection also open to foreign powers; but impossible of exercise by the latter on equal terms with the Mother Country because of the entrenched position of British banking, shipping, and trade, established by long historical domination and maintained by intelligent effort as well as by the aids of sentiment. Voluntary and reciprocal consumer's preference in each other's markets gets the useful support of the Empire Marketing Board and appears to meet with a measurable response already.

In foreign policy generally, no Dominion could long be prevented from secession and separate action if that will were present in any large permanent majority of its electorate. But by allowing separate action in all matters that do not touch directly the issues of common citizenship and of war and peace, the present arrangement gives the

necessary leeway to different interests, while retaining a means of assuring agreement by keeping the Great Seal in London.

The history of the development of the present methods of securing unity on vital issues shows how, by virtue of being experimentally evolved, it has met the demands so far made on it. For convenience one may center inquiry on four main issues:

1. The peace treaties after the War.
2. Their instrument, the League of Nations, as a machinery for arriving at international agreements.
3. The problem of the prevention of war by disarmament, arbitration, and security, both under the League and under pacts like that of Locarno and the "Outlawry of War" (the Kellogg or the Paris Peace) Pact.
4. The diplomatic representation of the Dominions abroad, and the effect that this has had on the unity of imperial policy.

The Part of the Dominions in the Peace Treaties

The right of the Dominions to sign the Peace Treaty and to sit as separate states in the Paris Conference in 1919 came out of their demonstrated power and individual contributions to the allied victory. Without elaborating the juristic precedents for their separate appearance at international conferences and their separate signature of such pre-War international conventions as those of the Radio-Telegraphy Conference of 1912 and the Safety of Life at Sea Conference of 1914, one must note that for many years before the War Great Britain had admitted to foreign powers her inability to guarantee the application to the Dominions, without their consent, of international treaties of an economic character. She had exempted them from being bound to carry out numerous trade treaties, for example, by stipulating that they must adhere or accede as separate units. And she had allowed them practical freedom to negotiate separate treaties of this type.

Political treaties had, however, bound the whole Empire wherever general High Policy was concerned, without specific consultation of the Dominions. The peace treaties mark the beginning of a really effective demand on the part of the Dominions to a voice in any general settlements affecting them. They had previously had conceded to them the right of consultation before any such general commitments of imperial policy as the Declaration of London were made. But this was *ex post facto*, just as was their voice in war policy—after a declaration of war by the United Kingdom alone. It is also true that even until 1926 the signature of the British plenipotentiary, if he were armed, as he usually was, with full powers for the whole Empire, was valid in law to commit the Dominions also—as far as foreign states were concerned. If the Dominions were given the right to consider the peace Treaties separately, it was a matter of purely constitutional concern. They were bound legally by the British signature alone, as the later controversy between Canada and Great Britain over the Lausanne Treaty with Turkey in 1923 showed. In this instance, Canada, not having been represented or consulted adequately, had refused to submit the Treaty to Parliament. But she finally admitted being legally bound by its general terms, in spite of failure to ratify it in Canada. After 1926, however, the full powers of United Kingdom representatives no longer included the Dominions. Legally their assent must now be separately conceded, if they are to be bound.

Nevertheless the separate signature of the Dominions' representatives at Paris, along with the representatives of the Government of India, and their part in the Conference itself were not mere efforts on the part of the United Kingdom to placate their *amour propre*. They gained, as a result, again in association with India, positions in the League as "fully self-governing Dominions," with seats in the Assembly, a right acknowledged by the Council of Four to seats on the League Council among the selected

non-permanent members, and direct Mandates from the League of Class C territories, as well as full and unqualified membership in the International Labor Organization.

The Dominions in the League and the Problem of Security

The opposition of the American Senate to this anomalous arrangement, by which British influence was so buttressed in the councils of the world League, is fresh enough in memory, particularly here where the *manes* of Senator Lodge still hover.[1] Logically there were grounds enough for objection. The British Empire as a unit appeared in the Assembly and again in the Council. Yet no less than six of its member parts had seats in the Assembly and were all theoretically able to sit on the Council and on the World Court. Canada passed in 1920 a Nationality Act to make this certain. That amounts, logically, to double representation.

Yet from an American point of view, as subsequent events have shown, no opposition could have been more short-sighted. For the Dominions in the League without exception have taken an attitude consistently like that of the American policy since that date. It was Canada that led the attack on Article 10 and its commitment to the forcible maintenance by all League members of the *status quo* throughout the world and especially in Europe. But the other Dominions were not less critical of positive commitments to making the League a superstate. Wise or unwise, their opposition to the Geneva Security Protocol was like their previous unwillingness to adhere to the Anglo-French Security Pact of 1919, a large factor in making impossible ultimate British support for these measures. Toward the main Locarno Pact, too, they were recalcitrant—just as recalcitrant as the United States would have been—to positive European entan-

[1] Perhaps it is unnecessary to explain that this was addressed to a Boston audience.

glements. Again like the United States, they have preferred to rely upon the moral homily of the Kellogg Pact and to fall back upon judicial rather than executive sanctions to enforce international security. They have consistently supported the Permanent Court of International Justice, in this respect alone going farther than the United States would be prepared to by accepting in principle the compulsory reciprocal jurisdiction of the Optional Clause—Article 36 of the World Court's Statute. But even here their reservation of all matters of domestic jurisdiction and their support of the sweeping British reservation ruling out from compulsory jurisdiction all matters arising out of past controversy (including, perhaps, the British "Chamberlain doctrine?") are strikingly motivated by suspicions of international settlement for matters like immigration, natural resources, etc. Their reservations accord with the present American attitude. It is fair to add, though, that since the Labor Party has come into power in England, they have agreed in principle to the General Act of the League and to amending the Covenant so as to bring it in line with the Kellogg Pact.

It is not too much to say that in all the economic and social questions handled by the League the Dominions have adopted lines of policy more like those of the United States than of Great Britain. They have been sometimes, in contrast to the Mother Country, obstinate opponents of every effort to extend League powers, even of inquiry, into immigration, natural resources, and similar topics. They have, unlike the United Kingdom, not signed the Imports and Exports Prohibition Convention, preventing embargoes, and with a complete unanimity that was all the more startling because it included India and New Zealand they have opposed the Labor government of Great Britain in its effort to secure a tariff truce for several years against further increases of "protectionist" duties. Australia has outdone even the United States in high protection since that date (1929), and Canada under a Conser-

vative government has also raised the barriers still further against Great Britain as well as the rest of the world. All the Dominions, and India and Egypt as well, have accepted protectionism in the best American tradition as opposed to the Free Trade efforts of Great Britain and of the Economic Section of the League.

In the International Labor Organization, too, the British Dominions have as a rule taken the attitude, in a manner quite American, of a suspicious non-coöperation toward all efforts directed at more state social legislation. Once again they have emphasized their position as non-European states, predominantly primary producers; and, even in industrial legislation, devoted to less socialistic, certainly less internationalist, ideals than those of Great Britain.

In the political sphere of High Policy we have noticed that their assent has acted as a brake on Great Britain's European engagements and has forced the United Kingdom perhaps even further than she would otherwise have gone, in accepting the American policy of non-entanglement and of refusing to consent to military and naval commitments for security—the French basis for disarmament. It was a diplomatic triumph for the Labor Party to get them as far as the General Act. The system politically has become one of "checks and balances" and of restraints upon British policy. And this is only the natural corollary of demanding unanimous Dominion support as equal partners. The Dominions pull toward an American policy, and Great Britain, in spite of her immediate stake in maintaining the peace of Europe, frequently must follow.

The Dominions and International Conventions

Since unanimity of action is not required for economic treaties or those of an administrative character, the same restraint is not exercised on British action in most of the great international conferences called to achieve uniform action for mutual protection and convenience. In certain instances of conventions affecting laws of citizenship or the

compulsory jurisdiction of the World Court, British action has been delayed until unanimous consent was achieved. In others, Dominions may refrain, if they like, from supporting the United Kingdom, *e.g.*, in trying to secure better treatment of foreigners or a tariff truce. But the British signature is not prevented by such disagreements, since only the Parliament at Westminster is called upon to carry out the convention in question. Great Britain has signed, for instance, some twenty or more international conventions, which have failed to secure unanimous Dominion approval. In several instances only the United Kingdom has signed.

Dominion approval, particularly for the social legislation required by international Labor conventions, is in many instances rendered difficult for Canada and Australia by a federal problem like our own. Legislation by the states or provinces over which the Dominion federal government has no control may be needed to carry out the convention. Ratification by the Dominions is also a very slow process, though hardly worse than among many other members of the League. Usually there is a certain amount of pressure put upon them by the United Kingdom to sign and ratify conventions like those on copyright, radiotelegraphy, or those useful to British shipping, such as load-line conventions, uniform liability under bills of lading, etc. But even in these instances several Dominions have refused to act. In order to get uniformity of merchant shipping laws the Dominions and India have now approved a multilateral inter-imperial draft agreement which is like an international convention in its form.

It is worth remarking that the checks-and-balances system of consultation works both ways: If the Dominions sometimes prevent British action, the United Kingdom has so far been able to get the Dominions to wait for a British lead. No convention, with the possible exception of the Optional Clause which the Irish Free State signed without reservations and in advance of the other members of the British Commonwealth, has yet been signed by the

Dominions without having first had the prospect of a British signature. These signatures at present are grouped, for all those treaties made under a "heads-of-states" formula, by placing them under the King's title with the United Kingdom at the head. They are still grouped just as they used to be under the old "Empire-panel" system except that, instead of "United Kingdom," under the older formula appeared, the "British Empire" and after it the Dominions and India, in that order.

This new form of grouping has a special significance which is symbolic of the real achievement of Balfour in the 1926 Conference.[1] It is a subtlety that is still only partly understood by foreign states. Prior to 1926, practice was not uniform as to the form of stating the High Contracting Parties. The peace treaties were signed by states and not by heads of states. That formula was used for several international conventions, such as the Protocol of the World Court, the Radiotelegraph Convention, the Convention on International Aerial Navigation, etc. As long as states or governments were the High Contracting Parties, it was essential to show that the British Empire was a unit by giving full powers for the whole to the delegate of the United Kingdom. He then signed for such parts of the Empire as he was instructed to commit, uniformly excepting from this commitment the Dominions and India unless he carried special instructions from these governments to act for them also. Theoretically he might have committed them legally, but they were allowed to sign as parts of the Empire under separate full powers. The Washington Naval Conference of 1922 was an example of this arrangement, Lord Balfour signing for South Africa as well as for the British Empire. The other Dominions added their signatures and were thus doubly bound.

[1] "I am told that people complain that I draw fine distinctions," Lord Balfour once said in his own defence. "I do. But High Policy depends upon fine distinctions and if people cannot understand them, they must trust those who do." This was the epitome of Balfour's philosophy of statecraft.

This arrangement had several disadvantages: from the point of view of the Dominions it put them in the anomalous position of being committed by the Empire signature, even if they should not sign, in a case like the Washington treaties noted above, where the British representative's signature was for the entire Empire. On the other hand there was some doubt whether they were not states signatory and hence contracting parties in their own right. That would have meant in conventions like the Barcelona Conventions on Navigation and Freedom of Transit that the terms were applicable as between the Dominions and the Empire on a full international basis. In order to make doubly certain that this should not be the case, reservations had to be inserted in the Barcelona and subsequent conventions of a similar nature to the effect that the convention was not applicable *inter se* the members of a single state—*e.g.*, the British Empire.

That this solution was fraught with danger for the diplomatic unity of the Empire was soon shown by the attitude of the Irish Free State. After its admission to the League in 1923, on the same terms as the other British Dominions, that Government registered the so-called "Treaty of 1921" between the government of the United Kingdom and Sinn Fein, which had been called "heads of articles of agreement for a treaty." The United Kingdom protested that the relations between the Irish Free State and the Crown of Great Britain were constitutional and not international and that for that reason it did not recognize the validity of the registration of the "Treaty" under Article 18 of the League Covenant. Nevertheless the Irish Free State Government again in 1925 registered the Boundary Agreement, modifying Articles 5 and 12 of the British-Sinn Fein Agreement of 1921. The Secretariat of the League professed that it was not passing on the character of these agreements as international by accepting them for registration.

The attitude of the Irish Government was also carried over to international conventions: The Irish Free State

insisted that they should apply as between the United Kingdom and the Dominions in matters like copyright, opium control, and even in the shipment of arms. Foreign states, whose attention was awakened by this controversy, began to take note and in the Opium Convention and the Arms Shipment Convention the Japanese and the United States delegates and some others took the Irish Free State point of view. The Arms Traffic Convention, coming in 1925, provoked by its difficulties to the British Foreign Office a new solution which Balfour succeeded in imposing at the Imperial Conference of 1926—the present treaty formula. This formula puts the King as the High Contracting Party for the whole Empire, the signature of the delegate or the United Kingdom then appearing below for the first time on the same terms as those of the Dominions and India. Previously the United Kingdom had only been included by the blanket Empire signature at the top of the list.[1]

This satisfied the Dominions by putting them on a position of theoretical equality with Great Britain and by limiting the full powers of the United Kingdom's representative so that he could no longer legally commit them, by an Empire signature. But it accomplished at the same time a safeguard against international inquiry into the constitutional relations between members of the Commonwealth by a subtle use of the Common Crown. That was really the great victory of Balfour for imperial unity:

> The making of a treaty in the name of the King as the symbol of the special relationship between the different parts of the Empire [the Balfour Resolutions declare] will render superfluous the inclusion of any provision that its terms must not be regarded as regulating *inter se* the rights and obligations of the various territories in behalf of which it has been signed in the name of the King . . . Where international agreements are to be applied between different parts of the Empire the form of treaty between Heads of States should be avoided.

[1] See Appendix II A and the sub-appendix for form of treaty signature there included.

Reduced to its simplest terms this means that wherever the Crown appears as the High Contracting Party, the Dominions and the United Kingdom sign separately if they wish to, or refrain from signing if they do not wish to apply the treaty. *Vis-à-vis* foreign states they enjoy the right of separate action. But in their relations with each other they remain a unit and are not subject to international scrutiny or arbitration. The *inter se* reservations of all the members of the British Commonwealth except the Irish Free State had precisely this effect in preventing the World Court from being used by a Dominion against the United Kingdom.

But the victory for imperial unity may not be a final one. The Dominions have only to insist upon the other formula of signature for international conventions—that between states or governments—to have them applied internationally to the relations between members of the British Commonwealth. Under such a form the Dominion would not be grouped under the Crown but would be placed alphabetically in order like other states. The Irish Free State representative refused to sign the Rome Copyright Convention in 1928 because it was under the Balfour heads-of-states formula. And at least two other even more significant proofs of the fragility of Balfour's triumph exist:

The first is that when Sir Cecil Hurst attempted to get the acknowledgment, by the Advisory Committee of jurists on the revision of the World Court Protocol and Statute, of the right of the Dominions to separate judges when they were interested parties in cases before it, he was met by almost unanimous refusal by the advisers of the foreign offices of other states on that Committee. They politely called to his attention the fact that the Dominions and Great Britain claimed to be constitutionally bound by a Common Crown so that their *inter se* relations were not international. With a British judge already on the Court, to add Dominion judges would be to pack the Court for the Empire. Sir Cecil withdrew his request, though he

obtained, it is worth noting, the support for his proposal of Mr. Elihu Root, almost alone of the jurists. No doubt Mr. Root had wisely concluded that the United States had nothing to fear and much to gain by the presence of as many Dominion judges as possible on the Court in almost any conceivable case that could involve the United States.

But in yet another recent instance the Balfour formula has had to be foregone in order to win advantages that the Dominions demanded. In December, 1929, a special session of the C.I.N.A. (or, under the English title, the International Commission of Aerial Navigation) was called in Paris to consider the question of separate votes for each of the Dominions and for India. Somewhat stubborn opposition, particularly on the part of the Italian delegate, had developed at the June session to changing the position under which the Dominions had had to vote through the British delegate. The Netherlands delegate had raised his right to obtain a separate vote for the Dutch East Indies, administratively as separate and as different from the Netherlands, he claimed, as was British India from the United Kingdom. Before the right to a separate vote was obtained by the Dominions and by India, they were required, along with the British delegate, to state formally that the convention would apply to their relations with each other in all respects as if they were *independent states*. The convention is now signed in alphabetical order, with no attempt at grouping the Empire.

In all these cases, however, the presence of India renders suspect the real status of the Dominions. Whatever validity may attach to the suggestion that the Dominions act freely and without British control, even when they agree with the Foreign Office, the same thing cannot be held for India, whose foreign policy, like her correspondence, must be dictated still from the India Office in London.

Nevertheless the acceptance of the expression "independent states" by instructed representatives of the Dominions and by the British delegate is of the greatest significance. It means an important break away from the

Foreign Office's insistence upon never speaking of the Dominions as *states* but as "members of the League," or of the various international unions, or of the British Commonwealth of Nations.[1] Also it shows that in an administrative organization of great international importance, other nations are not always prepared to allow the Dominions, India, and Great Britain to have their cake and eat it, too—that is to act separately but to deny that their *inter se* relations are of an international order. Third parties can now raise the question of the carrying out of the convention by members of the British Commonwealth without being told that its application is a purely domestic question. And carrying trade between two such "independent" parts of the Empire could not be treated as cabotage or domestic coast trade.

The whole question of the status of the Dominions in international conferences and treaties tends to boil down to these proportions: in naval questions, the major international political settlements, and in questions involving the application of sanctions, they must act as an imperial unit—as long as they rely upon the British fleet and use British diplomatic channels and consular services. These questions have sometimes been called "group questions" because they affect the members as a group.

But in other multilateral international conventions of an economic and administrative order, just as much as in bilateral trade treaties, the Dominions are coming to exercise a completely independent status as practically separate states. The line is not hard and fast: politics and economics have a way of merging. It is not supremely logical. But it is a rough-and-ready way of distinguishing a line of policy that fits the facts of international practice, and it is being accepted by foreign states as well as by the members of the British group.

[1] See also page 333, on the use of the expression "*States* Members of the British Commonwealth of Nations" (my italics) in the Resolutions of the Imperial Conference of 1930 on the proposed Inter-Imperial Arbitral Tribunal.

In these conventions the Dominions have taken up almost uniformly an American as opposed to a European attitude. The Irish Free State tends with Great Britain to favor a greater extension of international agreement, but the other Dominions remain skeptical of its advantages to their policy. In this attitude they are sheltered by the double advantage that they enjoy, for it must be remembered that all their nationals are, with the few exceptions noted, British subjects. Their ships as well as their citizens usually enjoy the protection and advantages of British treaty rights, without having to offer a *quid pro quo* in return. Germany and Russia have recently given a lead to other states by refusing to accord these privileges to the Dominions without return. If the example is widely followed, it may force the Dominions to greater uniformity with British policy in conceding reciprocal advantages and may heighten their respect for the need of international conventions.

Diplomatic Representation

How can one talk of the diplomatic unity of the Empire when His Majesty is separately represented by three Dominion plenipotentiaries in Washington—those of the Irish Free State, of Canada, and of South Africa—as well as by the British Ambassador; and similarly by Canadian and Irish Free State ministers in Paris, a Canadian Minister in Tokyo, a South African Minister at the Hague and at Rome, and an Irish Free State Minister at Berlin and at the Holy See? Must all these plenipotentiaries act unanimously as a group at the various capitals? They do not get their instructions from the British Foreign Office, and they are named on the request of their own governments. How then is a common policy to be assured in their acts abroad?

The answer, briefly put, is that it pays them in prestige and in influence to coöperate with the British diplomats in common concerns. But in matters affecting only their own governments—trade treaties, administrative arrangements,

and the routine of diplomacy—they act entirely independently, calling on the United Kingdom only to issue full powers and ratifications for treaties done in the King's name. So far they have been content to assert their "status" as equal members of the Commonwealth and to devote most of their remaining energies to promoting trade. Only the Canadian Minister at Washington and the American Minister at Ottawa have really undertaken as yet the negotiation of extensive and important diplomatic business.

When Canada first won the assent of Bonar Law to the principle of having a separate representation at Washington, dire prophecies were made that the step spelled the end of Empire. It was the Irish Free State, however, that first persuaded the Labor Government in 1924 that an Irish Minister at Washington should actually be appointed. Under the original agreement with the Government of the United Kingdom the Canadian Minister would have been appointed as a sort of adjunct of the British ambassador and would actually have taken over the latter's functions in case of need. This was hardly a possible solution with an Irish Free State Minister. So that Professor Smiddy came bearing a Royal Letter of Credence, but with an accompanying note that carefully set forth the information that the diplomatic unity of the Empire was not to be modified by his presence—presumably a hint to the U. S. Department of State that in any matters in which the Irish Minister disagreed with his British colleague it would be the latter who should be given the fuller "faith and credence." This was supplemented by a specific limitation in the letter of instructions sent through the British Ambassador of the Irish Ministers' powers to treat under the Letter of Credence those matters that concerned "only" and "exclusively" the Irish Free State and by the implied warning that in matters affecting the whole Empire the British Ambassador was the sole channel to His Majesty.

The Irish Government, which had maintained as "commissioners" and "ministers" a number of the old irregular

diplomatic representatives of the Republican Sinn Fein movement abroad, had found foreign governments quite unwilling to go behind the British diplomats' backs to treat with these agents, since they enjoyed no official status under the British Crown. The Free State was willing therefore to have Professor Smiddy elevated to official status by this appointment as Minister Plenipotentiary to the United States from the Irish Free State with Royal Letters of Credence from Great Britain. The entering wedge was the essential necessity. It was soon apparent, though, that the Irish representative intended to confound those who had predicted disruptive differences by working in collaboration and in constant consultation with his British colleague, partly no doubt because his prestige and his influence with the American Department of State depended somewhat on the British Ambassador's support. Professor Smiddy's appointment did much to dispel the bugaboo of disunity through the tactful manner in which he devoted his energies to bringing home to Irish-Americans the new status of the Irish Free State as a free partner in the British Commonwealth. The appointment helped greatly to bring to an end Irish bitterness toward Great Britain in the United States. At the same time the Irish Free State Minister did not hesitate to express publicly that the loyalty of his Government was to the person of the King and that he represented the King in his capacity as King of the Irish Free State. This doctrine of a Personal Union was distasteful to the Foreign Office, but it has since gained ground steadily.

In the Parliament at Westminster it was explained to anxious British critics that diplomatic unity would be assured in the first instance by consultative coöperation between the men on the spot; failing agreement there, the matter would become one for consideration between the two governments, the British and the Irish. As the Letters of Credence, Full Powers, and the Letter of Recall would all come under the Great Seal, the British Foreign Secretary

still kept the whip hand—though naturally this did not get emphasis in the debate.

Canada did not follow suit by asking for the appointment of a Minister to Washington until 1926, and only in 1927, after the appointment of the Canadian Minister, Mr. Massey, did the United States reciprocate by accrediting to His Majesty's governments of Canada and the Irish Free State two able career diplomats—Mr. Phillips to Ottawa and Mr. Sterling to Dublin. The former actually accepted a technical reduction of status from that of Ambassador to Belgium in order to take up the highly important Canadian post.[1]

For a long time the channels between Washington and Ottawa, for business which Lord Bryce estimated as by far the larger part of the British Ambassador's duties, had proved too circuitous to be entirely comfortable. The appointment of a Canadian Minister of high talents and a convinced spirit of imperial coöperation must have proved, then, highly advantageous to all concerned, including Sir Esmé Howard (now Lord Howard), the then British Ambassador. It did away with the necessity for a great deal of "informal" diplomacy which the British Ambassador had less opportunity of observing and controlling than he has under the present consultative arrangement. As an instance in point one has only to recall the Canadian Liberal Government's overtures for reciprocity which led up to the abortive agreement of 1911. The British Ambassador, at that time fearful of interfering, watched these interdepartmental *démarches* between the two governments far more helplessly than he would now. At present he can talk freely and confidentially with his Canadian colleague, and his

[1] Mr. Phillips has since resigned to be replaced at Ottawa by a well-known ex-president of the American Legion, Col. Hanford Mac Nider, who appears to have been eminently successful in representing his country, though with no pretence at diplomatic formality. Canada has reciprocated by replacing Mr. Massey with a Conservative partisan, Maj. William Herridge, the brother-in-law of Prime Minister Bennett. The United States is also building an adequate Embassy at Ottawa.

Government is represented in Canada not by a suspect Governor-General but by a High Commissioner whose duties are frankly of a diplomatic character. The Governor-General himself, now that he is a purely viceregal officer, and represents only the King, can perhaps advise discreetly behind the scenes, without offence.

It was, because of the Irish-American problem and the importance of our contacts with Canada, the United States that set the fashion for receiving Dominion representatives and for returning the courtesy. Since that time an enormous amount of important negotiation has taken place with Canada, particularly, of which the famous *I'm Alone* case has afforded one of the most spectacular instances of amicable settlement. Prohibition enforcement, which Canada has recently agreed to assist by refusing liquor clearances across the boundary waters, is another instance. Boundary settlements, the Chicago drainage diversion, the St. Lawrence Waterway projects merely begin an important list of negotiations. The return of Mr. Bennett's Conservative Party with a program of tariff retaliation against the United States means a period of difficult economic relations which our own tariff policy has invited, but which will require the utmost skill in handling. In the absence of a regular Canadian Minister to Washington, after Mr. Massey's resignation had been accepted with the change of governments, Mr. Bennett himself undertook an informal trip to talk over things with Mr. Hoover. The precedent of a Prime Minister coming for a personal visit had been set by Mr. Ramsay MacDonald before the Naval Conference. Ottawa and Washington may see many such useful exchanges of visits. The investment of American capital in Canada is so great that it is probably a pledge of friendly relations, on both sides, if only it is fortunate enough to be attended by the sympathetic understanding inherent in the similarity of the problems of the two nations.

But if the United States began the practice of exchanging representatives with the Dominions, in a few years practi-

cally every great power had followed the example, as the list previously noted will show. The logical French appeared at one time to have had some scruples about so anomalous a method of assuring diplomatic unity by plural representation. But they have sent representatives to Ottawa and Dublin also; and other powers have followed the lead of the United States likewise with the Union of South Africa. Only the Australasian Dominions have up to the present continued the old reliance on purely British channels, coupled with free use of the foreign consuls-general in their own capitals. They have preferred more intimate *liaison* with the Foreign Office, supplemented by informal though often direct diplomacy on economic matters and immigration agreements, using the consuls-general of Japan, Italy, and China for the negotiations.

The experiment, once begun, can hardly be renounced, even though it has been criticized as useless and expensive in all the three Dominions which have tried it. For reasons of trade and prestige as well as of political patronage the Dominion governments will probably extend their representation still further.

What does the change amount to for those Dominions which have launched on the path of separate legations? Is it potentially disruptive? Is the British control through the Great Seal purely formal? How much strain will "co-operation through consultation" bear, if real conflicts of interest develop?

The Kellogg Pact showed two sides of the problem that deserve notice. In the first place, in spite of an initial hesitation on the part of the U. S. Department of State about sending invitations for signature to the Dominions and India, as it had not sent them separate invitations to the Washington Naval Conference in 1921, the British signature for the United Kingdom could not be appended until the others had agreed. If one Dominion had stubbornly declined to sign, what would have been done? Would the Kellogg Pact not have been in force for that Dominion?

The exchange of ratifications on the London Naval Agreement of 1930 was delayed for many months by the failure of the Free State to complete the ratification, and nothing could be done about it by the British Foreign Office.

Incidentally failure at first to approach the Irish Free State Minister at Washington with regard to the Kellogg Pact was based by the State Department on the grounds that the matter did not concern "exclusively" the Irish Free State and as an imperial matter fell to the British Ambassador. The protest of the Dominions over this interpretation led to including them as signatory powers and to the omission of the limiting adverb offensive to their pride in the Letters of Instructions which were issued after that date, beginning with Mr. Massey's. The Dominions have to be consulted by foreign governments in any matter that requires their support. Where they are directly represented, they must be directly consulted. Agreement is then a matter of arrangement between themselves and the British diplomatic representative at the foreign capital. On imperial questions they become a sort of college of allied diplomats, bound by ties even more intimate than those of the Little Entente. Whether the British Government could or would recall a Dominion Minister who failedto coöperate, if he had the backing of his own government, is still an interesting matter for speculation.[1]

But a feature of the signature of the Kellogg Pact which also deserves attention is the appearance which the ratifications by the Dominions show of new divergence of interests. The British signature was accompanied by a covering note from Sir Austen Chamberlain, quoted in the last lecture, that has been called a new British Monroe Doctrine. Though it is not new, it is motivated by a desire to exclude the political intervention of other states in certain unspeci-

[1] Presumably now that the Irish Free State can issue Letters of Credence under its own seal, no such recall by Great Britain would be even theoretically possible. The original Letter will now come in the name of His Majesty the King, countersigned by an Irish Free State Minister and sealed with the Irish Seal.

fied areas of British interest and influence. Nor is it designed merely to protect their autonomy—as the original Monroe Doctrine was—but to preserve British hegemony among the states in question, presumably Egypt, the Arab Kingdoms, Iraq, Afghanistan, etc. In the parliaments of the more independent of the Dominions, the Irish Free State, Canada, and the Union of South Africa, it was specifically asserted in ratifying the Kellogg Pact that the British reservations were not part of the Pact as ratified nor would these Dominions be bound to support Sir Austen Chamberlain's reservations. That of course raises the interesting point, always present in British High Policy: Are the Dominions *bona fide* signatory parties, High Contracting Parties? Could they act contrary to a British decision to go to war to support Chamberlain's roving commission and protect British spheres of influence? Probably the legal fact is that they would still be automatically at war with any enemy of the British Crown, but they might declare their intention of affording the United Kingdom no active support. Nevertheless they would be subject to attack, and their citizens ships and property in foreign countries liable to confiscation by the enemy, unless they declared their formal secession from the Crown—or unless the enemy from motives of strategy tried to treat them as neutrals.

This shows that, whatever the appearances, both the law and the facts of power still bind the Dominions to follow British policy or to secede. A polite name is "consultation": the fact is that they must agree in all crucial matters, though their influence may be a powerful factor in deciding British policy. Generally that influence, like Great Britain's, is in support of the League as an instrument of peace. But if the United Kingdom should feel the force of the pull of Europe to assure that peace by positive guarantees of armed assistance against a violator of the Locarno Pacts or should be forced into a minor conflict to defend the Chamberlain policy, say against Turkey or Russia, the action might put so severe a strain on the loyalty of the

Union of South Africa and the Irish Free State as would disrupt the Empire. Even in Canada there is a marked distaste for being dragged into so-called "British wars," exacerbated in Quebec by memories of the unsuccessful effort to enforce conscription in 1918. But the difficulty of preventing voluntary enlistment of "loyal" Canadians would probably force Canada to be at least a passive belligerent.

It is more than ever imperative, then, for Great Britain to be the peacemaker—a powerful factor in making an Anglo-American rupture almost as "unthinkable" as the professional "hands-across-the-sea" school preach it to be. Great Britain cannot afford even the appearance of a war that is not one of self-defence or of last resort, without disrupting the Empire. That fact ought to disarm some of the natural suspicion which we have felt, as a nation, of Foreign Office policy in the past.

Another incident, moreover, shows that the presence of Dominion diplomats in foreign capitals puts some odd complications on much less serious matters of diplomatic unity. The British Government in 1929–1930 felt constrained to protest against what was termed Papal interference in the internal affairs of Malta. The Catholic bishops, by threatening spiritual penalties against any political supporters of Lord Strickland who were of their faith, and by refusing to make a *concordat* as long as Lord Strickland remained in power, for a time made it appear that an actual severance of diplomatic relations with the Holy See would be the only possible course suited to British dignity. That would have resulted in showing whether the Crown was really divisible, for it would have forced either the withdrawal also of the Irish Free State Minister, Mr. Charles Bewley, along with Sir H. G. Chilton, the British diplomatic representative; or the admission that the Irish Free State representative at the Vatican acted for an entirely separate Crown and hence might remain. In spite of semi-official denials both in London and in Dublin of the United Press rumor that Mr. Bewley

had intervened to prevent a rupture, there is small doubt that his mere presence at the Holy See helped to make the Foreign Office unwilling to force the issue. To have recalled him, as presumably the King might still legally have done on the advice of the British Secretary of State for Foreign Affairs,[1] would have raised a storm in Ireland. To have left him as the representative of the Crown for the Irish Free State while the Crown of the United Kingdom had withdrawn its representative would, on the other hand, have been an admission of precisely that divisibility of the Crown and multiplicity of kingships which the Foreign Office has so far tenaciously resisted.

The issue here was interestingly complicated by the fact that Monsignor Robinson, on whose investigation of the Strickland régime the Vatican had mainly based its attitude of complete condemnation, had been received by the Crown as *persona grata* for the Papal Nuncio to the Irish Free State. Any breaking off of relations that left him in Dublin would have been more than anomalous. Yet to have demanded his recall would have precipitated an issue with the Irish Free State Government more serious than any since that of the Boundary Settlement. It was an issue loaded with dynamite. Consequently it was not forced.

This incident aptly illustrates how the presence of Dominion diplomats abroad complicates British policy by a system of checks and balances far greater than that afforded even by the power of one-third of our own Senate to block treaties. If England is pulled toward a European policy of one sort, the Dominions may pull away in the opposite direction. If unanimity is insisted upon, English policy may be blocked. The League and the problem of international sanctions have already furnished us with some examples, but Russia offers an even more interesting one. The first Labor government recognized Soviet Russia *de jure* without consulting the Dominions and would have

[1] This would no longer be true of diplomats accredited by the King over the signature of his ministers for the Irish Free State and under the new Seal.

pushed through a treaty without getting their consent. But when the problem of resuming relations again came with Labor's return to office in England in 1929, unanimity of policy had to be secured. The Dominions resumed relations by joint agreement with England but by separate notes as far as concerned admitting Soviet representatives. Canada had acted separately in trade relations throughout, though after British initiative. Recently Canada has placed a ban on the importation of several commodities from Soviet Russia—coal, wood pulp, and timber—on the grounds that they are the products of convict labor.[1]

It is by no means certain that the path to unanimity in accepting the Russian professions of willingness to refrain from official communist propaganda would have been so clear if the Bruce government had remained in office in Australia. The Labor victory there came in this matter as a godsend to Labor in England. Could resumption of relations with the Empire have been forced against Mr. Bruce's wish? He had previously expressed a determination not to resume relations on the old terms as to propaganda.

In the future, it is by no means improbable either that the Conservative Party in England should break off relations, while all the Dominions might not wish to follow the example; or, on the other hand, that one or more Dominions might desire a rupture of diplomatic relations in a case where Great Britain still proposed to stand fast. Canada's relations with Russia are now very near the normal point where states would demand a diplomatic rupture.

These are entirely probable strains on the structure of imperial unity. They could be met by dividing the Crown so that it might act as if each Dominion were a separate Kingdom, with the viceregal Governor-General taking the advice of that ministry without regard to the rest of the Empire. But unless this legal devolution to a Personal

[1] Subsequent to these lectures, Russia retaliated by an embargo on all purchases from Canada, a blow economically much more severe, considering the great disparity of Canada's favorable balance of trade with the Soviet Union in past years.

Union is accepted, severe strains will be constant. An extreme retaliatory tariff policy might at some future time push Canada much farther into an attitude of hostility to the United States than England would think wise, particularly if Canada is to protect "home industries" against Great Britain on almost as protective or prohibitive terms as against the United States. Australia might provoke Japanese and Chinese hostility in the Pacific; South Africa further exacerbate Indian sentiment by discrimination against Indian settlers there. Yet British control over such actions is difficult, even though ultimately under the existing arrangement, Great Britain must bear the heaviest onus of responsibility. De Valera or his lieutenants in power in the Irish Free State would no doubt test the forbearance of the United Kingdom to the fullest limit. To say that he might not snap the link with the Crown could be based only on observation of the present temper of the Irish electorate. And that is not a fixed quantity.

As long as the Crown is indivisible and peculiarly British, the weary Titan must somehow stagger on alone under what Joseph Chamberlain called "the too vast orb of his fate." The Dominions will not for the present tax themselves for defence nor render more aid to the imperial services. Under the difficult burden of Empire, England can hope for their aid only to the degree that she allows them to take full responsibility for their acts. Perhaps they may be won to greater support by persuasion now that coercion is impossible.

That may be the inner meaning of British imperial policy since the War—the meaning also of what I have ventured to call the "New Empire." Having to face Dominions claiming the right of equal *status*, she is trying to merge the period of tutelage into a transition that will impose upon them the *duties* as well as the *rights* of equals. But the machinery of federal unity being impossible, the United Kingdom has fallen back on "consultation" to achieve the minimal unity of policy that still remains.

The Old Empire is rapidly passing save in those areas where natives can still be governed by colonial methods. Even there it must temper exploitation by trusteeship, under constant criticism from its own parliament and from the most alert and critical electorate in the world. So far no serious effort has been made to pool the dependencies of Empire, because no machinery exists and because the Dominions are too occupied at home to wish a voice or a share in the responsibility for any dependencies except those directly attached to them. Only in the very distant future could free access to these sources of supply and their markets become an asset in the hands of Great Britain in holding the Dominions in the Empire. And the less imperial path that was indicated in the last lecture may be chosen: that of opening up the Empire to truly international investment in order to promote the future of international rationalization within the capitalist system.

As for the rest of the Empire—the great dependencies of India, Egypt, Iraq, and the protected states—the technique of control is changing from the methods of Cromer and Milner to a subtler form of indirect influence, less offensive to nationalism. If it can appease the ambitions of the native populations to rule themselves without losing all the economic ground gained during the period of domination, the method should work as satisfactorily as any such government of these nations could be expected to. Lion must turn to Unicorn's methods even in the dependencies.

For that reason more than ever the direction of British Imperialism must be toward reliance upon the League of Nations to enforce peace and to create a world of freer economic exchange, with every effort toward international agreement to reduce tariff barriers, to get coöperation from central banks, to open up and to control internationally the areas which produce the great basic commodities. For upon the success of such internationalism depends the survival of the New Empire in its old strength and wealth. So far the signs are against the immediate success of such econom-

ic internationalism. If the proposed European federation should succeed as an exclusive one, or if Europe alternatively disintegrates into communism, if the policy of reconciling nationalism in the orient fails, and she must fall back on her smaller dependencies, the future of England must be to accept a rôle much reduced in importance as Holland did in the eighteenth century. One alternative, of course, is the attempt to recapture by strong measures the ground lost—a period like that of the Tory Imperialism that followed Gladstone. On this path, however, it is most improbable that the Dominions will follow far. If England has to strain her resources to the utmost to hold India and the Sudan and the Middle East by force, she risks the loss of the Dominions even if she retains the rest of the Empire in doubtful and difficult subjection. Her whole effort must therefore be devoted to turning the defeats of internationalism into victories. For on the success of international cooperation depends the conditions which mean life to the New Empire.

There is a final threat, greater than any of the strains involved in external relations or the imperial difficulties with subject peoples: It is that the home population, under constantly increasing socialistic pressure, may complete the destruction of British export industries by a burden of taxation that not even the huge capital resources of England can bear. If the City takes alarm and capital takes flight, London ceases to stand for the financial heart of the world and the situation would be desperate indeed. No one can then predict what misery for England would result. This is the specter which haunts even the imagination of the soberest English statesmen, not given to any needless pessimism. It is the danger that correspondingly exalts the prophets of Moscow. For only under these conditions is Communism or Fascism a danger in England.

It is in the tremendous social discipline of the English electorate and to the intelligence represented by that balance of the electorate who have followed Liberalism that

hope lies. Violence would be only a last resort. Throughout its past history Great Britain has found energy and moderation and leadership to solve problems as difficult. The exhaustion of the Napoleonic Wars was followed by a brilliant period of recovery.

But there is no doubt that a certain apathy has been created by past comforts and by *étatisme*, and there lies the threat to energetic recovery of industrial initiative. The creative drive of free initiative seems to be more limited, and the "hiving off" of surplus population effectively stopped by the provisions of the dole and the social services. The danger is that the people of England may be lulled into a comfortable sense of security. The necessity of appeasing an electorate under universal suffrage against which no party dares make head may prevent the strong leadership essential to economic recovery. Undoubtedly phlegmatisn has had advantages in the face of the difficulties of the changed new world which England faces. But it has very grave defects for a nation that needs new energy.

The economic danger to the center of the Empire under the existing system is real. But there is no lack of signs that a change of temper is coming. Far more important than quack remedies of Empire Free Trade is the native vigor of a tradition of self-help. In industry it is taking the form of instigation of scientific research and of a rationalization all the more painful because it is so belated. In politics it is evinced by a growing outcry in the balancing powers of the old Liberals against increased expenditure by the state. In England democracy is receiving its severest testing. If it can avoid the spurious security of drawing in its defences by tariff barriers and the old methods of economic nationalism and imperialism, it may lead the world to a newer more truly secure international order.

If the present period of economic depression is temporary and of short duration, England may emerge with its fat reduced but stripped for the struggle as she was one

hundred years ago. The chastening of adversity is harsh but salutary.

No one who wishes well for the peace of the world will wish the New Empire ill. Its own future is more than ever bound up with the fortunes of international solution for economic problems. Unless the markets of the world can be expanded with the prosperity of peace, and not by the fictitious prosperity of military struggle, the British Empire is doomed to sink in importance, is perhaps threatened with dissolution. It might survive, possibly, another world struggle because of the strength and loyalty of the Dominions. But the decline after that would be fatal. The drain of man power and the loss of leadership could not be twice repeated.

For this reason the Empire must stake desperately on peace at almost any price and at all costs. Given peace and a recovery in the prosperity of the world, the huge economic lead established by Great Britain ought to enable her to develop her Empire, to reconcile nationalism with a freer economic coöperation between nations, and to hold a mighty, even if a diminished, place in the powers of the world. The New British Empire is therefore the world's stoutest bulwark for peace.

Because of her exposed position and of her imperial obligations, it is not too much to say that the problems of occidental internationalism and democracy are being faced by Great Britain in a form big with meaning for the future of our whole civilization. If democracy fails in England to meet the challenge of world leadership of harmonious international order—a leadership that we as Americans in some measure have abdicated to her—the chances of democracy's permanent success seem slight elsewhere. For British democracy is pioneering in the effort to reconcile social control and rational planning with the flexible play of economic forces and the retention of individual initiative.

The poised Athenian way of life and the stoic Roman virtues of public service for which British tradition stands

are a precious heritage to her Dominions. It will be their trust to support and preserve in other lands, too, the spirit of English liberty and English justice that still keeps warmly alive their attachment to the Mother Country. It is for the statesmen of the Dominions, too, and the whole people of the New Empire to prove equal to their task: world peace, the collaboration of classes in industrial prosperity, the reconcilation of trusteeship with colonial rule, of nationalism with international coöperation, and of democracy with strong leadership and economically efficient government. The labors are Herculean, and none but the most dogged courage, imbued with the pride of empire and the strength of a great race, could face them unappalled. Strength to those arms, wisdom to those heads, courage to those hearts who would, in the words of William Blake's beautiful song:

. . . . . *build Jerusalem*
In England's green and pleasant land.

To that fair city, inasmuch as it is not made with hands alone, all men may look for courage and new faith.

APPENDICES

Appendix I

NOTE ON THE HERALDIC SIGNIFICANCE OF THE UNICORN

The Unicorn, the *sinister* supporter or charger of the Crown in the present royal coat of arms, has an interesting and somewhat obscure history in heraldry. The Lion's history is better known. Like all the symbolic and mythical monsters of heraldry which date back to the crusades, the origin of the Unicorn lies in medieval legend, with respectable antecedents back to Hebrew scriptures (Job) and to the most ancient historians, among them Aristotle, Pliny, Herodotus, Ctesias, Caesar, and Aelian, to mention only a few. He is compact of such stuff as went into the wonderful travels of Sir John Mandeville.

According to legend he was the most powerful of beasts, variously enemy to the elephant and to the lion, a symbol of gentleness and strength combined. Under the influence of Christian mysticism the symbol became that of chastity and eventually of Christ himself as the "horn of our salvation" (*Psalms* xcii, 10; lxxxix, 17, 24; *Luke* i, 69).[1] St. Justina was accompanied by a unicorn, just as the Faerie Queene was accompanied by her lion.

As for his historical origins, they are exhaustively searched out in Mr. Odell Shepard's interesting work on *The Lore of the Unicorn*. It is worth pointing out that the identification of the Hebrew *re'em* with unicorn, (*Deuteronomy* xxxiii, 17), in all probability comes from a mistranslation. "His horns are like the horns of the re'em" apparently should read "*horns* of the *unicorn*," as the word *re'em* is singular in Hebrew. (My authority is M. A. Lower in his *Curiosities of Heraldry*, p. 102.) The translation into μονόκερως in the Septuagint certainly implies a one-horned animal—and it is from that feature that the rhinoceros, in legend the mortal foe of the elephant, has been suggested. More imaginative derivations are from the antelope, with his two horns seen as one in profile; or, in heraldry, from the armed

[1] Philippe de Thaun in his *Bestiarius* says: *Monoceros est beste. Une corne a en la tête. Cette beste en verité . . . nous signifie Dieu.* Quoted by John Vinycomb in *Fictitious and Symbolic Creatures in Art*, p. 131.

spike that protruded from the war trappings of the chargers used in tournaments and battles.

But the unicorn's symbolism goes back sufficiently far to make the derivation of the battle charger's spike more probable from the creature of legend than *vice versa.* A dubious version figures on the obelisks of Nimrod, in the hieroglyphs of Egypt, and the catacombs of Rome. There is in *The History of Caricature and Grotesque in Literature and Art,* by Thomas Wright, a curious illustration said to be taken from an Egyptian papyrus of the Roman period now in the British Museum. On it a lion and a unicorn are pictured at play over a game that must be one like draughts or checkers. Wright describes the scene thus: "The lion has evidently gained the victory and is fingering the money, his bold air of swaggering superiority, as well as the look of surprise and disappointment of his vanquished opponent, are by no means ill-pictured."

This early bringing together of Lion and Unicorn, with Lion triumphant, must be pleasing to English sympathies, since the Unicorn comes into the Royal Arms as a supporter from the Scotch Crown! It was no doubt an English version of the nursery rhyme in which

The Lion and the Unicorn were fighting for the Crown.
The Lion chased the Unicorn all around the town.

The lines might even be a doggerel summary of the Jacobites' unsuccessful wars in the early eighteenth century. For an even earlier recognition of the contest of the lion and the unicorn as an allegory of the struggle between England and Scotland one need only go to Spenser's *Faerie Queene:*

Like as a lyon whose imperiall powre
A proud rebellious unicorne defyes.

As a supporter of the Arms of the British Crown, the Unicorn is brought in by James I of England, who was James VI of Scotland. The earliest record of the Unicorn as a device for Scotland goes back to the origins of the Stuart line. Possibly it comes in through French sources.[1] Bayard, the *preux chevalier, sans peurs et sans reproche,* also bore unicorns as supporters for his

[1] Though James I of Scotland may have brought it into Scotland's arms through his marriage with Jane Beaufort, from the arms of the Duke of Somerset (of England).

arms. As a supporter, however, the Unicorn first appears in Scotland on the Great Seal of Queen Mary (about 1550), with two Unicorns chained and gorged (ducally) with crowns.[1] This might be thought to suggest French origins, given Queen Mary's history. But there is a tablet of the date 1505 of Melrose Abbey described by Dr. J. A. Smith in his *Notes on Melrose Abbey*[2] on which an example of the Unicorns, splendidly executed in high relief, occurs. This is in the time of James IV of Scotland. James III of Scotland himself issued a well-known coin called "the Unicorn" between 1460–1488, on which a single seated Unicorn appears. But the privy seal of James I (1429) shows the two Lions "rampant, coué, gardant," much the same as had figured on the English royal crest since the time at least of Edward III, probably earlier.[3] As a *supporter* of the English arms the Lion dates from Henry VI. Ariosto, in his *Orlando Furioso* (Hoole's translation), mentions

> *Yon lion placed two unicorns between*
> *That rampant with a silver sword is seen*
> *Is for the king of Scotland's banner known,*[4]

which would seem to indicate earlier origins but may be only Ariosto's use of the contemporary heraldry of the late fifteenth or early sixteenth century.

It is interesting that with the accession of the Stuart line to the English throne, the Unicorn supplants the Red Dragon of Wales which had been introduced by Henry VII as the sinister supporter.[5] The Unicorn, carried on after the Stuarts in the legislative union of Scotland and England (1707), survives the change of monarchy to the Hanoverian succession and is borne on the Royal Arms to this day. As it would have been impossible for me to use the Welsh Dragon as a symbol for my present purpose, I can only be grateful for the survival value of the Unicorn.

[1] See Laing's *Catalogue of Scottish Arms*, No. 49 and Plate XIII. The Hanoverian succession removed the royal crown with which the Unicorn had been heraldicly elevated in 1603, at the accession of the Stuarts. In Scotland the Unicorn was retained *dexter* till 1766—*and crowned long after 1707!*

[2] Quoted by George Seton, *Heraldry in Scotland*, p. 273.

[3] Laing, *op. cit.*

[4] *Op. cit.*, vol. 2, Book X, ll. 578–580.

[5] The "Royal Beasts" at Hampton Court include a delightful unicorn for Jane, Henry VIII's queen. See E. E. Dorling, *Leopards of England*, p. 46.

Likewise it seems to be poetic justice that the Commonwealth, whose character, as well as whose juristic and metaphysical subtlety I have suggested that the Unicorn appropriately symbolizes, should owe the credo on which it rests to one of the Unicorn's own children—the late Earl of Balfour, a great Scotch metaphysician, with a wizardry in finding the happy formula!

The legend of the Unicorn made him the "water-conner" for the other animals. The rest dared not approach a pool until he had with his horn stirred up the depths to find if venom or poisonous reptiles lurked therein. One might make an apt allegory for the British Commonwealth's pioneer position in internationalism in relation to the other members of the League of Nations.

In any case his horn was used to test the royal dishes for poison in France up to the time of the Revolution. Specimens of this beast's horn, probably the tusks of narwhals, were considered to be beyond price as royal and church treasures.

The other part of the legend, that when pursued by the hunter he could easily be caught by a virgin, into whose lap he would confidently lay his weary head for repose, might bear a less happy allegory. To the staunch old line of Imperialists, it appears that the Commonwealth may be treacherously betrayed by the fair appearances of the tricky maid, Peace.

Appendix II

DOCUMENTS ILLUSTRATING CONSTITUTIONAL DEVELOPMENT

A. THE BALFOUR RESOLUTIONS OF THE IMPERIAL CONFERENCE OF 1926[1]

Report of Inter-Imperial Relations Committee

I. Introduction

We were appointed at the meeting of the Imperial Conference on the 25th October, 1926, to investigate all the questions on the Agenda affecting Inter-Imperial Relations. Our discussions on these questions have been long and intricate. We found, on examination, that they involved consideration of fundamental principles affecting the relations of the various parts of the British Empire *inter se*, as well as the relations of each part to foreign countries. For such examination the time at our disposal has been all too short. Yet we hope that we may have laid a foundation on which subsequent Conferences may build.

II. Status of Great Britain and the Dominions

The Committee are of opinion that nothing would be gained by attempting to lay down a Constitution for the British Empire. Its widely scattered parts have very different characteristics, very different histories, and are at very different stages of evolution; while, considered as a while, it defies classification and bears no real resemblance to any other political organisation which now exists or has ever yet been tried.

There is, however, one most important element in it which, from a strictly constitutional point of view, has now, as regards all vital matters, reached its full development—we refer to the

[1] Selected from the Summary of Proceedings of the Imperial Conference of 1926 (*Cmd.* 2768), pp. 13–30. In this and in the following excerpts from official sources, the style of the original document has been followed throughout, both in punctuation and in general usage.—Author.

group of self-governing communities composed of Great Britain and the Dominions. Their position and mutual relation may be readily defined. *They are autonomous Communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown, and freely associated as members of the British Commonwealth of Nations.*

A foreigner endeavouring to understand the true character of the British Empire by the aid of this formula alone would be tempted to think that it was devised rather to make mutual interference impossible than to make mutual co-operation easy.

Such a criticism, however, completely ignores the historic situation. The rapid evolution of the Oversea Dominions during the last fifty years has involved many complicated adjustments of old political machinery to changing conditions. The tendency towards equality of status was both right and inevitable. Geographical and other conditions made this impossible of attainment by the way of federation. The only alternative was by the way of autonomy; and along this road it has been steadily sought. Every self-governing member of the Empire is now the master of its destiny. In fact, if not always in form, it is subject to no compulsion whatever.

But no account, however accurate, of the negative relations in which Great Britain and the Dominions stand to each other can do more than express a portion of the truth. The British Empire is not founded upon negations. It depends essentially, if not formally, on positive ideals. Free institutions are its life-blood. Free co-operation is its instrument. Peace, security, and progress are among its objects. Aspects of all these great themes have been discussed at the present Conference; excellent results have been thereby obtained. And, though every Dominion is now, and must always remain, the sole judge of the nature and extent of its co-operation, no common cause will, in our opinion, be thereby imperilled.

Equality of status, so far as Britain and the Dominions are concerned, is thus the root principle governing our Inter-Imperial Relations. But the principles of equality and similarity, appropriate to *status*, do not universally extend to function. Here we require something more than immutable dogmas. For example, to deal with questions of diplomacy and questions of defence, we require also flexible machinery—machinery which can, from time

to time, be adapted to the changing circumstances of the world. This subject also has occupied our attention. The rest of this Report will show how we have endeavoured not only to state political theory, but to apply it to our common needs.

III. Special Position of India

It will be noted that in the previous paragraphs we have made no mention of India. Our reason for limiting their scope to Great Britain and the Dominions is that the position of India in the Empire is already defined by the Government of India Act, 1919. We would, nevertheless, recall that by Resolution IX of the Imperial War Conference, 1917, due recognition was given to the important position held by India in the British Commonwealth. Where, in this Report, we have had occasion to consider the position of India, we have made particular reference to it.

IV. Relations between the Various Parts of the British Empire

Existing administrative, legislative, and judicial forms are admittedly not wholly in accord with the position as described in Section II of this Report. This is inevitable, since most of these forms date back to a time well antecedent to the present stage of constitutional development. Our first task then was to examine these forms with special reference to any cases where the want of adaptation of practice to principle caused, or might be thought to cause, inconvenience in the conduct of Inter-Imperial Relations.

a. *The Title of His Majesty the King*

The title of His Majesty the King is of special importance and concern to all parts of His Majesty's Dominions. Twice within the last fifty years has the Royal Title been altered to suit changed conditions and constitutional developments.

The present title, which is that proclaimed under the Royal Titles Act of 1901, is as follows:

"George V, by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India."

Some time before the Conference met, it had been recognised that this form of title hardly accorded with the altered state of affairs arising from the establishment of the Irish Free State as a Dominion. It had further been ascertained that it would be in

accordance with His Majesty's wishes that any recommendation for change should be submitted to him as the result of discussion at the Conference.

We are unanimously of opinion that a slight change is desirable, and we recommend that, subject to His Majesty's approval, the necessary legislative action should be taken to secure that His Majesty's title should henceforward read:—

"George V, by the Grace of God, of Great Britain, Ireland and the British Dominions beyond the Seas King, Defender of the Faith, Emperor of India."

b. *Position of Governors-General*

We proceeded to consider whether it was desirable formally to place on record a definition of the position held by the Governor-General[1] as His Majesty's representative in the Dominions. That position, though now generally well recognised, undoubtedly represents a development from an earlier stage when the Governor-General was appointed solely on the advice of His Majesty's Ministers in London and acted also as their representative.

In our opinion it is an essential consequence of the equality of status existing among the members of the British Commonwealth of Nations that the Governor-General of a Dominion is the representative of the Crown, holding in all essential respects the same position in relation to the administration of public affairs in the Dominion as is held by His Majesty the King in Great Britain, and that he is not the representative or agent of His Majesty's Government in Great Britain or of any Department of that Government.

It seemed to us to follow that the practice whereby the Governor-General of a Dominion is the formal official channel of communication between His Majesty's Government in Great Britain and His Governments in the Dominions might be regarded as no longer wholly in accordance with the constitutional position of the Governor-General. It was thought that the recognised official channel of communication should be, in future, between Government and Government direct. The representatives of Great Britain readily recognised that the exist-

[1] The Governor of Newfoundland is in the same position as the Governor-General of a Dominion.

ing procedure might be open to criticism and accepted the proposed change in principle in relation to any of the Dominions which desired it. Details were left for settlement as soon as possible after the Conference had completed its work, but it was recognised by the Committee, as an essential feature of any change or development in the channels of communication, that a Governor-General should be supplied with copies of all documents of importance and in general should be kept as fully informed as is His Majesty the King in Great Britain of Cabinet business and public affairs.

c. *Operation of Dominion Legislation*

Our attention was also called to various points in connection with the operation of Dominion legislation, which, it was suggested, required clarification.

The particular points involved were:

(*a*) The present practice under which Acts of the Dominion Parliaments are sent each year to London, and it is intimated, through the Secretary of State for Dominion Affairs, that "His Majesty will not be advised to exercise his powers of disallowance" with regard to them.

(*b*) The reservation of Dominion legislation, in certain circumstances, for the signification of His Majesty's pleasure which is signified on advice tendered by His Majesty's Government in Great Britain.

(*c*) The difference between the legislative competence of the Parliament at Westminster and of the Dominion Parliaments in that Acts passed by the latter operate, as a general rule, only within the territorial area of the Dominion concerned.

(*d*) The operation of legislation passed by the Parliament at Westminster in relation to the Dominions. In this connection special attention was called to such Statutes as the Colonial Laws Validity Act. It was suggested that in future uniformity of legislation as between Great Britain and the Dominions could best be secured by the enactment of reciprocal Statutes based upon consultation and agreement.

We gave these matters the best consideration possible in the limited time at our disposal, but came to the conclusion that the

issues involved were so complex that there would be grave danger in attempting any immediate pronouncement other than a statement of certain principles which, in our opinion, underlie the whole question of the operation of Dominion legislation. We felt that, for the rest, it would be necessary to obtain expert guidance as a preliminary to further consideration by His Majesty's Governments in Great Britain and the Dominions.

On the questions raised with regard to disallowance and reservation of Dominion legislation, it was explained by the Irish Free State representative that they desired to elucidate the constitutional practice in relation to Canada, since it is provided by Article 2 of the Articles of Agreement for a Treaty of 1921 that "the position of the Irish Free State in relation to the Imperial Parliament and Government and otherwise shall be that of the Dominion of Canada."

On this point we propose that it should be placed on record that, apart from provisions embodied in constitutions or in specific statutes expressly providing for reservation, it is recognised that it is the right of the Government of each Dominion to advise the Crown in all matters relating to its own affairs. Consequently, it would not be in accordance with constitutional practice for advice to be tendered to His Majesty by His Majesty's Government in Great Britain in any matter appertaining to the affairs of a Dominion against the views of the Government of that Dominion.

The appropriate procedure with regard to projected legislation in one of the self-governing parts of the Empire which may affect the interests of other self-governing parts is previous consultation between His Majesty's Ministers in the several parts concerned.

On the question raised with regard to the legislative competence of members of the British Commonwealth of Nations other than Great Britain, and in particular to the desirability of those members being enabled to legislate with extra-territorial effect, we think that it should similarly be placed on record that the constitutional practice is that legislation by the Parliament at Westminster applying to a Dominion would only be passed with the consent of the Dominion concerned.

As already indicated, however, we are of opinion that there are points arising out of these considerations, and in the application of these general principles, which will require detailed examination

and we accordingly recommend that steps should be taken by Great Britain and the Dominions to set up a Committee with terms of reference on the following lines:

"To enquire into, report upon, and make recommendations concerning—

(i) Existing statutory provisions requiring reservation of Dominion legislation for the assent of His Majesty or authorising the disallowance of such legislation.

(ii) (*a*) The present position as to the competence of Dominion Parliaments to give their legislation extra-territorial operation.

(*b*) The practicability and most convenient method of giving effect to the principle that each Dominion Parliament should have power to give extra-territorial operation to its legislation in all cases where such operation is ancillary to provision for the peace, order, and good government of the Dominion.

(iii) The principles embodied in or underlying the Colonial Laws Validity Act, 1865, and the extent to which any provisions of that Act ought to be repealed, amended, or modified in the light of the existing relations between the various members of the British Commonwealth of Nations as described in this Report."

d. *Merchant Shipping Legislation*

Somewhat similar considerations to those set out above governed our attitude towards a similar, though a special, question raised in relation to Merchant Shipping Legislation. On this subject it was pointed out that, while uniformity of administrative practice was desirable, and indeed essential, as regards the Merchant Shipping Legislation of the various parts of the Empire, it was difficult to reconcile the application, in their present form, of certain provisions of the principal Statute relating to Merchant Shipping, viz., the Merchant Shipping Act of 1894, more particularly Clauses 735 and 736, with the constitutional status of the several members of the British Commonwealth of Nations.

In this case also we felt that, although, in the evolution of the British Empire, certain inequalities has been allowed to remain as regards various questions of maritime affairs, it was essential

in dealing with these inequalities to consider the practical aspects of the matter. The difficulties in the way of introducing any immediate alterations in the Merchant Shipping Code (which dealt, amongst other matters, with the registration of British ships all over the world) were fully appreciated and it was felt to be necessary, in any review of the position, to take into account such matters of general concern as the qualifications for registry as a British ship, the status of British ships in war, the work done by His Majesty's Consuls in the interest of British shipping and seamen, and the question of Naval Courts at foreign ports to deal with crimes and offences on British ships abroad.

We came finally to the conclusion that, following a precedent which had been found useful on previous occasions, the general question of Merchant Shipping Legislation had best be remitted to a special Sub-Conference, which could meet most appropriately at the same time as the Expert Committee, to which reference is made above. We thought that this special Sub-Conference should be invited to advise on the following general lines:

"To consider and report on the principles which should govern, in the general interest, the practice and legislation relating to merchant shipping in the various parts of the Empire, having regard to the change in constitutional status and general relations which has occurred since existing laws were enacted."

We took note that the representatives of India particularly desired that India, in view of the importance of her shipping interests, should be given an opportunity of being represented at the proposed Sub-Conference. We felt that the full representation of India on an equal footing with Great Britain and the Dominions would not only be welcomed, but could very properly be given, due regard being had to the special constitutional position of India as explained in Section III of this Report.

e. *Appeals to the Judicial Committee of the Privy Council*

Another matter which we discussed, in which a general constitutional principle was raised, concerned the conditions governing appeals from judgments in the Dominions to the Judicial Committee of the Privy Council. From these discussions it became clear that it was no part of the policy of His Majesty's Government in Great Britain that questions affecting judicial appeals should be determined otherwise than in accordance with the

wishes of the part of the Empire primarily affected. It was, however, generally recognized that, where changes in the existing system were proposed which, while primarily affecting one part, raised issues in which other parts were also concerned, such changes ought only to be carried out after consultation and discussion.

So far as the work of the Committee was concerned, this general understanding expressed all that was required. The question of some immediate change in the present conditions governing appeals from the Irish Free State was not pressed in relation to the present Conference, though it was made clear that the right was reserved to bring up the matter again at the next Imperial Conference for discussion in relation to the facts of this particular case.

V. Relations with Foreign Countries

From questions specially concerning the relations of the various parts of the British Empire with one another, we naturally turned to those affecting their relations with foreign countries. In the latter sphere, a beginning had been made towards making clear those relations by the Resolution of the Imperial Conference of 1923 on the subject of the negotiation, signature, and ratification of treaties.[1]

[1] This Resolution was as follows:—

"The Conference recommends for the acceptance of the Governments of the Empire represented that the following procedure should be observed in the negotiation, signature, and ratification of international agreements.

The word 'treaty' is used in the sense of an agreement which, in accordance with the normal practice of diplomacy, would take the form of a treaty between Heads of States, signed by plenipotentiaries provided with Full Powers issued by the Heads of the States, and authorising the holders to conclude a treaty."

I

"1. *Negotiation.*

"(*a*) It is desirable that no treaty should be negotiated by any of the governments of the Empire without due consideration of its possible effect on other parts of the Empire, or, if circumstances so demand, on the Empire as a whole.

"(*b*) Before negotiations are opened with the intention of concluding a treaty, steps should be taken to ensure that any of the other governments of the Empire likely to be interested are informed, so that, if any such government considers that its interests would be affected, it may have an opportunity of expressing its views, or, when its interests are intimately involved, of participating in the negotiations.

But it seemed desirable to examine the working of that Resolution during the past three years and also to consider

"(*c*) In all cases where more than one of the governments of the Empire participates in the negotiations, there should be the fullest possible exchange of views between those governments before and during the negotiations. In the case of treaties negotiated at International Conferences, where there is a British Empire Delegation, on which, in accordance with the now established practice, the Dominions and India are separately represented, such representation should also be utilised to attain this object.

"(*d*) Steps should be taken to ensure that those governments of the Empire whose representatives are not participating in the negotiations should, during their progress, be kept informed in regard to any points arising in which they may be interested.

"2. *Signature.*

"(*a*) Bilateral treaties imposing obligations on one part of the Empire only should be signed by a representative of the government of that part. The Full Power issued to such representative should indicate the part of the Empire in respect of which the obligations are to be undertaken, and the preamble and text of the treaty should be so worded as to make its scope clear.

"(*b*) Where a bilateral treaty imposes obligations on more than one part of the Empire, the treaty should be signed by one or more plenipotentiaries on behalf of all the governments concerned.

"(*c*) As regards treaties negotiated at International Conferences, the existing practice of signature by plenipotentiaries on behalf of all the governments of the Empire represented at the Conference should be continued, and the Full Powers should be in the form employed at Paris and Washington.

"3. *Ratification.*

"The existing practice in connection with the ratification of treaties should be maintained.

II

"Apart from treaties made between Heads of States, it is not unusual for agreements to be made between governments. Such agreements, which are usually of a technical or administrative character, are made in the names of the signatory governments, and signed by representatives of those governments, who do not act under Full Powers issued by the Heads of the States: they are not ratified by the Heads of the States, though in some cases some form of acceptance or confirmation by the governments concerned is employed. As regards agreements of this nature the existing practice should be continued, but before entering on negotiations the governments of the Empire should consider whether the interests of any other part of the Empire may be affected, and, if so, steps should be taken to ensure that the government of such part is informed of the proposed negotiations, in order that it may have an opportunity of expressing its views."

The Resolution was submitted to the full Conference and unanimously approved. It was thought, however, that it would be of assistance to add a short explanatory statement in connection with part I (3), setting out the

whether the principles laid down with regard to Treaties could not be applied with advantage in a wider sphere.

a. *Procedure in Relation to Treaties*

We appointed a special Sub-Committee under the Chairmanship of the Minister of Justice of Canada (The Honourable E. Lapointe, K.C.) to consider the question of treaty procedure.

The Sub-Committee, on whose report the following paragraphs are based, found that the Resolution of the Conference of 1923 embodied on most points useful rules for the guidance of the Governments. As they became more thoroughly understood and established, they would prove effective in practice.

Some phases of treaty procedure were examined however in greater detail in the light of experience in order to consider to what extent the Resolution of 1923 might with advantage be supplemented.

Negotiation.—It was agreed in 1923 that any of the Governments of the Empire contemplating the negotiation of a treaty should give due consideration to its possible effect upon other Governments and should take steps to inform Governments likely to be interested of its intention.

This rule should be understood as applying to any negotiations which any Government intends to conduct, so as to leave it to the other Governments to say whether they are likely to be interested.

When a Government has received information of the intention of any other Government to conduct negotiations, it is incumbent upon it to indicate its attitude with reasonable promptitude. So long as the initiating Government receives no adverse comments and so long as its policy involves no active obligations on the part of the other Governments, it may proceed on the assumption that its policy is generally acceptable. It must, however, before

existing procedure in relation to the ratification of treaties. This procedure is as follows:

(*a*) The ratification of treaties imposing obligations on one part of the Empire is effected at the instance of the government of that part:

(*b*) The ratification of treaties imposing obligations on more than one part of the Empire is effected after consultation between the governments of those parts of the Empire concerned. It is for each government to decide whether Parliamentary approval or legislation is required before desire for, or concurrence in, ratification is intimated by that government.

taking any steps which might involve the other Governments in any active obligations, obtain their definite assent.

Where by the nature of the treaty it is desirable that it should be ratified on behalf of all the Governments of the Empire, the initiating Government may assume that a Government which has had full opportunity of indicating its attitude and has made no adverse comments will concur in the ratification of the treaty. In the case of a Government that prefers not to concur in the ratification of a treaty unless it has been signed by a plenipotentiary authorised to act on its behalf, it will advise the appointment of a plenipotentiary so to act.

Form of Treaty.—Some treaties begin with a list of the contracting countries and not with a list of Heads of States. In the case of treaties negotiated under the auspices of the League of Nations, adherence to the wording of the Annex to the Covenant for the purpose of describing the contracting party has led to the use in the preamble of the term "British Empire" with an enumeration of the Dominions and India if parties to the Convention but without any mention of Great Britain and Northern Ireland and the Colonies and Protectorates. These are only included by virtue of their being covered by the term "British Empire." This practice, while suggesting that the Dominions and India are not on a footing of equality with Great Britain as participants in the treaties in question, tends to obscurity and misunderstanding and is generally unsatisfactory.

As a means of overcoming this difficulty it is recommended that all treaties (other than agreements between Governments) whether negotiated under the auspices of the League or not should be made in the name of Heads of States, and, if the treaty is signed on behalf of any or all of the Governments of the Empire, the treaty should be made in the name of the King as the symbol of the special relationship between the different parts of the Empire. The British units on behalf of which the treaty is signed should be grouped together in the following order: Great Britain and Northern Ireland and all parts of the British Empire which are not separate members of the League, Canada, Australia, New Zealand, South Africa, Irish Free State, India. A specimen form of treaty as recommended is attached as an appendix to the Committee's Report.[1]

[1] See p. 324. [Appendix to V (*a*).]

In the case of a treaty applying to only one part of the Empire it should be stated to be made by the King on behalf of that part.

The making of the treaty in the name of the King as the symbol of the special relationship between the different parts of the Empire will render superfluous the inclusion of any provision that its terms must not be regarded as regulating *inter se* the rights and obligations of the various territories on behalf of which it has been signed in the name of the King. In this connection it must be borne in mind that the question was discussed at the Arms Traffic Conference in 1925, and that the Legal Committee of that Conference laid it down that the principle to which the foregoing sentence gives expression underlies all international conventions.

In the case of some international agreements the Governments of different parts of the Empire may be willing to apply between themselves some of the provisions as an administrative measure. In this case they should state the extent to which and the terms on which such provisions are to apply. Where international agreements are to be applied between different parts of the Empire, the form of a treaty between Heads of States should be avoided.

Full Powers.—The plenipotentiaries for the various British units should have Full Powers, issued in each case by the King on the advice of the Government concerned, indicating and corresponding to the part of the Empire for which they are to sign. It will frequently be found convenient, particularly where there are some parts of the Empire on which it is not contemplated that active obligations will be imposed, but where the position of the British subjects belonging to these parts will be affected, for such Government to advise the issue of Full Powers on their behalf to the plenipotentiary appointed to act on behalf of the Government or Governments mainly concerned. In other cases provision might be made for accession by other parts of the Empire at a later date.

Signature.—In the cases where the names of countries are appended to the signatures in a treaty, the different parts of the Empire should be designated in the same manner as is proposed in regard to the list of plenipotentiaries in the preamble to the treaty. The signatures of the plenipotentiaries of the various

parts of the Empire should be grouped together in the same order as is proposed above.

The signature of a treaty on behalf of a part of the Empire should cover territories for which a mandate has been given to that part of the Empire, unless the contrary is stated at the time of the signature.

Coming into Force of Multilateral Treaties.—In general, treaties contain a ratification clause and a provision that the treaty will come into force on the deposit of a certain number of ratifications. The question has sometimes arisen in connection with treaties negotiated under the auspices of the League whether, for the purpose of making up the number of ratifications necessary to bring the treaty into force, ratifications on behalf of different parts of the Empire which are separate Members of the League should be counted as separate ratifications. In order to avoid any difficulty in future, it is recommended that, when it is thought necessary that a treaty should contain a clause of this character, it should take the form of a provision that the treaty should come into force when it has been ratified on behalf of so many separate Members of the League.

We think that some convenient opportunity should be taken of explaining to the other Members of the League the changes which it is desired to make in the form of treaties and the reasons for which they are desired. We would also recommend that the various Governments of the Empire should make it an instruction to their representatives at International Conferences to be held in future that they should use their best endeavours to secure that effect is given to the recommendations contained in the foregoing paragraphs.

b. *Representation at International Conferences*

We also studied, in the light of the Resolution of the Imperial Conference of 1923 to which reference has already been made, the question of the representation of the different parts of the Empire at International Conferences. The conclusions which we reached may be summarized as follows:

1. No difficulty arises as regards representation at conferences convened by, or under the auspices of, the League of Nations. In the case of such conferences all members of the League are invited, and if they attend are represented separately by separate

delegations. Co-operation is ensured by the application of paragraph I.1. (*c*) of the Treaty Resolution of 1923.

2. As regards international conferences summoned by foreign Governments, no rule of universal application can be laid down, since the nature of the representation must, in part, depend on the form of invitation issued by the convening Government.

(*a*) In conferences of a technical character, it is usual and always desirable that the different parts of the Empire should (if they wish to participate) be represented separately by separate delegations, and where necessary efforts should be made to secure invitations which will render such representation possible.

(*b*) Conferences of a political character called by a foreign Government must be considered on the special circumstances of each individual case.

It is for each part of the Empire to decide whether its particular interests are so involved, especially having regard to the active obligations likely to be imposed by any resulting treaty, that it desires to be represented at the conference, or whether it is content to leave the negotiation in the hands of the part or parts of the Empire more directly concerned and to accept the result.

If a Government desires to participate in the conclusion of a treaty, the method by which representation will be secured is a matter to be arranged with the other Governments of the Empire in the light of the invitation which has been received.

Where more than one part of the Empire desires to be represented, three methods of representation are possible:

(i) By means of a common plenipotentiary or plenipotentiaries, the issue of Full Powers to whom should be on the advice of all parts of the Empire participating.

(ii) By a single British Empire delegation composed of separate representatives of such parts of the Empire as are participating in the conference. This was the form of representation employed at the Washington Disarmament Conference of 1921.

(iii) By separate delegations representing each part of the Empire participating in the conference. If, as a result of consultation, this third method is desired, an effort must be made to ensure that the form of invitation

from the convening Government will make this method of representation possible.

Certain non-technical treaties should, from their nature, be concluded in a form which will render them binding upon all parts of the Empire, and for this purpose should be ratified with the concurrence of all the Governments. It is for each Government to decide to what extent its concurrence in the ratification will be facilitated by its participation in the conclusion of the treaty, as, for instance, by the appointment of a common plenipotentiary. Any question as to whether the nature of the treaty is such that its ratification should be concurred in by all parts of the Empire is a matter for discussion and agreement between the Governments.

c. *General Conduct of Foreign Policy*

We went on to examine the possibility of applying the principles underlying the Treaty Resolution of the 1923 Conference to matters arising in the conduct of foreign affairs generally. It was frankly recognised that in this sphere, as in the sphere of defence, the major share of responsibility rests now, and must for some time continue to rest, with His Majesty's Government in Great Britain. Nevertheless, practically all the Dominions are engaged to some extent, and some to a considerable extent, in the conduct of foreign relations, particularly those with foreign countries on their borders. A particular instance of this is the growing work in connection with the relations between Canada and the United States of America which has led to the necessity for the appointment of a Minister Plenipotentiary to represent the Canadian Government in Washington. We felt that the governing consideration underlying all discussions of this problem must be that neither Great Britain nor the Dominions could be committed to the acceptance of active obligations except with the definite assent of their own Governments. In the light of this governing consideration, the Committee agreed that the general principle expressed in relation to Treaty negotiations in Section V (a) of this Report, which is indeed already to a large extent in force, might usefully be adopted as a guide by the Governments concerned in future in all negotiations affecting foreign relations falling within their respective spheres.

d. *Issue of Exequaturs to Foreign Consuls in the Dominions*

A question was raised with regard to the practice regarding the issue of exequaturs to Consuls in the Dominions. The general practice hitherto, in the case of all appointments of Consuls de Carrière in any part of the British Empire, has been that the foreign Government concerned notifies His Majesty's Government in Great Britain, through the diplomatic channel, of the proposed appointment and that, provided that it is clear that the person concerned is, in fact, a Consul de Carrière, steps have been taken, without further formality, for the issue of His Majesty's exequatur. In the case of Consuls other than those de Carrière, it has been customary for some time past to consult the Dominion Government concerned before the issue of the exequatur.

The Secretary of State for Foreign Affairs informed us that His Majesty's Government in Great Britain accepted the suggestion that in future any application by a foreign Government for the issue of an exequatur to any person who was to act as Consul in a Dominion should be referred to the Dominion Government concerned for consideration and that, if the Dominion Government agreed to the issue of the exequatur, it would be sent to them for counter-signature by a Dominion Minister. Instructions to this effect had indeed already been given.

e. *Channel of Communication between Dominion Governments and Foreign Governments*

We took note of a development of special interest which had occurred since the Imperial Conference last met, viz., the appointment of a Minister Plenipotentiary to represent the interests of the Irish Free State in Washington, which was now about to be followed by the appointment of a diplomatic representative of Canada. We felt that most fruitful results could be anticipated from the co-operation of His Majesty's representatives in the United States of America, already initiated, and now further to be developed. In cases other than those where Dominion Ministers were accredited to the Heads of Foreign States, it was agreed to be very desirable that the existing diplomatic channels should continue to be used, as between the Dominion Governments and foreign Governments, in matters of general and political concern.

VI. System of Communication and Consultation

Sessions of the Imperial Conference at which the Prime Ministers of Great Britain and of the Dominions are all able to be present cannot, from the nature of things, take place very frequently. The system of communication and consultation between Conferences becomes therefore of special importance. We reviewed the position now reached in this respect with special reference to the desirability of arranging that closer personal touch should be established between Great Britain and the Dominions, and the Dominions *inter se*. Such contact alone can convey an impression of the atmosphere in which official correspondence is conducted. Development, in this respect, seems particularly necessary in relation to matters of major importance in foreign affairs where expedition is often essential, and urgent decision necessary. A special aspect of the question of consultation which we considered was that concerning the representation of Great Britain in the Dominions. By reason of his constitutional position, as explained in section IV (b) of this Report, the Governor-General is no longer the representative of His Majesty's Government in Great Britain. There is no one therefore in the Dominion capitals in a position to represent with authority the views of His Majesty's Government in Great Britain.

We summed up our conclusions in the following Resolution which is submitted for the consideration of the Conference:

"The Governments represented at the Imperial Conference are impressed with the desirability of developing a system of personal contact, both in London and in the Dominion capitals, to supplement the present system of inter-communication and the reciprocal supply of information on affairs requiring joint consideration. The manner in which any new system is to be worked out is a matter for consideration and settlement between His Majesty's Governments in Great Britain and the Dominions, with due regard to the circumstances of each particular part of the Empire, it being understood that any new arrangements should be supplementary to, and not in replacement of, the system of direct communication from Government to Government and the special arrangements which have been in force since 1918 for communications between Prime Ministers."

VII. Particular Aspects of Foreign Relations Discussed by Committee

It was found convenient that certain aspects of foreign relations on matters outstanding at the time of the Conference should be referred to us, since they could be considered in greater detail, and more informally, than at meetings of the full Conference.

a. *Compulsory Arbitration in International Disputes*

One question which we studied was that of arbitration in international disputes, with special reference to the question of acceptance of Article 36 of the Statute of the Permanent Court of International Justice, providing for the compulsory submission of certain classes of cases to the Court. On this matter we decided to submit no Resolution to the Conference, but, whilst the members of the Committee were unanimous in favouring the widest possible extension of the method of arbitration for the settlement of international disputes, the feeling was that it was at present premature to accept the obligations under the Article in question. A general understanding was reached that none of the Governments represented at the Imperial Conference would take any action in the direction of the acceptance of the compulsory jurisdiction of the Permanent Court, without bringing up the matter for further discussion.

b. *Adherence of the United States of America to the Protocol establishing the Permanent Court of International Justice*

Connected with the question last mentioned, was that of adherence of the United States of America to the Protocol establishing the Permanent Court of International Justice.

The special conditions upon which the United States desired to become a party to the Protocol had been discussed at a special Conference held in Geneva in September, 1926, to which all the Governments represented at the Imperial Conference had sent representatives. We ascertained that each of these Governments was in accord with the conclusions reached by the special Conference and with the action which that Conference recommended.

c. *The Policy of Locarno*

The Imperial Conference was fortunate in meeting at a time just after the ratifications of the Locarno Treaty of Mutual Guarantee had been exchanged on the entry of Germany into the League of Nations. It was therefore possible to envisage the results which the Locarno Policy had achieved already, and to forecast to some extent the further results which it was hoped to secure. These were explained and discussed. It then became clear that, from the standpoint of all the Dominions and of India, there was complete approval of the manner in which the negotiations had been conducted and brought to so successful a conclusion.

Our final and unanimous conclusion was to recommend to the Conference the adoption of the following Resolution:—

"The Conference has heard with satisfaction the statement of the Secretary of State for Foreign Affairs with regard to the efforts made to ensure peace in Europe, culminating in the agreements of Locarno; and congratulates His Majesty's Government in Great Britain on its share in this successful contribution towards the promotion of the peace of the world."

Signed on behalf of the Committee,
BALFOUR, *Chairman.*

November 18, 1926.

APPENDIX (See Section V (*a*))

Specimen Form of Treaty

The President of the United States of America, His Majesty the King of the Belgians, His Majesty the King [*here insert His Majesty's full title*], His Majesty the King of Bulgaria, &c., &c.

.....

Desiring.....

Have resolved to conclude a treaty for that purpose and to that end have appointed as their Plenipotentiaries:

The President.....

.....

His Majesty the King [*title as above*]:

for Great Britain and Northern Ireland and all parts of the British Empire which are not separate Members of the League (of Nations),

AB.

for the Dominion of Canada,

CD.

for the Commonwealth of Australia,

EF.

for the Dominion of New Zealand,

GH.

for the Union of South Africa,

IJ.

for the Irish Free State,

KL.

for India,

MN.

.....

who, having communicated their full powers, found in good and due form, have agreed as follows:

.....

.....

In faith whereof the above-named Plenipotentiaries have signed the present Treaty.

AB.....
CD.....
EF.....
GH.....
IJ.....
KL.....
MN.....

(or if the territory for which each Plenipotentiary signs is to be specified:

(for Great Britain, &c.).....*AB.*
(for Canada).....*CD.*
(for Australia).....*EF.*
(for New Zealand).....*GH.*
(for South Africa).....*IJ.*
(for the Irish Free State).....*KL.*
(for India).....*MN.*)

B. REPORT OF THE IMPERIAL CONFERENCE OF 1930: EXCERPTS ON CONSTITUTIONAL RELATIONS, MACHINERY, AND FOREIGN AFFAIRS[1]

VI. Inter-Imperial Relations

It was found convenient, after preliminary discussion by the Heads of Delegations on the various points involved, to refer many of the questions on the Agenda affecting Inter-Imperial Relations to a Committee under the chairmanship of The Right Honourable Lord Sankey, G.B.E., Lord Chancellor. This Committee did most valuable work in exploring the various issues and the following section is based largely on its work. Lord Sankey's Committee was, in turn, aided by special Sub-Committees that were set up to deal with particular aspects of the questions involved and by a drafting Sub-Committee under the chairmanship of Sir Robert Garran, K.C.M.G., Solicitor-General, Commonwealth of Australia.

a. *Report of the Conference of* 1929 *on the Operation of Dominion Legislation*

The Imperial Conference examined the various questions arising with regard to the Report of the Conference on the Operation of Dominion Legislation and in particular took into consideration the difficulties which were explained by the Prime Minister of Canada regarding the representations which had been received by him from the Canadian Provinces in relation to that Report.

A special question arose in respect to the application to Canada of the sections of the Statute proposed to be passed by the Parliament at Westminster, (which it was thought might conveniently be called the Statute of Westminster), relating to the Colonial Laws Validity Act and other matters. On the one hand it appeared that approval had been given to the Report of the Conference on the Operation of Dominion Legislation by resolution of the House of Commons of Canada, and accordingly, that the Canadian representatives felt themselves bound not to take any action which might properly be construed as a departure from the spirit of that resolution. On the other hand, it appeared that representations had been received from certain of the

[1] From *Cmd.* 3717 (1931), pp. 17–31 and 38–40.

Provinces of Canada subsequent to the passing of the resolution, protesting against action on the Report until an opportunity had been given to the Provinces to determine whether their rights would be adversely affected by such action.

Accordingly, it appeared necessary to provide for two things. In the first place it was necessary to provide an opportunity for His Majesty's Government in Canada to take such action as might be appropriate to enable the Provinces to present their views. In the second place it was necessary to provide for the extension of the sections of the proposed Statute to Canada or for the exclusion of Canada from their operation after the Provinces had been consulted. To this end it seemed desirable to place on record the view that the sections of the Statute relating to the Colonial Laws Validity Act should be so drafted as not to extend to Canada unless the Statute was enacted in response to such requests as are appropriate to an amendment of the British North America Act. It also seemed desirable to place on record the view that the sections should not subsequently be extended to Canada except by an Act of the Parliament of the United Kingdom enacted in response to such requests as are appropriate to an amendment of the British North America Act.

The Conference on the Operation of Dominion Legislation in 1929, recommended a draft clause for inclusion in the Statute proposed to be passed by the Parliament at Westminster to the following effect:

"No Act of Parliament of the United Kingdom passed after the commencement of this Act shall extend, or be deemed to extend, to a Dominion unless it is expressly declared in that Act that that Dominion has requested, and consented to, the enactment thereof."

At the present Conference the delegates of His Majesty's Government in the United Kingdom were apprehensive lest a clause in this form should have the effect of preventing an Act of the United Kingdom Parliament passed hereafter from having the operation which the legislation of one State normally has in relation to the territory of another. To obviate this, the following amendment was proposed:

"No Act of Parliament of the United Kingdom passed after the commencement of this Act shall extend, or be deemed to extend, to a Dominion *as part of the law in force in that Dominion,*

unless it is expressly declared in that Act that that Dominion has requested, and consented to, the enactment thereof."

The Delegates from some of the Dominions were apprehensive lest the acceptance of the above amendment might imply the recognition of a right of the Parliament of the United Kingdom to legislate in relation to a Dominion (otherwise than at the request and with the consent of the Dominion) in a manner which, if the legislation had been enacted in relation to a foreign state, would be inconsistent with the principles of international comity. It was agreed that the clause as amended did not imply, and was not to be construed as implying, the recognition of any such right, and, on the proposal of the United Kingdom Delegates, that a statement to this effect should be placed on record.

The Conference passed the following Resolutions:

(i) The Conference approves the Report of the Conference on the Operation of Dominion Legislation[1] (which is to be regarded as forming part of the Report of the present Conference), subject to the conclusions embodied in this Section.

(ii) The Conference recommends:

(*a*) that the Statute proposed to be passed by the Parliament at Westminster should contain the provisions set out in the Schedule annexed.

(*b*) that the 1st December, 1931, should be the date as from which the proposed Statute should become operative.

(*c*) that with a view to the realisation of this arrangement, Resolutions passed by both Houses of the Dominion Parliaments should be forwarded to the United Kingdom, if possible by 1st July, 1931, and, in any case, not later than the 1st August, 1931, with a view to the enactment by the Parliament of the United Kingdom of legislation on the lines set out in the schedule annexed.

(*d*) that the Statute should contain such further provisions as to its application to any particular Dominion as are requested by that Dominion.

Schedule

Clauses in Proposed Legislation

1. In accordance with the recommendation in paragraph 43 of the Report of the Conference on the Operation of Dominion Legislation, a clause as follows:

[1] *Cmd.* 3479.

It is hereby declared and enacted that the Parliament of a Dominion has full power to make laws having extraterritorial operation.

2. In accordance with the recommendation in paragraph 53 a clause as follows:

(1) *The Colonial Laws Validity Act*, 1865, *shall not apply to any law made after the commencement of this Act by the Parliament of a Dominion.*

(2) *No law and no provision of any law made after the commencement of this Act by the Parliament of a Dominion shall be void or inoperative on the ground that it is repugnant to the law of England, or to the provisions of any existing or future Act of Parliament of the United Kingdom, or to any order, rule or regulation made under any such Act, and the powers of the Parliament of a Dominion shall include the power to repeal or amend any such Act, order, rule or regulation, in so far as the same is part of the law of the Dominion.*

3. In accordance with the recommendation in paragraph 55 a clause as follows:

No Act of Parliament of the United Kingdom passed after the commencement of this Act shall extend or be deemed to extend to a Dominion as part of the law in force in that Dominion unless it is expressly declared in that Act that that Dominion has requested, and consented to, the enactment thereof.

4. In accordance with the recommendations in paragraph 66 clauses as follows:

Nothing in this Act shall be deemed to confer any power to repeal or alter the Constitution or the Constitution Act of the Commonwealth of Australia or the Constitution Act of the Dominion of New Zealand otherwise than in accordance with the law existing before the commencement of this Act.

Nothing in this Act shall be deemed to authorise the Parliament of the Commonwealth of Australia to make laws on any matter within the authority of the States of Australia, not being a matter within the authority of the Parliament or Government of the Commonwealth of Australia.

NOTE.—In view of the doubts that have arisen concerning the interpretation of the draft section in paragraph 66 in its application to the Canadian Constitution the words "Dominion of Canada" and "Provinces" have been deleted. It is intended that a section dealing exclusively with the Canadian position

will be inserted after the representations of the Provinces have received consideration.

5. In accordance with the recommendation in paragraph 81 a clause as follows:

Notwithstanding anything in the Interpretation Act, 1889, *the expression "Colony" shall not, in any Act of the Parliament of the United Kingdom passed after the commencement of this Act, include a Dominion or any Province or State forming part of a Dominion.*

6. In accordance with the recommendations in paragraph 123 clauses as follows:

Without prejudice to the generality of the foregoing provisions of this Act sections seven hundred and thirty-five and seven hundred and thirty-six of the Merchant Shipping Act, 1894, *shall be construed as though reference therin to the Legislature of a British possession did not include reference to the Parliament of a Dominion.*

Without prejudice to the generality of the foregoing provisions of this Act section four of the Colonial Courts of Admiralty Act, 1890 (*which requires certain laws to be reserved for the signification of His Majesty's pleasure or to contain a suspending clause*), *and so much of section seven of that Act as requires the approval of His Majesty in Council to any rules of Court for regulating the practice and procedure of a Colonial Court of Admiralty, shall cease to have effect in any Dominion as from the commencement of this Act.*

7. A clause to deal with the position of New Zealand as follows:

No provision of this Act shall extend to the Dominion of New Zealand as part of the law thereof unless that provision is adopted by the Parliament of that Dominion, and any Act of the said Parliament adopting any provision of this Act may provide that the adoption shall have effect either as from the commencement of this Act or as from such later date as may be specified by the adopting Act.

Certain Recitals in Proposed Legislation

1. In accordance with the recommendation of paragraph 54, a recital as follows:

And whereas it is in accord with the established constitutional position that no law hereafter made by the Parliament of the United Kingdom shall extend to any of the Dominions as part of the law in force in that Dominion otherwise than at the request and with the consent of that Dominion.

2. In accordance with the recommendation in paragraph 60, a recital as follows:

And whereas it is meet and proper to set out by way of preamble to this Act, that inasmuch as the Crown is the symbol of the free association of the Members of the British Commonwealth of Nations, and as they are united by a common allegiance to the Crown, it would be in accord with the established constitutional position of all the Members of the Commonwealth in relation to one another that any alteration in the law touching the Succession to the Throne or the Royal Style and Titles shall hereafter require the assent as well of the Parliaments of all the Dominions as of the Parliament of the United Kingdom.

b. *Nationality*

The conclusions of the Conference were as follows:

(1) That the Conference affirms paragraphs 73 to 78 inclusive of the Report of the Conference on the Operation of Dominion Legislation.

(2) That, if any changes are desired in the existing requirements for the common status, provision should be made for the maintenance of the common status, and the changes should only be introduced (in accordance with present practice) after consultation and agreement among the several Members of the Commonwealth.

(3) That it is for each Member of the Commonwealth to define for itself its own nationals, but that, so far as possible, those nationals should be persons possessing the common status, though it is recognised that local conditions or other special circumstances may from time to time necessitate divergences from this general principle.

(4) That the possession of the common status in virtue of the law for the time being in force in any part of the Commonwealth should carry with it the recognition of that status by the law of every other part of the Commonwealth.

c. *Nationality of Married Women*

Careful consideration was given to the subject of the nationality of married women. All the Members of the Commonwealth represented at the Hague Conference of 1930 signed the Nationality Convention there concluded, and will, it is assumed,

introduce such legislation as may be necessary to give effect to Articles 8–10 of that Convention.[1] The Conference was satisfied, however, that any proposals for the further modification of the principle of the existing law would fail to secure unanimous agreement. It followed that the Conference was unable to make any recommendation for the substantive amendment of the law on this subject except to the extent stated above.

d. *Commonwealth Tribunal*

The Report of the Conference on the Operation of Dominion Legislation contains the following paragraph (paragraph 125):

"We felt that our work would not be complete unless we gave some consideration to the question of the establishment of a tribunal as a means of determining differences and disputes between members of the British Commonwealth. We were impressed with the advantages which might accrue from the establishment of such a tribunal. It was clearly impossible in the time at our disposal to do more than collate various suggestions with regard first to the constitution of such a tribunal, and secondly, to the jurisdiction which it might exercise. With regard to the former, the prevailing view was that any such tribunal should take the form of an *ad hoc* body selected from standing panels nominated by the several members of the British Commonwealth. With regard to the latter, there was general agreement that the jurisdiction should be limited to justiciable issues arising between governments. We recommend that the whole subject should be further examined by all the governments."

[1] The text of these Articles is as follows:

Article 8.

If the national law of the wife causes her to lose her nationality on marriage with a foreigner, this consequence shall be conditional on her acquiring the nationality of the husband.

Article 9.

If the national law of the wife causes her to lose her nationality upon a change in the nationality of her husband occurring during marriage, this consequence shall be conditional on her acquiring her husband's new nationality.

Article 10.

Naturalization of the husband during marriage shall not involve a change in the nationality of the wife except with her consent.

This matter was examined by the Conference and they found themselves able to make certain definite recommendations with regard to it.

Some machinery for the solution of disputes which may arise between the Members of the British Commonwealth is desirable. Different methods for providing this machinery were explored and it was agreed, in order to avoid too much rigidity, not to recommend the constitution of a permanent court, but to seek a solution along the line of *ad hoc* arbitration proceedings. The Conference thought that this method might be more fruitful than any other in securing the confidence of the Commonwealth.

The next question considered was whether arbitration proceedings should be voluntary or obligatory, in the sense that one party would be under an obligation to submit thereto if the other party wished it. In the absence of general consent to an obligatory system it was decided to recommend the adoption of a voluntary system.

It was agreed that it was advisable to go further, and to make recommendations as to the competence and the composition of an arbitral tribunal, in order to facilitate resort to it, by providing for the machinery whereby a tribunal could, in any given case, be brought into existence.

As to the competence of the tribunal, no doubt was entertained that this should be limited to differences between governments. The Conference was also of opinion that the differences should only be such as are justiciable.

As to the composition of the tribunal it was agreed:

(1) The Tribunal shall be constituted *ad hoc* in the case of each dispute to be settled.

(2) There shall be five members, one being the Chairman; neither the Chairman nor the members of the Tribunal shall be drawn from outside the British Commonwealth of Nations.

(3) The members, other than the Chairman, shall be selected as follows:—

(*a*) One by each party to the dispute from States Members of the Commonwealth other than the parties to the dispute, being persons who hold or have held high judicial office or are distinguished jurists and whose names will carry weight throughout the Commonwealth.

(*b*) One by each party to the dispute from any part of the Commonwealth, with complete freedom of choice.

(4) The members so chosen by each party shall select another person as Chairman of the Tribunal as to whom they shall have complete freedom of choice.

(5) If the parties to the dispute so desire, the Tribunal shall be assisted by the admission as assessors of persons with special knowledge and experience in regard to the case to be brought before the Tribunal.

It was thought that the expenses of the tribunal itself in any given case should be borne equally by the parties, but that each party should bear the expense of presenting its own case.

It was felt that details as to which agreement might be necessary might be left for arrangement by the governments concerned.

e. *Merchant Shipping*

The Report of the Conference of 1929 dealt at considerable length (paragraphs 83 to 109) with Merchant Shipping legislation and the following paragraphs of that Report should be referred to here:—

"93. The new position[1] will be that each Dominion will, amongst its other powers, have full and complete legislative authority over all ships while within its territorial waters or engaged in its coasting trade: and also over its own registered ships both intra-territorially and extra-territorially. Such extra-territorial legislation will, of course, operate subject to local laws while the ship is within another jurisdiction.

"94. The ground is thus cleared for co-operation amongst the members of the British Commonwealth of Nations on an equal basis in those matters in which practical considerations call for concerted action. This concerted action may take the form of agreements, for a term of years, as to the uniformity of laws throughout the British Commonwealth of Nations; as to the reciprocal aid in the enforcement of laws in jurisdictions within the British Commonwealth outside the territory of the enacting Parliament; and as to any limitations to be observed in the exercise of legislative powers.

[1] *i.e.* the position which will arise after legislation has been enacted on the lines indicated in Section (*a*) above.

"*Recommendations.*

"95. As shipping is a world-wide interest, in which uniformity is from the nature of the case desirable, there is a strong presumption in favour of concerted action between the members of the British Commonwealth in shipping matters, but this concerted action must from its nature result from voluntary agreements by the members of the Commonwealth; it should be confined to matters in which concerted action is necessary or desirable in the common interest; it should be sufficiently elastic to permit of alterations being made from time to time as experience is gained; and it must not prevent local matters being dealt with in accordance with local conditions. The kind of agreement which we have in mind in making our recommendations is one extending over a fixed period of years and providing for revision from time to time.

"96. It would be difficult, and is not necessary, at the present stage to frame a complete list of the shipping questions on which uniformity is desirable, but certain matters stand out clearly and we submit the following recommendations with regard to them."

Then followed a statement of the outstanding points on which uniformity was desirable.

A draft of an agreement covering these points was this year prepared in the United Kingdom and circulated to the Dominions. The Conference examined this draft agreement very closely and came to the conclusion that, with certain alterations, it meets fully and satisfactorily the objects which Part VI of the 1929 Report had in view. The draft agreement as altered is shown in the Annex to Section VI.[1]

The draft contains, in the form of an agreement which is flexible but as precise as the subject matter will allow, a statement of the matters in which, after examination in two successive years by representatives of the Governments concerned, it is considered that concerted action on a voluntary basis between the parts of the Commonwealth is essential in the common interest, together with the broad principles which should be followed in dealing with those matters. The Conference recommended that the agreement be made.

[1]This draft agreement is not printed as part of the excerpts quoted.—AUTHOR.

The agreement presupposes that the legislation contemplated by the 1929 Report has been passed, and that it should come into operation at the same time as that legislation.

It was pointed out that Clause 9 of the draft agreement did not make satisfactory provision for ships whose owners had their principal place of business in one part of the Commonwealth, and traded the ships regularly to and from that part, but, in order to avoid the conditions imposed by the laws of that part, registered the vessels in another part of the Commonwealth to which they did not trade. The Conference agreed that the point was one which required careful consideration. The agreement as originally drafted will enable all safety regulations to be applied to such ships and to some extent the provisions as to ships' articles also. A further clause has been inserted meeting the situation as regards discipline, but it was thought that it would be unwise to attempt to make further alterations in the draft agreement.

Canada reserves the right when signing the agreement to declare the extent, if any, to which the provisions of the agreement, other than those of Part I, shall not apply to ships navigating the Great Lakes of North America.

f. *Defence Questions*

i. Discipline of the Armed Forces.—In the very short time at the disposal of the Conference, it was impossible to do more than examine some aspects of the practical problems which will be involved in the carrying out of the recommendations contained in paragraph 44 of the Report of the Conference on the Operation of Dominion Legislation.

It is assumed that all Governments will desire to take such action as may be necessary to secure (1) that the military discipline of any of the armed forces of the Commonwealth when present, by consent, within territory of another, rests upon a statutory basis, and (2) that there shall be no period of time during which the legal basis of military discipline could on any ground be impeached.

The method by which the above two objects can best be attained must necessarily be a matter for the Governments themselves.

As the action to be taken to give effect to the recommendations contained in paragraph 44 of the Report of the Conference on

the Operation of Dominion Legislation is likely to take some time, it was agreed that all the Governments concerned will take such steps as may be necessary to provide against possible difficulties during that period.

ii. Prize Law and Procedure.—In the time at the disposal of the Conference it was impossible to examine any questions relating to Prize Law and Procedure, a subject which was mentioned in paragraph 80 of the 1929 Report. This matter, though one of paramount importance in certain contingencies, may happily be regarded as not being of any urgency at the present time. Accordingly, the Conference recommended that it should be the subject of further consideration by the Governments at their leisure, and that in the meantime, pending such consideration, it should be agreed that the *status quo* will be preserved.

g. *Appointment of Governors-General*

The Report of the Inter-Imperial Relations Committee of the Imperial Conference of 1926 declared that the Governor-General of a Dominion is now the "representative of the Crown, holding in all essential respects the same position in relation to the administration of public affairs in the Dominion as is held by His Majesty the King of Great Britain, and that he is not the representative or agent of His Majesty's Government in Great Britain or of any Department of that Government."

The Report did not, however, contain any recommendation as to the procedure to be adopted henceforward in the appointment of a Governor-General, and the Conference felt it necessary to give some consideration to this question.

Having considered the question of the procedure to be observed in the appointment of a Governor-General of a Dominion in the light of the alteration in his position resulting from the Resolutions of the Imperial Conference of 1926, the Conference came to the conclusion that the following statements in regard thereto would seem to flow naturally from the new position of the Governor-General as representative of His Majesty only.

1. The parties interested in the appointment of a Governor-General of a Dominion are His Majesty the King, whose representative he is, and the Dominion concerned.

2. The constitutional practice that His Majesty acts on the advice of responsible Ministers applies also in this instance.

3. The Ministers who tender and are responsible for such advice are His Majesty's Ministers in the Dominion concerned.

4. The Ministers concerned tender their formal advice after informal consultation with His Majesty.

5. The channel of communication between His Majesty and the Government of any Dominion is a matter solely concerning His Majesty and such Government. His Majesty's Government in the United Kingdom have expressed their willingness to continue to act in relation to any of His Majesty's Governments in any manner in which that Government may desire.

6. The manner in which the instrument containing the Governor-General's appointment should reflect the principles set forth above is a matter in regard to which His Majesty is advised by His Ministers in the Dominion concerned.

h. *The System of Communication and Consultation in Relation to Foreign Affairs*

Previous Imperial Conferences have made a number of recommendations with regard to the communication of information and the system of consultation in relation to treaty negotiations and the conduct of foreign affairs generally. The main points can be summarised as follows:

(1) Any of His Majesty's Governments conducting negotiations should inform the other Governments of His Majesty in case they should be interested and give them the opportunity of expressing their views, if they think that their interests may be affected.

(2) Any of His Majesty's Governments on receiving such information should, if it desires to express any views, do so with reasonable promptitude.

(3) None of His Majesty's Governments can take any steps which might involve the other Governments of His Majesty in any active obligations without their definite assent.

The Conference desired to emphasise the importance of ensuring the effective operation of these arrangements. As regards the first two points, they made the following observations:

(i) The first point, namely, that of informing other Governments of negotiations, is of special importance in relation to treaty negotiations in order that any Government which feels that it is likely to be interested in negotiations conducted by

another Government may have the earliest possible opportunity of expressing its views. The application of this is not, however, confined to treaty negotiations. It cannot be doubted that the fullest possible interchange of information between His Majesty's Governments in relation to all aspects of foreign affairs is of the greatest value to all the Governments concerned.

In considering this aspect of the matter, the Conference have taken note of the development since the Imperial Conference of 1926 of the system of appointment of diplomatic representatives of His Majesty representing in foreign countries the interests of different Members of the British Commonwealth. They feel that such appointments furnish a most valuable opportunity for the interchange of information, not only between the representatives themselves but also between the respective Governments.

Attention is also drawn to the resolution quoted in Section VI of the Report of the Inter-Imperial Relations Committee of the Imperial Conference of 1926, with regard to the development of a system to supplement the present system of inter-communication through the official channel with reference not only to foreign affairs but to all matters of common concern. The Conference have heard with interest the account which was given of the liaison system adopted by his Majesty's Government in the Commonwealth of Australia, and recognised its value. Their attention has also been called to the action taken by His Majesty's Government in the United Kingdom in the appointment of representatives in Canada and the Union of South Africa. They are impressed with the desirability of continuing to develop the system of personal contact between His Majesty's Governments, though, of course, they recognise that the precise arrangements to be adopted for securing this development are matters for the consideration of the individual Governments with a view to securing a system which shall be appropriate to the particular circumstances of each Government.

(ii) As regards the second point, namely, that any of His Majesty's Governments desiring to express any views should express them with reasonable promptitude, it is clear that a negotiating Government cannot fail to be embarrassed in the conduct of negotiations of the observations of other Governments who consider that their interests may be affected are not received at the earliest possible stage in the negotiations. In the absence of

comment the negotiating Government should, as indicated in the Report of the 1926 Conference, be entitled to assume that no objection will be raised to its proposed policy.

i. *The Channel of Communication between Dominion Governments and Foreign Governments*

At the Imperial Conference of 1926 it was agreed that, in cases other than those where Dominion Ministers were accredited to the Heads of foreign States, it was very desirable that the existing diplomatic channels should continue to be used, as between the Dominion Governments and foreign Governments, in matters of general and political concern.

While the Conference did not wish to suggest any variation in this practice, they felt that it was of great importance to secure that the machinery of diplomatic communication should be of a sufficiently elastic and flexible character. They appreciated that cases might arise in which, for reasons of urgency, one of His Majesty's Governments in the Dominions might consider it desirable to communicate direct with one of His Majesty's Ambassadors or Ministers appointed on the advice of His Majesty's Government in the United Kingdom on a matter falling within the category mentioned. In such cases they recommended that the procedure just described should be followed. It would be understood that the communication sent to the Ambassador or Minister would indicate to him that, if practicable, he should, before taking any action, await a telegram from His Majesty's Government in the United Kingdom, with whom the Dominion Government concerned would simultaneously communicate.

As regards subjects not falling within the category of matters of general and political concern, the Conference felt that it would be to the general advantage if communications passed direct between His Majesty's Governments in the Dominions and the Ambassador or Minister concerned. It was thought that it would be of practical convenience to define, as far as possible, the matters falling within this arrangement; the definition would include such matters as, for example, the negotiation of commercial arrangements affecting exclusively a Dominion Government and a foreign Power, complimentary messages, invitations to non-political conferences and requests for information of a technical or scientific character. If it appeared hereafter that the definition

were not sufficiently exhaustive it could of course be added to at any time.

In making the above recommendations, it was understood that, in matters of the nature described in the preceding paragraph, cases might also arise in which His Majesty's Governments in the Dominions might find it convenient to adopt appropriate channels of communication other than that of diplomatic representatives.

The Conference were informed that His Majesty's Government in the United Kingdom were willing to issue the necessary instructions to the Ambassadors and Ministers concerned to proceed in accordance with the above recommendations.

j. *Status of High Commissioners*

The question of precedence of High Commissioners for the Dominions in London was raised at the Imperial Conference of 1923 by the then Prime Minister of Canada (Mr. Mackenzie King). As a result of the discussion at the Conference and subsequent correspondence with the Prime Ministers of the Dominions, a proposal was submitted to, and approved by the King, that the Dominion High Commissioners should be given precedence, on ceremonial occasions, after any members of the United Kingdom or Dominion Cabinets who might be present on any given occasion, but not in any case given a position superior to that accorded by the United Kingdom Table of Precedence to Secretaries of State.

At the present Conference the question was raised whether it might be possible in any way to improve the status accorded, as a result of the 1923 discussions, to Dominion High Commissioners in London in order to emphasise the importance of their position as the representatives in London of other Governments of His Majesty. The desirability of such action, if it were possible, was generally recognised, more particularly in view of the constitutional position as defined by the Imperial Conference of 1926.

On the other hand, there was obvious difficulty in according to the representatives in London of any of His Majesty's Governments a status which would place them in a position higher than that accorded, not only to His Majesty's principal Ministers in the United Kingdom, but also to the members of the respective

Dominion Governments when they were visiting the United Kingdom.

As the result of the discussion, His Majesty's Government in the United Kingdom intimated that they were prepared to recommend to the King that the Dominion High Commissioners should on all ceremonial occasions (other than those when Ministers of the Crown from the respective Dominions were present) rank immediately after Secretaries of State, that is, before all Cabinet Ministers in the United Kingdom, except Secretaries of State and those Ministers who already have higher precedence than Secretaries of State. It had been ascertained that, if such a recommendation were made to the King, His Majesty would be graciously pleased to approve it. As regards the position of the representative of a Dominion in relation to a Minister of the Crown visiting the United Kingdom from that Dominion, the existing position would remain unaltered, that is, normally a Minister of the Crown from a Dominion visiting the United Kingdom would be given precedence immediately before the High Commissioner concerned.

The representatives of the United Kingdom at the Conference expressed the hope that His Majesty's Governments in the Dominions would consider the question of recommending equivalent precedence for any High Commissioner appointed by His Majesty's Government in the United Kingdom in a Dominion.

VII. Arbitration and Disarmament

In the sphere of foreign affairs, apart from the review of certain special questions of foreign policy, the main task before the Conference was the discussion of the means by which the Members of the British Commonwealth could best co-operate in promoting the policy of disarmament and world peace.

These questions were considered by a Committee under the Chairmanship of the Hon. Maurice Dupré, K.C., M.P., Solicitor General, Canada.

These discussions naturally covered two main fields:

I. Formal measures for the preservation of peace including the improvement of the machinery for the peaceful settlement of international disputes; and

II. Measures for the reduction and limitation of armaments.

1. *Formal Measures for the Preservation of Peace.*—The Conference noted with pleasure the progress which had been made since the last Imperial Conference in this field and in particular the important steps taken in the conclusion of the Pact of Paris and the acceptance by all Members of the British Commonwealth of the Optional Clause of Article 36 of the Statute of the Permanent Court of International Justice. The Conference, having considered the provisions of the General Act for the Pacific Settlement of International Disputes, approved the general principles underlying the Act. The representatives of the United Kingdom, Canada, the Commonwealth of Australia, New Zealand, the Irish Free State, and India, intimated that it was proposed to commend the General Act to the appropriate authority with a view to accession on conditions mainly similar to those attached to their respective acceptances of the Optional Clause; in particular the reservation regarding questions which by international law fall within the domestic jurisdiction of the parties would be retained by those Members of the Commonwealth who had adopted it in accepting the Optional Clause, in view of the importance attached by many of His Majesty's Governments to certain matters, such as immigration, which are solely within their domestic jurisdiction. The representatives of the Union of South Africa intimated that His Majesty's Government in the Union were not opposed to the principle of the General Act but that the Act would be further examined by that Government before they could arrive at a final decision, as some time would be required for a study of certain questions involved.

The Conference further considered the proposals which had been made to bring the Covenent of the League of Nations into harmony with the Pact of Paris and reached the conclusion that the principle underlying these proposals is one which should receive the support of all the Governments represented at the Conference.

The Conference also placed on record the view that the amendments to the Covenant which were drafted by the Sub-Committee appointed for this purpose by the First Committee at the Eleventh Assembly of the League of Nations should be recommended to the several Governments for acceptance. The Conference was further of opinion that the entry into force of these

amendments should be made dependent upon the entry into force of a General Treaty for the Reduction and Limitation of Armaments.

2. *Measures for the Reduction and Limitation of Armaments.*—The Conference desired to record its conviction that the future peace of the world depends upon the early adoption of some general scheme of disarmament by international agreement and that every effort should be made to convoke a General Disarmament Conference at an early date in order that the obligations accepted by all the Members of the League under Article 8 of the Covenant might be honoured without further delay.

The Conference considered the text of the draft of a Disarmament Convention drawn up by the Preparatory Commission and reached the conclusion, as the result of an exchange of views, that the principles underlying the draft Convention should be approved. The Conference was in general further satisfied that the provisions of the draft Convention, with certain proposed amendments, afforded an adequate basis for an effective system of disarmament.

The Conference took note of the deposit of ratifications of the London Naval Treaty, which took place while it was in session, and desired to record its satisfaction at the progress thereby achieved in the sphere of naval disarmament.

VIII. The Antarctic

The question of Antarctic exploration was discussed between representatives of the Governments interested. They took note of the fact that, in the exercise of the British title to that part of the Antarctic continent which lies between Enderby Land and the Ross Dependency (with the exception of the territory of Adelie Land), an Expedition organised by His Majesty's Government in the Commonwealth of Australia and led by Sir Douglas Mawson, was despatched to these regions in 1929. The valuable exploratory and scientific work accomplished by this Expedition during the season of 1929–30 was reviewed by the representatives of the Governments concerned, who also discussed the arrangements proposed for the continuation of the work during the season of 1930–31. Sir Douglas Mawson started for his second year's expeditionary voyage during the sittings of the Conference,

and the Chairman, on behalf of the Conference, sent to him the following message:

"On behalf of the Imperial Conference now sitting in London, I send you and your companions in adventure the best wishes of the Conference for a successful voyage and a safe return. God speed you all."

The representatives of the Governments interested expressed their serious concern at the increasing magnitude of whaling operations in the Antarctic, which, they felt, had now reached such proportions that the introduction of restrictive measures was urgently required if the future of the whaling industry was not to be gravely endangered. The representatives of the Governments concerned recognised that there were many difficulties in the way of the adoption of such measures, which could only be introduced by international action, but they felt that these difficulties ought to be faced and that, in the interests of preserving the whaling industry, no opportunity should be lost of urging the imperative necessity of conserving the stock of whales in the Antarctic.

IX. Defence

As already mentioned, the great pressure of work in connection with Inter-Imperial Relations and Economic questions rendered it impossible to arrange any plenary discussions on Imperial Defence.

At an early stage of the Conference, however, arrangements were made for the Chiefs of Staff of the three Services in the United Kingdom and representatives of the Services of the Dominions and India to meet together and discuss matters of common interest. The existing arrangements for consultation and co-operation (including questions of general defense such as the supply of war material and the co-ordination of defensive arrangements as well as the staff arrangements of the respective services), which have grown up as the result of past Imperial Conferences, were reviewed, and, where necessary, recommendations were submitted for their improvement in matters of detail.

In addition, meetings took place at the Admiralty, War office and Air Ministry at which questions of naval, military and air defence respectively were examined from a more technical point of view.

Naval Base at Singapore.—As a result of discussion between representatives of the United Kingdom, the Commonwealth of Australia and New Zealand, it was recommended that the present policy of the ultimate establishment of a defended naval base at Singapore should be maintained and that the Jackson contract should be continued. It was, however, also recommended that, apart from the latter expenditure and such as will be required for the completion of the air base on the scale at present contemplated, the remaining expenditure, *i.e.*, that required for completing the equipment of the docks and for defence works, should be postponed for the next five years, when the matter could be again reviewed in the light of relevant conditions then prevailing.

Appendix III

DOCUMENTS ON THE ECONOMICS OF EMPIRE

A. ECONOMIC ISSUES OF THE IMPERIAL CONFERENCE OF 1930[1]

XI. Introductory

The agenda on the economic side of the Conference was briefly reviewed at the First Plenary Session of the Conference, held on 1st October, when a number of Committees were appointed to examine and report on important but specialised or technical subjects.

These Committees were as follows:

Committee on Communications,

Committee on Civil Aviation,

Committee on Oversea Settlement,

Committee on Forestry,

Committee on Research,

General Economic Committee, to deal with miscellaneous economic matters.

A brief account of the Reports of the above Committees which were adopted by the Conference and the Resolutions passed by the Conference on their recommendation are given in the appropriate sections of the present Summary.

The Conference also agreed that meetings on Standardisation should be held separately from but concurrently with the Conference itself. The Report of this Conference on Standardisation has been published separately;[2] a brief account of its proceedings and the text of the Resolutions adopted by the Imperial Conference are included in the present Summary.

XII. General Economic Conclusions

It was apparent that all parts of the Commonwealth were united in a common desire that all practicable steps should be

[1] Selections from the Summary of Proceedings, *Cmd.* 3717, pp. 42–78.

[2] See *Cmd.* 3716.

taken to promote and develop inter-Imperial trade, and at the Second Plenary Session of the Conference, held on the 8th October, a discussion of great importance took place on the methods to be used to achieve this end. The speeches made on that occasion on behalf of His Majesty's Governments in the Dominions and the Government of India are printed as an Annex to this Summary.

No statement of policy was made on behalf of His Majesty's Government in the United Kingdom during the Second Plenary Session, but at the meeting of Heads of Delegations on the 13th November, the following statement was made by their representatives:

"1. His Majesty's Government in the United Kingdom, believing that the development of inter-Imperial markets is of the utmost importance to the Commonwealth, have declared that the interests of the United Kingdom preclude an economic policy which would injure its foreign trade or add to the burdens of the people; but that their fiscal policy does not preclude marketing propaganda and organisation which will secure valuable opportunities for the consumption of Dominion products in the United Kingdom.

2. His Majesty's Government in the United Kingdom have suggested that the Governments of the Empire should undertake to make forthwith a close examination of the various methods by which each may make the greatest possible contribution to economic co-operation within the Empire with a view to presenting reports to a Conference which, it has been suggested, should be held next year or as soon as the reports are ready.

3. In the meantime His Majesty's Government in the United Kingdom have declared that the existing preferential margins accorded by the United Kingdom to other parts of the Empire will not be reduced for a period of three years or pending the outcome of the suggested Conference, subject to the rights of the United Kingdom Parliament to fix the budget from year to year.

4. His Majesty's Government in the United Kingdom agree to reconstitute the Empire Marketing Board as a body with a fixed minimum annual income, with a provision enabling it to receive such other contributions from public or private sources as it may be willing to accept, for the purpose of furthering the marketing of Empire products.

5. His Majesty's Government in the United Kingdom agree to the reconstitution of the Imperial Economic Committee on the lines recommended by the Committee of the Conference on Economic Co-operation."

In view of the above statement made by the representatives of His Majesty's Government in the United Kingdom, the representatives of His Majesty's Government in the Union of South Africa made the following statement:

"The Government of the Union of South Africa declare that the existing preferential margins accorded by South Africa to the United Kingdom will not be reduced for a period of three years or during such shorter period as the existing preferential margins accorded to South Africa by the United Kingdom may remain in force."

The discussion arising out of the statements made at the Second Plenary Session was continued at a series of Meetings of Prime Ministers and Heads of Delegations held between the 9th and 17th October, in the course of which it was intimated on behalf of His Majesty's Government in the United Kingdom that they were opposed to any policy involving duties on foodstuffs or raw materials. They suggested that there were other methods worthy of examination by which the common object of increasing inter-Imperial trade might be attained, and in this connection mention was made of quotas, import boards, bulk purchase, direct exchange of commodities and the promotion of agreements between industrialists, and improved machinery for inter-Commonwealth consultation in economic matters. During these discussions it became apparent that the Governments of the wheat-exporting Dominions (Canada and Australia) attached special importance to increasing the sales of their wheat in the United Kingdom, particularly in view of the depression in the world's wheat markets. An informal Committee of Ministers representing the United Kingdom, Canada and the Commonwealth of Australia was accordingly set up to explore the wheat situation.

On the 14th October this informal Committee was re-constituted as the "Committee on Economic Co-operation" under the Chairmanship of the Right Hon. William Graham, M.P., President of the Board of Trade, and representatives of New Zealand, the Union of South Africa, the Irish Free State, Newfoundland

and India were added to it. The subjects referred to the Committee by the Meetings of Prime Ministers and Heads of Delegations for examination were as follows:

The quota system.

Bulk purchase schemes, import boards, direct exchange of commodities and the promotion of agreements between industrialists.

Imperial Shipping Committee, Imperial Economic Committee and Empire Marketing Board.

The Report of the Committee on Economic Co-operation, which is dealt with in Section XIII below, together with the views expressed on behalf of the various Governments, were considered at Meetings of Prime Ministers and Heads of Delegations held on the 12th and 13th November.

At the latter Meeting it was decided to recommend the following Resolutions, which were adopted by the Conference:

"I. The Imperial Conference records its belief that the further development of inter-Imperial markets is of the utmost importance to the various parts of the Commonwealth.

"II. Inasmuch as this Conference has not been able, within the time limit of its deliberations, to examine fully the various means by which inter-Imperial trade may best be maintained and extended, it is resolved that the Economic Section of the Conference be adjourned to meet at Ottawa on a date within the next twelve months to be mutually agreed upon, when that examination will be resumed with a view to adopting the means and methods most likely to achieve the common aim; provided that this reference is not to be construed as modifying the policy expressed on behalf of any of the Governments represented at this Conference.

"III. The agenda for the meeting referred to in the previous resolution will be agreed between the several Governments."

XIII. Work of Committee on Economic Co-operation

The discussions in the Committee on Economic Co-operation were chiefly devoted to examining the question of quota for Dominion wheat[1] milled in the United Kingdom, and it was found convenient to remit to sub-committees the examination of other subjects referred to the Committee. The Reports of these sub-

[1] *i.e.* Wheat imported from the other parts of the British Commonwealth.

committees were adopted by the Committee on Economic Co-operation.[1]

a. *A Quota for Wheat*

On the question of a quota for wheat, the Committee reported as follows:

1. The Committee have devoted a large part of their time to examining the suggestion that steps should be taken to secure that a guaranteed proportion of the wheat milled in the United Kingdom should be of Empire growth.

2. The Committee were informed that about 120 million cwts. of wheat are milled annually in the United Kingdom, of which about 15 per cent., or 18 million cwts., consists of wheat grown in the United Kingdom, the remainder being imported wheat. Of the total imports of wheat in the six years ended 1929, the proportion consigned from British countries amounted to 48 per cent. But, owing to the fact that some Canadian grain is stored in elevators in the United States and shipped from United States ports, the above figures of consignments do not accurately represent the real figures of wheat of Dominion growth imported into the United Kingdom. We referred this matter to a Sub-Committee of Experts, who gave it as their opinion that the average figure of the imports from British countries during the six years ended 1929 may not have been in excess of 53 per cent of the wheat grain imported into the United Kingdom; that the use of 55 per cent as a basic figure would adequately cover the element of uncertainty attaching to the calculations; but that in order to arrive at an accurate figure further information is necessary beyond that at present available. Adding to this the wheat of United Kingdom growth which is milled in the United Kingdom, the use of 55 per cent of the total *imports* as the basic figure for a Dominion wheat quota would be equivalent to the use of a figure of 47 per cent of the total quantity of wheat *milled* in the United Kingdom. In addition, the Sub-Committee reported that flour imports from the Dominions amounted on the average to 335,000 tons a year, and if this is converted into wheat, the percentage of the total consumption of milling wheat and flour in

[1] For text of Reports of the Committee on Economic Co-operation and of its Sub-Committees, *see* Appendix IV. of *Cmd.* 3718.

the United Kingdom attributable to Dominion wheat and flour would be increased to 49 per cent.

3. The object of a quota for Dominion wheat would be to secure that a guaranteed and, if possible, increasing proportion of the total quantity of wheat milled in the United Kingdom was of Empire growth. It was stated on behalf of the United Kingdom delegation that no price guarantee could be given for Dominion wheat and that the suggestion was confined to securing a guaranteed share of the import requirements at world prices. We were informed that a quota scheme for United Kingdom wheat had been under examination for some months, and that the machinery and procedure had been discussed in detail with the trade organisations concerned. We have had prepared the outline of a similar scheme applicable to Dominion wheat, which is attached as an Annex to this Report.[1] The essence of this scheme is that certificates should be issued by His Majesty's Customs in the United Kingdom in respect of all imported wheat passed through the Customs, which they are satisfied is of Dominion growth. Wheat millers would be required to produce evidence of purchase (including the surrender of Dominion wheat certificates issued by the Customs) of the prescribed minimum quota. The certificates would be transferable, in the same way as other contract documents, and divisible, and, in order to save unnecessary transport, would not necessarily remain attached to the wheat or flour in respect of which they were issued. In the event of undesirable results following on the transfer of certificates, the situation would require to be dealt with by the authority in charge. The scheme would have to be elaborated in greater detail before the plan could be embodied in legislation or put into operation, and for this purpose consultation with the trade interests concerned might be necessary.

4. We assume that a quota scheme for wheat of Dominion growth would not be introduced without the introduction also of a quota scheme to absorb the whole of the wheat of millable quality grown in the United Kingdom. While it is not within our competence to discuss the details of a quota for United Kingdom wheat, some Members of the Committee feel that such a quota might react on a Dominion scheme. Thus it was suggested that, in so far as a quota for United Kingdom wheat had the effect of

[1] Not printed here.—AUTHOR.

raising its price, the result might be that the price obtainable for imported, including Dominion, wheat might tend to be depressed. Again, if the United Kingdom quota scheme stimulated the production of wheat in the United Kingdom, the requirements of imported wheat would be reduced. On the other hand it was suggested that any increase in the price of United Kingdom wheat must fall not on the importer of wheat but on the consumer of flour, that any increase in the United Kingdom supply could not exceed 5 per cent of the total requirements of millers and that such an increase would be effected at the expense of foreign wheat and not of Dominic n wheat, if a quota for Dominion wheat were in force.

5. We next considered what would be the advantages to the wheat-exporting Dominions of the quota scheme. The total exports of wheat from the Dominions greatly exceed the total imports from all sources into the United Kingdom, and it follows that provided there is free competition in the United Kingdom market among Dominion exporters, the price of Dominion wheat in the United Kingdom could not be raised appreciably above the world price since, as the United Kingdom price tended to rise, shipments to continental ports would be diverted to ports in the United Kingdom. Wheat importers in the United Kingdom are further protected by the present arrangements whereby the whole of the exportable surplus of the Dominions, whether consigned to the United Kingdom or not, is available and identifiable for the purpose of the quota by documents of origin or grade certificates or otherwise. There is no suggestion of any interference with these arrangements. Further, the Parliament of the United Kingdom might also introduce legislative safeguards designed to prevent any undue inflation of prices.

6. We also considered whether a quota for Dominion wheat in the United Kingdom would tend to reduce the price which the Dominions obtained for their wheat in foreign markets. The effect of the quota would be to divert a certain amount of foreign wheat from the United Kingdom market to the continental market but, on the other hand, the same quantity of Dominion wheat would be diverted from the Continent to the United Kingdom. We see no reason therefore to suppose that the effect of the quota would be appreciably to reduce the price for wheat on the Continent. It is pointed out that the displacement of foreign wheat on the United Kingdom market would lessen the quantity of Dominion

wheat for which foreign markets would be required, thus maintaining price equilibrium.

7. There has this year been a marked increase in the exports of Russian wheat compared with 1929, much of which wheat is shipped "on consignment," *i.e.*, to be sold on arrival for what it will fetch. It seems probable that, for the future, Russia will be a more important wheat-exporting country than she has been in recent years. Several of the Dominion representatives expressed considerable apprehension on this question, and they pointed out that during and since the War their production had been greatly increased on patriotic grounds and that the results would be serious if they lost some of their markets in the United Kingdom by the unequal competition of countries with a lower standard of life.

8. It is not improbable, therefore, that in the ordinary course of trade the imports of Dominion wheat into the United Kingdom will fall below the level of recent years other than 1929. This applies particularly to Canadian wheat, since the bulk of the Russian supply is hard wheat of a similar character to Canadian wheat. Australian wheat, on the other hand, is in direct competition with Argentine wheat, being generally similar in character and marketed at the same season of the year. It appears to us, therefore, that a quota which secured to Dominion wheat a guaranteed market for a quantity of wheat in excess of the figure of recent years would be *pro tanto* beneficial to the wheat-exporting Dominions by giving them a secured market, of which they could not be deprived by any dumping competition, for a definite quantity of their exports; and this advantage would be enhanced in so far as it was possible to increase the quota progressively over a period of years. In this connection it should be observed that the quota would be a guaranteed minimum and that it would be open to the Dominions to compete equally with foreign countries for the remainder of the supply apart from that reserved for United Kingdom wheat.

9. We have considered whether in any Dominion quota scheme separate quotas should be fixed for each of the wheat-exporting Dominions, but we have been informed that it would be administratively impracticable.

10. We have devoted a good deal of attention to the steps that it would be necessary to take in respect of imported flour. The

imports of wheat meal and flour into the United Kingdom average about 10 million cwts. per annum, of which about two-thirds come from British countries. It is clear that millers in the United Kingdom would have just cause for complaint if they were placed under the control involved in a quota system while flour could be imported as freely as it is to-day. The scheme which it is suggested might be applied to imported flour is outlined in paragraphs 4 and 5 of the Annex to this Report.[1] The general effect would be that the importer of Dominion flour would be required to take up his quota of United Kingdom wheat certificates, while the importer of foreign flour would also be required to take up his quota of Dominion wheat or wheat flour certificates. Seeing that the imports of Dominion flour at present exceed considerably the imports of foreign flour, we do not consider that such a requirement would place any serious hardship on the importer of foreign flour. As regards imported Dominion wheat flour, we have considered whether the obligation to acquire United Kingdom wheat certificates would interfere with the trade in special brands, but it was suggested to us that the importer would experience no undue difficulty in obtaining the necessary certificates, doing this probably in many cases through agents in the London Corn Exchange or in the country markets for United Kingdom wheat. The divergent interests of millers and of flour importers would require to be protected in the framing of legislation which would be required to give effect to the plan, thus ensuring that no action would be taken to prejudice the important trade in Dominion flour. It would probably be desirable that the arrangements in connection with imported flour should be planned in consultation with the trade interests concerned.

Annex

Outline of Plan for the Introduction of a Guaranteed Quota for Dominion Wheat on Milling in the United Kingdom

1. The term "Dominion wheat" shall apply to wheat grown in, and sent from, any part of the British Commonwealth outside the United Kingdom, and the term "Dominion wheat flour" to flour milled entirely from "Dominion wheat" and sent from any part of the British Commonwealth outside the United Kingdom.

2. In connection with every parcel of Dominion wheat imported into the United Kingdom, a Dominion wheat certificate (or certificates, if it is desired to

[1] See p. 356.

sub-divide the parcel) shall be issued by the Customs when they are satisfied, by the usual evidence tendered, that the wheat concerned is of Dominion origin. Similarly, in connection with every parcel of Dominion wheat flour imported, a Dominion wheat flour certificate would be issued by the Customs to the importer.

3. *Quota as applied to Millers.*—The quota would be reckoned as a percentage of the total amount of wheat used in mills, and the responsible Minister would require millers to produce evidence of purchase (including the surrender of Dominion wheat certificates issued by the Customs) of the prescribed minimum quota. (Millers would be under a similar obligation in regard to a United Kingdom quota.)

4. *Quota as applied to Flour Importers.*—(*i*) Imports of "Dominion wheat flour" qualified to receive the Customs certificate will be subject only to the requirement as to surrender of United Kingdom wheat quota certificates.

(*ii*) *Other Imported Flour.*—An importer of any other wheat flour will be required, before clearing such flour from Customs control, to produce and surrender to the Customs, Dominion wheat or wheat flour certificates as issued by the Customs for an amount equivalent to the Dominion wheat quota.

This flour, *i.e.*, non-Dominion wheat flour, will also be subject to the same requirement as Dominion wheat flour in respect of the surrender to the Customs of United Kingdom wheat quota certificates.

The responsible Minister would prescribe the equivalent of imported flour in terms of Dominion wheat certificates.

5. *Flour Imports.*—It is to be understood that the Dominion wheat quota will be increased or reduced should imports of Dominion wheat flour fall below or increase beyond a basic figure, the change in the quota being equivalent in terms of wheat to the change in the imports of flour, in accordance with the prescription of the responsible Minister.

His Majesty's Government in the United Kingdom undertook to examine carefully the above Report of the Committee on Economic Co-operation on a quota for wheat and, in the course of their consideration of this subject, to consult with the Governments of the wheat-growing Dominions and of India.

b. Quotas for Commodities other than Wheat, Import Boards, Bulk Purchase Schemes and the Organisation of Channels of Trade

After a preliminary discussion of quotas for commodities other than wheat, import boards, bulk purchase schemes and the organisation of channels of trade, the Committee on Economic Co-operation decided that the most convenient method of examining them was to refer them to Sub-Committees for consideration with reference to particular commodities. Sub-Committees were accordingly appointed to consider the possibility of extending the trade between the United Kingdom and other parts of

the Empire by the above means. Their Reports are printed with the Appendices.[1]

The Conference received the Report of the Committee on Economic Co-operation on quotas for commodities other than wheat, import boards, bulk purchase schemes and the organisation of channels of trade, and decided to refer it to the Governments concerned for consideration.

c. Imperial Shipping Committee

The Committee on Economic Co-operation had the advantage of hearing a statement by Sir Halford Mackinder, the Chairman of the Imperial Shipping Committee, on its work and functions. In the light of this statement and after reviewing the position, the Committee recommended, and the Conference adopted, the following Resolutions:

"I.—The Conference desires to place on record its appreciation of the value of the work done by the Imperial Shipping Committee and to convey to the Chairman and Members of the Committee its thanks for their services.

"II.—The Conference is of opinion that it is desirable to maintain the Imperial Shipping Committee generally on its present basis, deriving authority from, and being responsible to, the Governments represented at the Imperial Conference."

The Committee also supported the recommendation of the Committee on Civil Aviation, subsequently adopted by the Conference,[2] suggesting that civil aviation should be represented on the Imperial Shipping Committee and that a small addition should be made to the terms of reference of the Committee in order that it may be empowered to take into account facilities for air transport on the routes for maritime transport which it may survey.

d. Imperial Economic Committee

The Committee on Economic Co-operation examined with considerable interest the Progress Report of the Imperial Economic Committee.[3] They recommended, and the Conference adopted, the following Resolution:

[1] *See* Appendix IV of *Cmd.* 3718.

[2] *See* Resolution B, p. 356.

[3] Seventeenth Report (non-Parliamentary Publication).

"The Conference desires to convey to the Chairman and Members of the Imperial Economic Committee an expression of its high appreciation of the valuable work which has been done by the Committee since the last Imperial Conference."

In their Progress Report the Imperial Economic Committee[1] made three suggestions of a general character:

(1) that the organisation of an Intelligence Service on a Commonwealth basis should be considered;

(2) that the creation and assimilation of Empire standards in regard to many trades, both of primary production and manufacture, should greatly simplify the promotion of inter-Imperial trade;

(3) that further steps should be taken, under the lead of the Economic Organisation of the League of Nations, to secure that trade statistics compiled by the various Governments of the world should be based on such common rules as will render them more truly comparable.

The first of these suggestions is dealt with below (*see* Section on the Empire Marketing Board); the second suggestion is dealt with in the Report of the Conference on Standardisation;[2] the third suggestion will come under review by the Conference of Statistical Officers of the various parts of the British Commonwealth which it is proposed should be held in September, 1932.[3]

During consideration of the work of the Imperial Economic Committee, the general question of arrangements for the examination of economic matters of inter-Imperial concern arose. The Committee on Economic Co-operation recommended, and the Conference adopted, the following Resolutions:

"I.—The Conference is of opinion that the Imperial Economic Committee should continue as at present established, but takes note of the desire expressed by His Majesty's Government in the United Kingdom that their representation should be on the same basis as that of other parts of the Commonwealth.

II.—The Conference is further of opinion that the Chairman of the Imperial Economic Committee should be elected annually by the Committee from among its own Members, regard being paid to the desirability of rotation.

[1] Seventeenth Report (non-Parliamentary Publication).

[2] *Cmd.* 3716.

[3] See p. 384.

III.—The Conference considers that the general reference to the Imperial Economic Committee should be as follows:

(1) to complete the series of investigations into the marketing of Empire foodstuffs in the United Kingdom;

(2) to undertake inquiries into the production for export and the marketing in various parts of the world of the raw materials enumerated in the Fifteenth Report of the Imperial Economic Committee;[1]

(3) to prepare, at the instance of the Governments of the Commonwealth, preliminary surveys of any branch of Empire trade and marketing such as were contemplated in the recommendation of the Imperial Conference of 1926;

(4) to carry out any investigations arising out of recommendations contained in Reports submitted by the General Economic Committee and adopted by the present Conference;

(5) to facilitate conferences among those engaged in particular industries in various parts of the Commonwealth;

(6) to examine and report on any economic question which the Governments of the Commonwealth may agree to refer to the Committee."

e. Empire Marketing Board

The Committee on Economic Co-operation recommended certain resolutions with regard to the work of the Empire Marketing Board and the Conference adopted them in the following form:—

"I.—The Conference, having surveyed the work of the Empire Marketing Board, is satisfied that it is valuable to the Commonwealth as a whole, and recommends its continuance and its extension in certain directions, notably in the spheres of market intelligence, statistical surveys and market promotion.

II.—The Conference takes note of the Empire Marketing Board's programme of research, involving commitments approaching £2,000,000 from the Empire Marketing Fund, as well as independent contributions by so many Empire Governments. It finds that programme in accord both with the Resolution of the Imperial Conference of 1926 and the policy adopted by the Imperial Agricultural Research Conference of 1927.

[1] A List of Raw Materials suitable for Marketing Enquiries (non-Parliamentary Publication).

III.—The Conference commends especially that feature of the Board's policy which aims at the concentration and development in the most appropriate centres of scientific team work upon problems of interest to the Commonwealth as a whole, and notes as an example of special promise the recognition and extension of the Onderstepoort Veterinary Research Station as an Empire centre of research in the field of animal health.

IV.—The Conference also welcomes the facilities provided by the Board for enabling scientific workers to visit different parts of the Empire.

V.—The Conference is of opinion that if effective advantage is to be taken of the opportunities for co-operative action within the British Commonwealth open to the Board:

(1) The limitation of the Empire Marketing Fund to marketing in the United Kingdom should be removed.

(2) While the amount of its contribution must remain wholly within the discretion of the Parliament of the United Kingdom, it should be recognised that the efficiency of the Board's work and its opportunities for effective planning depend upon a minimum annual income being assured to the Board over a reasonable period.

(3) The Board should therefore be constituted as a body with a fixed minimum annual income, with a provision enabling it to receive such other contributions from public or private sources as it may be willing to accept, for the purpose of furthering the marketing of Empire products."

NOTE.—The representatives of the Union of South Africa considered that the Fund was and should remain the concern solely of the Government of the United Kingdom and could not, therefore, agree to paragraph (3) of Resolution V.

XIV. STANDARDISATION

The Imperial Conference of 1926 adopted a Resolution[1] commending the further development of standardisation within the various parts of the British Commonwealth of Nations, the exchange of information and co-operation in regard to common standards. Since that time it has become obvious that full and representative discussion would be of substantial assistance in

[1] *See* p. 54 of Summary of Proceedings of the Imperial Conference, 1926 (*Cmd.* 2768).

giving effect to these general recommendations and a Conference on Standardisation, under the Chairmanship of Mr. W. R. Smith, M.P., Parliamentary Secretary to the Board of Trade, was accordingly arranged to take place at the same time as the Imperial Conference of 1930.

The work of the Standardisation Conference fell into two parts relating respectively to Industrial Standardisation and Fundamental Standards. As regards *Industrial Standardisation*, the Conference commended the co-ordination of standardisation under a central body in each country, to which support should be given by the Government. It urged closer co-operation between these standardising bodies with a view to the further development of standardisation and the establishment, so far as practicable, of uniform standard specifications. Stress was laid upon the importance of simplification by means of the reduction of unnecessary types, sizes, etc., of everyday commodities. The Conference also recommended the adoption of marks or brands by the various standardising bodies, to be protected throughout the Commonwealth, and suggested measures to promote adherence to standard specifications and practices.

On the recommendation of the Conference on Standardisation, the Imperial Conference adopted the following Resolutions on the subject of Industrial Standardisation:—

"I. (*a*) The Conference takes note of the growing recognition of the value of standardisation as a means both to economy and to efficiency in the interests of producers and consumers, and draws attention to the importance of the contribution that may be made by its judicious development to the economic welfare of the British Commonwealth of Nations as a whole and of its various parts.

(*b*) It welcomes the advance which has been made in various parts of the Commonwealth in the co-ordination of standardising activities under one central body representative of all parties concerned; and recommends to the consideration of those parts of the Commonwealth, in which such co-ordination has not been achieved, the adoption of steps to that end.

(*c*) It urges that the standardising body in each part of the Commonwealth should be accorded the support of the Government, by way of financial assistance, of the co-operation of the Government purchasing departments, and otherwise.

II. (*a*) The Conference draws attention to the Resolution of the Imperial Conference of 1926[1] in favour of the adoption, where practicable, of common standards, and recommends that the standardising bodies in the various parts of the British Commonwealth of Nations should keep in regular and systematic consultation with a view to the establishment of uniform standard specifications so far as is practicable in their common interest.

(*b*) As part of this consultation, the practice of communicating draft specifications prepared in one part of the Commonwealth, for the observations of the standardising bodies in other parts likely to be interested, should be continued and extended. It would be advantageous if any proposed specification could be so communicated in draft form at the earliest moment practicable, subsequent modifications being sent, if necessary, by telegram, and if a definite time-limit were agreed upon within which the observations of the other standardising bodies should be furnished.

(*c*) It is further desirable that in the event of users in one part of the Commonwealth not being satisfied with the performance of the goods made to any particular standard specification issued in another part, the matter should be brought to the attention of the issuing standardising body in order that the specification in question may be brought under review.

(*d*) Much advantage would result from the communication by one standardising body to others of any suggestions that it may be able to make from time to time as to commodities in respect of which standardisation is desirable. Any such suggestion should be supplemented, where possible, with co-ordinated information of the views of users and manufacturers in the country from which the suggestion emanates as to the characteristics that are desirable in the commodity in question, and also with information as to the extent of the demand that may reasonably be anticipated in that country when the commodity is standardised.

(*e*) The Conference recommends that the scope of the work of the standardising bodies should include both standard specifications for industrial materials and apparatus, and codes or rules; in order to simplify the procedure, should modification be

[1] See p. 54 of Summary of Proceedings of the Imperial Conference, 1926 (*Cmd.* 2768).

required, the actual specifications for materials in connection with any code should be kept separate from the code itself.

III. (*a*) The Conference recommends that each standardising body should adopt a mark or brand to be applied under the licence and control of such body to goods which comply with standard specifications issued by it and are produced or manufactured within the territory which it covers; and should take the necessary steps to secure for such mark or brand the full protection of law throughout the British Commonwealth of Nations, whether by its registration wherever possible as a standardisation trade mark or in some other appropriate way.

(*b*) The Conference is further of opinion that it would be advantageous for each standardising body adopting such a mark or brand to communicate from time to time to the other standardising bodies lists of the specifications to which the mark or brand relates, and of the holders of licences, together with an indication of the class or classes of products in respect of which the licence is held in each case.

IV. The Conference is of opinion that with a view to the promotion of economy in production and distribution to the advantage of both manufacturers and consumers throughout the Commonwealth, and also as a preliminary to standardisation in suitable cases, it is desirable that all practicable steps should be taken by the appropriate bodies in each part of the Commonwealth to promote, wherever possible, industrial simplification, by co-operation between consumers, distributors and manufacturers.

V. The Conference desires to emphasise the need for standardising bodies to ascertain within their spheres of activity the extent of adoption of and adherence to standard specifications and practices, and recommends that such measures consistent with the principle of voluntary adoption should be taken as will promote the greatest degree of conformity in each part of the Commonwealth.

It wishes also to bring to the attention of the Governments of the Commonwealth the great importance of adherence to the standard specifications drawn up by the recognised standardising bodies, and suggests that encouragement should be given to a general adherence thereto by the adoption of such specifications to the fullest extent possible by Government purchasing depart-

ments, local authorities and public corporations, and in any other ways which may be found practicable.

VI. The Conference draws attention to the suggestion of the Imperial Conference of 1926 that a specific department of each Government within the Commonwealth should be charged with the duty of watching and stimulating the movement towards standardisation and simplification, and accepts the view that there is considerable scope for activity, in the interests of consumers and manufacturers alike, by such Government departments.

As a particular means to the extension of simplification and standardisation within the Commonwealth, the Conference suggests for the consideration of the several Governments the establishment in each country of an index to specifications in use by large buyers (Governmental and other) and would draw attention to the type of index which is to be compiled by the Board of Trade in London."

As regards *Fundamental Standards* of weight, measure, etc., the Conference on Standardisation made proposals for preserving uniformity in the standards used in common throughout the Commonwealth. The following Resolution proposed by them on this subject was adopted by the Imperial Conference:

"The Conference is of opinion that

(i) It is desirable that there should be uniformity between the standards employed for all units of measurement which are of common use among the British Commonwealth of Nations.

(ii) In order to secure such uniformity arrangements should be made

(*a*) to provide in each Dominion and in India suitable reference standards for each such unit of measurement required for use in that country, where not already available; and

(*b*) to introduce suitable procedure whereby all such standards shall be periodically compared with the corresponding standards at the Board of Trade or at the National Physical Laboratory.

(iii) At least one Member of the Commonwealth should undertake research work with the object of enabling the fundamental standards to be referred ultimately to natural standards such as the wavelength of light. It would be a great advantage if it were possible for research work of this character to be carried out independently by more than one Member."

The Report of the Standardisation Conference has been published.[1]

XV. Communications (other than Transport)

Certain questions relating to Imperial Communications (other than Transport) were referred to a Committee under the Chairmanship of the Right Honourable G. W. Forbes, M.P., Prime Minister of New Zealand.

The Committee considered the possibility of establishing an Empire broadcasting service and, at the instance of the Committee, the Conference adopted the following Resolution:

"The Conference has examined the question of the establishment of an Empire broadcasting service and considers that such a service, organised and conducted on sound lines, would be greatly appreciated by many persons in the Dominions, in India and in the Colonies and would strengthen the ties between various parts of the British Commonwealth. It should also tend to stimulate trade and commerce within the Commonwealth.

The Conference welcomes the action of the British Broadcasting Corporation in carrying out experimental work in connection with Empire broadcasting and in submitting proposals for a permanent and extended service from a new station in the United Kingdom.

The Conference recognises the technical and financial difficulties of the scheme and feels that further information is required to determine whether they can be overcome. It recommends, as a first step, that His Majesty's Government in the United Kingdom should suggest to the British Broadcasting Corporation that that body should communicate particulars of the scheme to the broadcasting organisations or other appropriate authorities throughout the Empire and should invite them to furnish their views (after any necessary consultation with their respective Governments) as to the value to them of such a service and as to their readiness to make a contribution towards its cost in return for the right to relay any part of the service which they may require.

In conjunction with these proposals for a regular service, the Conference recognises the desirability of encouraging broadcasting organisations in the various parts of the Commonwealth

[1] *Cmd.* 3716.

to arrange for the reciprocal broadcasting of programmes and events of special interest, in any cases where suitable means of long distance transmission may be available."

The Committee also considered questions relating to cable and radio communications and postal services. On the recommendation of the Committee, the Conference adopted the following Resolutions:

Telephone Services.—"The Conference notes with satisfaction the progress already made in the establishment of public telephone services between the United Kingdom and certain of the Dominions. The Conference approves the various projects now under way for the establishment of additional Empire telephone services by the United Kingdom Post Office and trusts that this work will be carried forward with the object of eventually interconnecting by means of telephone channels all parts of the British Commonwealth of Nations."

Telegraph Services.—"The Conference has examined with interest and appreciation the work of the Imperial Communications Advisory Committee."

Radio Broadcast of Weather Maps.—"The Conference notes with approval the work now under way in the United Kingdom and Australia in connection with the transmission of weather maps by radio for the use of shipping and aviation services.

The Conference wishes to draw the attention of all Governments of the Empire to the great importance of this service both to shipping and to aircraft and recommends that the Imperial Shipping Committee be asked to study this question with a view to promoting the further development of the service as an aid to navigation."

The Committee received representations from the Empire Press Union on the subject of facilities for the dissemination of news throughout the Empire.

For Reports by the Committee on the above subjects *see* Appendix V.[1]

XVI. Civil Aviation

The Conference appointed a Committee under the Chairmanship of the Hon. Hugh Guthrie, K.C., M.P., Minister of Justice, Canada, to deal with civil aviation questions.

[1] *Cmd.* 3718.

This Committee reviewed the progress made in the development of air communications with heavier-than-air aircraft since the date of the Imperial Conference, 1926, and was impressed with the great advantages, both commercial and political, to be derived from the speeding up of Imperial communications by means of regular air services.

The Committee appointed a Sub-Committee to consider the question of airship development, but pending the report of the Court appointed to investigate the R 101 disaster, the Committee decided to make no recommendations.

The Committee gave consideration to other questions, including the representation of civil air interests on the Imperial Shipping Committee and certain recommendations put forward by the Society of British Aircraft Constructors.

On the recommendation of the Committee, the following Resolutions were adopted by the Conference:

"A. (i) The Imperial Conference takes note of the marked development in civil air acitvities in different parts of the Empire since the date of the last Imperial Conference and is appreciative of the importance and variety of these activities.

(ii) The Conference notes with special interest that the first step has been taken in linking up by air the different parts of the British Commonwealth by the opening in March, 1929, of the first regular Imperial air service, namely, that between England and India operated by Imperial Airways, Ltd., which was followed at the end of last year by the Indian extension from Karachi to Delhi.

(iii) The Conference expresses the hope that the next stage in the development of Empire Air Communications, by the opening in 1931 of the regular Imperial air service between England and South Africa, will be followed at an early date by an extension of the regular weekly air service between England and India as far as Australia.

(iv) The Conference places on record the great importance of establishing regular air services throughout the Empire, particularly for the carriage of mails, which will have the result of bringing the several parts of the Commonwealth into quicker communication with each other than is possible by any other means of transport.

(v) The Conference recommends that preference should be given to Empire air routes for the carriage of air mails when the

facilities which exist offer equal advantages to air routes by foreign services.

B. The Imperial Conference is of opinion that civil aviation should be represented on the Imperial Shipping Committee, and with this object hereby amends the terms of reference to the Imperial Shipping Committee by the addition of the following words:—

'..... (ii) .....[1]; and in doing so to take into account facilities for air transport on the routes in question.'

C. (i) The Conference takes sympathetic note of the desire of the Society of British Aircraft Constructors for reductions in the existing shipping freight rates for aircraft and aero engines, and recommends that this subject should be referred to the Imperial Shipping Committee for consideration.

(ii) The Conference recommends the following proposals to the favourable consideration of the several Governments of the British Commonwealth:—

"(*a*) that the personnel of the existing liaison system should be appointed on a more permanent basis;

(*b*) that the interchange of selected administrative and technical officers for periods of service within the Empire is desirable;

(*c*) that the technical officers of the various parts of the Empire should confer with a view to evolving a common standard of airworthiness for the Empire."

For the Committee's Report *see* Appendix VI.[2]

XVII. Oversea Settlement

The subject of oversea settlement was examined by a Committee presided over by the Hon. Parker J. Moloney, M.P., Minister for Markets and Transport, Commonwealth of Australia.

The Committee in their Report stated that they realised that conditions overseas were at the moment unfavorable to any large movement of population under Government-assisted passage schemes. They recommended, however, that the existing arrangements should be kept in being in the case of Canada, New Zealand, and Southern Rhodesia, subject to such limitations as

[1] Whether for lack of time or for lack of agreement these additions are not given in the Report, but are left blank.—Author.

[2] *Cmd.* 3718.

may from time to time be found necessary or desirable. The Australian representatives, whilst unable to concur in any general recommendation on the lines contemplated, were prepared to recommend the maintenance of the existing arrangements for the re-union of families.

As regards the future, the Committee stated emphatically that in their opinion the primary consideration in dealing with the question of inter-Imperial migration should be, not the conditions in the country which the settler is leaving, but the absorptive capacity of the country to which he is proceeding. Any increase in the absorptive capacity of the Dominions must depend in the first place on the existence of adequate markets for their products, and, secondly, upon the inflow of capital for fresh development. It was felt that anything which will increase the absorption of the products of the Dominions must be of benefit to the Dominions and to the United Kingdom, in that it will stimulate development, encourage the investment of fresh capital, and attract settlers from the United Kingdom.

The Committee welcomed the introduction of the general reduced rate of £10 for *bona fide* British migrants from the United Kingdom to Canada and were of opinion that it has had satisfactory results, but it was felt that it would be inopportune at the present time to make any recommendation on the subject of a general reduced rate to Australia and New Zealand.

The Committee considered that voluntary organisations were capable of performing valuable work in connection with migration, but that it was essential that the operations of these organisations should be conducted under the supervision of, and in close co-ordination with, the various Government migration authorities, and that only those organisations should be recognised which were possessed of a full sense of responsibility and had efficient and adequate machinery in this country and overseas.

On the recommendation of the Committee, the following Resolution was adopted by the Conference:

"The Conference approves the Report of the Committee on Oversea Settlement. The Conference is of opinion that the problem of the better distribution of the white population of the British Commonwealth continues to be a question of paramount importance for the British Commonwealth as a whole. Its successful solution depends upon the availability of adequate

markets for the products of the Empire and of sufficient capital for the development of its resources. The Conference recognises that the economic difficulties of the present time are such as to render impracticable any considerable flow of migrants from the United Kingdom to the Dominions, but it has every confidence in the future and recommends that the problem of oversea settlement should continue to receive the most careful consideration and that the Governments concerned should adopt such measures as may be found best calculated to secure the object in view as and when economic conditions permit."

For the Committee's Report *see* Appendix VII [of *Cmd.* 3718].[1]

XVIII. Forestry

Another Committee of the Conference was set up under the Chairmanship of Sir Padamji P. Ginwala, of the Indian Delegation, to report upon forestry questions. This Committee laid stress on the desirability of improving the existing facilities for scientific forestry instruction and research. In the opinion of the Committee the work of this character carried out by the Imperial Forestry Institute, Oxford, had been seriously hampered by the want of sufficient funds for staff and equipment, and should now be placed on a more permanent basis. To enable the Institute to function effectively an assured income of £19,000 per annum is required—this estimate including a sum of £2,500 for the establishment of a Bureau of Information.

The Committee gave consideration to reports on forestry made by the Forest Services of the Empire and noted the general improvement which has taken place in forest management and technique. Considerable progress in afforestation has been made in the United Kingdom, New Zealand, the Union of South Africa, the Irish Free State and Southern Rhodesia. An important survey of forest resources has been begun in Canada, progress in laying down forest policy is being made in Australia, the extensive timbered area of Labrador is now included in Newfoundland and in India the Dehra Dun Research Institute has been completed.

Measures to be taken for the prevention of loss by soil erosion caused by forest clearance and the preservation of indigenous forest fauna were further subjects to which the Committee gave consideration.

[1] *Cmd.* 3718.

Much importance was attached to the good beginning which had been made in various parts of the Empire in forest products research and it was decided that special emphasis should be laid upon this branch of forestry work at the next Empire Forestry Conference, to be held in the Union of South Africa in 1933.

On the recommendation of the Committee, the Conference adopted the following Resolution:

"The Conference, having in view the vital importance of forestry both directly and indirectly to the well-being of the British Commonwealth,

(*a*) urges all the Governments concerned to develop such forest policies as will bring their forests under effective management;

(*b*) takes favourable note of the good beginning which has been made in various parts of the Commonwealth in forest products research, and of the steps which are being taken by the Empire Marketing Board and the Forest Products Research Laboratory at Princes Risborough to promote the utilisation of Empire timbers; and expresses the opinion that the scope of forest research should be widened to include the utilisation of exotic as well as indigenous timbers;

(*c*) recognises the value of the Imperial Forestry Institute and the desirability of attaching to it a Bureau for the collection and dissemination of information, and, further, recommends the several Governments to give these bodies their fullest support;

(*d*) desires to place on record its appreciation of the munificent gift of £25,000 by His Highness The Rajah of Sarawak to the Imperial Forestry Institute;

(*e*) desires to express its appreciation of the excellent work done by the Empire Forestry Conferences, welcomes the invitation of His Majesty's Government in the Union of South Africa to hold the next Conference in that Dominion in 1933, and recommends to all the Governments concerned active preparation for and participation in that Conference."

For the Committee's Report *see* Appendix VIII [of *Cmd.* 3718].

XIX. Research

Subjects connected with scientific research were considered by a Committee of the Conference comprising senior officers of the research departments of the various Governments of the British

Commonwealth, under the Chairmanship of The Right Honourable Lord Parmoor, K.C.V.O., Lord President of the Council.

The position with regard to co-operation in agricultural research may be regarded as generally satisfactory. As the outcome of the recommendations of the Imperial Conference of 1926 and of the Imperial Agricultural Research Conference of 1927, eight agricultural bureaux have been established for the interchange of information in eight branches of agricultural science. Scientific conferences are growing in number and importance. Improvements have been effected in the arrangements for the recruitment and training of agricultural research workers. Investigations have been carried out with the aid of funds provided by the Empire Marketing Board involving team work between research organisations in different parts of the British Commonwealth.

The following Resolutions were passed by the Research Committee on co-operative developments connected with agricultural research:

Results of Imperial Agricultural Research Conference, 1927

"(i) The Research Committee of the Imperial Conference note with satisfaction the remarkable growth within the Commonwealth during the last four years of co-operative activity in the field of agricultural research designed to meet the needs to which the Imperial Conference of 1926 drew special attention.

(ii) The Committee welcome the success of the first Imperial Agricultural Research Conference held in London in 1927, and, being satisfied that great benefits accompanied and have followed the holding of that Conference, urge the respective Governments to give their fullest possible support to the second Conference to be held in 1932, and to facilitate the representation of universities and research institutes at that Conference."

Imperial Agricultural Bureaux

"In the establishment of the eight Imperial Agricultural Bureaux, financed from a common fund and controlled by a Council of nominees of the Governments of the Commonwealth, the Research Committee of the Imperial Conference find both a notable precedent for action on a true Commonwealth basis

and a contribution that is already bearing fruit in the better dissemination of scientific knowledge throughout the Empire."

Research Grants of the Empire Marketing Board[1]

"(i) The Research Committee of the Imperial Conference take note of the Empire Marketing Board's programme of research, involving commitments approaching £2,000,000 from the Empire Marketing Fund as well as independent contributions by so many Governments. They find that programme in accord both with the resolution of the Imperial Conference of 1926 and the policy adopted by the Imperial Agricultural Research Conference of 1927.

(ii) The Committee commend especially that feature of the Board's policy which aims at the concentration and development in the most appropriate centres of scientific team work upon problems of interest to the Commonwealth as a whole, and note as an example of special promise the recognition and extension of the Onderstepoort Veterinary Research Station as an Empire centre of research in the field of animal health.

(iii) The Committee also welcome the facilities provided by the Board for enabling scientific workers to visit different parts of the Empire."

Financial Provision for Research

The Committee considered it desirable to emphasise the importance of scientific investigation being steadily pursued if fruitful results were to be achieved, and passed a Resolution in the following terms:

"The Research Committee of the Imperial Conference, being convinced that progress will in the future be dependent to an increasing extent upon the growth and application of scientific knowledge, desire to direct the attention of the various Governments of the British Commonwealth of Nations to the importance of making adequate provision from State funds for the steady pursuit of scientific research into the various problems affecting the material well-being of mankind. They also desire strongly to urge their view that the severe economic depression from which the British Empire, in common with the rest of the world, is now suffering, should be regarded as a reason not for the

[1] In this connection *see* Resolutions II, III, and IV on p. 348.

curtailment, but for an expansion, of expenditure on research. The greater utilisation of the help which science can give will be a potent factor in the rehabilitation of existing industries, including agriculture, no less than in the development of new ones."

Visits of Research Workers in the Empire

The Committee passed the following Resolution on this subject:

"The Research Committee of the Imperial Conference are of opinion that the existing facilities, by means of which research students throughout the British Empire are enabled to visit laboratories and research stations in other parts of the Empire in order to receive training in research and to gain additional experience, should be extended, and that funds should be definitely provided in the annual budgets of research organisations with this object in view. The Committee regard it as even more important that financial provision should be made to enable senior workers engaged in research to visit laboratories in other parts of the Empire for the purpose of consultation and the promotion of co-operative relations."

Questions Referred to the Research Committee by the General Economic Committee of the Conference

The General Economic Committee referred a number of matters to the Research Committee for an expression of opinion on the scientific issues involved, and recommendations were made as follows:

a. *International Institute of Agriculture, Rome.*[1]—"The Research Committee are of opinion that the value of the assistance rendered by the International Institute of Agriculture to scientific workers in agriculture in the British Empire is negligible, and does not warrant the continuance of this work, especially having regard to the effectiveness of the services now rendered by the Imperial Bureaux.

They consider that the energies and expenditure of the Institute should be concentrated on the statistical side of its work, particularly in the directions of greater completeness and speed of distribution of information."

[1] See also Section XX (*c*), p. 380.

b. *Dissemination of Research Results among Agricultural Producers.*[1]—"The Research Committee of the Imperial Conference, being impressed with the potentialities of the cinema as a means of disseminating the results of scientific research among agricultural producers, recommend that steps should be taken to stimulate the production of agricultural instructional films having a common interest to more than one part of the Empire and to secure closer co-operation between the authorities producing such films through the institution of a central catalogue, lending library, information service and otherwise, and commend this proposal to the attention of the Empire Marketing Board."

c. *Imperial Institute.*[2]—"(i) The Research Committee desire to record their view that the Imperial Institute is specially fitted to discharge its duties as a clearing-house for the collection and dissemination of information relating to the commercial and industrial utilisation of the raw materials, including the mineral resources of the Empire by virtue of the valuable information and experience accumulated by the staff during the last thirty years, by means of its contacts with technical Government Departments and producers of those materials in the Dominions, India and the Colonies, and by its close association with scientific and technical authorities and with the trades and industries concerned with the different groups of raw materials.

(ii) The Committee recognise that a close degree of co-operation already exists between the Imperial Institute and organisations in the United Kingdom engaged in agricultural and industrial research, and in the promotion of marketing facilities for, and the commercial utilisation of, Empire products, and recommend that in any scheme for the economic development of the resources of the Empire that may emerge as the result of this or of future Imperial Conferences, full advantage be taken of the services the Institute is in a position to render."

d. *Mineral Resources of the Empire.*[3]—"(i) The Research Committee of the Imperial Conference are of opinion that in order to develop intra-Imperial trade in minerals and mineral products, it is desirable that a survey be made of the mineral

[1] See also Resolution III, p. 373.

[2] See also Section XX (*a*), p. 379.

[3] See also Section XX (*b*), p. 380.

situation of the whole British Commonwealth of Nations, with the object of indicating the surpluses of mineral supplies in certain units of the Empire available to supply the deficiencies in other units.

(ii) The Research Committee strongly recommend that steps be taken by each administration in the Empire to carry out such a survey of its own situation along the lines of a common plan which would permit the proper correlation of the data by a central committee to include representatives of the various Governments concerned, of the mining and metallurgical institutions of the Empire, and of the Imperial Institute. The Committee desire to draw attention in this connection to the resolutions passed by the Empire Mining and Metallurgical Congress in April, 1930, and suggest that consideration be given by the Imperial Conference to the form of common programme described in Dr. Camsell's Memorandum, with the principle of which the Committee are in general agreement."

e. *Production of Oil from Coal.*[1]—The Committee were favourably impressed with the results that had been achieved in the experimental work at the Fuel Research Station at Greenwich on the hydrogenation of coal and tar, and formed the opinion that, technically, the treatment of coal and coal tar oils with hydrogen at suitable temperatures and pressures offered a most promising method for obtaining large supplies of motor spirit.

f. *Geophysical Methods of Survey.*[1]—The Committee reached the conclusion that geophysical methods of prospecting have been developed to a point of definite usefulness, and that their employment in the search for mineral and oil deposits is justified, provided that the work is carried out under proper scientific supervision and in close association with the geological survey of the area concerned.

Other Resolutions

The Research Committee also passed the following Resolutions on a number of other matters:—

Minor Forest Products.—"The Research Committee are of opinion that in order to secure the full utilisation in commerce and industry of the minor forest products of Empire origin, and

[1] See also Section XX (*e*), p. 382.

to develop intra-Imperial trade in these products, it is desirable that such steps be taken as are practicable by the various Governments of the Empire to carry out a survey of their own resources in these materials. The survey should, as far as possible, conform to a common plan so as to permit the proper correlation of the data by a suitable central body, including in its membership representatives of the various Governments concerned, of the Imperial Institute, and of other organisations closely associated with the investigation or utilisation of these products. The directions in which information is particularly required would include the following:

A.—Resources of minor forest products within the existing limits of economic production.

(i) Statistics of actual production.
(ii) Economics of production.
(iii) Exports.
(iv) Imports.
(v) Consumption.

B.—Resources outside the existing limits of economic production.

(i) Lists of possible minor forest products which might be of economic importance.

(ii) If possible, the collection and extraction of information as regards costs and quantities."

Standardisation of Meteorological Units.—"The Research Committee of the Imperial Conference note with satisfaction the progress made towards the universal adoption of a common system of meteorological units, and endorse the recommendations of the Conference of Empire Meteorologists and its proposals for the adoption of the International Codes for the transmission of meteorological messages."

Agricultural Standards.—"The Research Committee of the Imperial Conference desire to draw attention to the assistance which might be rendered to intra-Imperial trade in certain agricultural commodities by reasonable uniformity of standards or grades, and urge that those responsible for formulating regulations of this character in each part of the British Commonwealth of Nations should bear this aspect in mind."

Research under the Department of Scientific and Industrial Research (United Kingdom).—The research work carried out

under the Department of Scientific and Industrial Research of the United Kingdom on the preservation and transport of foodstuffs, on building, radio-telegraphy, prevention of water pollution and on standards was also considered. The Committee agreed that the arrangements for collaboration between the various Governments of the Commonwealth were generally satisfactory, but certain suggestions were made for more effective intra-Imperial co-operation in building research.

Industrial Research Associations.—The question of the practicability of co-operation between industrial research associations in the United Kingdom and the manufacturing industries in the Dominions received attention. The conclusion was reached that it was not practicable to devise a policy of co-operation between research associations and Dominion manufacturers which would be capable of general application, but that oversea firms desirous of making application to a research association for membership, either directly or through a national research organisation, should be encouraged to do so.

Imperial Wool Research Conference.—The Committee gave consideration to the Resolutions[1] passed by the Imperial Wool Research Conference and expressed their general agreement with the spirit of the Resolutions, and in particular, heartily endorsed the reference made therein to the importance of scientific investigation into the problems of wool production.

Imperial Collaboration in Co-ordinated Programmes of Research.—Finally, as a means for effecting a greater degree of Imperial collaboration in research, the Committee recommended that arrangements should be made for the interchange of the schemes of work of the national research organisations of the British Commonwealth and for the principal workers engaged on the various researches to establish personal contact with their "opposite numbers" in research institutions in the countries of the Commonwealth.

The Imperial Conference agreed to take note of the Report[2] and Resolutions of the Committee on Research and to refer them to the consideration of the several Governments of the British Commonwealth.

[1] See Appendix IX (para. 44) of *Cmd.* 3718.
[2] Appendix IX, *Cmd.* 3718.

XX. Other Economic Questions

A number of other economic questions of a miscellaneous character were referred to a General Economic Committee under the Chairmanship of Sir Sydney Chapman, K.C.B., C.B.E., Chief Economic Adviser to His Majesty's Government in the United Kingdom.

The principal matters dealt with by this Committee, and the conclusions of the Conference thereon are indicated below.

a. Imperial Institute

Attention was drawn to the position of the Imperial Institute. It was recognised that as a clearing house for information and for the conduct of technical investigations in general the Imperial Institute performs functions which constitute an essential service to the various parts of the Commonwealth not obtainable elsewhere.

Contributions towards the maintenance of the Institute are made by the various Governments of the British Commonwealth. The Conference was informed in this connexion that, to enable the Institute to carry on its work on the existing basis, new revenue of £9,000 a year was required, and that consequently, even if the contributory Governments undertook to maintain the existing level of their contributions, the present work could not be carried out without eventual depletion of capital funds and possible insolvency. The Conference agreed that if any part of the Institute's work was to come to an end, it ought not to be the work of intelligence and investigation and that, therefore, the Exhibition Galleries presented the one field where economy might be least regrettable.

The General Economic Committee recommended that, even if the new revenue of £9,000 a year were not forthcoming, the contributory Governments should at any rate maintain their subscriptions for a period of not less than five years.

The Conference agreed to accept the Report[1] and to refer to the consideration of the various Governments of the Empire the recommendations on finance contained therein.

b. Work of Imperial Organisations in the Field of Minerals

Under the above heading, the Committee examined the proposal made by the Second Empire Mining and Metallurgical

[1] Appendix X (A), *Cmd.* 3718.

Congress held in Canada in 1927 and recommended by the Empire Congress held in Johannesburg in April, 1930, that the Governments of the Commonwealth should undertake a mineral survey of their respective countries on lines suggested by the Empire Council of Mining and Metallurgical Institutions.

The Research Committee of the Imperial Conference, who were asked to advise on the subject, expressed themselves as entirely in accord with the proposal that such a survey should be made.

On the recommendation of the General Economic Committee, the Conference adopted the following Resolution:

"The Conference, recognising that it is highly desirable that the various parts of the British Commonwealth of Nations should be furnished with the fullest practicable information regarding the mineral resources of the other parts of the Commonwealth, and the surpluses of mineral supplies in certain parts of the Commonwealth available to meet deficiencies in other parts, recommends to the favourable consideration of the various Governments that steps should be taken by each part of the Commonwealth to compile along the lines of a common plan existing information of its mineral resources and, where practicable, to make a survey of those resources with a view to completing such information, arrangements for the settlement of the form of common programme and for the correlation of results to be undertaken by a central committee, on which such Governments as so desire, the Imperial Institute and mining and metallurgical institutions of the Commonwealth, would be represented."

For the Committee's Report *see* Appendix X (B).[1]

c. International Institute of Agriculture

It was felt that an exchange of views on this subject would be of value before the meeting of the General Assembly of the Institute which opened in Rome on the 14th October.

The Research Committee of the Conference, who were asked to advise, expressed the view that the value of the assistance rendered by the Institute to scientific workers in agriculture in the British Commonwealth was negligible.

The Conference adopted the Report[2] submitted by the General Economic Committee, which recommended:

[1] *Cmd.* 3718.

[2] Appendix X (C), *Cmd.* 3718.

(*a*) that the reform of the Institute should be pressed for at the General Assembly on every suitable occasion; and

(*b*) that in view of the importance to the British Commonwealth of Nations of complete and comparable information on world agriculture, and also in view of the limited financial resources of the Institute, it would be advantageous if the energies and expenditure of that organisation were in future more concentrated on the statistical side of its work.

d. Cotton Growing

The General Economic Committee discussed the question of cotton growing within the Empire with representatives of the Empire Cotton Growing Corporation. There has been a marked increase in the growth of cotton in the Empire in the last ten years, and there has also been a distinct falling off in the consumption in the United Kingdom of United States cotton as compared with cotton of other growths. Much expansion of cotton growing in the Empire is, however, not to be expected unless prices improve.

In India, in particular, at least one and three-quarter million bales of stapled cotton (7/8 inch and over), suitable for the machinery of Lancashire, are produced annually. It appeared that Lancashire would be assisted in increasing her sales in Eastern markets if she used more Indian cotton, and it was suggested that the method of obtaining the best Indian cotton was to establish buying agencies to purchase direct from Indian growers.

On the recommendation of the General Economic Committee, the Conference adopted the following Resolutions:

"I. The Conference notes with satisfaction the increased production of cotton within the British Commonwealth of Nations in recent years and recommends to the consideration of the Governments of the various parts of the Empire concerned that they should take all possible steps to maintain that increase, in particular (*a*) by requiring a sound and scientific foundation in the training and qualifications of their agricultural officers, and (*b*) by pursuing an agricultural policy which recognises that cotton growing can only be established as a permanent feature of the agriculture of any country if it constitutes one crop in an evenly balanced rotation suited to local climatic conditions.

II. The Conference notes with approval that the most careful attention is being given to the possibility of using in Lancashire a larger proportion of Indian cottons."

For the Committee's Report *see* Appendix X (D).[1]

e. Petroleum Production and Refining in the Commonwealth

The question of petroleum supplies throughout the British Commonwealth had not received attention at an Imperial Conference since that held in 1918. Since then the world's production of petroleum had increased about two and a half times, reaching in 1929 a figure slightly over 200 million metric tons. Of this total, about 17 million tons of refined products (requiring about 21 million tons of crude oil) are consumed in the British Empire, while the production within the Empire of crude oil only amounts to about 3½ million tons. Any practicable steps to reduce the dependence of the British Commonwealth on foreign sources for its supply of so important a product would therefore be of value.

The Research Committee of the Conference, who were consulted, expressed the view that technically the treatment of coal with hydrogen at suitable temperatures and pressures offered the most promising method of obtaining oil from coal. The commercial success of the method would depend, however, on a number of factors. The Research Committee also considered geophysical methods of surveying for oil, and advised that the employment of such methods in the search for mineral and oil deposits was justified, provided that the work was carried out under proper scientific supervision and in close association with the geological survey of the area concerned.

On the recommendation of the General Economic Committee, the Conference adopted the following Resolution:

"The Conference notes with satisfaction the progress which is being made in connection with the question of the extraction of oil from coal and the development of geophysical methods of surveying, and recommends the Governments concerned to support such steps as may be found practicable to promote the searching for and production of natural oil, and to increase the supply of refined oil produced within the Commonwealth,

[1] *Cmd.* 3718.

whether by the refining of oil or by the production of oil from coal."

For the Committee's Report *see* Appendix X (E).[1]

(*f*) *Oversea Mechanical Transport Council; Roads and Road Transport*

Under these heads the General Economic Committee considered certain questions brought forward by His Majesty's Government in New Zealand with regard to road transport in general. They also reviewed the work of the Oversea Mechanical Transport Council.

As regards the latter, the Committee were informed that there would be a serious waste of past effort and expenditure if lack of funds prevented the Directing Committee of the Council from proceeding with the development of either of the two units with which they were experimenting. Sufficient money was available for the completion of the lighter unit and it was thought essential that the work on the heavier vehicle should be completed.

As to the taxation of commercial vehicles, the Committee were agreed in recognising the importance of encouraging vehicles with low axle loads, but recognised that there are other factors, including the type of tyres, which are of great importance in relation to damage to roads. The Committee did not feel competent, however, to express an opinion as to any uniform basis of taxation of commerical vehicles, either in the United Kingdom or overseas.

On the recommendation of the General Economic Committee, the Conference adopted the following Resolutions:

"I. The Conference takes note of the Report of the General Economic Committee on the work of the Oversea Mechanical Transport Council and on roads and road transport, and recognising the importance of improved methods of transport to the production and marketing of primary products, especially in less developed areas, recommends to the favourable consideration of the Governments of the various parts of the British Commonwealth the close study of methods for the improvement both of vehicles and of roads. It considers that much advantage is to be gained by interchange of information on these subjects and it therefore welcomes the issue of the confidential bulletin

[1] *Cmd.* 3718.

on oversea mechanical transport by the Directing Committee appointed by the Oversea Mechanical Transport Council.

II. The Conference further records its opinion that the experimental work on large vehicles now being carried out by the Directing Committee is likely to prove of great value to the development of the British Commonwealth. It trusts that means will be found to enable the Council to complete this agreed programme and notes with appreciation the substantial contributions which the Empire Marketing Board has been able to make to these developments."

For the Committee's Report *see* Appendix X (F).[1]

g. Arrangements for a Conference of Statisticians

In the course of successive Imperial Conferences the inadequacy of existing statistics for the purpose of presenting a general review of the production and trade of the Commonwealth as a whole has received attention. Since the 1920 Conference of Statisticians, the preparation of trade statistics in the Colonies and Dependencies has been systematised on lines permitting of fairly ready comparison with corresponding data prepared for the United Kingdom, but difficulties have been experienced in respect of the trade statistics of the Dominions and India.

It was recognised that if real progress was to be made in the preparation of statistical surveys covering the Commonwealth as a whole, a further meeting of statistical officers would be necessary and the matter was accordingly referred to the General Economic Committee for further consideration.

The Committee proposed that a Conference of the Statistical Officers of the various parts of the British Commonwealth should be held in September, 1932, at Ottawa, and drew up a list of subjects which such a meeting might consider.

The Conference commended the Committee's proposals to the consideration of the Governments of the Commonwealth.

For the Committee's Report *see* Appendix X (G).[1]

h. Adequacy of existing Steamship Services

While the shipping services between various parts of the Empire are generally adequate for the needs of the parts of the Empire concerned, there are cases where direct services for the

[1] *Cmd.* 3718.

carriage of important imports and exports from and to certain markets would be advantageous. For example, Canada is at present largely dependent on the port of New York for the shipment of goods between Canada and Java. The policy of treating the shipping of all countries on a footing of equality would, however, preclude the possibility of stimulating the provision of direct services by a system of preference to goods imported in British ships.

The Conference recommended, therefore, that the Government of any part of the Commonwealth should be invited to submit to the Imperial Shipping Committee any specific case in which they considered that shipping services were not adequate to the needs of that part.

For the Committee's Report *see* Appendix X (H).[1]

i. Double Income Tax Relief

Under the system at present in force for the avoidance of double income tax where income belonging to a person resident in the United Kingdom or in a Dominion is taxed by both Exchequers, the United Kingdom Exchequer reduces its rate on such income by the amount of the Dominion rate, subject to the limitation that the reduction of the United Kingdom rate shall not exceed one-half the total rate of the United Kingdom tax (including super tax). Consequently in cases where the Dominion rate of tax is not greater than one-half the United Kingdom rate, the United Kingdom Exchequer bears the whole cost of the relief and when the Dominion rate exceeds one-half the United Kingdom rate the Dominion Exchequer bears the cost of the remission of such excess.

It was felt by His Majesty's Government in the United Kingdom that the time was ripe to review the arrangements for the avoidance of double taxation and it was thought that some approximation to the system in force between the United Kingdom and the Irish Free State, under which each country reciprocally agrees to refrain from taxing income which accrues to persons resident in the other country, would afford a more satisfactory basis for the relief.

The matter was referred to the General Economic Committee, who considered such a method of relief, but definite division of opinion arose and there was not sufficient agreement among the

[1] *Cmd.* 3718.

members of the Committee to warrant an attempt being made to elaborate further details of the scheme. Those who were favourable to the scheme suggested, however, that it should receive the early and careful consideration of the various Governments of the British Commonwealth and that, if possible, advantage should be taken of the next meeting of representatives of the Governments of the Commonwealth to consider the scheme in greater detail with a view to the introduction of the appropriate legislation.

The Conference took note of the Committee's Report,[1] and referred it to the several Governments for consideration.

j. Reciprocity in Old Age Pensions

This matter was discussed at the Imperial Conference of 1926,[2] since when certain developments have taken place. In the United Kingdom the Widows', Orphans', and Old Age Contributory Pensions Act of 1925 has been amended by the enactment of 1929. In the Union of South Africa a scheme of non-contributory old age pensions has been introduced on substantially the same general lines as the systems of the United Kingdom, Australia and New Zealand. In Canada the Federal Government has passed an Old Age Pensions Act, but does not at present appear to be in a position to negotiate schemes of reciprocity with other parts of the Empire. No changes have occurred in the pensions systems of Australia or New Zealand, at the instance of which latter Dominion the question of reciprocity was placed on the agenda of the Conference.

The matter was referred for examination to the General Economic Committee, who reported that, in view of the manifold divergences of the various non-contributory pensions systems, no standard reciprocal scheme for general application could be devised. It was recognised that, in addition to the question of the conditions governing the award of a pension to a migrant coming within the scope of a reciprocal arrangement, there was the further and distinct question as to the basis upon which the cost of a pension becoming payable under such an arrangement was to be apportioned between the two countries concerned. The

[1] Appendix X (I) *Cmd.* 3718.

[2] See pp. 282–5 of Appendices to the Summary of Proceedings, Imperial Conference, 1926 (*Cmd.* 2769).

various pensions systems differ so extensively, however, that it was impossible, within the limited time available for discussion, to formulate a common basis of apportionment.

The Committee (with the exception of the representative of one Government) recommended that the Governments of the different parts of the Commonwealth should at the first convenient opportunity introduce such legislation as might be necessary to enable them to make reciprocal arrangements relating to old age pensions, and when the necessary powers had been obtained, to enter into negotiations with any other Government within the Commonwealth possessing similar powers, with a view to the formulation of a scheme of reciprocal arrangements.

The Conference took note of the Report[1] and referred it to the several Governments for consideration.

k. Use of Cinematograph Films for the Education of Producers, Etc.

On the recommendation of the General Economic Committee, the Conference adopted the following Resolutions:

"I. The Conference, impressed with the increasing importance of the question of Empire films, recommends to the various Governments of the British Commonwealth the further consideration of the Report on the subject laid before the Imperial Conference of 1926, and re-affirms the Resolution then adopted.[2]

II. The Conference, recognising the value of films for propaganda purposes, whether direct or indirect, in connection with inter-Imperial trade, as well as for other purposes, and realising that the present period is one of rapid development and, therefore, of great opportunity, recommends that attention should be devoted to establishing and maintaining contact between the different parts of the Empire in relation to film production with a view to the sharing of experience and the promotion of the production of such films as will best serve the interests of the several parts of the Commonwealth.

III. The Conference, being impressed with the potentialities of the cinema as a means of disseminating the results of scientific research, for example, among agricultural producers, recom-

[1] Appendix X (J) *Cmd.* 3718.

[2] *See* p. 53 of Summary of Proceedings, Imperial Conference, 1926. (*Cmd.* 2768).

mends that steps should be taken to stimulate the production of instructional films having a common interest to more than one part of the Empire, and to secure closer co-operation and exchange of information between the authorities producing such films, and that this proposal should be referred for the consideration of the Empire Marketing Board."

For the Committee's Report *see* Appendix X (K).[1]

l. Standardisation of the Form of Invoices and Certificates Thereon

The Imperial Economic Conference of 1923[2] recommended two standard forms of invoice and certificates of value and origin for adoption respectively by those parts of the Empire which levy *ad valorem* duties on the basis of (1) the current domestic value of goods in the country of export, and (2) the invoice values of goods. The former was based on a form drawn up and recommended by the Imperial Customs Conference, 1921.

Although, with certain important exceptions (due for the most part to the fact that the parts of the Commonwealth concerned do not levy *ad valorem* duties on either of the above-mentioned bases), the invoices and certificates now required by most parts of the Empire are more or less in conformity with one or other of the standard forms recommended by the Conference of 1923, there exist numerous divergencies.

The matter was referred for examination to the General Economic Committee, who came to the conclusion that it was impracticable to devise a standardised invoice form which would be at once convenient to shippers and acceptable to the Customs authorities of all parts of the Empire. The Committee were, however, of opinion that technical difficulties in regard to certificates of origin would be greatly lessened if it were possible to arrive at a common understanding of the principles which should determine the distinction between Empire and non-Empire goods.

On the recommendation of the General Economic Committee, the Conference adopted the following Resolution:

"The Conference, recognising the advantage of maintaining the greatest measure of uniformity in the form of invoices and

[1] *Cmd.* 3718.

[2] *See* pp. 19, 264–281 of Record of Proceedings of Imperial Economic Conference, 1923. (*Cmd.* 2009.)

certificates thereon, expresses the hope that the forms recommended for adoption by the Imperial Economic Conference of 1923 will be adhered to as closely as possible, and further recommends that an enquiry should be made into the possibility of arriving at a common understanding with regard to the principles which should determine the distinction between Empire and non-Empire goods."

For the Committee's Report *see* Appendix X (L).[1]

m. Other Subjects

The General Economic Committee also considered the questions of the avoidance of obstacles to the free entry of books, periodicals, and newspapers, and of an Empire mark of origin. The Conference, however, did not pass any Resolutions on these subjects.

B. BRITISH INDUSTRY AND EMPIRE MARKETS[2]

The British Empire, on the map, consists of many countries, great and small, with every possible type of climate and products, distributed all over the globe; from the viewpoint of trade, however, the Empire consists of people, of many races and in various stages of economic development. During the past generation there have been additions to the map, and, therefore, to the size of the market, but the really important increase has been in the numerical growth and economic advance of the population in the great regions which have not changed their boundaries vitally in recent years.

In 1891, the purchasing power of the Empire was represented by about 308 million people; in 1901, by 345 million; in 1911, by 375 million. In 1927 it was not far short of 400 million. This increase in numbers, large as it is, fails to give a true idea of the expansion of the market. We shall find that the growth in exports from Great Britain to the Empire is more rapid than the growth of population in the Empire. The facts are illustrated in the following table. For ease of comparison we will call the population and the volume of trade in 1901 a hundred, and will limit our

[1] *Cmd.* 3718.

[2] By Professor A. J. Sargent, 26th report of the Empire Marketing Board, pp. 10–161. Reprinted by special permission of the E. M. B. and the Controller of His Majesty's Stationery Office.

survey to the present century, since the earlier figures are of doubtful validity.

EXPORTS OF MANUFACTURES FROM THE UNITED KINGDOM TO THE EMPIRE

Year	Population of empire, index no.	Exports at prices of 1900 £ million	Index no.	Per cent of total exports of manufactures
1901	100	90.9	100	39.5
1913	109	155.6	171	41.3
1925	114	122.5	135	42.4
1927	115	147.2	162	45.8

Owing to statistical changes, the figures in the third column are liable to considerable error; it is, also, not possible for every year to obtain exact figures of population to correspond to the exports. It is clear, however, from these approximate figures, not only that the proportion of British manufactured exports credited to the Empire increased over the whole period, but also that the volume of trade increased more rapidly than the population constituting the real market. In other words, each individual in the Empire, on an average, accounted for a much larger part of our total sales at the end than at the beginning of the period, though the trade has not yet recovered the high level of 1913.

This average is based on the Empire as a whole, but individuals in that whole differ widely in buying-power. Let us consider this point. In 1927, on the basis of the declared values of our exports, we sold to India and Ceylon manufactured goods only to the extent of about 5*s.* 3*d.* per head of their population, whereas for Australia and New Zealand the figure was about £10. Changes, therefore, in these markets have a different implication and must be measured by a different standard. Australia already buys heavily; if she is to buy more, this is likely to result only from an increase in the number of her people, and a very moderate increase is likely to have a marked effect on trade. The market is small in size, but each unit is extremely valuable. On the other hand, the same absolute increase in the population of India would have little effect on trade, since the buying power of the unit is small. India owes her importance to a small individual demand multiplied by the many millions of her population. A

considerable growth in absolute numbers would have little commercial significance; whereas, a very slight improvement in the economic condition of this vast mass of purchasers would result in an enormous addition to their total demand for goods. The development of this market depends not on growth of population, but on growth of prosperity and improvement in the internal condition of the country as a whole. An increasingly prosperous India will buy more goods, of some kind, and her chief purchases at present are from Great Britain. We have thus two means of measuring the value of a market; we may consider the total amount of our manufactures which it takes, or the amount in proportion to its size, that is, its numbers. Both methods are necessary to correct and supplement each other, more particularly when we are estimating future possibilities.

We have considered the Empire in isolation, as a market for British manufactures, but this is not enough; to find its place in our general system, we must make some comparison with foreign countries or groups of countries.

The real importance of Empire trade is a matter of the last thirty or forty years. In that period, not only has the Empire grown in population and wealth, but many foreign countries, formerly among our best customers, have developed their own manufactures behind a growing wall of protective tariffs, while the development of manufacturing industries in Empire countries overseas has not yet progressed very far. The number and elaboration of such protective tariffs in Europe have tended to increase rather than to decrease since the war. We have seen, in the table above, the general result on the distribution of our manufactured exports: more to the Empire, less to foreign countries generally. The Empire, it is true, has changed its content since 1900; it has grown by the addition of certain areas with their inhabitants; such addition, however, is not sufficient to affect seriously the statistics of trade or the conclusions for which they provide a basis. The figures fairly represent the growth of manufactured exports from Great Britain to those areas which now constitute the British Empire. The Irish Free State is excluded, as in this case no comparison with the past is possible. It must not be forgotten, however, in this connexion, that one of the most important of all markets is that of Great Britain itself. Figures strictly comparable to those of exports are not available,

we can only guess at the value of this market from the estimates put forward in the census of production of 1924. These seem to indicate that of our manufactures about one-third are for export. If we assume that the same proportion holds in 1927, then the purchases by the home market in 1927 would be about £27 per head of the population of Great Britain as compared with £10 per head, calculated on a similar basis, by Australia and New Zealand combined.

The "world" is a somewhat vague and unsatisfactory unit for comparison; let us try a closer method. We may compare the Empire as a whole with Europe, the new market with the old, or we may compare selected parts of the Empire with certain foreign areas to which they bear some kind of resemblance. Let us attempt both methods, and see what results. For this purpose we will define Europe as excluding the area covered by the former Russian Empire, since the majority of the inhabitants of this area were never purchasers of British manufactures on a scale comparable to that of the rest of the Continent. Also, we shall thus avoid certain statistical difficulties. If Russia were included, the figures given in the fourth column of the following table would be lowered considerably. In Europe, thus defined, we have a population in 1927 of about 280 million, in part highly industrial, in part purely agricultural. In the Empire we have 390 to 400 million, most of whom can be classed as agricultural, in the broader sense of the term. The market consists of those people; let us compare their purchases of British manufactured exports.

EXPORTS OF MANUFACTURES FROM THE UNITED KINGDOM

Year	To Europe (excluding Russia), £ million	Index no. of exports	Per head of population	To Empire, £ million	Index no. of exports	Per head of population
			s. d.			*s. d.*
1901	62	100	5 1	88	100	5 1
1913	101	163	7 7	170	193	9 1
1925	141	227	10 1	250	284	12 9
1927	120	194	8 6	247	281	12 6

We are not discussing here the changes in the real volume of the trade and so need not be worried by correction for prices;

we are concerned only with a comparison of the two areas. Towards the end of the nineteenth century, the European, on the average, still bought rather more of British manufactures than a citizen of the Empire. In the present century, the positions are reversed and the difference in favour of the latter is growing. If we include the Russian area, the European market is somewhat larger than that of the Empire, while its purchases work out at 6*s.* per head or less. This is on the basis of individual buying. On the other hand, if we consider each market as a whole, it is clear from these figures that nominal exports to the Empire since the beginning of the century have increased approximately half as fast again as those to Europe; and, as we are dealing with broadly similar goods, we are justified in assuming that the real volume of trade has changed in somewhat similar proportion. Whether we look at trade per head or markets as a whole, the conclusion is the same; the Empire has steadily outstripped Europe as a consumer of British manufactures.

Now let us turn to some smaller units. There are certain resemblances in the economic condition of temperate South America and the Southern Dominions, of India and the Far East, of Canada and Scandinavia. We need not press the similarity too far, but a brief comparison is perhaps worth while. Let us consider in the first place the fifteen and a half million people of Argentina, Uruguay, Paraguay and Chile, side by side with the seven and a half million of Australia and New Zealand and put the results in the following short table, using as before the method of index numbers.

EXPORTS OF MANUFACTURES FROM THE UNITED KINGDOM

Year	To Australia and New Zealand			To South American States		
	£ million	Index no. of exports	Per head of population	£ million	Index no. of exports	Per head of population
			£ *s.* *d.*			£ *s.* *d.*
1901	24.0	100	5 5 6	9.7	100	1 5 6
1913	40.9	170	7 9 10	26.1	269	2 2 1
1925	76.3	318	10 6 2	33.5	345	2 0 4
1927	74.2	309	10 0 6	30.3	312	1 16 6

Australia and New Zealand, throughout the period, have always been the larger market, but in the first ten years of the century South America was gaining rapidly in relative importance. Since 1913, however, it has fallen back relatively. If we estimate in terms of population, we find that in 1890 the average Australian and New Zealander bought of British manufactures over three times as much as the average South American; in 1901 over four times as much; while, in 1927, the amount has risen to over five times. On either basis of estimate, the Australian and New Zealand market has become relatively more valuable in recent years.

A similar table for India and the Far East is less precise owing to the difficulty of estimating the population of the latter area. In 1921, the Indian market consisted of about 323 million people, and the Far Eastern market, that is China and Japan, of perhaps 490 to 500 million. We may say that the latter is roughly half as large again as the former.

EXPORTS OF MANUFACTURES FROM THE UNITED KINGDOM

Year	To India and Ceylon			To Far East		
	£ million	Index no. of exports	Per head of population	£ million	Index no. of exports	Per head of population
			s. d.			*s. d.*
1901	34.8	100	2 4	17.0	100	—
1913	70.8	203	4 5	31.2	184	1 8
1925	85.4	245	5 3	34.0	200	1 5
1927	84.4	242	5 2	27.8	164	1 1

These figures, like those in the table above, represent the nominal value of the goods as consigned from Great Britain, not the amounts actually paid by the recipient; but our present view-point is that of British exports as recorded in British statistics, and this is the only convenient basis of comparison.

Over the whole of the period, the Far-Eastern trade, though from a much smaller beginning, increases at a slower rate than that with India and Ceylon. The heavy fall in 1927 hardly needs explanation and may perhaps be followed by a recovery. The relative importance of India is still more marked in the figures

of trade per head. Whatever may be the possible errors in the last column, it is evident that the native of India buys far more of British manufacturers than the native of China and Japan. Though both markets are depressed at the moment, there seems to be no indication of any marked change in their relative position; in fact, the figures point to a definite and sustained decline in purchases per head of the Far-Eastern population.

Let us now glance briefly at a part of the Empire where economic conditions are very different from those in the area, dealt with above.

EXPORTS OF MANUFACTURES FROM THE UNITED KINGDOM

Year	To Canada and Newfoundland			To Scandinavia (Norway, Sweden and Denmark)		
	£ million	Index no. of exports	Per head of population	£ million	Index no. of exports	Per head of population
			£ s. d.			£ s. d.
1901	7.3	100	1 6 0	6.7	100	0 13 7
1913	20.8	285	2 15 11	10.7	160	0 19 0
1925	23.7	325	2 8 2	19 0	284	1 10 10
1927	24.1	330	2 9 11	17.4	260	1 8 2

In the early part of this century, Canada gained rapidly on Scandinavia as a market, but later dropped back. Over the whole period, however, there is a distinct improvement in her relative position. We must not forget, in this comparison, that Scandinavia is nearer to Great Britain and has no United States on her boundaries with special advantages and opportunities for competition. Tested by purchases per head of population, Canada has lost ground recently, though she still ranks far above Scandinavia. The markets are fairly comparable in size, since, in 1927, Scandinavia contained about twelve million people, as against nine and a half million in Canada and Newfoundland. Collectively and individually the nine and a half buy considerably more of British manufactures than the twelve.

Appendix IV

EXCERPTS FROM PARTY PROGRAMS

A. SUMMARY, FROM LABOUR AND THE NATION[1]

The Labour Party asks for power. If granted power, it will use it both to lay the foundations of a new social order, and to relieve immediate distress, by carrying out, as rapidly as Parliamentary opportunity permits, the policy embodied in "Labour and the Nation," of which the following legislative and administrative measures are a summary:

I. Industrial Legislation

1. The Repeal of the Trade Unions Act and the Restoration of Trade Union Rights.
2. The establishment of a 48-hour week.
3. The improvement and extension of Factory Acts, Mines Regulation Acts, Workmen's Compensation Acts, Merchant Shipping Acts, Minimum Wage Acts, and other industrial legislation.
4. The establishment and enforcement of international labour standards.

II. Unemployment

1. The establishment of adequate provision for unemployed workers, under the control of a National Authority.
2. The amendment of the Unemployment Insurance Acts, the establishment of the scale of benefits recommended by the Labour Party in its evidence before the Blanesburgh Committee, and the extension of the principle of Unemployment Insurance to classes of workers at present outside its scope.
3. The withdrawal from the Labour market of children under 15, with the necessary provision of maintenance allowances.
4. The improvement of the provision made for widows and orphans and for the veterans of industry.
5. The repeal of the Eight Hours Act in the coal industry.
6. The transference and migration of unemployed miners.

[1] Published by the Labour Party, London, 1929.

7. The establishment of a superannuation scheme for aged miners.

III. The Development of Industry and Trade

1. The establishment of a National Economic Committee to advise the Government as to economic policy, and of a National Development and Employment Board to prepare schemes for the development of national resources.

2. The control of the Bank of England by a public Corporation, including representatives of the Treasury, the Board of Trade, Industry, Labour and the Co-operative Movement; the encouragement of Co-operative and Municipal banking; the promotion of an International Conference, as proposed at Genoa in 1922, with a view to the regulation of the value of gold by international agreement; and the introduction of such further changes in the banking and financial system as will secure that the available supply of credit and savings is used to the greatest national advantage.

3. The transference to public ownership of the coal, transport, power, and life-insurance industries.

4. The appointment of a Commission to prepare a scheme for the reconstruction of the cotton industry.

5. The relief of industry by the readjustment of the relations between national and local finance and by the taxation of land values.

6. The protection of the consumer against exploitation and the extension of the powers of the Food Council.

7. The establishment of the fullest possible publicity with regard to costs and profits.

8. The promotion of scientific research, with a view to the improvement of industrial technique.

9. The extension of the powers of the Economic Section of the League of Nations.

IV. Agriculture and Rural Life

1. The transference of land to public ownership.

2. The establishment of security of tenure for efficient farmers.

3. The provision of credit on easy terms.

4. The stabilisation of prices by the collective purchase of imported grain and meat.

5. The elimination of waste by the development of collective marketing.

6. The establishment of efficient services of electrical power and transport in rural areas.

7. The protection of the agricultural worker by the establishment of an adequate minimum wage, effectively enforced, and of reasonable hours of labour.

8. The improvement of the services of health, housing and education in rural districts.

9. The provision of facilities for the acquisition of land, both for small holdings and for allotments.

10. The introduction of legislation to abolish the evils of the tied cottage, and the rapid development of housing schemes in rural areas.

11. The development of the fishing industry, and the improvement of the conditions of fishermen and their dependents.

V. The Development of the Social Services

1. The passing of legislation to enable the larger local authorities to undertake such services as their citizens may desire, subject to due safeguards in respect of efficiency and capital expenditure.

2. The provision of an adequate supply of houses at rents within the means of the workers, the establishment of cottage homes for the aged, the continuance and strengthening of the Rent Restriction Acts, and the prevention of profiteering in land and building materials.

3. Slum clearance and the extension of town and regional planning.

4. The provision of medical care before and after childbirth, and the extension and improvement of the school medical service.

5. The amendment of the Health Insurance Acts, and the extension of insurance, including additional medical benefits, to the dependents of insured workers and to sections of the population at present outside its scope.

6. The improvement of pensions for the aged and of the allowances provided for widows and orphans.

7. The break-up of the Poor Law.

VI. Education and the Care of Childhood

1. The creation of a democratic system of education, adequately financed, free from the taint of class distinctions, and organised as a continuous whole from the Nursery School to the University.

2. The fullest possible provision for the physical well-being of children, by the establishment of the necessary number of open-air Nursery Schools, other open-air schools, and special schools for defective children, by the extension of school meals and by further development of the school medical service.

3. The adequate staffing of Primary Schools and the drastic reduction in the size of classes.

4. The improvement of school buildings, and the provision of books, equipment and amenities on a generous scale.

5. The regrading and development of education in such a way as to secure primary education for all children up to 11, and free secondary education, of varying types, for all children above that age.

6. The extension of the school-leaving age to 15, with a view to its being raised to 16 as soon as that further reform shall be practicable, and the necessary provision of maintenance allowances.

7. The establishment of easy access to Universities and to other places of higher education, and the provision of adequate financial assistance for them.

VII. Financial Policy

1. The progressive reduction of expenditure on armaments.

2. The abolition of taxes upon the necessaries of life and of protective duties.

3. The increase of the death duties upon large estates.

4. The further graduation of the income tax so as to relieve the smaller, and increase the contribution from the larger, incomes.

5. The establishment of an additional graduated surtax on incomes from property of over £500 per annum.

6. The taxation of land values.

VIII. International Peace and Co-operation

1. The renunciation by international treaty, without reservation or qualification, of the use of war as an instrument of national policy, and the negotiation through the League of Nations of international agreements.

2. The reduction of armaments, by international agreement, to the minimum required for police purposes, with due provision for the employment elsewhere of workers who are displaced, and opposition to compulsory military service.

3. The immediate signature of the Optional Clause, the consequent acceptance of the jurisdiction of the Permanent Court of International Justice in all justiciable disputes, and the signature of the General Act of Arbitration, Conciliation and Judicial Settlement, drafted and approved by the Assembly of the League of Nations in 1928.

4. The repudiation of the agreement with regard to military and naval forces which the Conservative Government has attempted to negotiate with France.

5. The immediate and unconditional withdrawal of all foreign troops from the Rhineland.

6. The promotion of international economic co-operation, as recommended by the International Economic Conference of 1927, and cordial co-operation with the International Labour Office.

7. The establishment of the fullest possible publicity with regard to international relations and policy, the publication of any international agreement not yet disclosed, or disclosed only imperfectly, and the submission of all international engagements to the House of Commons.

8. The systematic use of the League of Nations to promote the utmost possible measure of co-operation between the nations of the world.

9. The establishment of diplomatic and commercial relations with the Russian Government.

IX. The British Commonwealth of Nations

1. The establishment of the closest possible co-operation, on terms of complete equality, between Great Britain and the Dominions.

2. The recognition of the right of the Indian people to self-government and self-determination, and the admission of India to the British Commonwealth of Nations on an equal footing with the self-governing Dominions.

3. The establishment of safeguards against the exploitation of indigenous peoples by European capital, the prevention of forced labour and of injurious or inequitable conditions of em-

ployment, the protection of such people in the occupation of their land and in the exercise of civic rights, the development among them of the services of health and education, and their preparation, by all possible means, for full self-government at the earliest practicable date.

4. The strengthening and extension of the authority of the Mandates Commission of the League of Nations.

5. The development, in co-operation with the other States composing it, of the economic resources of the British Commonwealth of Nations, and the establishment of machinery for the advice and supervision of intending emigrants.

X. Political Democracy

1. The maintenance of the unquestioned supremacy of the House of Commons.

2. Uncompromising resistance to the establishment of a Second Chamber with authority over finance and power to hamper the House of Commons and defeat democratic decisions.

3. The abolition of plural voting.

4. The establishment of full civil and political rights for Civil Servants.

5. Drastic legislation against corrupt practices at elections, and the abolition of practices which confer special political advantages upon wealth.

6. The establishment of complete publicity with regard to Party funds, and the termination of the practice of selling so-called honours.

7. The creation of separate legislative assemblies in Scotland, Wales, and England, with autonomous powers in matters of local concern.

B. EXTRACT FROM THE REPORT OF THE COUNCIL ON INDUSTRIAL POLICY OF THE NATIONAL LIBERAL FEDERATION:

PROPOSALS AS ADOPTED[1]

I. Peace and Free Trade

This Council of Liberals believing war to be disastrous to Trade and a menace to civilisation holds that the pursuit of

[1] Kingsway Hall, London, March 27–29, 1928.

world peace by the strengthening of the League of Nations, the continued enlargement of the scope of its activities, and the securing of a substantial measure of general disarmament must be placed in the forefront of national policy. The economic interdependence of the nations, no less than Britain's reliance upon external trade for her prosperity, demands the removal of tariff barriers and other obstructions to free intercourse between the nations. It is vitally important that we should return in full to the system of Free Trade on which our industrial and commercial activities have hitherto been based, and should thus take the lead in giving practical expression to the policy of removing trade barriers unanimously endorsed by the World Economic Conference at Geneva in 1927.

II. Economy and Budget Reform

There should be drastic reductions in the expenditure of the War Departments, and the strictest economy in all Departments of State compatible with their full efficiency, with the maintenance and progressive extension of the Educational, Health and other necessary Social Services, and in particular the fullest satisfaction of the educational and other needs of the rising generation, and with the development of the nation's capital resources and equipment; and further, in order to ensure that the House of Commons may know the true financial results of each year, the mode in which the National Accounts are presented should be reformed in such a way as to distinguish clearly between expenditure from income and expenditure on capital account, and to provide safeguards against such manipulations of the accounts as have marked the Budgets of the present Government.

III. Rating Reform

(1) In view of the inequity and inexpediency of the existing System of Rates in its effects on Industry and in relation to Working Class Houses, a substantial proportion of the present expenditure from Local Rates should be transferred to the National Exchequer

(*a*) by transferring to the National Government responsibility for the Relief of the Able-Bodied Poor;

(*b*) by the restoration and enlargement of the Road Fund, which should undertake a much larger share of the cost of road construction and maintenance; and

(*c*) by increased Grants-in-Aid.

Such proposals would occasion the transfer of approximately one-third of the amount at present charged on the local rates, and should form one of the first charges on any funds available for the relief of taxation.

(2) In order to make the incidence of the charges remaining on the rates less burdensome, the proposals for Rating Reform and for the establishment of Regional Authorities which were adopted at the Liberal Land Conference in February, 1926, should be carried into effect.

IV. National Development and Unemployment

In view of the obstinate continuance of abnormal unemployment and as a means of increasing the nation's industrial efficiency, there should immediately be taken in hand a vigorous policy of national development, including, in particular, a large programme of road construction, slum clearance, housing and the creation of garden cities, the development of electricity, the improvement of docks, harbours, and inland waterways, afforestation, land drainage and reclamation, the encouragement of rural industries and factories on the countryside, and the regeneration of agriculture on the lines of the Liberal Land Policy; where it is found necessary to reduce a Dockyard or Arsenal in a particular town, it should be the duty of the Committee of National development to attract to that town alternative industries.

V. National Development: Organisation and Finance

(1) The work of national development should be the concern of a special Committee to be known as the Committee of National Development, which should be directly responsible to the Prime Minister, and should co-ordinate the work of the Departments on which executive duties will fall.

(2) To facilitate the supply of capital for the purposes in view, a Board of National Investment, responsible to the Treasury, should be established, in whose hands the capital resources at present administered by various Departments of State should be pooled.

(3) The national programme of road construction should be financed, subject to the approval of the Treasury, partly out of the revenues of the Road Fund and by loans, the service of which would be charged upon it, and partly by the imposition of "Betterment" taxes upon site values in augmentation of that fund.

VI. Coal

The continued gravity of the situation in the coal industry, and the evident incapacity of the industry itself to solve its problems, call urgently for action:

(1) To put the industry upon a satisfactory footing, the State should acquire the mineral royalties and should place their administration in the hands of an expert body of Coal Commissioners, such Commissioners should have the power on application and after enquiry to enforce such economic and geological groupings of collieries as are likely to lead to increased efficiency.

(2) Uneconomic pits should be excluded from the district ascertainments upon which wages are based; care should be taken to ensure that all coal transferred from a colliery to its subsidiary selling agency should be credited at the full market price.

(3) Research and the more scientific utilisation of coal should be promoted by every possible means.

(4) A National Wages Board for the industry, invested if necessary, with Trade Board powers, should be set up, and a full system of conciliation embracing a national council for the industry and district and pit committees, should be established.

(5) Organised marketing should be promoted, and municipalities empowered to engage, if they so wish, in the retail sale of coal; subject to their keeping separate accounts on a commercial basis.

(6) The necessary transfer of surplus labour to other industries should be the special care of the Committee of National Development and special efforts should be made to encourage the development of other industries in affected districts. Entry to the industry should be regulated, assistance afforded to those who are able and willing to leave it for other occupations, and a pension scheme for the older miners instituted. A special con-

tribution towards the cost of these schemes and also for the general improvement of the amenities of mining areas should be required from royalty owners.

VII. Public Concerns and Their Control

There is a proper place in the National Economy for Public Concerns, *viz.*, bodies controlled by public authorities or limited by enactment, and for the Local Public Ownership of Local Public Utilities; but improved methods of conducting the vast operations of the Public Concerns which exist already is a matter of more urgency and importance then adding to their numbers. Whilst diversity of forms should continue in face of diversity of conditions, the best model for the future is to be found in *ad hoc* Public Boards run by a regular service of business and technical administrators specially recruited for the purpose, and with a system of accounting on modern business lines.

VIII. Trusts, Combines and Trade Associations

There is a proper place in the National Economy for large-scale enterprises privately owned and directed, provided that public authority can exercise such control as will prevent them from exploiting opportunities for monopoly to the detriment of the Public; but this qualified approval does not extend to Trusts or combines exercising financial control of large sections of the Public Press, such Trusts and combines call for drastic restriction. Since publicity in regard to the relevant facts is essential to the effective exercise of control, large Public Companies controlling more than 50 per cent of a product within Great Britain should be registered as Public Corporations subject to special provisions as to publicity and to inspection by the Board of Trade. In the case of abuses coming to light the procedure recommended by the Committee on Trusts (1919) should be followed, including the establishment of a Trust Tribunal, with power in the last resort to regulate prices. Trade Associations should, where sufficiently representative, be entitled to incorporation by the Board of Trade under defined rules, including provision for publicity. They should then be empowered, with the approval in each case of the Board of Trade, to make rules binding upon the industry.

IX. The Organisation of Economic Knowledge and Publicity of Industrial Information

As an essential instrument of better government in modern conditions, a small Economic General Staff should be established to advise the Cabinet on economic problems affecting national policy and the development of industry and commerce. The Government Statistical Service should be developed in order to furnish the economic information essential for the efficiency both of the State and of individual business, and for the satisfactory conduct of negotiations regarding wages, for the consideration of the relation of wages to the cost of living, etc.; and company law should be drastically reformed to secure the effective publicity of accounts in the case of all Public Companies, to strengthen the position of Auditors, and to check abuses of directorships.

X. Industrial Relations

Ministry and Council of Industry.—(1) In order that the relations of Government with the organised bodies of employers and workpeople should be unified and co-ordinated, the Ministry of Labour should be transformed into a *Ministry of Industry*, taking over the functions of the Home Office in regard to the Factory Acts and Compensation Acts, the functions of the Ministry of Mines, and such other functions as may be necessary. The duties of the Ministry should be regarded as including the stimulation and encouragement of co-operation in the pursuit of efficiency in production and justice in distribution.

(2) In order to ensure that the work of the Ministry is carried on in harmony with the needs of industry, and also to secure steady guidance for a forward movement within industry itself, there should be established a statutory *Council of Industry*, of about 25 members, composed of representatives of employers and employees, together with a neutral element nominated by the Ministry. Its functions should be:

(*a*) To review, and report to the Ministry upon, all applications for compulsory powers by Trade Boards, Joint Industrial Councils, or other negotiating bodies.

(*b*) To keep under continuous review the development of the machinery of co-operation and conciliation in all industries, and to stimulate and assist such development.

(*c*) To keep under continuous review the movement of wage-rates and hours in various industries and to direct attention to undesirable disparities.

(*d*) To consider schemes for the avoidance of stoppages in essential public services.

(*e*) To provide information and assistance in the extension of schemes of profit-sharing or co-partnership by agreement.

(*f*) To give preliminary consideration to measures affecting industry proposed to be introduced into Parliament.

(*g*) To stimulate and encourage the adoption of plans for Pensions, sickness and unemployment benefit supplementary to the National schemes in operation.

(*h*) In general to advise the Minister of Industry on all matters referred to it by him.

XI. Negotiating Bodies and Compulsory Powers

(1) There should be, in every industry, a joint negotiating body for the regulation not only of wage-rates, but of all common interests affecting the industry as a whole, such as recruitment, apprenticeship and training, the treatment of unemployment, costing systems, the adjustment of labour necessitated by changes of process, etc.

Such negotiating bodies should be equipped with full knowledge regarding the general financial position of the industry, which should be made available by the Ministry of Industry.

They should be enabled, in suitable cases and under proper safeguards, to obtain legal sanction for their decisions, subject to the assent of the Ministry and Council of Industry, and ultimately of Parliament.

It is desirable that a neutral element should be included in such bodies, at any rate for the consideration of proposals for which legal sanction is sought. It is also desirable that representatives of technical and administrative staffs should be invited to take part in discussions on general policy, though not on wage-rates or similar questions affecting wage-earners alone. Where any difficulty arises as to the demarcation of the sphere of any such body, the question should be referred to the Ministry and Council of Industry.

(2) In order to facilitate the development of this system:

(*a*) Trade Boards should be established in all industries not sufficiently organised to be able to make and to keep common agreements. But the power of obtaining the sanction of criminal law for their rates now enjoyed by Trade Boards should be limited to minimum rates. In order to encourage the growth of efficient organisation on both sides, and the gradual transference of Trade Board industries into a higher category, all higher rates should be fixed by agreement and be enforceable only by civil process.

(*b*) The system of Joint Industrial Councils of the Whitley pattern (which should include a neutral element in all cases where compulsory powers are sought) should be extended as rapidly as possible, under the encouragement of the Ministry and Council of Industry.

(3) In order to reduce to a minimum the danger of stoppages in the essential public services, which may produce an immediate dislocation of other industries,

(*a*) the Council of Industry should require the negotiating bodies in these industries to draw up a full scheme of negotiation and conciliation, including a compulsory reference for report to a court of inquiry in the event of a deadlock; and to propose adequate sanction for the full utilisation of this machinery.

(*b*) In the event of no scheme, or an unsatisfactory scheme, being submitted by the industry concerned, the Council should itself prepare a scheme for submission to Parliament, including a provision that the privileges conferred by the Trade Disputes Act of 1906 should not, in the industry concerned, apply in the case of any lock-out or strike declared before the defined procedure had been fully carried out.

XII. Works Councils and Safeguards against Arbitrary Dismissal

(1) A statutory Works Council should be established in every concern employing more than 50 persons. The Council should include representatives of the management and of every grade of employee, such representatives of the employees to be elected by a ballot of the workers of 21 years of age and upwards.

The Council should afford an opportunity of assisting the management to evoke a team-spirit by providing opportunities for the discussion and settlement of difficulties and the prompt and easy ventilation of grievances. Its functions should be consultative, except that its assent should be required for works rules, subject to the terms of national or local agreements; in the event of disagreement there should be an appeal to a local negotiating body, and ultimately to the Ministry of Industry. The Council should also be entitled to a periodical statement regarding the financial conditions and trade prospects of the concern, as full as that which would be laid before a body of shareholders. The Council should be consulted upon such matters as changes in arrangements within the works, short-time arrangements, welfare provisions, holidays, etc. It should also take part in the discussion of any schemes for profit-sharing, co-partnership, employee stock-purchase, pensions, sickness and unemployment benefit and the condition of employment of juvenile workers.

(2) The rules of every industrial concern should include provisions dealing with dismissals, of such a kind as to ensure that, without derogating from the ultimate authority of the employer, no employee would be dismissed without an opportunity of stating his case either in person or through his fellows.

Every person taken into the employ of a concern should receive a printed or written statement of the terms of his appointment, including the conditions under which he might be dismissed and the provisions for giving him a fair hearing in such a case.

XIII. Trade Union Laws

Since the existence of strong and representative Trade Unions and Employers' Associations is necessary for the smooth working of modern industry, the importance and responsibility of these bodies must be adequately recognised by the law. They should be given increased opportunities and powers for co-operation in the pursuit of efficiency. As Trade Union Law was indefinite, unsatisfactory, and out of accord with the realities of the industrial situation even before the Trade Disputes and Trade Unions Act of 1927, added to the confusion, it is necessary that a Commission, including representatives of employers and Trade Unions, should be appointed to draw up a codification and revision of the law respecting Trade Unions and Employers'

Associations, and to bring it into accord with the facts and needs of modern industry.

XIV. Hours of Labour

The Council welcomes the general shortening of hours and the increase of leisure which have been the chief advantage gained by British labour since the War. It desires to see the principle of the 48-hours week (with such reasonable adjustments as may be necessary to meet the special conditions of particular industries) secured by legal enactment at the earliest possible date. It recognises that this end can best be secured on the basis of international agreement on the lines of the Washington Convention; and urges that the long delay in securing a satisfactory agreement should be brought to an end.

Many juvenile workers have not shared in the advantage of short hours, but are in some cases working as many as 70 or even 80 hours a week, and as such conditions are destructive of health and vigour, and incompatible with any adequate system of continued education and technical training for the juvenile worker, this Council advocates legislation limiting the hours of labour of all workers under 18 years of age to a maximum of 48 hours weekly, inclusive of the time given to continued education provided that for the purposes of calculating such time given to continued education there shall be included only education during ordinary working hours and not evening classes.

XV. The Distribution of the Proceeds of Industry

(1) In order to ensure justice in the distribution of the proceeds of industry, the wage-system of every industry should include (besides the standard wage-rates fixed by agreement) a *minimum wage*, or wage rate to be defined in accordance with the practice of each industry, which should be fixed by its negotiating body, and should (subject to the approval of the Ministry and Council of Industry) be made enforceable at law.

It is also of great importance that the method of distributing to the workers a share of the residual profits after capital has received a fair return, should be extended as widely and rapidly as possible. Since the primary purpose of profit-sharing is to ensure that the proceeds of industry are divided in accordance with known and accepted principles, the basis of any profit-

sharing scheme should be settled by an agreement, not variable except by consent; the participants should be entitled to the same knowledge of the financial facts of the enterprise as is placed before shareholders; and no conditions should be imposed which would impair their rights as Trade Unionists, or modify agreed wage-rates.

(2) This Council regards as socially dangerous and indefensible the existing distribution of the onwership of capital, whereby the major part of the nation's capital is owned by a small section of the community, and the great majority own little or no capital.

Apart from the effect of graduated taxation in reducing the disparity of wealth the remedy for this evil is to be found not in any system of public ownership of capital, but in a systematic effort to bring about a great increase of popular ownership.

This end should be secured by the encouragement of:

(i) the distribution to those actively engaged in industry of a share of new capital created from reserves.

(ii) popular saving and investment, so that the small savings of the million may take the place of the surpluses of the rich. For this latter purpose it is necessary:

(*a*) to encourage the banking habit by the abolition or reduction of the stamp-duty on small cheques;

(*b*) to offer better terms to savings-bank depositors, and to give facilities for the purchase of Government bonds of low denomination;

(*c*) to encourage, under proper safeguards (which should be defined by the Ministry of Industry) the sale of suitable stocks to employees by installments and on favourable terms;

(*d*) to regulate and safeguard the rapid growth of investment trusts, which, if wisely regulated, can afford to the small investor a means of distributing his risks and obtaining the advantage of a reasonable capital appreciation such as the large investor can often obtain.

XVI. Industrial Policy

This Council of the National Liberal Federation thanks the members of the Liberal Industrial Inquiry Committee for their exhaustive investigation into the Industrial problems of Great

Britain, welcomes their Report, and commends it to the earnest study of all Liberals. The Council accepts substantially the conclusions of the Committee as set out in the Report; records its own adherence to and pledges itself loyally to propagate the principles of Industrial Policy enunciated in the resolutions adopted at this special meeting, and urges that the party should embark upon a vigorous campaign in support of that Policy.

C. CONSERVATIVE PARTY MANIFESTO FOR 1929 ELECTION[1]

Mr. Stanley Baldwin issued, May 11, as his Election Address, the following Manifesto to the country.

Additional sub-headings have been inserted to facilitate reference.

Record of Government.—"Four and a half years ago, you returned me to Parliament and to Office as the Leader of a great majority. To-day it is my duty to lay before you the record of the Conservative and Unionist Government and its policy for the future; and to ask at your hands a renewal of your confidence.

"The Conservative Government has had to face difficulties and dangers at home and abroad which could not have been foreseen at the last Election. In spite of all obstacles, we have fulfilled the pledges given in 1924 to an extent which no Government has equalled, and as a result of our administration the Empire is more firmly united, the prestige of the country stands higher, the prosperity and welfare of our people is greater than ever before in our history.

"In submitting myself to the electorate, I make no spectacular promises for a sudden transformation of our social or industrial conditions, but I am resolved to maintain and consolidate the advance already made, to bring to fruition the schemes on which we are engaged, and to carry still further the solid work of reconstruction on which depend the unity of the Empire and the peace and well-being of its people.

I. The Empire

"The Imperial Conference of 1926 will remain a memorable landmark in the constitutional development of the British Empire. The policy of any British Government of the future

[1] From *Gleanings and Memoranda*, vol. 69, Part 6, pp. 605–614, June, 1929.

must be based on the principle then laid down: that the unity of the British Commonwealth is to be maintained by unfettered co-operation between its partner members, who enjoy an equal freedom under the Crown. This principle has consistently inspired and shaped our policy. In foreign affairs, in defence, in trade and in migration, we have worked and shall work to promote unity of aim and every form of helpful co-operation with the Dominions.

Imperial Preference.—"Among these forms of co-operation none is of greater importance than the policy of Imperial Preference. That policy we have consistently and successfully pursued from the first moment of our entry into office. Reversing the unwise action of our predecessors, we at once honoured all the undertakings given at the Imperial Economic Conference of 1923, partly by the preferential remission of existing duties, and partly by the establishment of the Empire Marketing Board. The preferences to which we then gave effect have since been stabilised and extended with excellent results.

"In sugar, tobacco, silk, coffee, cocoa, dried fruits, and wine, there has been a great expansion of Empire production.

"The Empire Marketing Board has proved its value as a new agency of Imperial co-operation in many ways, and not least by its encouragement of scientific research both in Britain and in the Dominions and Colonies. Throughout the Empire, our policy has met with an appreciative response. The Empire to-day is by far our best market, buying nearly as much of our manufactures as all foreign countries together.

"Our opponents, both Liberal and Socialist, have, by their action in 1924, and by their declarations since, shown their determined hostility to the whole idea of Imperial Preference. We, on the contrary, have demonstrated its great possibilities, and, subject to my pledge not to impose any protective taxation on food, we shall continue to promote it as an essential part of our policy of Imperial development.

Colonial Development.—"In working out a policy of Imperial development, we have a special duty towards the vast colonial territories for which the British nation is responsible. That duty was defined at the end of last century by Joseph Chamberlain, when he declared that these territories should be treated as the undeveloped estates of the British Empire to be developed by

British capital and British enterprise. Such a task is frequently beyond the unaided resources of the Colony concerned, for trade and population will follow rather than precede the opening up of the country. For this purpose transport must be improved and production must be stimulated by scientific research, but capital expended upon these subjects may often bring in no return for several years.

Extension of Policy.—"We propose, therefore, to extend and expedite the policy already pursued in Africa and elsewhere, which in the past 4½ years has resulted in so great an expansion in the Colonial market for British produce. A Colonial Development Fund will be created which will assist Colonial Governments in financing approved projects of development.

"While thus fulfilling our responsibilities towards the native populations and towards those of our own race who have linked their fortunes with them, we regard the employment of British capital to finance British enterprise as likely to prove a more fruitful investment for this country than speculative loans or guarantees to a foreign Government which has squandered its own resources in a futile war against capitalism, and which has hitherto shown neither a friendly disposition to us nor any readiness to recognise past obligations.

II. Trade and Employment

"This policy of Empire development forms part of a comprehensive programme directed to stimulate trade and to create permanent employment. The following are the main features of that programme.

Safeguarding.—"First, we are pressing steadily on with our policy of helping special industries. The country has watched with keen interest the progress and effect of safeguarding. Few people are interested in catchwords; they want to judge by practical results.

"The results of the duties which have been imposed are already apparent. Not only has employment been improved in every one of the safeguarded industries, but coal, steel, engineering, building, transport and other industries have profited by orders received and work created. The employment thus given directly and indirectly has put thousands of men in work, has increased their purchasing power, and has thus benefited the distributive

trades. In many cases prices have been reduced because costs of production have fallen with increased output. Exports over the whole range of dutiable articles have materially increased; efficiency has been encouraged; new capital has been introduced; new factories have been built and existing factories have been extended.

No Taxation of Food.—"This experience has convinced many people of the wisdom of our policy. Our opponents have consistently obstructed it and are committed to its reversal, a step which must throw thousands out of work. We, on the other hand, are determined to continue it. We pledged ourselves at the last Election that there should be no protective taxation of food and that there should be no general tariff. We have kept that pledge and we renew it. But, subject to that pledge, we intend that no manufacturing industry, large or small, shall be debarred from presenting its case for a safeguarding duty to an impartial tribunal, which will judge each case on its merits and make recommendations accordingly.

Rating Relief.—"One of the main purposes of safeguarding duties, as of Empire development, is to stimulate the export trade.

"No greater stimulus could, however, be given in this direction than the great scheme of Rating Relief which we have carried through in the face of persistent opposition from our political opponents, and which we are now putting into force. By relieving the whole of productive industry from three-fourths of the burden of rates we have not only swept away an unjust form of taxation but have greatly increased the competitive power of our national industries.

"This is no temporary or sporadic encouragement. It is, on the contrary, a continuing benefit, which will add about £27 millions every year to the resources of industry. This unprecedented measure of relief operates universally. The assistance is greatest where the need is greatest; but it is no mere subsidy to the depressed industries. It is an essential feature of the scheme that it should also encourage the prosperous industries on which we rely to create new employment, and the distributive trades will benefit by the increased purchasing power of the wage earners.

Railway Freights.—"One important part of the Rating Reform Scheme has already been brought into operation—the reduction

of railway freights. By this means the heavy basic industries have been granted reductions of freights amounting in all to more than £3 millions a year, while agriculture is benefited by similar relief amounting to over £750,000. Already this reduction is having marked effect on the recovery of these industries.

The Basic Industries and the Railways.—"Here we approach the central problem of our national trade. The heavy basic industries of Britain—the coal, iron and steel group—depend upon the railways. Their traffics can only be carried along the steel track. They employ a fifth of our insured wage earners, contain more than a quarter of the whole number of the unemployed and constitute with cotton and woollens two-thirds of our export trade. It is to this point especially that help must be directed if unemployment is to be swiftly and effectually reduced to normal.

"The rating relief scheme, and particularly the reduction of railway freights and dock dues, is designed to afford a special measure of assistance to these industries and to agriculture. The remission of the railway passenger duty in the Budget has enabled the railways to undertake a programme of capital expenditure amounting to £6½ millions, which will assist to modernise and develop the means of transport, and will facilitate the use of heavier rolling stock.

"In our view the basic trades of Britain which have to depend on the railways as their principal means of transport ought to have at their disposal facilities at least equal to any transportation system in any part of the world. The Government will take such further steps as may seem to them necessary to assist the railways, and the industries concerned, to achieve this end.

Road Development.—"While we attach special importance to railway development we realise the part which our great highways must play in a national transportation system.

"The last five years have seen the building and improvement of roads upon the greatest scale yet known, although our roads are already the best in the world, and we are spending more upon them than any European nation.

"At the present time we are making provision for an annual expenditure from the Road Fund of £23 millions as compared with £15 millions in the year in which we took office, while the total expenditure on roads out of rates and taxes amounts to

approximately £60 millions a year. The percentages of State contribution to the various classes of roads have been increased, and the problem of rural roads has been met by substantial increases in the grants towards them.

Government Assistance.—"Throughout its tenure of office the policy of the Government has been to encourage and assist highway authorities to pursue a comprehensive and orderly programme of road development, improvement and maintenance.

"We intend to pursue this policy, paying special attention to the improvements which will give immediate assistance to our trade and thus bring in a full return for the money expended, rather than to put in hand hasty and ill-considered schemes which could only lead to wasteful and unfruitful expenditure, and could be of no permanent benefit to the unemployed.

Electrical Development.—"If modern industry needs an efficient transportation system, it needs no less a fully adequate supply of electrical power.

"There has been no more remarkable achievement in recent times than the re-organisation of the generation and transmission of electricity in Great Britain which was effected by the Electricity (Supply) Act. Progress under that Act has been rapid. It was passed at the end of 1926; in March, 1927, the Central Electricity Board was established, and by the coming Autumn detailed schemes will have been prepared covering about 97 per cent of the population and 98 per cent of the present sales of current. The placing of contracts in respect of the constructional work on the transmission system has been pressed on, and the total value of orders already placed amounts to £8½ millions, all of which have been placed with British firms. Further substantial orders will be placed during the year and unemployment in the skilled electrical trades is practically nonexistent.

Training.—"While we are thus directing our policy primarily to the permanent restoration of industrial prosperity, on which the solution of the unemployment problem depends, we have also undertaken a wide range of subsidiary measures designed to enable the unemployed, especially in the depressed areas, to find permanent work.

"Training Centres have been established which have already enabled thousands of men and women to fit themselves for new employment.

Juvenile Centres.—"The system of juvenile unemployment centres has been greatly developed, and more than 250,000 boys and girls have passed through these centres. As a result of these and other measures, the problem of juvenile unemployment has been largely overcome. There is now little unemployment among boys and girls, except in the depressed mining areas, and, as a result of the arrangements made while we have been in office, practically every boy in these areas can now attend an unemployment centre when he is unemployed, and there be fitted for a carefully chosen job elsewhere.

"We shall steadily extend our training system, as need requires, and we shall continue to provide money for public works with due regard to the requirements of industry for which the maintenance of public credit is so necessary.

The Past and the Future in Industry.—"The policy outlined above has already justified itself. Employment improved under our administration until the Spring of 1926 when, for the first time since the great depression of 1920, the number of unemployed fell below a million. Trade then suffered a severe set-back owing to the General Strike and the industrial troubles of 1926. In the last two years it has made a remarkable recovery.

"In the insured industries, other than the coal mining industry, there are now 800,000 more people employed and 125,000 fewer unemployed than when we assumed office. The coal industry itself is now reviving; many thousands of miners displaced by the re-organisation of the industry have been absorbed into other industries and there are 150,000 fewer miners unemployed than nine months ago.

Stable Conditions Established.—"This recovery has been achieved by the combined efforts of our people assisted by the Government's policy of helping industry to help itself. The establishment of stable conditions has given industry confidence and opportunity.

"A new spirit of co-operation is abroad. Fewer days have been lost through trade disputes in 1927 and 1928 than in any year since records were established forty years ago. Negotiations on a friendly basis are proceeding between the partners in industry.

"If such co-operation continues with peace at home and abroad, and if full effect is given to the Government's proposals for helping trade, there is every reason to believe that trade and

industry will be placed on a sound basis and that men, and women will find permanent employment at their proper trades in steadily increasing numbers.

The Rights and Welfare of the Partners in Trade and Industry.—"This peace and revival in industry opens the way to a revision and improvement of the Factory Laws. This is the one pledge we gave at the last Election which we have been unable to fulfil. It was impossible to legislate wisely for industry while still torn by dissensions and harassed by the uncertainties following the troubles of 1926. In our view the time has now arrived for the enactment of a single and clearly drafted statute which shall protect the health, safety and general welfare of the workers without imposing on industry burdens which might retard its recovery.

Security to Shop Assistants.—"Factory legislation of this kind will complete the work we have already done to give greater security to the partners in trade and industry. By the legislation we have passed during our term of office we have given both to the business tenant and to shop assistants a measure of security which they have long demanded.

"By the Trade Disputes Act the Trade Unions were protected against the misuse of the strike weapon for political and revolutionary ends, and the Trade Unionist has been secured against intimidation and coercion in the free exercise of his industrial and political rights. The threat of the Socialist Party to repeal this Act is in itself a ground for asking the support of the workers for the present Government.

Agriculture.—"Our policy for agriculture has been consistently directed, and will continue to be directed, to the relief of burdens, the finding of markets, the provision of credit facilities, and the development of education and research.

Easing Agricultural Burdens.—"We have crowned the Conservative policy of relieving the essential equipment of agriculture from unfair burdens by the entire remission in England and Wales of local rates on farm land and buildings and in Scotland by an equivalent relief from rates. We have found it possible to advance our programme by bringing this relief into immediate operation. We have thus conferred upon the agricultural industry a benefit of not less than £2½ millions for the year ending October 1, 1929, and nearly £5 millions in a full year.

"The substantial rebates on railway freight charges for certain agricultural traffics which we have also secured by our derating scheme, and the special grants made from the Road Fund towards the maintenance and improvement of roads in rural areas, with consequent relief to local rates, are further instances of the same policy of easing the burdens of agriculture.

Marketing and Marking.—"We have endeavoured to improve the farmer's position by helping him to reform the methods of marketing agriculture produce. We are surveying the whole marketing system of the country. New methods of standardised grading and packing have been introduced and under the agricultural Produce (Grading and Marking) Act, 1928, agricultural products can now be sold in standard grades under a National Mark. A most successful beginning has been made in the application of the Mark to eggs and certain kinds of fruit and vegetables.

"Provision has also been made for the marking of imported foodstuffs in suitable cases.

"The policy of preference to the home producer has been steadily pressed by the Empire Marketing Board, and is already showing results.

Home-fed Beef for Forces.—"In order to give a lead in this matter by direct Government example, we have decided that in future only home-fed beef shall be supplied to the Army, Air Force and Navy in Home Ports during the six months October to March, and that during six months after harvest 25 per cent of the flour used for these services shall be milled from home-grown wheat.

"We have initiated a long-called-for reform in the finance of British agriculture by the Agricultural Credits Acts under which both long term and short term credits are being provided: considerable advantage is already being taken by the farming community of these provisions.

Drainage, Wages and Small Holdings.—"Large sums have been provided for improving the drainage of agricultural land, and we propose to introduce legislation, based on the Report of the recent Royal Commission, which should give a fresh stimulus to this work.

"Recognising that arable farming has been specially affected by the depression in agriculture, we have vigorously supported and developed the infant sugar beet industry, with results which

have already exercised a marked influence on the prosperity of agriculture particularly in the eastern part of England.

"We have ensured throughout England and Wales that the minimum and overtime rates of wages of agricultural workers prescribed under the Agricultural Wages Act of 1924 are being paid, and, where necessary, we have secured the enforcement of the Act through the medium of the Courts.

"We have extended the facilities for Small Holdings both for renting and purchase by easy instalments, including a new type of cottage holding, and legislation has also been passed facilitating the provision of allotments.

Rural Telephone Development.—"We also propose to afford the public in rural areas improved telephone facilities. The radius from the nearest exchange within which a telephone is provided without extra milage charge will be extended from 1½ to 2 miles.

"Call offices will be provided at some 5,000 rural post offices which have at present neither telegraph nor telephone facilities and at more than 1,000 rural railway stations.

"The electrification of rural areas will be greatly facilitated by the transmission system provided under the Electricity Act.

"Taken together these measures constitute a practical policy. They have proved, and will increasingly prove, their value as a contribution to the re-establishment of British agriculture. It is a policy which enables the costs of production to be reduced and the marketing of agricultural produce to be improved.

Education and Research.—"But such a policy must be assisted by all the resources of modern science and skill. To this end we have greatly extended the provision for agricultural education and research, and have directed the attention of teachers in the elementary and secondary schools to the need for closer co-operation between those schools and the industry of agriculture. The further extension of this work will be one of our main cares.

"We are utterly opposed both to nationalisation of the land and to bureaucratic control, the policies of our Socialist and Liberal opponents. We do not believe that these expedients can ever overcome the difficulties confronting the agricultural industry or bring prosperity to those who live by the land.

Fisheries.—"We recognise the great importance of the fishing industry. We have given and shall continue to give financial assistance towards all forms of research beneficial to the industry,

including the search for new fishing grounds and the investigations now being conducted into the preservation of fish, its transport and the use of by-products. A start has been made to develop the fish canning industry.

"We are taking steps to help the herring and inshore fishermen by improving harbour facilities, by lightening the burden of existing loans and by the reduction of harbour dues.

"Share-fishermen have been included in the National Health Insurance scheme and can now qualify for the Contributory Old Age Pensions.

III. Social Reform

"The Conservative Party regards the prosperity of trade and industry, not as an end in itself, but as a means to improve the condition of the people. During our tenure of office we have carried through a great programme of social welfare and have thus prepared the ground for the further programme which we now lay before the country.

Pensions.—"At the last Election a promise was given that a Conservative Government, if returned with an adequate majority, would complete the details of a Contributory Scheme of pensions for widows, orphans and old people at an earlier age, without the irritating enquiries and restrictions that had accompanied the earlier scheme of pensions at 70, and would put this scheme into operation as soon as practicable. That promise was fulfilled in the first nine months of our career and already one and three quarter million persons have been awarded pensions and allowances under our Act.

Housing and the Problem of the Slums.—"We also promised special attention to the vigorous promotion of housing schemes, and the 930,000 houses which have been built during our term of office, providing accomodation for nearly four millions of people, constitute a record in this respect in the history of the world.

"Realising that the most pressing need is for houses which can be let at lower rents, we have reduced the subsidy which was keeping up prices, and this measure has been so successful that since it was announced the average cost of a non-parlour house has been reduced by no less than £112. With this encouragement Local Authorities are now placing fresh contracts, and we shall continue to urge them to build houses for the lower paid workers

until the shortage, which for this class still remains acute, is completely overcome.

Advanced Plans for Slum Clearance.—"Meanwhile, the success already achieved has made it possible to attack with a new prospect of success the formidable problem of the slums which has hitherto baffled all attempts to find a solution.

"Plans for the improvement of the present procedure in slum clearance are far advanced. The present basis of compensation to owners, the unfairness of which has had a delaying effect, will be amended after consultation with the various interests concerned. New powers will be given to Local Authorities in England and Wales, enabling them to undertake the reconditioning of old houses after acquisition and providing for an enlightened system of careful and sympathetic management. Where improvement schemes of this kind are carried out it will be possible so to control the tenancies as to put an end to the exploitation of sub-tenants who occupy furnished or unfurnished rooms and who are often in no position to protect themselves against undue charges. The corresponding problem in Scotland will be dealt with by measures adapted to the special conditions of that country.

Rent Restriction Acts.—"The continuance of these Acts in their present form has created hardship for certain owners of small houses. But, whatever modifications may be made to mitigate their difficulties, the protection afforded to tenants by these Acts will not be removed until the shortage of houses has been overcome sufficiently to warrant such a course.

Local Government.—"By the adjustment of financial relations between Local Authorities and the Exchequer an increased national contribution will be directed to the places mostly in need of it. Under the provisions of the scheme the vast majority of ratepayers will gain materially.

Welfare of Mothers and Children.—"Under the present administration special attention has been given to mothers and children. The network of ante-natal clinics and infant welfare centres has been greatly extended, and largely owing to these measures infant mortality has been reduced from 75 to 65 per 1,000 of the population.

"The provisions of the Local Government Act may be expected to facilitate further expansion of this service in those places

where it is most needed by directing to them an increased proportion of the Exchequer contributions to local expenditure.

Health and Welfare of Children.—"We desire, however, that this expansion should be carried beyond the infant welfare centres, whose work is chiefly concerned with children up to one year old. The school medical service is now providing treatment every year for half a million more school children than in 1924, but there is still a gap between the work of this service and that of the infant welfare centres. Existing agencies, such as nursery schools, have done much, and can do more, to solve this problem, but the gap cannot be bridged by these means alone. While encouraging these agencies, therefore, we shall also immediately undertake a comprehensive enquiry into the best methods of providing for the health and welfare of children between one and five years of age.

Maternal Mortality.—"Another enquiry is already being carried out into the causes of maternal mortality, and it is expected that when completed it will throw fresh light upon this grave and urgent problem. In the meanwhile, the Government have come to the conclusion that the maternity benefit under the National Health Insurance scheme might be more effectively utilized in the preservation of the health and life of mothers, and they purpose to reorganise this provision so as to ensure that proper and adequate midwifery and medical services shall be available to them.

Interests of Older Children.—"Finally, the national provision for child welfare needs to be completed by measures designed to protect the interests of older children. Several Committees appointed during our term of office have examined this question and have recommended important reforms. One of our first measures in the next Parliament will be a Bill to consolidate and improve the Acts relating to children and young people, and to bring them into conformity with enlightened opinion.

Welfare of the Blind.—"Among the social services which affect only a limited number of the population are the provisions made for the welfare of the Blind. Much has been done to ease the lot of those who are thus afflicted, and many are now enabled by special training to make at least a considerable contribution towards their own support.

"Pensions are provided at the age of 50 for such as have not sufficient means of their own to be independent, but since at that

age it is difficult, if not impossible, for a blind person to take advantage of the training facilities provided, the Government have come to the conclusion that pensions should be made available earlier in life, and if they should be returned to power they will introduce legislation to make the pensionable age 40 instead of 50.

Education.—"As at the last election, we are issuing a separate statement of our education policy [*see* SOCIAL QUESTIONS section]. In that statement we show the progress we have made in carrying out the pledges we gave four years ago, and we renew those pledges.

"Further, we place before the electors for the first time a complete and balanced scheme of education which has behind it the support both of education reformers and of the trades and industries of the country. This scheme, for which we shall pass the necessary legislation, will offer to all our people the opportunity to pursue a connected course of study from childhood to manhood, and will give to each phase of education—primary, secondary, technical and university—its proper place in one coherent structure.

Non-provided Schools.—"In this task we need the co-operation of all types of school and every kind of educational effort, and we therefore pledge ourselves actively to seek an agreed settlement which will enable provided and non-provided schools to work together for the accomplishment of these reforms upon just terms of partnership.

"We need, too, the speedy completion of the reconditioning of all defective school premises in the interests of the children who attend them, and we propose to bring forward a special measure for this purpose.

"We need, finally, the services of a teaching profession enjoying security of remuneration and professional prospects, and we shall endeavour to complete the work in this direction which has already been carried so far during the past four years.

Civil Administration.—"The efficiency of our public administration is an essential factor in our national well-being. The changes that have taken place during recent years and the increase in the numbers of women employed have given rise to many difficult problems affecting the Civil Service. We have decided that the time has come when it should be made the subject of a comprehensive enquiry by a Royal Commission.

Great War Pensioners.—"By the end of this year the country will have spent on Great War Pensions £913 millions, a sum greater in amount than the combined expenditure of France and Germany on the same object.

"War pensioners have been relieved by the Government's action from any anxiety that the rates of their pensions might be reduced owing to the fall in the cost of living.

"Four hundred thousand officers and men have been given security of pensions for life by the policy of final award which is being, and will be, steadily pursued. Altogether over 800,000 men and women have been made secure in the possession of their war pensions.

"Arrangements have been made whereby exceptional cases of all kinds can and do receive pension beyond the seven years' time limit.

The Household and the Family.—"Great as are the benefits conferred upon the community by the public social services, the happiness of the individual depends primarily upon the conditions of his home life. During the past four years there has been a substantial improvement in those conditions. Over the working population as a whole wage rates have risen slightly while there has been a marked fall in the cost of living.

Burden of Taxation Reduced.—"The reduction of 6d. in the standard rate of Income Tax, together with the increase in the earned income allowance and in the rates of children's allowances for income tax purposes, has effected a striking diminution in the burden of direct taxation, especially in the case of the family man who is dependent for his livelihood upon his own labours.

"In the sphere of indirect taxation we have abolished altogether the Tea Duty which has been in existence for over 300 years, and by our rearrangement of the Sugar Duties, we have effected a reduction of ¼d. a lb. in the price of sugar to the consumer, and this reduction has been doubled in consequence of world market conditions.

"But these contributions to a reduction in the cost of living are far transcended by the general reduction which has taken place as a result of the Government's policy in returning to the Gold Standard.

Increased Purchasing Power of Wages.—"During our term of office wage rates over the working population as a whole have

risen slightly while the cost of living has fallen by 10 per cent. This fall is equivalent to a reduction of £160 millions a year on the household budgets of the insured wage earners of the nation alone, and if it is applied to all wages, salaries, old age pensions and war pensions, the increased purchasing power would be the equivalent of £240 millions a year. It is not surprising that there has been a remarkable growth in the savings and investments of the workers.

"This growth in the material prosperity of the home has been accompanied by a series of reforms in our legislation affecting family life. By these reforms, such as the Acts relating to the Adoption of Children, the Guardianship of Infants, Legitimacy and the Age of Marriage, we have sought especially to improve the position of women and children.

Economy.—"It is the steady improvement in the resources and spending power of the individual home which should form the main object of our national financial policy. Our opponents in all their schemes to gain votes never count the cost in cash or credit. Yet money is the measure of all that can be done.

"We are told that immense new burdens are to be placed upon the direct taxpayer by the Socialist Party, and formidable drains upon our credit will be made by the Liberals. All this will simply be taken from the common stock, and the saving power and economic energy of the country will be reduced accordingly.

Lightening the Public Burdens.—"We do not think that this is a time for imposing new and heavy taxes and it is certainly most necessary to nourish by every means the financial credit upon which the whole activity of industry and enterprise depends. Instead of placing heavy new burdens upon the taxpayer, the process of strict and steady economies in every branch of the public service must continue to be pursued with the aim of lightening the public burdens and leaving larger sums of money to fructify in the pockets of the people.

"The large savings which we have made on armaments are already apparent, and it is to be hoped that international agreements and further departmental economies will continue this process in the new Parliament, provided always that national safety is not jeopardised.

IV. Peace Abroad

"The promotion of peace and disarmament has been the prime object of our foreign policy, and that policy has proved successful over the whole field of foreign affairs.

"Under the guarantees given by the Treaty of Locarno, security, on which peace depends, has been assured in Europe, and Germany has entered the League of Nations. This security has been extended from Europe to the whole world by the signature of the Kellogg Pact, under which all nations have solemnly undertaken to renounce war as an instrument of policy and so have assumed the obligation to settle international disputes by peaceful means.

Reduction of Armaments.—"The improvement in the international situation wrought by these important treaties leads us to look with confidence for an early advance towards disarmament. We stand for the reduction and not merely the limitation of armaments and in this field we have set a notable example.

"Despite the emergence of the Royal Air Force as a third fighting service and the additional defence responsibilities we have assumed for the Mandated Territories, the combined strength of the three Services is to-day substantially lower than the corresponding figure for the Navy and Army before the war.

"Along with this reduction in fighting strength, we have progressively reduced the cost of Imperial Defence, despite the considerable programmes of replacement and re-armament in all three Services necessitated by modern conditions. In 1929–30 the total estimated expenditure on Defence Services shows a reduction of approximately £7½ millions as compared with the corresponding cost in 1924–25.

League of Nations.—"The development of the League of Nations is a cardinal principle of our foreign policy. The importance attached by the present Government to the work of the League is illustrated by the fact that Great Britain has been continuously represented by the Secretary of State for Foreign Affairs on the Council and in the Assembly of the League.

"We welcome, as the fruit of this consistent policy, the advance recently made at Geneva towards an international agreement for the reduction of armaments and we greatly hope for a further advance in this direction on the lines of the proposals foreshadowed by the representatives of the United States of America.

Foreign Policy.—"As in European and world politics, so also in the special affairs of the Middle and the Far East, we have shown our desire and our ability to settle differences and promote friendly relations.

"In the case of both Turkey and China, where we were confronted with special difficulties, our policy has fully justified itself; it has re-established old friendships and afforded new opportunities for British export trade.

"We shall continue, in every sphere of foreign policy, to act in the closest consultation and co-operation with the Governments of the Dominions. We believe this to be essential if the unity of the Empire and its influence in the councils of the world is to be maintained.

"Finally, we stand for the scrupulous execution of all international engagements, in accordance with the traditions of this country.

Conclusion.—"It is for the electors to judge, in the light of our past record, whether we have not faithfully redeemed the promises which we made four and a half years ago. We have striven consistently to build up industrial prosperity on sound and permanent foundations, and to improve the social conditions of our people. The results can be seen in the steady revival of trade, especially in the great basic industries, and in the reduction in the cost of living. The future destinies of the country rest in the hands of the electorate.

Need for Stable Government.—"I am confident that, with the growth of the new spirit of co-operation in industry, the present trade revival will make steady and even rapid progress, provided that British industry is guaranteed a period of stable government and can thus enjoy that confidence in the future without which trade recovery is impossible.

"If, as I hope, the Conservative and Unionist Party is returned to power with an independent majority, those conditions can be secured.

"The alternatives are a Socialist Government with, or without, Liberal support, or a state of political chaos and uncertainty through the existence of three parties, none of which has a clear majority over the other two. Either of these contingencies would be disastrous to the welfare of industry and to the welfare of the nation as a whole, and I ask the electorate once again to

place their confidence in our Party as the only one which can secure stable conditions and ordered progress along sound and practical lines."

D. INDEPENDENT LABOUR PARTY MANIFESTO FOR 1929 ELECTION[1]

The I.L.P. Election Manifesto was issued May 9, signed on behalf of the National Council by Mr. J. Maxton (Chairman), and Mr. J. Paton (Secretary).

The manifesto says:

" . . . The real clash of parties is on the issue Capitalism versus Socialism.

"While there are three parties and three programmes before the electors, there are only *two* opposing political philosophies. Despite superficial differences, Conservatives and Liberals unite in defending the maintenance of Capitalism and its institutions, and in resistance to Socialism.

"Labour takes the field as the challenger of both Conservatives and Liberals, and of the Capitalist society they defend.

"It claims the right to govern in order to begin the great process of change from Capitalism to Socialism. In that claim, and in that task, to which it will devote its genius and its strength, it will receive the wholehearted support of every member of the Independent Labour Party."

Our National Wealth as a National Pool.—"The accumulated wealth of the nation, produced by the co-operative effort of all, must be treated as the product of common service, and made available for common needs. The first charge upon it must be a real living wage for all who render service. It must be used for a wide extension of the social services, to ensure that full life and security shall be given to the old, the young, the sick, and the feeble and helpless in our community . . . "

Nationalisation of Coal, etc.—The manifesto proceeds to say that the nation's resources must be socialised. "The land, coal and power, transport, banking and the importation of foodstuffs and raw materials must be owned and controlled by the nation . . . "

[1] *Ibid.*, p. 622.

E. CO-OPERATIVE PARTY MANIFESTO FOR 1929 ELECTION[1]

The position of the Co-operative Party as a definite ally of the Socialist Party was made clear by a manifesto issued to British Co-operators, May 9, asking them to use their votes to establish a Socialist and Co-operative Government.

The manifesto, which was signed by Mr. Alfred Barnes, the Chairman, and Mr. S. F. Perry, the Secretary, states that the Party's alliance with the Socialist Party is "not surprising, because the working men and women who constitute the mass of the Labour Party's supporters are, to a very great extent, exactly the same persons as the working men and women who constitute the bulk of the membership of the Co-operative stores.

"The man organised in his trade union is the father in the home; the woman spending at the Co-operative store is the mother in the home. The agreement between the Co-operative and Labour Parties is an alliance of husband and wife. Therefore we ask that the votes of both be cast for the Labour and Co-operative candidates at the coming General Election.

"Only a Labour and Co-operative Government, giving effect to co-operative principles, can guide this great country and the whole world away from the present deadly peril and along the path that leads alike to peace, to safety, and to progress."

F. COMMUNIST PARTY MANIFESTO FOR 1929 ELECTION[2]

The Communist Party manifesto, which was addressed to "the workers of Great Britain," begins by declaring that the Conservative, Liberal, and Socialist Parties are all "defending capitalist dictatorship under the cover of Parliamentary democracy." On the other hand, it is declared, "the Communist Party fights for the dictatorship of the working class for the purpose of establishing real workers' democracy."

Of the Socialist Party, the manifesto declares: "The Labour Party pretends to be the opponent of the Tory Party. But in every one of the attacks on the workers and colonial peoples, the Labour Party has actively co-operated with the Tories and Liberals."

In the general strike which "raised the question of who is to rule in Britain—the capitalist class or the working class"—

[1] *Ibid.*, pp. 622–623.

[2] *Ibid.*, p. 623.

the workers "entrusted their cause to the General Council, which co-operated with the Labour Party carrying out Baldwin's programme by betraying the general strike and the stupendous seven month's struggle of the miners."

Workers' Soviet Republic.—The manifesto presents a programme of revolutionary struggle for the overthrow of capitalism. It puts in the forefront of its programme the struggle for a Revolutionary Workers' Government. "A Revolutionary Workers' Government in Britain would nationalise the land, mines, railways, large factories, shipyards, banks, foreign trade, etc., without compensation, except for small investors, trade unions, and co-operators," and grant complete independence to the Colonies. "It would establish Britain as a Workers' Soviet Republic, federated with the Union of Soviet Socialist Republics."

"*Class Against Class.*"—Among other demands are: Immediate restoration of the seven-hour day to miners, full maintenance for the unemployed, abolition of workers' contribution to national insurance, requisitioning of all empty houses, and full economic equality for women, including equal pay for equal work, abolition of the Monarchy and of the House of Lords, full political rights for soldiers and sailors, repeal of the Trade Union Act, 1927, and of "the sedition and other penal laws against workers."

On foreign policy, the manifesto declares for the immediate reopening of full diplomatic relations with Soviet Russia, complete independence for India and other Colonies, and the withdrawal of British troops, the repudiation of the Versailles Treaty and support of the Soviet disarmament proposals.

At the end of the manifesto it is stated that the Communist Party enters the election of capitalist society and inscribes on its banner watchwords, among which are: "Down with British Imperialism!" and "Class Against Class!"

Appendix V

DOCUMENTS AND COMMENTS ON INDIAN CONSTITUTIONAL REFORM

A. THE ROUND TABLE CONFERENCE [ON INDIA][1]

There is little need to emphasise the momentous character of the Conference which His Majesty the King-Emperor inaugurated on Wednesday in the Royal Gallery of the House of Lords. Never before, as His Majesty observed in his opening speech, have British and Indian statesmen and rulers of Indian States met round one table to discuss the future system of government for India. Notwithstanding the absence from the proceedings of figures so notable in different ways as Lord Irwin, Sir John Simon and Mr. Gandhi, never before has so representative a body of Indian opinion met an all-party delegation of the British Parliament. The issues to be debated at this meeting transcend all considerations of party interests at home and in India. Indeed, it is not too much to say that the results of the Conference will determine whether India is now to proceed in an orderly fashion towards full nationhood, maintaining the unifying influences in the spheres of social order and justice that have been contributed by the British Raj, or whether she is to slip backward—via disintegration, diminished material prosperity, the gradual straining and ultimate breach of the partnership between East and West—to an obscure and uncertain destiny fraught with possibilities of grave misery.

Few of the delegates could have failed to share the feeling, which His Majesty expressed, of profound consciousness "how much depends for the whole of the British Commonwealth on the issue," and, complex though the problem may be of reconciling, in His Majesty's words, "the just claims of majorities and minorities, of men and women, of town dwellers and tillers of the soil, of landlords and tenants, of the strong and the weak, of the rich and poor, of the races and castes and creeds of which India's body politic is composed," the speeches on Wednesday of the

[1] An editorial from *The Economist* of Nov. 15, 1930 (by permission).

Princes and Indian statesmen gave welcome evidence of good will and determination to seek agreement. Clearly, the Indian representatives, and particularly those from British India, may have difficulties in "putting over" a settlement, if such can be achieved, and this means that Great Britain must try to understand their difficulties and listen with the utmost sympathy to their points of view. On the other hand, these delegates from India, many of whom have shown high courage in coming here at all, have a grave responsibility imposed on them to use their utmost endeavour to prevent a failure. As the Maharajah of Kashmir remarked, "Neither England nor India can afford to see this Conference end in failure . . . We needs must give and take. If we succeed, it is England no less than India which gains. If we fail, it is India no less than England which loses."

The questions with which the Round Table Conference will have to deal are so complex and far-reaching in their scope that we do not propose to re-state them here. The exhaustive and masterly report of the Statutory Commission stands as a unique and sufficient description of their character. Nor do we propose to attempt to forecast the course of the Conference itself. At this juncture all that we can usefully do is to note briefly the new factors that have arisen since the report of the Statutory Commission was presented to Parliament. That document, it will be recalled, provided for a very large measure of autonomy in the provinces, whose legislatures should have very wide functions and, as far as possible, adequate financial resources. With regard to the Central Government, the Commission, though modifying the method of election to the Assembly and removing the Army from its purview, proposed no change in the direction of responsibility to the Assembly of the Governor General's Council. An important reason for this was that while the Commission considered that the final solution of India's constitutional problem must be on federal lines, they were not in a position to produce a fully-fledged federal constitution; in the meantime they could not foresee what form the Centre would finally take, and proposed only provisional steps for consultation with the Indian States.

The reception of the report of the Statutory Commission made it clear that it was round the question of the Centre that the main controversy would turn. Indeed, the abortive attempts made by Sir Tej Bahadur Sapru and Mr. Jayakar as intermedi-

aries to conclude "peace terms" between the Viceroy and Mr. Gandhi last September broke down primarily on the crucial demand of the Nationalist leader for "a complete National Government responsible to the people, the Government to have full control of the defence forces as well as full economic control" —a demand which the Viceroy properly rejected as being of an impossibilist character under the existing conditions inherent in the position of India.

This same burning question, the nature of the central executive and its relations to the legislature, figures prominently in the Despatch, a full summary of which we print on a later page, wherein the Government of India have put forward their views "on the further progress which might now be made towards the development of responsible government in India as an integral part of the British Empire." Whether the Government have been wise in publishing this Despatch before the Round Table Conference has got down to business, and in giving no indication whether or not the Cabinet endorses the views which it expresses, is open to serious doubt; but at least the prevalent and damaging rumours as to the attitude of the Government of India have now been set at rest. We now know that the Government of India, approaching the problem from the very practical standpoint of the authority that will have to work the new constitution, accept broadly, with minor qualifications, the Statutory Commission's scheme for provincial autonomy, but envisage certain difficulties in the functioning of the proposed Central Government.

The essential difference between the views of the Government of India and those of the Statutory Commission is that the Viceroy and his Council do not think that an "irresponsible" executive could in practice run the government smoothly with a Legislative Assembly in which the elected element had enormously increased relatively to an official membership reduced to almost negligible numbers. Other points of difference are revealed. Notably, the tentative suggestion of the Statutory Commission that control of the Army should be removed from the Government of India is not endorsed; and (with questionable wisdom) the Government of India dissent from the proposed principle of indirect election to the National Assembly. But the nature of the Centre is the crux of the whole matter.

The Central Government, the Despatch submits, must be strong; and the conditions precedent of a strong government are

that it should be "unitary" and that it should be in harmony with the legislature. They consider that that harmony would not be achieved by adopting the Commission's suggestion that the Governor-General's Council, appointed in future by him and not by the Secretary of State, should include certain Indian members of the Assembly, who would cease on appointment to sit there as elected representatives. If the requisite amount of "responsiveness" to the legislature on the part of the executive is to be achieved, "heads of parties" should be included in the Council as Ministers whose salaries would not be subject to vote, and who would not necessarily retire if their policies were disapproved by the Assembly, but whose authority in the "unitary" Council would not be limited to matters connected with their particular portfolios. In form, the Despatch disclaims the intention of establishing dyarchy at the Centre; but the Viceroy, it is suggested, should retain full rights of veto and certification, and Parliament should "define with some precision the purposes for which it would wish to exercise its constitutional right of interference with the policy of the Government of India"—*e.g.*, defence, foreign relations, internal security, financial obligations, protection of minorities and the Services, and the prevention of "unfair discrimination."

For this system, intended to combine as far as possible the conflicting principles of a "unitary" Centre and shared power, the Despatch coins the phrase "dualism." The phrase, we suggest, is open to the charge of obscurantism, for the form of Central Government proposed would not be "responsible" in the British sense and would really be a form of dyarchy. Whatever words may be used, and however unpopular this term may be, so long as such vital subjects as those listed above are excluded from the effective control of the Legislature, there is in fact a limitation of full responsibility. It is obvious that the scheme is one in which the degree of "responsiveness" would be difficult to define; and it would be workable only with general goodwill. Indeed, the Government of India goes so far as to say that if it would help the position of the Assembly members in their "unitary scheme" they would be prepared to "sacrifice the form of unity" by a formal recognition of "the conventional division of responsibility."

Whether these suggestions meet, on the one hand, the Statutory Commission's criticism that dyarchy at the Centre would

weaken the Government and render the position of the Viceroy "so embarrassing as to be almost intolerable," or satisfy, on the other, the demand that the Central Legislature shall have real control, is open to doubt. Moreover, it is evident from the whole of the Despatch that the Government of India have in mind mainly the situation in British India, and that they attach less importance than the Commission did to the conception of an All-India constitution. Implicit in their proposals, which they choose to describe as an "amplification of the plan put forward by the Commission," is their view that while they accept the idea of an ultimate federation, that ideal is still distant. "Without indulging in remote speculation," the Despatch remarks, "we think it more profitable and necessary to examine the concrete proposals . . . for immediate action."

The developments of the past fortnight, however, emerging from the discussions which the Indian delegations have had in London, lead us to think that the premises from which the Government of India appear to have started require modification. In the first place, they are at pains to make clear that they "have endeavoured to point the way to action that may now be taken to place upon the constitution the first but definite impress of Dominion Status." It is evident, however, that on the important issue of communal representation the Hindu and Moslem delegations in London have not yet been able to reach an understanding. The British Indian delegates are, therefore, not yet in a position to put forward an agreed scheme for a Dominion Constitution. Still more important is the attitude of the Princes. Not only have they shown themselves quite definitely in sympathy with British India's aspiration for full nationhood, but it is significant that whereas the Simon Commission looked to a very tentative advance in the direction of an All-India federation, the Princes seem ready to take their part in a federal constitution forthwith, provided that the terms on which they enter are satisfactory.

Thus it looks as if the main task for the Round Table Conference—a task on whose successful achievement the whole results of the Conference may depend—will be to prepare a real All-India constitution. If this be so, several important points at once arise. Are there to be separate organs at the Centre for the federation and for British India? Is the federal legislature to

consist of members appointed by indirect election from British India (or from a British Indian Parliament) on the one hand, and of nominees of the Princes, on the other? What is to be the responsibility of the federal executive of this body, if it is to deal with the Army, the major part of India's central finance, probably communications and, some other central subjects? Could such a constitution run parallel with a central parliament for British India dealing with the remaining central subjects and appointed by direct election—a principle to which the most advanced sections of Indian opinion evidently attach great importance? And should there be a separate British India executive responsible to this Parliament? Alternatively, should the constitution of All-India and of British India be combined under a two-chamber system, and if so, to which chamber should the executive be responsible, if it is to be responsible at all? In short, are the delegates thinking of Dominion status as applying to British India or to All-India?

With such problems confronting it, and demanding an even wider sweep of view than that taken by the Statutory Commission, it is evident that the Round Table Conference cannot get very far if it allows itself to get entangled by controversial terms and phrases. We come back, in fact, to Sir John Simon's dictum of long ago that he know of no model in the British Empire that would serve for India. It is difficult to envisage the British system of political institutions being applied unchanged, even to British India, where the party system does not yet exist in any real sense. If an All-India constitution is a practical possibility to-day, we may have to look elsewhere for our precedents, drawing perhaps on the experience of the United States and other federations, or even build entirely afresh. This, at least, is clear—and it may well be that had the Government of India, whose Despatch is dated September 20th, foreseen the alignments which seem to exist to-day in the Indian delegations, they would have said as much—the best hope for the Conference is that a broad All-India view will be taken, and that no attempt will be made to devise a constitution of such a character as to widen still further the differentiation between the two Indias which are territorially, racially and in outlook so closely interwoven.

APPENDIX V

B. THE GOVERNMENT OF INDIA'S DESPATCH[1]

The Despatch[2] *(Reforms Office, No. 1 of 1930), dated September 20, 1930, which the Government of India have addressed to the Secretary of State, is a document of considerable importance. With its salient features, in their bearing on the proceedings of the Round Table Conference, we have dealt in an earlier column. We give below a condensed summary of its principal contents . . .*

The purpose of the Despatch is to forward for the consideration of H.M. Government the views of the Government of India "on the further progress which might now be made towards the development of responsible government in India as an integral part of the British Empire." These views have been framed in the light of the report of the Indian Statutory Commission ("the most convenient, and, indeed, the inevitable method of approach"), the work of the Indian Central Committee, and contemporary opinion in India.

The Despatch begins with a brief account, which does not appreciably differ from or add to the Statutory Commission's analysis, of the political forces at work in India and the strength of opinion behind them. On the one hand, though recent "political agitation of remarkable intensity and fervour has left the rural districts but little affected," it is clear that the nationalist demand for self-government and Dominion status is obtaining "a substantial measure of support from educated Hindus of all classes." On the other hand, the minority communities, while sharing "these broad nationalist aspirations," are "not without apprehensions of their position in a self-governing India, and are concentrating attention on the protection of their rights and interests." Finally, non-official European opinion, which till recently displayed an increasingly liberal spirit towards Indian aspirations, has been moved by civil disobedience and boycott tactics into "some consequent stiffening of its attitude towards political advance."

From this analysis of a "steadily expanding" area of political interest the conclusion is reached that "the time has passed when it was safe to assume the passive consent of the governed."

[1] Despatch from the Government of India on the Proposed Reforms taken from *The Economist*, of Nov. 15, 1930, pp. 898–900 (by permission).

[2] *Cmd. 3700.*

"The new system must be based as far as possible on the willing consent of a people whose political consciousness is steadily being awakened . . . We are convinced that the time has come when the broadest considerations of Imperial policy demand that we should spare no efforts, and even take some risks, in order to arrive at a constitutional solution which will give reasonable scope to the ideas and the aspirations that are moving India to-day."

Governing Principles

The Despatch then proceeds to explain the Government of India's general outlook on the constitutional problem and the principles which guide their conclusions. They agree with the Statutory Commission that the aim must be to establish a constitution "which should, as far as possible, contain within itself provision for its own development." The ultimate ideal of an All-India Federation, including not only British India but also the Indian States, is fully accepted, but "the ideal is not likely to realise itself, save in its own due time"; and "there is a certain danger that if we direct our gaze too fixedly to a distant future we may tend to overlook the needs of an urgent present." For the time being, the main problem is "how British India may be developed in a manner not only consistent with the wider vision, but appropriate to its own immediate requirements."

Agreement is expressed with the broad aim of the Statutory Commission to give to the Provinces "the maximum autonomy consistent with the interests of India as a whole." At the same time, emphasis is laid on "the need for a vigorous central authority capable of sustaining the heavy burdens which necessarily fall upon it." Indeed, the Despatch submits, the form of central government is essentially the most difficult problem. The extreme logical alternatives of (*a*) an executive responsible solely to the British Parliament, and (*b*) an executive responsible exclusively and entirely to an Indian legislature, vested with complete rights of self-government, are both rejected.

"The conditions suggest to us the importance of defining as clearly as possible the purposes which Britain must continue to safeguard in India and making it plain that where those purposes are not concerned India should be free to manage her own affairs. . . . Whatever may be the plan adopted, we are convinced

that no scheme of Government at the centre can work with success unless it is recognised that Parliament and the Indian Legislature have each their special contribution to make to the welfare of India, which is the joint purpose of both. Our aim should be a partnership in a common cause."

With these prefatory observations, the Despatch goes on to give the Government of India's detailed views and proposals with regard, first, to the Governors' Provinces, and then to the Centre.

The Provinces

In the provincial sphere the Government of India endorse, with full recognition of "the risks inherent in so great a change," the crucial recommendation of the Statutory Commission, that dyarchy should be brought to an end.

"Subject to the necessary safeguards which the Commission have suggested, we are prepared to see provincial administration in all subjects entrusted to responsible Ministers, linked together in a common accountability for their policy, and operating in relations with popular legislatures from which the official element will have disappeared, and in which the nominated element will have been reduced to the smallest proportions."

As regards the franchise, the recommendations of the Statutory Commission, with the exception of their proposal to discontinue the representation of landholders by means of special constituencies, are in the main accepted. Unitary provincial Cabinets, as proposed by the Statutory Commission, are approved; and though provincial Governments are stated to incline to the view that "official" Ministers would be difficult to maintain in office against the wishes of their colleagues, the Government of India are reluctant to dissent from the principle that provincial Governors should have the discretionary power to nominate Ministers "should circumstances so require."

With regard to the overriding powers of the Governors, it is agreed that it would be "neither practicable nor desirable at once to create the position that the Governor should be bound on all subjects by the advice of his Ministers," but the use by the Governor of his overriding powers will, it is anticipated, be "infrequent and reserved for exceptional occasions when no other course seems appropriate." Not the least of the relevant

considerations for giving the Governor overriding powers is stated to be "the reliance which the minority communities will repose in the Governor for their protection."

The proposal that Burma should be separated from India is supported, "assuming that an equitable financial settlement will be made between the two countries and that their respective economic interests will be safeguarded. For the North-West Frontier Province, the Government of India would modify the Statutory Commission's recommendations to the extent of proposing—on "somewhat more liberal" lines—that the responsibility for executive government should be shared by the Chief Commissioner with two Ministers, of whom one should be non-official.

The Despatch concurs generally in the proposals of the Commission regarding the powers of the Provinces in regard to finance. Considerable space is devoted to the details of the financial scheme proposed by Sir Walter Layton. The general line taken here is that while accepting the general principles of that scheme, the Government of India regard the figures used to illustrate the working of the scheme as too optimistic, having regard to the economic conditions with which India and the world in general are likely to be faced in the years immediately before us. They are, therefore, unwilling to commit themselves to a ten-year programme for the transfer of resources from the Centre to the Provinces. They are disposed to think that any general adjustment between the Provinces on the basis of needs must be ruled out, but reserve judgment as to whether some special preliminary adjustments may not have to be examined before the scheme comes into effect. They emphasise the objections to a "terminal" tax and consider that the subjecting of agricultural incomes to income tax "is a form of taxation which should only be imposed by a representative and responsible Government."

The Despatch then comes to its most important and controversial section—that embodying a suggested scheme for the Central Government.

The Centre

Here the conclusions of the Government of India derive from these premises on whose realisation the *desideratum* of a

strong Central Government seems to them to depend: that there must be internal unity in the executive; that there must be harmony between the executive and the legislature; and that the executive must have a sufficient backing from public opinion. Under existing circumstances there is unity in the executive, but the position of the legislature, able admittedly to influence profoundly the policy of the executive, but with no direct responsibility for policy "which it can call its own," and tempted consequently to seek relief in destructive criticism, tends "to generate feeling and friction."

The Statutory Commission insisted that "dyarchy at the Centre, or any system of divided responsibility resembling dyarchy, is quite impossible. Unity in the central executive must be preserved at all costs." The Government of India suggest that the Statutory Commission's recommendations (*a*) that members of the executive should be nominated by the Governor-General (in lieu of appointment by the Crown), and (*b*) that in a central legislature (henceforth indirectly elected) the official element should be reduced to a small percentage, offer no assurance of a legislature calculated to work harmoniously.

"Under the proposals of the Commission we fear . . . that the difficulties inherent in the situation would be greatly enhanced by constituting the executive and the legislature on principles which would widen the gap between them."

At the same time, given the internal and external situation of India, a necessary sharing of power between the British Parliament and the Indian Legislature involves in the Central Government an "inevitable duality." How is that "duality" to be constitutionally expressed? One method would be to exclude certain functions from the purview of the Indian Legislature and administer them in unqualified responsibility to the will of Parliament. "The objections to any considerable extension of this system are obvious . . . If the excluded sphere were appreciable there would really be two Governments." Another possible method would be the dyarchic division of functions which the Statutory Commission condemned. The Despatch expresses the opinion that though defence and foreign relations could conceivably be separated from the other functions of the Central Government, and though dyarchy, by relieving Ministers of responsibility for unpopular decisions on the "reserved"

side, might enable them to continue in office where this would be difficult if they were members of a unitary Cabinet, nevertheless the system, "when one part of the Government can openly disclaim responsibility for the decision taken by the other," must fatally weaken the Government's authority. Moreover, dyarchy offers no possibility of an extension of the sphere of responsibility except by way of an abrupt decision.

"Dualism"

By these stages the conclusion is reached that an attempt must be made to combine the principle of "inevitable duality" with that of a unitary executive by creating a Government which, "while containing a definite official element and not formally responsible to the Indian Legislature, would yet include an appreciable popular element consisting of elected members of the Legislature, who might command sufficient support in that body to afford in normal circumstances the promise of reasonable harmony between the executive and the Legislature." It is not considered sufficient that, as proposed by the Statutory Commission, the Governor-General's nominations to the executive should include some members of the Legislature, who should cease, on nomination, to hold their seats by virtue of election. "Leaders of parties"—if they are to be consulted—had better be "inside the Government," as Ministers, though their salaries should not be votable, and they should not be obliged to resign on a vote of censure by the Assembly.

The question how the elected members of the Government associated with an official element are to retain their following is answered in these words:

"They must be able over the widest field that circumstances permit to frame policy in accordance with the views of their supporters. This in turn implies that Parliament will be willing to define with some precision the purposes for which it would wish to exercise its constitutional right of interference with the policy of the Government of India, and that so long as the policy pursued does not menace the objects which Parliament declares its intention to safeguard, the Government of India would be at liberty to manage the affairs of India in close association with the Indian Legislature."

The purposes which, it is suggested, His Majesty's Government must safeguard, are briefly summarised as defence, foreign relations, internal security, financial obligations, financial stability, protection of minorities and of the rights of services recruited by the Secretary of State, and the prevention of unfair economic and commercial discrimination. The primary responsibility for seeing that these purposes were not impaired would rest with the Governor-General, assisted by the three "official" members, "who would naturally hold the portfolios in which the questions of more particular interest to Parliament would presumably arise." At the same time—

"The official members would be part of a Government containing, if the system were working successfully, a considerable popular element in intimate relations with the legislature. In these circumstances it seems certain that the official members would not press their views beyond the real requirements of the situation, and that the popular view would receive the fullest consideration. In most cases we should anticipate that the Government would be able to reach united conclusions, which would not infringe the responsibilities which Parliament would look to the Governor-General and the Secretary of State to discharge. When, however, there was an irreconcilable difference of opinion between the two elements in the Government, it would be for the Governor-General in consultation, where necessary, with the Secretary of State to decide which view was to be supported."

On these lines the Government of India suggest that unitary "dualism," unless there were deliberate obstruction, should be workable. The Governor-General would retain all his power of certification and of making emergency ordinances, but gradually "the necessity for retaining the official element in the Executive Council would diminish."

With regard to the legislature, the proposals of the Statutory Commission that the Upper House should be indirectly elected are endorsed, but with regard to the Assembly, it is stated that the provincial governments are divided on the merits of indirect *versus* direct election, and that the Government of India, in opposition to the Statutory Commission, are inclined to the view "that a method whereby the Assembly would be wholly or mainly constituted by indirect election would not be suitable."

Administrative Problems

Having thus outlined their views as to the form of central government desirable, the Government of India proceed in conclusion to deal with the chief consequential problems of administration involved.

The Army.—The Government of India agrees with the Statutory Commission that the Commander-in-Chief should no longer be a member of the legislature; and that military expenditure from Indian revenues should henceforward take the form of an annual total sum fixed for a period of years. They consider, however, that nothing is to be gained by removing the Army, as suggested by the Statutory Commission, from the control of the Government of India.

Finance.—With regard to central finance, the special difficulties inherent in a transfer of responsibility are fully set out. Emphasis is chiefly laid first on the vital importance to India of the maintenance of credit in the widest sense and secondly on the magnitude of the interests which have hitherto been safeguarded under the responsibility of the Secretary of State. Reference is also made to the unusual responsibilities now carried by the Government in relation to currency and to the special difficulties created by the immediate financial and economic situation, partly as a result of the disturbance and mistrust caused by the recent subversive movements and the talk of repudiating debts. After a review of these main factors in the present position the conclusion is drawn that "the occasion for a transfer of financial responsibility cannot be reached apart from the fulfilment of certain conditions such as the restoration of normal economic conditions, the reestablishment of credit and confidence and the inauguration and successful working for some time of a reserve bank with adequate sterling reserves . . . It would be the task of the Government to do all in its power to expedite the fulfilment of such of the conditions as it can influence." At the same time the leaders of Indian opinion must give convincing proof of willingness to assure the national financial position; and even after responsibility for finance is transferred, certain safeguards—notably provision for resumption of control by the Secretary of State in the event of a threatened default—must be retained.

Commerce and Railways.—With regard to commercial policy, there should be "no outside interference with India's manage-

ment of her Customs tariff," provided that in the internal sphere the important revenue aspect of Customs has due consideration, and that, externally, Britain is given most-favoured-nation treatment. The question of unfair discrimination against British commercial interests in India is somewhat lightly dismissed with the hope that the Round Table Conference will give this important issue full consideration and that agreement as to a fair *modus vivendi* can be reached. With regard to railways, "if in the future the control of commercial and industrial policy is to rest with the Indian Legislature, the general direction of railway policy should be placed in the same hands." It is, however, recognised that there are certain aspects of railway policy in which Parliament must continue to be interested, particularly so far as concerns defence and finance. Emphasis is laid on the necessity of separating commercial management from direction of policy. "It seems to us clear that there could be no material change in control . . . until a system of administration has been set up which, while leaving the Government and the Legislature the control of broad questions of policy, would locate the commercial management elsewhere." The suggestion is accordingly made that an authority for the administration of the railways should be set up by statute and that detailed inquiry to that end should be made by a committee or commission to be constituted as soon as possible.

The Services.—The question of the Services which are still recruited by the Secretary of State on an all-India basis is "one of great importance for the future administration of the country, and, we think, for the successful working of the new constitution which it is proposed to set up." With regard to the Indian Civil Service and the Indian Police Service, the Government of India state that they have "no hesitation in supporting the proposal that recruitment should be continued on an all-India basis by the Secretary of State and under the guarantee of his protection." On the other hand, "the continuance of recruitment for these two Services must not be taken as implying an intention that they should be retained indefinitely."

Paramountcy and the Crown

The Despatch concludes with a discussion of the future relationship of British India to the States and to the Crown.

In the first issue, the ideal of an ultimate federation of all-India is accepted, but "we hesitate to assume that the relations existing between the provinces of British India and the Centre will not necessitate a permament central legislature for British India . . . to which the States could not appropriately be admitted.

"We think that the way should be left open for the continued existence, if necessary, of the British India legislature for British-India purposes, and for the possible creation of an all-India Legislature . . . A federation of all-India is still a distant ideal."

Agreement is expressed with the Statutory Commission's recommendation that paramountcy should henceforth be vested in the Viceroy, as such, and not in the Government of India. The proposal for the establishment of a Council for Greater India to discuss "matters of common concern" is supported. The existing India Council may, it is suggested, be allowed to disappear, giving place to expert advisers at the Secretary of State's disposal. Constitutionally, "the exercise of the functions for the government of India, which reside in the Crown, should be directly devolved upon the Governor-General."

"We think it right to state clearly that if this were done, the Government of India would no longer merely be the agent of the Secretary of State. For the first time it would possess a distinct individuality. It would, it is true, be within specified limits under the control of His Majesty's Government, but it is of the essence of our proposals that that control should be of such a nature as to establish partnership in place of subordination. The Government of India would then be a distinct entity, capable of acting in domestic matters on its own initiative and, within the ambit of its uncontrolled powers, free to pursue its own policy."

Finally, we have the observation that while the Report of the Statutory Commission represented "a generous response to the popular demand for provincial autonomy," the Government of India, in its proposals for the Centre, has sought "to point the way to action that may now be taken to place upon the constitution the first, but definite, impress of dominion status."

APPENDIX V

C. SUB-COMMITTEE NO. 1 (FEDERAL STRUCTURE)[1]

1. *Introductory.*—The sub-Committee consisted of the following members:

British Delegations:

The Lord Chancellor (*Chairman*).
Mr. Lees Smith, M.P.
The Earl Peel.
The Right Hon. Sir Samuel Hoare, Bart., M.P.
The Marquess of Reading.
The Marquess of Lothian.

Indian States Delegation:

H.H. The Maharaja of Bikaner.
H.H. The Nawab of Bhopal.
Nawab Sir Muhammad Akbar Hydari, Hyderabad.
Sir Mirza M. Ismail, Mysore.
Colonel Haksar, Special Organisation, Chamber of Princes.

British India Delegation:

The Right Hon. Srinivasa Sastri, Madras.
Sir C. P. Ramaswami Aiyar, Madras.
Diwan Bahadur Ramaswami Mudaliyar, Madras.
Mr. Jayakar, Bombay.
Mr. M. A. Jinnah, Bombay.
Sir Tej Bahadur Sapru, United Provinces.
Mr. T. F. Gavin Jones, United Provinces.
Sir Muhammad Shafi, Punjab.
Sardar Sahib Ujjal Singh, Punjab.
Sir Sayed Sultan Ahmed, Bihar and Orissa.

In addition, Sir B. N. Mitra attended most of the meetings of the sub-Committee and gave it the benefit of his advice and assistance.

2. It must be clearly understood that although agreement has been reached by a majority of the sub-Committee on many important matters, such agreement is only provisional, and every member followed the example of Lord Reading, who said that the understanding had been from the outset that it would be open to all members, when they came to consider the complete proposals for the Federal constitution, to modify or change any provisional assent they might have hitherto given. Every member

[1] Second Report, presented at the Meeting of the Committee of the whole Conference held on January 15, 1931, from *Cmd.* 3778 (1931).

of the sub-Committee reserves to himself the right of modifying his opinion before the final picture is completed. This is the attitude of British and Indian members alike. Over and above that, upon the basic assumption set out in paragraph 8, Lord Peel and Sir Samuel Hoare, with the information at their disposal and with so many questions still undecided, are unconvinced that the kind of Executive envisaged in this Report can be successfully adapted to the special conditions of an All-India Federation. They, therefore, desire to see further explored methods for increasing Indian control over the Federal Government that are better suited to All-India needs than those founded upon British precedents. Apart from this Lord Peel and Sir Samuel Hoare are not satisfied that the safeguards recommended for securing Imperial obligations will prove effective, and, in particular, they fear that the financial proposals outlined in paragraphs 18 to 22 inclusive will disturb the confidence of the commercial classes and impair the stability of Indian credit. They wish, however, to place on record their appreciation of the progress that has been made in the elucidation of a contentious and difficult problem, and their readiness to co-operate with sympathetic and unprejudiced minds in its further investigation.

Upon the question of finance, Indian opinion was that even the safeguards set out in the Report went too far, especially those giving special powers to the Governor-General.

3. The vexed Hindu-Muslim question was referred to by Sir Muhammad Shafi on behalf of the Muslim Delegation, and he made it clear that as far as he was concerned he could not consent finally to frame any constitution unless the Hindu-Muslim question was settled. To this view Mr. Jinnah gave his adherence, on the ground that no constitution would work unless it embodied provisions which gave a sense of security to the Muslims and other minorities. He further objected to some details of the Report. Other Delegates, again, stated that their final opinion upon details was not yet formed, and that they desired, before they came to a conclusion, to ascertain public opinion upon such details, both in India and in England.

4. The Indian States do not desire either to discuss or vote upon questions which concern British India alone, and are of opinion that these questions should be definitely excluded. Nor do the Indian States contemplate that any question of para-

mountcy will come at any time within the purview of the Federal Government.

The sub-Committee publish the Report subject to these reservations.

5. In their interim Report of 12th December, the sub-Committee indicated their view of the component elements of the Federation, which is contemplated as the future polity for India, and recommended that these elements should be represented in both Chambers of a bicameral Federal Legislature. They also put forward a provisional list (which is reproduced in the Appendices referred to in paragraph 37 of this Report) of the subjects upon which this Legislature should be empowered to pass laws having application throughout all units comprised in the Federation. In a later part of the present Report it will be the duty of the sub-Committee to supplement the provisional recommendations thus made with regard to the competence of the Federal Legislature. There are some matters which, although the Federal Government and Legislature will not at present have jurisdiction in respect of them in the Indian States, will none the less require co-ordination in the areas comprised by the British Indian units of the Federation. These subjects also are indicated in the Appendices referred to in paragraph 37 of this Report. The sub-Committee desire in this connection to emphasise once more the conviction, to which they gave expression in paragraph 12 of their previous Report, that it is the Federal Legislature itself which should perform this co-ordinating function. Their reasons for this view are in part the desire to avoid the inevitable complexities which would arise from setting up a separate authority to deal with subjects not completely federalised, but an even more important reason is that it is, in the sub-Committee's opinion, essential to the development of the Federal idea that the new constitution should contain within itself facilities for its own development, and that nothing should be done in designing the structure embodying it which would be calculated to hamper the natural evolution of a Greater India.

The further Heads which were referred to the sub-Committee and are now under discussion are:

(4) *The number of members composing each Chamber of the Federal Legislature, and their distribution among the federating units;*

(5) *The method whereby representatives from British India and from the Indian States are to be chosen;* and

(6) *The constitution, character, powers and responsibilities of the Federal Executive.*

These three Heads the sub-Committee now proceed to discuss.

6. The sub-Committee do not, of course, claim to have evolved in all its details a complete plan for the Federal constitution. They consider that the best service they can render to the Conference is to state certain general principles and record conclusions on certain points with regard to which there appeared to be general or substantial agreement, and then to indicate the lines which further detailed examination on the subject ought, in their view, to follow. Many points have necessarily been left open which will have to be settled later after public opinion both in India and in England has had an opportunity of expressing itself upon them, in order that the completed constitution may be based on the largest measure of public approval in both countries.

The Executive

7. The sub-Committee consider that it will be convenient to deal, in the first instance, with the last of the three Heads, namely:

Head (6). *The composition, character, powers and responsibility of the Federal Executive;* since, as was more than once pointed out in the course of their deliberations, the view taken upon these matters may materially affect decisions upon the structure of the Legislature, the nature of its functions and the methods adopted for enabling these functions to be performed.

8. *Responsibility of the Executive.*—The Report which follows proceeds on the basic assumption that the constitution will recognise the principle that, subject to certain special provisions more particularly specified hereafter, the responsibility for the Federal Government of India will in future rest upon Indians themselves.

9. *Method of providing for this.*—In the opinion of the sub-Committee the proper method of giving effect to this principle is, following the precedent of all the Dominion Constitutions,[1]

[1] *e.g.* Ss. 9 to 11 of the British North America Act, 1867;
Ss. 8 and 9 of the Union of South Africa Act, 1908;
Ss. 61 and 62 of the Commonwealth of Australia Constitution, 1900.

to provide that executive power and authority shall vest in the Crown, or in the Governor-General as representing the Crown, and that there shall be a Council of Ministers appointed by the Governor-General and holding office at his pleasure to aid and advise him. The Governor-General's Instrument of Instructions will then direct him to appoint as his Ministers those persons who command the confidence of the Legislature, and the Governor-General, in complying with this direction, will, of course, follow the convention firmly established in constitutional practice throughout the British Commonwealth of inviting one Minister to form a Government and requesting him to submit a list of his proposed colleagues.

10. *Definition of Responsibility.*—The Governor-General, having thus chosen as his Ministers persons who possess the confidence of the Legislature, it follows that they will retain office only so long as they retain that confidence. This is what the sub-Committee understand by the responsibility of Government to Legislature, in the sense in which that expression is used throughout the British Commonwealth. The expression also implies in their view that the ministry are responsible collectively and not as individuals, and that they stand or fall together.

11. *Safeguards.*—It is, however, admitted that this broad statement of the principle of responsible government at the Centre, which will be the ultimate achievement of the constitution now to be framed, requires some qualification. There was general agreement in the sub-Committee that the assumption by India of all the powers and responsibility which have hitherto rested on Parliament cannot be made at one step and that, during a period of transition—

(i) The Governor-General shall be responsible for Defence and External Relations (including relations with the Indian States outside the federal sphere) and that

(ii) in certain situations, hereafter specified, which may arise outside the sphere of those subjects, the Governor-General must be at liberty to act on his own responsibility, and must be given the powers necessary to implement his decisions.

12. *Governor-General's advisers on reserved subjects.*—It was generally agreed that the presence of a person occupying the position of a Minister would be necessary to express the views of the Governor-General on Defence matters in the Legislature,

since these will impinge upon strictly federal matters; the same is true of External Relations but there was not an equal measure of agreement with regard to the appointment of a person to represent the Viceroy in this latter subject. It is clear, however, that the Governor-General must be at liberty to select as his representatives in the reserved sphere any persons whom he may himself choose as best fitted for the purpose, and that on appointment they would, if holding Ministerial portfolios, acquire the right like other Ministers of audience in either Chamber of the Legislature. The suggestion was pressed that any persons so appointed should be regarded as ordinary members of the Council of Ministers, notwithstanding that they would be responsible to the Governor-General and not to the Legislature, and that they should be regarded as liable to dismissal (though they would remain eligible for re-appointment by the Governor-General) with the rest of their colleagues. It is difficult, however, to see how this position could be reconciled with the principle of the collective responsibility of Ministers, and the sub-Committee find themselves unable to come to any definite conclusions on the matter, though they are of opinion that it merits much more careful examination than they have, in the time at their disposal, been able to give to it.

13. *Position of the Governor-General in relation to his Cabinet.*—With this subject is to some degree involved the question of whether the Governor-General should himself preside over the meetings of his Ministers. In the view of the sub-Committee no hard and fast rule can be laid down. It is clear that, especially in the transition period, occasions may often arise in which his presence would be desirable, and indeed, in certain contingencies, necessary. In these circumstances, it appears to the sub-Committee that the better course would be to provide in his Instructions that he shall preside when he thinks it desirable to do so, leaving the matter to his own discretion and good sense. It is, however, essential that the Governor-General shall be kept at all times fully informed of the state of public affairs and have the right to call for any papers or information which are at his Ministers' disposal.

14. *Governor-General's powers in relation to reserved subjects.*—It follows from the fact that the Governor-General will be himself responsible for the administration of the reserved subjects de-

scribed above, that he should not be dependent for the supply required for them upon the assent of the Legislature, and that the annual supply for their service should be treated, along with other matters to be presently specified, in a manner analogous to the Consolidated Fund Charges in the United Kingdom. The budget allotment would be settled upon a contract basis for a term of years. It would further be necessary to empower the Governor-General in the last resort to take such steps as may be necessary to ensure that the funds required for the reserved subjects in excess of the contract budget (*e.g.*, in connection with a sudden outbreak of hostilities on the Frontier). It follows that he should be empowered to secure the enactment of such legislative measures as may be essential for the discharge of his responsibility for these subjects.

15. The sub-Committee anticipate that in the event of its becoming necessary to use these powers the Governor-General would not ordinarily do so without consulting his Ministers, even though the responsibility for any action taken will be his and not theirs.

16. *Governor-General's special powers.*—With regard to subjects in the administration of which the Governor-General would normally act on the advice of his Ministers, it was generally agreed that arrangements must be made whereby in the last resort the peace and tranquillity of any part of the country must be secured, serious prejudice to the interests of any section of the population must be avoided, and members of the Public Services must be secured in any rights guaranteed to them by the constitution. It was further agreed that for these purposes the Governor-General must be empowered to act in responsibility to Parliament and to implement his decisions if occasion so demands by requiring appropriation of revenue to be made, or by legislative enactment.

17. *Use of the Governor-General's special powers.*—Stress was laid in some quarters of the sub-Committee on the necessity of so defining the use of these powers that they should not be brought into play, in derogation of the responsibility of Ministers, for the purpose of day-to-day administration. It is obvious that the Governor-General would consider his relations with his Ministers and the Legislature before making use of these powers. He will have every inducement to stay his hand as long as pos-

sible and to be slow to use his own powers in such a way as to enable his Ministers to cast upon him a responsibility which is properly theirs.

18. *Finance. Special provisions.*—In the sphere of Finance, the sub-Committee regard it as a fundamental condition of the success of the new constitution that no room should be left for doubts as to the ability of India to maintain her financial stability and credit, both at home and abroad. It would therefore be necessary to reserve to the Governor-General in regard to budgetary arrangements and borrowing such essential powers as would enable him to intervene if methods were being pursued which would, in his opinion, seriously prejudice the credit of India in the money markets of the world. The sub-Committee recommend, with a view to ensuring confidence in the management of Indian credit and currency, that efforts should be made to establish on sure foundations and free from any political influence, as early as may be found possible, a Reserve Bank, which will be entrusted with the management of the currency and exchange. With the same object again, provision should be made requiring the Governor-General's previous sanction to the introduction of a Bill to amend the Paper Currency or Coinage Acts on the lines of Section 67 of the Government of India Act. They are further agreed that the service of loans, with adequate provision for redemption, by Sinking Funds or otherwise, and the salaries and pensions of persons appointed on guarantees given by the Secretary of State, should be secured, along with the supply required for the Reserved Departments, as Consolidated Fund Charges.

19. With these limitations the sub-Committee do not contemplate any differentiation between the position of the Finance Minister and that of any other Minister responsible to the Legislature, and in regard to taxation, fiscal policy and expenditure on objects other than those under the Governor-General's control, he would be responsible only to the Legislature. In this connection the sub-Committee take note of the proposal that a Statutory Railway Authority should be established, and are of opinion that this should be done, if after expert examination this course seems desirable.

20. The sub-Committee recognise that it may be difficult in existing conditions to set up a Reserve Bank of sufficient strength and equipped with the necessary gold and sterling reserves im-

mediately, and that, therefore, until this has been done some special provisions will be found necessary to secure to the Governor-General adequate control over monetary policy and currency.

21. *Governor-General's ordinary powers.*—The sub-Committee assume that in addition to the special powers indicated above the Governor-General will continue to have, as at present, the right of refusing his assent to legislative measures, and of returning a Bill for reconsideration, and, subject to any Instructions issued to the Governor-General, that the existing powers of reservation and disallowance will remain.

22. *Bills affecting religion and Commercial discrimination.*—The question whether Bills relating to such matters as the religion or religious rites and usages of any class of the community should require the Governor-General's previous sanction to introduction will require consideration, as will also the question of discrimination between different sections of the community in matters of trade and commerce. There was general agreement that in these matters the principle of equality of treatment ought to be established, and various methods were suggested for the purpose. The sub-Committee content themselves, however, with saying that it is one which should be further examined and discussed in consultation with the various interests concerned.

23. *Breakdown of Constitution.*—In the event of a situation unhappily arising in which persistent and concerted action has succeeded in making the constitution unworkable, adequate powers will have to be vested in the Governor-General for the purpose of enabling the King's Government to be carried on.

The Legislature. Structure and Composition

24. Such being their views as to the character and responsibility of the Executive, the sub-Committee are now in a position to consider in relation to these views—

(4) *the number of members composing each Chamber of the Federal Legislature; and their distribution among the federating units:* and

(5) *the method whereby the representatives from British India and from the Indian States are to be chosen.*

25. *General Principles.*—The general aim of Federal constitutions has been to provide one legislative chamber which repre-

sents primarily all the federating units as such, often on a basis of equal representation for each unit, and a lower chamber which represents, primarily, the population of the whole federal area: and in applying this plan, constitution-makers have commonly provided that the representatives of the federating units in the distinctively federal chamber shall be chosen by the Governments or Legislatures of those units, while the representatives of the population of the federal area shall be returned by some more popular form of election: it has commonly been provided further that the distinctively federal chamber should be the smaller of the two. But India's own practical needs and conditions must be the governing factors, and no constitution, however theoretically perfect, and however closely modelled upon precedents adopted elsewhere, is likely to survive the tests of experience unless it conforms to the needs and genius of the country which adopts it, and unless it is capable of adaptation and modification as the character of these needs is proved in the working. To meet these needs the federal organisation must be conceived not as a rivalry of conflicting elements, but as a partnership for the devising and efficient application by common consent of policies required in the common interest. For such a partnership the stability of the Federal Government is of the first importance.

26. *The Upper Chamber.*—The discussion which took place in the sub-Committee on Heads 4 and 5 proceeded without any prior decision upon the all-important question of the relations between, and the respective powers of, the two chambers; and it may well be that some of the opinions now provisionally expressed will require revision. But proceeding simply on the basis that there will be two Chambers, the Upper smaller in size than the Lower, and without any decision as to the relations of one to the other, the balance of opinion was to the effect that the Upper Chamber—which might be described as the Senate—of the Federal Legislature should be a small body, of from 100 to 150 members, whose qualifications should be such as will ensure that it is a body of weight, experience and character. It was thought that this object might be secured by prescribing for the candidature of the British India members qualifications similar to those now in force for the Council of State: and the sub-Committee have no doubt that the Rulers of the Indian

States, in selecting their representatives, will ensure that they are persons of similar standing.

Method of election to Upper Chamber.—The sub-Committee are almost unanimously of opinion that the British Indian members of the Senate should be elected by the provincial legislatures, by the single transferable vote.

27. *Life of the Upper Chamber.*—The Senate itself should not be subject to dissolution like the Lower House, but a fixed proportion of its members would retire and be replaced (or re-elected as the case may be) at regular periods.

28. *Distribution of Seats in Upper Chamber.*—As regards the distribution of seats in the Senate between the States and British India respectively, the sub-Committee have to report a difference of view. The States representatives on the sub-Committee pressed strongly for equality of distribution as between the States and British India. The British Indian representatives, on the other hand were disposed to claim, on such grounds as area and population, a preponderance of seats for British India; but though opinions differed as to the precise degree of "weightage" to be conceded to the States, the sub-Committee are unanimous that some "weightage" must be given, and that a distribution of seats as between the States and British India on a strict population ratio would neither be defensible in theory nor desirable in practice. The sub-Committee trust that if the Conference fails to reach unanimity on this point, a satisfactory solution may yet be found as the result of discussion and accommodation hereafter.

29. *Distribution of Seats in Upper Chamber between Provinces.*—Granted a solution of this question, it has still to be considered how the seats available to the States and British India respectively are to be distributed amongst the individual units of each class. So far as the States are concerned, this must clearly be a matter for agreement by their Rulers in consultation between themselves and, if necessary, with the Viceroy. Difficult problems of groupings are involved, but these matters are outside the scope of the Conference. As regards the Provinces, precedents of other Federal constitutions could no doubt be cited in favour of complete equality as between Province and Province, and there was some opinion in the sub-Committee in favour of this plan. But while the opportunity should no doubt be taken for departing

from the traditional apportionment as between Province and Province which has survived in the Chambers of the existing Indian Legislature, the sub-Committee are doubtful whether an arrangement which gave, for instance, to Assam with its 7½ millions of inhabitants, and Bengal with its 46½ millions, an equal voice in the counsels of the Nation, would commend itself to general public opinion. On the whole the sub-Committee would be disposed to regard a distribution as between Province and Province on a population ratio as the most convenient and satisfactory arrangement.

30. *The Lower Chamber—Size.*—The trend of opinion as to the size of the Lower Chamber was that it should consist of approximately 300 members, thus providing roughly one representative for each million of the inhabitants of India. On the other hand the view was strongly expressed that the requirements of efficiency would not be met if the Chamber were to exceed 200 as a maximum. The sub-Committee as a whole recognise the force of these considerations, and also of the desire for a Chamber of sufficient size to afford a reasonable approach to adequare representation of the population. But since no real approach to this latter ideal could be secured without enlarging the Legislature to an undue extent, the sub-Committee think that having regard to the great importance which must be attached to efficiency of working, 250 should be adopted as the number of seats to be provided in the Lower Chamber.

31. *Distribution of Seats in the Lower Chamber.*—In the Lower Chamber the Indian States Delegation do not claim, as they do in the Senate, equality of representation with British India, but here also they claim some greater representation than they would obtain on a strict population ratio. The British Indian representatives on the sub-Committee were not, however, disposed to contemplate a distribution as between themselves and the States in this Chamber on any other basis than that of population. On this basis approximately 76 per cent of the seats would be assigned to British India and 24 per cent to the States. But while the latter view must be recorded as that of the majority of the sub-Committee, a substantial minority would regard so great a disparity between the two classes of units as inconsistent with and inimical to the ideal which the Conference has set before itself, and the minority wish strongly to urge upon their

colleagues the desirability of subordinating theory to expediency in the interests of goodwill. No Conference can hope to bear fruit unless its members approach their task in a spirit of accommodation, and accommodation in this matter is, they are confident, not beyond the reach of Indian statesmanship.

The question of the respective powers of the two Chambers, which has been touched upon in para. 26 has also an obvious bearing on the matter.

32. *Method of election to Lower Chamber.*—Here again the sub-Committee regret that they are unable to record a unanimous view. The British Indian representatives almost without exception favour direct election by constituencies arranged on a plan generally similar to that of the "general constituencies" for the existing Legislative Assembly. They maintain that this method of election has not proved in practice inconvenient or unworkable, that such inconvenience as it has hitherto presented will be diminished with the increase which they contemplate in the number of seats available and the consequent decrease in the size of constituencies, that ten years' experience has firmly established it in popular favour, and that resort to any method of indirect election would not be accepted by Indian public opinion. Other members of the sub-Committee are unable to contemplate as a fitting repository of power and responsibility a Chamber whose members would have so exiguous a link between themselves and the population of the areas they would purport to represent as would be provided by any system of direct election. Assuming for the sake of argument that as many as 200 seats were available for British Indian representatives, they note that the average size of a constituency would be some 4,000 square miles, and that if due allowance is made for the comparatively small areas of the urban constituencies, the general average would be even higher. They note that the Franchise sub-Committee have refrained from making any recommendation on the franchise for the Federal Legislature: consequently they cannot bring themselves to regard as popular representation according to the accepted canons of parliamentary government a system which provides for the "election" of members by an average number of some 5,000 electors scattered over an average area of some 4,000 square miles, and this difficulty would not be removed by an increase in the average number of electors by a

lowering of the franchise; for an increase in the number of the voters in such vast constituencies would merely increase the difficulties of establishing contact between the candidate and the voter. But apart from these practical difficulties, some members of the sub-Committee feel strongly that, in the geographical conditions of India, any system of direct election would seriously prejudice the success of the Federal ideal. In their view it is of the utmost importance that the tie between the Centre and the units should be as closely knit as possible; and that it should be a tie of natural affinity of outlook and interest and capable of counteracting the centrifugal tendencies which, but for such a counterpoise, will be liable to develop in the Provinces from the increased autonomy now in prospect. In the opinion of those who hold this view the only satisfactory basis for representation in either Chamber of the Federal Legislature is election by the Legislatures of the Provinces. This need not involve the mere reproduction of the Lower Chamber on a smaller scale, if, as is suggested in this Report, special qualifications are prescribed for membership of the Senate. But if this plan is not adopted, and the view prevails that the members of the Assembly should be chosen to represent the populations of the units rather than their Governments or Legislatures, those members of the sub-Committee who are opposed to direct election desire to point out that it is not a necessary consequence of a decision in this sense that the populations of the areas should elect their representatives directly. Various devices are known to constitution-makers as alternatives to direct election, and they would strongly urge that every possible alternative should be explored before a final decision is taken.

33. *Life of the Lower Chamber.*—The sub-Committee are of opinion that the term of the Lower Chamber should be five years, unless sooner dissolved by the Governor-General.

34. *Representation of special interests and of the Crown in Federal Legislature.*—Two further points remain to be mentioned in regard to the composition of the Federal Legislature. Opinion was unanimous in the sub-Committee that, subject to any report of the Minorities sub-Committee, provision should be made for the representation, possibly in both Chambers, and certainly in the Lower Chamber, of certain special interests, namely, the Depressed Classes, Indian Christians, Europeans, Anglo-

Indians, Landlords, Commerce (European and Indian) and Labour. Secondly, in their interim Report, the sub-Committee expressed the view that so long as there are any reserved subjects the Crown should be represented in both Chambers. While the sub-Committee unanimously maintain that recommendation, further discussion has disclosed a difference of view as to the functions of the Crown nominees, and as to their numbers. Some members of the sub-Committee consider that their attendance should be solely for the purpose of explaining the Governor-General's policy on his behalf, and that they should not exercise the right to vote in divisions. Others are of opinion that these persons should be full members of the Legislature. Some members of the sub-Committee consider again that the only nominees of the Crown should be the principal advisers of the Governor-General in the administration of the reserved subjects, while others think that the Governor-General should be empowered to nominate a specified number of persons, not exceeding, say, 10, to each Chamber.

35. *Means of securing stability for the Executive.*—The relation of the two Chambers to one another has been touched on above, but a particular aspect of the relation of the Chambers to the Executive was a subject of discussion in the sub-Committee and should be mentioned here. For the purpose of securing greater stability to the Executive the suggestion was made, and found a large measure of support, that Ministers should not be compelled to resign save in the event of a vote of no confidence passed by a majority of at least two-thirds of the two Chambers sitting together. Ministers against whom less than two-thirds of the votes have been cast on a motion of no confidence would not, however, for that reason alone continue to enjoy to any greater extent than before the confidence of the Legislature who would be still able in other ways to make effective their want of confidence. But the sub-Committee are of opinion that some means should be devised whereby, in the interests of stability, an adverse vote should not on every occasion necessarily involve the resignation of the Ministry, and that the subject should be further explored.

36. *Position of States' representatives in relation to matters affecting British India only.*—Since the functions of the Federal Government will extend beyond the range of federal subjects and will embrace those matters which are strictly the concern of

British India alone, it has to be decided whether the States' representatives in the Federal Legislature should take any part in the debates and decisions on this latter class of matters with which *ex hypothesi* they will not be directly concerned. There is much to be said in favour of treating all members of the Federal Legislature as entitled and empowered to contribute their share towards the decision of all matters within the range of the Legislature's duties. It would be clearly impossible, so far as the Executive is concerned (which will, like the Legislature, be composed of representatives of both States and British India) to differentiate the functions of Ministers in such a way as to confine the responsibilities of States' representatives to Federal matters; no workable scheme could be devised with this object which would not cut at the root of the principle of collective responsibility in the Cabinet. For this reason the States desire—with the general assent of the sub-Committee—that their representatives in the Legislature should play their part equally with their British Indian colleagues in expressing the decision of the Legislature on any question which involves the existence of the Ministry, even if the matter which has given rise to the question of confidence is one which primarily affects British India only. At the same time Their Highnesses would prefer that the States' representatives should take no part in the decision of matters which, being outside the range of federal subjects, have no direct interest to the States. It would, no doubt, be possible so to arrange business in the Legislature that Bills or Budget demands of this character should be dealt with either exclusively or in the Committee stage by a Committee (analogous to the Scottish Committee of the House of Commons) consisting of the British Indian representatives alone. Some members of the sub-Committee think, however, that it would be unfortunate to initiate such a system of differentiation, and that, whatever conventions might be observed, it would be undesirable in terms to deprive the Legislature of the contribution which any of its members might be able to make on any matter within the Legislature's purview; and they think that it would be found in practice difficult, if not impossible, to classify a given matter as being one in which the States have no interest or concern, direct or indirect. The sub-Committee recommend, however, that the matter be further explored.

37. *Competence of the Federal Legislature.*—With reference to paragraph 5 of this Report, the reports of two sub-Committees are appended to this Report in which recommendations have been made as to the classification as federal, central or provincial, of all the subjects which are at present within the competence of the Indian Legislature. The sub-Committee endorse generally these recommendations, though they recognise that the further expert examination which the matter will undoubtedly require may show the necessity of some modification and adjustment. It will be observed that, apart from the specific recommendations made with regard to the treatment of the several items in the list, there is a general recommendation that legislative co-ordination required in respect of certain provincial subjects, or aspects of provincial subjects, should no longer be secured by the process of submitting Provincial Bills on these subjects for the previous sanction of the Governor-General, but firstly by scheduling certain existing Acts (and the same process would, of course, be applied to certain Acts of the Federal Legislature in the future) as being incapable of amendment in their application to a Province by the Provincial Legislature without the previous sanction of the Governor-General and, secondly, by granting concurrent powers of legislation to the Federal Legislature on certain aspects of specified provincial subjects. It would be necessary to include a provision that any Provincial Act relating to these subjects which is repugnant to a Federal Act is, to the extent of the repugnancy, to be void.

38. *Residual powers.*—The sub-Committee draw attention to the fact that, however carefully the lists of Federal, Central and Provincial subjects are drawn up, there is bound to be a residue of subjects not included in any of them. Whether these residuary powers of legislation are to rest with the Federal Government or with the Provinces is a matter on which the sub-Committee have come to no conclusion. Its great importance is, however, manifest, and it will need most careful consideration at a later stage.

39. *Control by the Federal Government over Provincial Governments.*—This topic leads naturally to the question of the powers of control to be exercised by the Federal Executive over the Provincial Executive and their nature and extent. It goes without saying that within the range of Federal subjects, the Federal Executive must have authority to ensure that Federal Acts are

duly executed in the Provinces; it also goes without saying that within States' territory there can be no question of the exercise of any such authority, direct or indirect, outside the strict range of Federal subjects. But it seems equally evident that in matters affecting more than one Province of British India, even where they relate to subjects classified as Provincial, there must be some authority capable of resolving disputes and of co-ordinating policy when uniformity of policy is in the interests of India as a whole, and the sub-Committee consider that the constitution should recognise this authority as vesting in the Federal Government and should make suitable provision for its exercise.

Signed on behalf of the sub-Committee,

SANKEY, *Chairman.*

ST. JAMES'S PALACE,
LONDON.
13th January, 1931.

D. CONVERSATIONS BETWEEN THE GOVERNOR-GENERAL OF INDIA AND MR. GANDHI[1]

Statement issued by the Government of India

The following statement by the Governor-General in Council is published for general information:

1. Consequent on the conversations that have taken place between His Excellency the Viceroy and Mr. Gandhi, it has been arranged that the Civil Disobedience Movement be discontinued, and that, with the approval of His Majesty's Government, certain action be taken by the Government of India and Local Governments.

2. As regards constitutional questions, the scope of future discussions is stated with the assent of His Majesty's Government to be with the object of considering further the scheme for constitutional government of India discussed at the Round-Table Conference. Of the scheme there outlined, Federation is an essential part; so also are Indian responsibility and reservations or safeguards in the interests of India for such matters as, for instance, defence, external affairs, the position of minorities, the financial credit of India and discharge of obligations.

[1] India Office, Press Release, March 5, 1931.

3. In pursuance of the statement made by the Prime Minister in his announcement of the 19th January 1931, steps will be taken for the participation of the representatives of Congress in the further discussions that are to take place on the scheme of Constitutional Reform.

4. The settlement relates to the activities directly connected with the Civil Disobedience Movement.

5. Civil Disobedience being effectively discontinued, reciprocal action will be taken by Government. The effective discontinuance of the Civil Disobedience Movement means the effective discontinuance of all activities by whatever method pursued in furtherance thereof and in particular the following:—

(a) The organised defiance of the provisions of any laws.

(b) The movement for the non-payment of land revenue and other legal dues.

(c) The publication of news-sheets in support of the Civil Disobedience Movement.

(d) Attempts to influence civil and military servants or village officials against Government or to persuade them to resign their posts.

6. As regards the boycott of foreign goods, there are two issues involved: firstly, the character of the boycott, and secondly, the methods employed in giving effect to it. The position of the Government is as follows. They approve of the encouragement of Indian industries as part of economic and industrial movements designed to improve the material condition of India, and they have no desire to discourage methods of propaganda, persuasion or advertisement pursued with this object in view, which do not interfere with the freedom of action of individuals or are not prejudicial to the maintenance of law and order. But the boycott of non-Indian goods (except of cloth, which it has applied to all foreign cloth) has been directed during the Civil Disobedience Movement, chiefly, if not exclusively, against British goods, and in regard to these, it has been admittedly employed in order to exert pressure for political ends.

It is accepted that a boycott of this character and organised for this purpose will not be consistent with the participation of representatives of the Congress in a frank and friendly discussion of constitutional questions between the representatives of British Indian States and of His Majesty's Government and

political parties in England, which the settlement is intended to secure. It is therefore agreed that the discontinuance of Civil Disobedience connotes the definite discontinuance of the employment of the boycott of British commodities as a political weapon, and that, in consequence, those who have given up during a time of political excitement the sale or purchase of British goods must be left free, without any form of restraint, to change their attitude if they so desire.

7. In regard to the methods employed in furtherance of the replacement of non-Indian by Indian goods or against the consumption of intoxicating liquor and drugs, resort will not be had to methods coming within the category of picketing except within the limits permitted by the ordinary law. Such picketing shall be unaggressive and it shall not involve coercion, intimidation, restraint, hostile demonstration, obstruction to the public, or any offence under the law. If and when any of these courses are employed in any place, the practice of picketing in that place will be suspended.

8. Mr. Gandhi has drawn the attention of the Government to specific allegations against the conduct of the police and represented the desirability of a public inquiry into them. In present circumstances, the Government sees great difficulty in this course and feels that it must inevitably lead to charges and countercharges and so militate against the re-establishment of peace. Having regard to these considerations, Mr. Gandhi agreed not to press the matter.

9. The action that the Government will take on the discontinuance of the Civil Disobedience Movement is stated in following paragraphs.

10. Ordinances promulgated in connection with the Civil Disobedience Movement will be withdrawn.

Ordinance No. 1 of 1931 relating to the terrorist movement does not come within the scope of this provision.

11. Notifications delcaring associations unlawful under the Criminal Law Amendment Act of 1908 will be withdrawn provided that the notifications were made in connection with the Civil Disobedience Movement.

The notifications recently issued by the Burma Government under the Criminal Law Amendment Act do not come within the scope of this provision.

12.—(i) Pending prosecutions will be withdrawn if they have been filed in connection with the Civil Disobedience Movement and relate to offences which do not involve violence (other than technical violence) or incitement to violence.

(ii) The same principle will apply to proceedings under the security provisions of the Criminal Procedure Code.

(iii) Where a Local Government has moved any High Court or has initiated proceedings under the Legal Practitioners Act in regard to the conduct of a legal practitioner in connection with the Civil Disobedience Movement, it will make application to the Court concerned for permission to withdraw such proceedings, provided that the alleged conduct of the persons concerned does not relate to violence or incitement to violence.

(iv) Prosecutions, if any, against soldiers and police involving disobedience of orders will not come within the scope of this provision.

13.—(i) Those prisoners will be released who are undergoing imprisonment in connection with the Civil Diobedience Movement for offences which did not involve violence (other than technical violence) or incitement to violence.

(ii) If any prisoner who comes within the scope of (i) above has been also sentenced for a jail offence not involving violence (other than technical violence) or incitement to violence, the latter sentence also will be remitted, or if a prosecution relating to an offence of this character is pending against such a prisoner, it will be withdrawn.

(iii) Soldiers and police convicted of offences involving the disobedience of orders—in the very few cases that have occurred —will not come within the scope of the amnesty.

14. Fines which have not been realised will be remitted. Where an order for forfeiture of security has been made under the security provisions of the Criminal Procedure Code and the security has not been realised it will be similarly remitted.

Fines which have been realised and securities forfeited and realised under any law will not be returned.

15. Additional police imposed in connection with the Civil Disobedience Movement at the expense of the inhabitants of a particular area will be withdrawn at the discretion of the Local Government. Local Governments will not refund any money

not in excess of the actual cost that has been realised, but they will remit any sum that has not been realised.

16. (*a*) Movable property which is not an illegal possession, and which has been seized in connection with the Civil Disobedience Movement under the Ordinances or the provisions of the Criminal Law, will be returned if it is still in the possession of the Government.

(*b*) Movable property forfeited or attached in connection with the realisation of land revenue, or other dues, will be returned unless the Collector of the District has reason to believe that the defaulter will contumaciously refuse to pay dues recoverable from him within a reasonable period. In deciding what is a reasonable period, special regard will be paid to cases in which defaulters, while willing to pay, genuinely require time for the purpose; and if necessary the collection of revenue will be suspended in accordance with the ordinary principles of land revenue administration.

(*c*) Compensation will not be given for deterioration.

(*d*) Where movable property has been sold or otherwise finally disposed of by the Government compensation will not be given, and sale proceeds will not be returned, except in so far as they are in excess of legal dues for which property may have been sold.

(*e*) It will be open to any person to seek any legal remedy he may have on the ground that the attachment or seizure of property was not in accordance with the law.

17.—(*a*) Immovable property of which possession has been taken under Ordinance IX of 1930, will be returned in accordance with the provisions of the Ordinance.

(*b*) Land and other immovable property in the possession of the Government which has been forfeited or attached in connection with the realisation of land revenue or other dues will be returned unless the Collector of the District has reason to believe that the defaulter will contumaciously refuse to pay the dues recoverable from him within a reasonable period. In deciding what is a reasonable period, special regard will be paid to cases in which the defaulter, while willing to pay, genuinely requires time for the purpose and, if necessary, the collection of revenues will be suspended in accordance with the ordinary principles of the land revenue administration.

(*c*) Where immovable property has been sold to third parties, the transaction must be regarded as final so far as the Government are concerned.[1]

(*d*) It will be open to any person to seek any legal remedy he may have on the ground that the seizure or attachment of property was not in accordance with the law.

18. Government believe that there have been very few cases in which the realisation of dues has not been made in accordance with the provisions of the law. In order to meet such cases, if any, Local Governments will issue instructions to District Officers to have prompt inquiry made into any specific complaints of this nature and to give redress without delay if illegality is established.

19. Where posts rendered vacant by resignations have been permanently filled the Government will not be able to reinstate the late incumbents. Other cases of resignation will be considered on their merits by Local Governments who will pursue a liberal policy in regard to the reappointment of Government servants and village officials who apply for reinstatement.

20. Government are unable to condone breaches of existing law relating to salt administration, nor are they able, in the present financial conditions of the country, to make substantial modifications in the Salt Acts.

For the sake, however, of giving relief to certain of the poorer classes, they are prepared to extend their administrative provisions on the lines already prevailing in certain places in order to permit local residents, in villages immediately adjoining the areas where salt can be collected or made, to collect or make salt domestic consumption or sale within such villages, but not for sale to or trading with individuals living outside them.

21. In the event of Congress failing to give full effect to obligations of this settlement, Government will take such action as may in consequence become necessary for the protection of the public and individuals, and due observance of law and order.

[1] Mr. Gandhi has represented to Government that according to his information and belief some at least of these sales have been unlawful and unjust. Government on the information before them cannot accept this contention.

Appendix VI

DOCUMENTS RELATING TO EGYPTIAN AFFAIRS, AND TO BRITISH POLICY IN RESPECT TO THE PEACE PACT, THE WORLD COURT, AND PAN-EUROPEAN FEDERATION

A1. EGYPT NO. 1 (1922) *Cmd.* 1592:

CORRESPONDENCE RESPECTING AFFAIRS IN EGYPT (IN CONTINUATION OF EGYPT NO. 4 [1921])[1]

"Whereas His Majesty's Government, in accordance with their declared intentions, desire forthwith to recognise Egypt as an independent sovereign State; and

"Whereas the relations between His Majesty's Government and Egypt are of vital interest to the British Empire;

"The following principles are hereby declared:

"1. The British Protectorate over Egypt is terminated, and Egypt is declared to be an independent sovereign state.

"2. So soon as the Government of His Highness shall pass an act of Indemnity with application to all inhabitants of Egypt, martial law, as proclaimed on November 2, 1914, shall be withdrawn.

"3. The following matters are absolutely reserved to the discretion of His Majesty's Government until such time as it may be possible by free discussion and friendly accommodation on both sides to conclude agreements in regard thereto between His Majesty's Government and the Government of Egypt:

"(*a*) The security of the communications of the British Empire in Egypt.

"(*b*) The defence of Egypt against all foreign aggression or interference, direct or indirect.

"(*c*) The protection of foreign interests in Egypt and the protection of minorities.

"(*d*) The Sudan.

"Pending the conclusion of such agreements, the *status quo* in all these matters shall remain intact."

[1] Enclosure 2 in No. 35 (Curzon to Allenby).

APPENDIX VI

A2. EGYPT NO. 2 (1922) *Cmd.* 1617:

DESPATCH TO HIS MAJESTY'S REPRESENTATIVES ABROAD RESPECTING THE STATUS OF EGYPT

Circular Despatch sent by telegraph to His Majesty's Representatives at Paris, Berlin, Washington, Rome, Madrid, Tokyo, Brussels, Rio de Janeiro, Christiania, Stockholm, The Hague, Copenhagen, Athens, Lisbon, Belgrade and Berne, and by bag to His Majesty's Representatives at Buenos Aires, Vienna, La Paz, Sofia, Santiago, Peking, Bogotá, Panamá, Havana, Prague, Lima, Riga, Helsingfors, Guatemala, Budapest, Mexico City, Tehran, Warsaw, Bangkok, Monte Video, The Vatican and Caracas.

Sir, *Foreign Office, March* 15, 1922.

His Majesty's Government, with the approval of Parliament, have decided to terminate the protectorate declared over Egypt on the 18th December, 1914, and to recognise her as an independent sovereign State. In informing the Government to which you are accredited of this decision you should communicate the following notification:

"When the peace and prosperity of Egypt were menaced in December 1914 by the intervention of Turkey in the Great War in alliance with the Central Powers, His Majesty's Government terminated the suzerainty of Turkey over Egypt, took the country under their protection and declared it to be a British protectorate.

"The situation is now changed. Egypt has emerged from the war prosperous and unscathed, and His Majesty's Government, after grave consideration and in accordance with their traditional policy, have decided to terminate the protectorate by a declaration in which they recognise Egypt as an independent sovereign State, while preserving for future agreements between Egypt and themselves certain matters in which the interests and obligations of the British Empire are specially involved. Pending such agreements, the *status quo* as regards these matters will remain unchanged.

"The Egyptian Government will be at liberty to re-establish a Ministry for Foreign Affairs and thus to prepare the way for the diplomatic and consular representation of Egypt abroad.

"Great Britain will not in future accord protection to Egyptians in foreign countries, except in so far as may be desired by the Egyptian Government and pending the representation of Egypt in the country concerned.

"The termination of the British protectorate over Egypt involves, however, no change in the *status quo* as regards the position of other Powers in Egypt itself.

"The welfare and integrity of Egypt are necessary to the peace and safety of the British Empire, which will therefore always maintain as an essential British interest the special relations between itself and Egypt long recognised by other Governments. These special relations are defined in the declaration recognising Egypt as an independent sovereign State. His Majesty's Government have laid them down as matters in which the rights and interests of the British Empire are vitally involved, and will not admit them to be questioned or discussed by any other Power. In pursuance of this principle, they will regard as an unfriendly act any attempt at interference in the affairs of Egypt by another Power, and they will consider any aggression against the territory of Egypt as an act to be repelled with all the means at their command."

I am, &c.

CURZON OF KEDLESTON.

B. EGYPT NO. 1 (1930) *Cmd.* 3575:

PAPERS REGARDING THE RECENT NEGOTIATIONS FOR AN ANGLO-EGYPTIAN SETTLEMENT, MARCH 31–MAY 8, 1930

No. 1. MEMORANDUM ON THE NEGOTIATIONS

The Egyptian Delegation consisted of Mustapha Nahas Pasha, the Prime Minister, Wacyf Ghali Pasha, the Minister for Foreign Affairs, Osman Moharrem Pasha, the Minister of Public Works, and William Makram Ebeid Bey, the Minister of Finance. The negotiators on behalf of Great Britain and Northern Ireland were the Secretary of State for Foreign Affairs, the Secretary of State for Dominion Affairs and for the Colonies, the Secretary of State for War, and the Secretary of State for Air. Representatives of His Majesty's Governments in the Commonwealth of Australia and New Zealand and the Government of India attended as

observers in response to an invitation addressed to those Governments before negotiations were opened.

2. Apart from such opportunities as offered from time to time for informal conversations with members of the Egyptian delegation, fourteen plenary meetings took place between the 31st March and the 17th April. The first plenary meeting was devoted to a general statement of the Egyptian position which Nahas Pasha was invited to translate into actual formulae. After they had been considered by the British delegates, discussion was commenced with the Egyptian delegation of the British proposals of last year to which King Fuad had referred at the opening of the Egyptian Parliament on the 11th January in the following terms: "His Britannic Majesty's Principal Secretary of State for Foreign Affairs has presented to the Egyptian Government proposals which are inspired by a spirit of friendship and conciliation. Our Government will be happy to submit these proposals to you and hopes to undertake negotiations with the British Government in a spirit of conciliation and friendship with a view to a firm and honourable agreement between the two countries." These proposals are here reproduced as Paper 2. Comparatively little difficulty was encountered over clauses 1 to 7, and it proved possible at an early stage of the negotiations to reach agreement on the text of articles in the proposed treaty corresponding to these clauses and to clauses 14 and 15.

3. After discussion lasting over several meetings it was agreed that the substance of clauses 8 and 10 of last year's proposals should be embodied in an exchange of notes, though in the case of clause 10 the Egyptian delegation had declined to accept anything which could be represented as imposing a fresh obligation upon Egypt. The British negotiators, on the other hand, while appreciating the desire of the Egyptian Delegation to facilitate progressively the Egyptianisation of the Egyptian Government services felt entitled to require some undertaking from them that the elimination of British influence through the termination of the employment of British officials would not involve the introduction of some other foreign influence in its place.

4. Clause 11 of the 1929 proposals dealing with the Capitulations gave rise to considerable discussion, though the difficulty lay more in agreeing upon what was to figure in the connected exchange of notes on this subject than in evolving a satisfactory

text for the corresponding article of the treaty. Complete textual agreement on this important and complex subject was not, in fact, achieved until a very late stage in the negotiations. As regards Clause 12, relating to diplomatic representation, it was agreed that the precedence in relation to the representatives of other Powers which the first British Ambassador would enjoy in Egypt in virtue of his diplomatic rank would be reserved to his successors by a provision to this effect in notes to be annexed to the treaty.

5. The defence of the Suez Canal, which formed the subject of clause 9, gave rise to very lengthy discussion. The Egyptian delegation had first suggested that all British forces should be concentrated at one point on the east bank of the Canal, first Port Fuad and subsequently Kantara being the points proposed. When these localities were shown to be inadequate for the purpose the Egyptian delegation eventually agreed to the concentration of the forces in question to the west of the Canal in the neighbourhood of Ismailia, subject to a reduction from 25 to 20 years of the period during which the treaty would not be open for revision, except, of course, in the case where the parties thereto might agree to proceed to such revision at an earlier date (Articles 8 and 14 of Paper 3).

6. It was early recognised that the Sudan, the subject of clause 13 of the 1929 proposals, was likely to present a formidable problem to the negotiators. The insertion of the words "without prejudice to Egypt's rights and material interests" in the treaty article as agreed before Easter and of a sentence in the connected note providing for no discrimination in the Sudan between British subjects and Egyptian nationals in matters of commerce and immigration or the possession of property, furnishes no measure of the time devoted to discussion of all aspects of the question. An effort was made to meet the Egyptian point of view by the introduction of an entirely new and general provision (Article 15 of Paper 3) under which the High Contracting Parties agreed, if either of them should so request, to enter into friendly discussions within one year from the coming into force of the treaty with regard to any question arising out of the application of any article of the treaty with respect to which any difficulty might have arisen. At one point in the discussions the prospect of agreement on these lines seemed hopeful.

7. Discussion of the provisions which should figure in the note had necessarily to proceed more or less concurrently with that of the connected articles, and just before the Easter recess there appeared to be good reason to hope that complete agreement might be achieved not only on the articles of the treaty, but on the almost equally important note. In so far as the latter document related to the retention of the Financial and Judicial Advisers for the full period of their contracts, agreement had, in fact, been reached, and in regard to the European element in the City Police, the British negotiators were prepared to fall in with the strongly-urged Egyptian proposal that the interests of public security would best be served by providing that the reduction in their numbers should take place gradually over the whole period of five years during which the European element was to be retained. The passage relating to the Capitulations was drafted in the light of discussions which had taken place between British experts and members of the Egyptian delegation, and it was thought that it might prove acceptable to the latter. As regards the military provisions, agreement in principle appeared to have been reached as to the numbers of the British military and air forces for whom accommodation was to be provided, their location and the disposal of the properties which they would vacate on transference to the neighbourhood of the Canal. On the morning of the 17th April, however, Nahas Pasha informed the British negotiators that the Egyptian delegation could not commit themselves to accept the treaty as they did not feel that their requirements in regard to the Sudan had been adequately met. His Excellency asked for time to consult his colleagues in Cairo and for a copy to send to them of the proposed treaty and notes (Paper 3) in the form in which they then stood. Further negotiations were accordingly adjourned until the 29th April, though a further adjournment was rendered necessary by the delay in the return of the messenger whom Nahas Pasha had despatched to Cairo.

8. This was the position when proceedings were resumed on the afternoon of the 5th May. Nahas Pasha then communicated a complete but modified draft treaty with two alternatives for the Sudan article together with a new draft of the notes to be annexed to the treaty. These documents constitute Paper 4.

9. The alternative Egyptian drafts of the Sudan article provided either that the question of the Sudan should be reserved for future negotiations within one year from the ratification of the treaty, or that the question of the Sudan should be reserved for future negotiations, and that meanwhile the *de facto* position obtaining in the Sudan before 1924 should be restored. Similar suggestions had already been made to and rejected by the British negotiators before Easter. The Egyptian delegation were informed that neither of these drafts was acceptable and that it was difficult to see why so many changes had been made in the draft of the treaty and note as it stood on the 17th April. It was pointed out that the British negotiators had agreed before the adjournment for Easter (*cf.* paragraph 6 above) to insert a new general article in the treaty providing for friendly discussions within one year from the coming into force of the treaty with regard to any question arising out of the application of any article of the treaty with respect to which any difficulty might have arisen. It was observed that that article had been omitted from the draft which the Egyptian delegation had communicated. Moreover, the Egyptian delegation had inserted an entirely new article which provided that "any agreement or declaration or other bilateral or unilateral acts which are in opposition to the present treaty are null and devoid of effect."

10. Nahas Pasha was informed that unless he agreed to the restoration of the British draft of article 11 no treaty was possible; it would, indeed, be unfortunate if he could not accept the article in that form, for the passage of time and the new atmosphere created by the alliance might render much less formidable difficulties which to-day appeared insoluble. At the meeting which took place on the following day the Egyptian delegation expressed their willingness to accept the British draft with two minor amendments, provided the British negotiators agreed to their putting in a statement of their position in the form of a note. The amendments proposed were the addition of the words "and settling the question of the Sudan" in the first sentence, and of the words "as one of the consequences" in the second sentence. The note which the Egyptian delegation proposed was to the effect that the Sudan article did not in any way affect Egypt's right of sovereignty over the Sudan and the joint administration

thereof by the two High Contracting Parties. The Egyptian delegation were informed that their counter-draft and note combined were inacceptable.

11. On the afternoon of the 6th May the Egyptian delegation said that they were prepared to accept the original wording of the British draft article with the addition of a sentence to the effect that the High Contracting Parties agreed, if either of them should so request, to enter into friendly discussions within twelve months of the coming into force of the present treaty with regard to the application of the 1899 Conventions (Papers 7 and 8). The Egyptian delegation, however, objected to the wording of the passage in the note providing for no discrimination in the Sudan between British subjects and Egyptian nationals; they wished it to be made clear that the immigration of Egyptians into the Sudan would be subject to no restriction.

12. Proceedings were resumed on the 7th May at 8 A.M., and continued with two brief intervals until 3.30 A.M. on the 8th May, by which time agreement had been reached (see Paper 5) on all the articles of the treaty apart from the Sudan article. In so far as concerns the notes the wide divergencies between the British draft (Paper 3) and the Egyptian counterdraft (Paper 4) had in some cases been bridged completely; in others agreement was hoped for as the result of direct discussion between members of the Egyptian delegation and the Secretaries of State for War and Air and their respective experts, but the actual wording of the various paragraphs embodying it was still under discussion. In regard to the important and complex question of the Capitulations (*cf.* paragraph 4 above) it was arranged that a separate exchange of notes should take place, the agreed text of which appears as Paper 6.

13. With regard to the Sudan, however, it was not possible to arrive at any formula which would satisfy the Egyptian demand for the right of unrestricted immigration of Egyptian nationals into the Sudan. A suggestion that the Governor-General would not exercise "unreasonably" the right which any Government must possess to control immigration in the interests of its own nationals had to be abandoned as the Egyptian delegation insisted on the omission of the word "unreasonably." Further progress was impossible and the Egyptian delegation were finally informed that the treaty could only be saved if they

would accept the text of the Sudan article and paragraphs as they appear in Paper No 3 with the two amendments in the article (*cf.* paragraph 10 above), for which they had pressed and to which the British negotiators were ready to agree, viz., the addition of the words "and settling the Sudan question" after "the Conventions of 1899," and the omission of the word "Accordingly" at the beginning of the second sentence, which would run "The Governor-General shall, as one of the consequences of the 1899 Conventions, continue . . . " The Egyptian delegation undertook to communicate their decision later in the day at 11 A.M.

14. When the Egyptian delegation returned, they said that they could not continue the negotiations unless His Majesty's Government modified their position. They were informed that the British negotiators could not modify the proposals which they had made overnight. This communication led to the termination of the negotiations. A formal meeting followed at which speeches were made by the heads of the two delegations expressing regret that the efforts which had been made by both sides to reach agreement during the last few weeks had failed. The Secretary of State for Foreign Affairs made it clear to the Egyptian delegation that, if they found after their return to Egypt, and after discussion with their friends there, that there was any hope of the draft treaty becoming an accepted instrument, it was still available, and he and his colleagues were prepared to try to reach agreement with regard to the few remaining passages in the note annexed to the treaty in order to make signature possible.

No. 5. Draft Treaty as Agreed, Apart from Article 11, during the Night of May 7/8, 1930, Subject to Agreement on the Notes to Be Annexed to the Treaty

His Majesty the King of Great Britain, Ireland and the British Dominions beyond the Seas, Emperor of India, and His Majesty the King of Egypt,

Being anxious to consolidate the friendship and the relations of good understanding between them and to co-operate in the execution of their international obligations in preserving the peace of the world,

And considering that these objects will best be achieved by the conclusion of a Treaty of friendship and alliance, which in their common interest will provide for effective co-operation in preserving peace and ensuring the defence of their respective territories, and shall govern their mutual relations in the future,

Have agreed to conclude a Treaty for this purpose, and have appointed as their plenipotentiaries:—

His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India:
for Great Britain and Northern Ireland:

His Majesty the King of Egypt:

who, having communicated their full powers, found in good and due form, have agreed as follows:—

Article 1.—The military occupation of Egypt by the forces of His Britannic Majesty is terminated.

Article 2.—As Egypt intends to apply for membership of the League of Nations, His Britannic Majesty recognises her right as a sovereign independent State to become a member of the League on complying with the provisions of the Covenant of the League.

Article 3.—His Britannic Majesty recognises that the responsibility for the lives and property of foreigners in Egypt devolves exclusively upon the Egyptian Government, who will ensure the fulfilment of their obligations in this respect.

Article 4.—His Britannic Majesty recognises that the capitulatory régime now existing in Egypt is no longer in accordance with the spirit of the times and with the present state of Egypt.

His Britannic Majesty accordingly undertakes to use all his influence with the Powers possessing capitulatory rights in Egypt to obtain, in conditions which will safeguard the legitimate interests of foreigners, the transfer to the Mixed Tribunals of the jurisdiction of the existing Consular Courts, and the application of Egyptian legislation to foreigners.

Article 5.—An alliance is established between the High Contracting Parties with a view to consolidating their friendship, their cordial understanding and their good relations.

Article 6.—Each of the High Contracting Parties undertakes not to adopt in foreign countries an attitude which is inconsistent with the alliance, or to conclude political treaties inconsistent with the provisions of the present Treaty.

Article 7.—Should any dispute with a third State produce a situation which involves a risk of a rupture with that State, the High Contracting Parties will consult each other with a view to the settlement of the said dispute by peaceful means, in accordance with the provisions of the Covenant of the League of Nations and of any other international obligations which may be applicable to the case.

Article 8.—Should, notwithstanding the provisions of article 7 above, either of the High Contracting Parties become engaged in war, the other High Contracting Party will, subject always to the provisions of article 12 below, immediately come to his aid in the capacity of an ally. The aid of His Majesty the King of Egypt, in the event of war, or imminent menace of war, will consist in furnishing to His Britannic Majesty, on Egyptian territory, in accordance with the Egyptian system of administration and legislation, all the facilities and assistance in his power, including the use of his ports, aerodromes and means of communication. It will accordingly be for the Egyptian Government to take all the administrative and legislative measures necessary to render these facilities and assistance effective.

Article 9.—In view of the fact that the Suez Canal, while being an integral part of Egypt, is a universal means of communication as also an essential means of communication between the different parts of the British Empire, His Majesty the King of Egypt, until such time as the High Contracting Parties agree that the Egyptian army is in a position to ensure by its own resources the liberty and entire security of navigation of the Canal, authorises His Britannic Majesty to station near Ismailia, in the zone specified in the annexed note, such forces as do not exceed the number therein agreed upon, with a view to ensuring in co-operation with the Egyptian forces the defence of the Canal; for the same purpose the Royal Air Force depot will be transferred from Abukir to Port Fuad. The presence of these forces shall not constitute in any manner an occupation and will in no way prejudice the sovereign rights of Egypt.

It is understood that at the end of the period of twenty years specified in article 14 the question whether the presence of British forces is no longer necessary owing to the fact that the Egyptian army is in a position to ensure by its own resources the liberty and entire security of navigation on the Canal may, if there has

been any difference between the High Contracting Parties, be submitted for settlement to the League of Nations.

Article 10.—His Britannic Majesty will be represented at the Court of His Majesty the King of Egypt and His Majesty the King of Egypt at the Court of St. James's by Ambassadors duly accredited.

Article 11.—[Sudan Article.]

Article 12.—Nothing in the present Treaty is intended to or shall in any way prejudice the rights and obligations which devolve, or may devolve, upon either of the High Contracting Parties under the Covenent of the League of Nations or the Treaty for the Renunciation of War signed at Paris on the 27th August, 1928.

Article 13.—The High Contracting Parties agree that any difference on the subject of the application or the interpretation of the provisions of the present Treaty which they are unable to settle by direct negotiations shall be dealt with in accordance with the provisions of the Covenant of the League of Nations.

Article 14.—At any time after the expiration of a period of twenty years from the coming into force of the Treaty, the High Contracting Parties will, at the request of either of them, enter into negotiations with a view to such revision by agreement between them of its terms as may be appropriate in the circumstances as they then exist. In case of disagreement the difference will be submitted to the League of Nations.

Nevertheless, at any time after the expiration of a period of ten years from the coming into force of the Treaty, negotiations may be entered into with the consent of both the High Contracting Parties with a view to such revision as aforesaid.

Article 15.—The present Treaty abrogates any existing agreements or other instruments whose continued existence is inconsistent with its provisions. Should either High Contracting Party so request, a list of the agreements and instruments thus abrogated shall be drawn up in agreement between them within six months of the coming into force of the present Treaty.

Article 16.—The present Treaty is subject to ratification. Ratifications shall be exchanged in Cairo as soon as possible. The Treaty shall come into force on the date of the exchange of ratifications and shall be duly registered with the League of Nations.

In faith whereof, &c.,

No. 6. Agreed Text of the Proposed Exchange of Notes in Regard to the Reform of the Capitulations

British Note

Your Excellency,

With regard to the second paragraph of article 4 of the Treaty signed to-day His Majesty's Government in the United Kingdom recognise that the conditions in which the Capitulations are at present applied as regards the power of the Egyptian Government to legislate for or to impose taxation on foreigners are no longer consistent with modern conditions.

They are prepared to agree that in future any assent which is necessary before Egyptian legislation, including fiscal legislation, is applied to foreigners shall be given by the General Assembly of the Mixed Tribunals, except in the case of legislation relating to the constitution or jurisdiction of the Mixed Tribunals themselves, which should not come into force until it has been approved by the Powers. The competence of the General Assembly of the Mixed Tribunals should consist in satisfying itself that the legislation in question is not inconsistent with the principles generally adopted in modern legislation, which is applicable to foreigners, and, with particular relation to legislation of a fiscal character, that it does not inequitably discriminate against foreigners, including foreign companies.

The transfer to the Mixed Tribunals of the jurisdiction now exercised by the Consular Courts, which will, of course, be subject to the provisions of paragraph 8[1] of the Egyptian note of to-day's date, will necessitate the revision of the existing laws relating to the organisation and jurisdiction of the Mixed Tribunals, including the preparation and promulgation of a new Code of Criminal Procedure. For these purposes His Majesty's Government in the United Kingdom would be prepared to accept as a basis the principles which resulted from the discussions which took place on this subject in 1920.

It may be difficult for some Powers to agree to the transfer to the Mixed Tribunals of all suits relating to the "statut personnel" of their nationals. Transfer in the case of these questions would be facultative. Jurisdiction in such matters should remain with

[1] This refers to the paragraph corresponding to paragraph (7) of the note in Paper 3 on p. 24. [Not printed with this excerpt—Author.]

the consular authorities unless an agreement is made between the Egyptian Government and the foreign Government concerned for its transfer to the Mixed Tribunals.

There are certain matters as to which it will be necessary for agreement to be reached between the Egyptian Government and His Majesty's Government in the United Kingdom, but it is unnecessary to do more at the moment than mention these subjects.

The first is the definition of the word "foreigner" for the purposes of the proposed extension of jurisdiction of the Mixed Tribunals.

The second is the increase in the personnel of the Mixed Tribunals and Mixed Parquet which will be necessitated by the proposed extension of their jurisdiction.

The third is the procedure in the case of pardons or remissions of sentences imposed on foreigners, and also in connexion with the execution of capital sentences imposed on foreigners.

Egyptian Note

Sir,

I HAVE the honour to acknowledge the receipt of your note of to-day's date in which you informed me of the general lines upon which His Majesty's Government in the United Kingdom would be prepared to support the efforts of the Egyptian Government to conclude arrangements with the Powers for the reform of the capitulatory régime.

I am happy to state that the Egyptian Government are in general agreement with His Majesty's Government in the United Kingdom as to the lines on which the reform of the capitulatory system should proceed.

I wish, however, to make it clear that the willingness of the Egyptian Government to conclude arrangements on these lines for the reform of the Capitulatory régime is entirely without prejudice to their desire to secure the eventual abolition of that régime.

As regards the revision of the existing laws relating to the organisation and jurisdiction of the Mixed Tribunals and the preparation of a new Code of Criminal Procedure the Egyptian Government recognise that they shall not diverge from the principles generally adopted by modern legislation which is applicable to foreigners.

No. 7. Agreement between Her Britannic Majesty's Government and the Government of His Highness the Khedive of Egypt Relative to the Future Administration of the Sudan. Cairo, January 19, 1899

Whereas certain provinces in the Sudan which were in rebellion against the authority of His Highness the Khedive have now been reconquered by the joint military and financial efforts of Her Britannic Majesty's Government and the Government of His Highness the Khedive;

And whereas it has become necessary to decide upon a system for the administration of, and for the making of, laws for the said reconquered provinces, under which due allowance may be made for the backward and unsettled condition of large portions thereof, and the varying requirements of different localities;

And whereas it is desired to give effect to the claims which have accrued to Her Britannic Majesty's Government, by right of conquest, to share in the present settlement and future working and development of the said system of administration and legislation;

And whereas it is conceived that for many purposes Wadi Halfa and Suakin may be most effectively administered in conjunction with the reconquered provinces to which they are respectively adjacent:

Now, it is hereby agreed and declared by and between the Undersigned, duly authorised for that purpose, as follows:

Article 1.—The word "Sudan" in this Agreement means all the territories south of the 22nd parallel of latitude, which

1. Have never been evacuated by Egyptian troops since the year 1882; or

2. Which, having before the late rebellion in the Sudan been administered by the Government of His Highness the Khedive, were temporarily lost to Egypt, and have been reconquered by Her Britannic Majesty's Government and the Egyptian Government, acting in concert; or

3. Which may hereafter be reconquered by the two Governments acting in concert.

Article 2.—The British and Egyptian flags shall be used together, both on land and water, throughout the Sudan, except in the town of Suakin, in which locality the Egyptian flag alone shall be used.

Article 3.—The supreme military and civil command in the Sudan shall be vested in one officer, termed the "Governor-General of the Sudan." He shall be appointed by Khedivial Decree on the recommendation of Her Britannic Majesty's Government, and shall be removed only by Khedivial Decree, with the consent of Her Britannic Majesty's Government.

Article 4.—Laws, as also orders and regulations, with the full force of law, for the good government of the Sudan, and for regulating the holding, disposal, and devolution of property of every kind therein situate, may from time to time be made, altered, or abrogated by Proclamation of the Governor-General. Such laws, orders, and regulations may apply to the whole or any named part of the Sudan, and may, either explicitly or by necessary implication, alter or abrogate any existing law or regulation.

All such Proclamations shall be forthwith notified to Her Britannic Majesty's Agent and Consul-General in Cairo, and to the President of the Council of Ministers of His Highness the Khedive.

Article 5.—No Egyptian Law, Decree, Ministerial Arrêté, or other enactment hereafter to be made or promulgated, shall apply to the Sudan or any part thereof, save in so far as the same shall be applied by Proclamation of the Governor-General in manner hereinbefore provided.

Article 6.—In the definition by Proclamation of the conditions under which Europeans, of whatever nationality, shall be at liberty to trade with or reside in the Sudan, or to hold property within its limits, no special privileges shall be accorded to the subjects of any one or more Power.

Article 7.—Import duties on entering the Sudan shall not be payable on goods coming from Egyptian territory. Such duties may, however, be levied on goods coming from elsewhere than Egyptian territory; but in the case of goods entering the Sudan at Suakin, or any other port on the Red Sea littoral, they shall not exceed the corresponding duties for the time being leviable on goods entering Egypt from abroad. Duties may be levied on goods leaving the Sudan, at such rates as may from time to time be prescribed by Proclamation.

Article 8.—The jurisdiction of the Mixed Tribunals shall not extend, nor be recognised for any purpose whatsoever, in any part of the Sudan, except in the town of Suakin.

Article 9.—Until, and save so far as it shall be otherwise determined by Proclamation, the Sudan, with the exception of the town of Suakin, shall be and remain under martial law.

Article 10.—No consuls, vice-consuls, or consular agents shall be accredited in respect of, nor allowed to reside in the Sudan, without the previous consent of Her Britannic Majesty's Government.

Article 11.—The importation of slaves into the Sudan, as also their exportation, is absolutely prohibited. Provision shall be made by Proclamation for the enforcement of this regulation.

Article 12.—It is agreed between the two Governments that special attention shall be paid to the enforcement of the Brussels Act of the 2nd July, 1890, in respect of the import, sale, and manufacture of fire-arms and their munitions, and distilled or spirituous liquors.

Done in Cairo, the 19th January, 1899.

(Signed) CROMER.
BOUTROS GHALL.

No. 8. AGREEMENT BETWEEN HER BRITANNIC MAJESTY'S GOVERNMENT AND THE GOVERNMENT OF HIS HIGHNESS THE KHEDIVE OF EGYPT RELATIVE TO THE INCLUSION OF SUAKIN IN THE AGREEMENT OF JANUARY 19, 1899. CAIRO, JULY 10, 1899

WHEREAS, under our Agreement made the 19th day of January, 1899,[1] relative to the future administration of the Sudan, it is provided by Article 8 that the jurisdiction of the Mixed Tribunals shall not extend nor be recognised for any purpose whatsoever in any part of the Sudan except in the town of Suakin:

And whereas no Mixed Tribunal has ever been established at Suakin and it has been found to be inexpedient to establish any such Tribunal in that locality, by reason notably of the expense which the adoption of this measure would occasion;

And whereas grievous injustice is caused to the inhabitants of Suakin by the absence of any local jurisdiction for the settlement of their disputes, and it is expedient that the town of Suakin should be placed upon the same footing as the rest of the Sudan;

And whereas we have decided to modify our said Agreement accordingly in manner hereinafter appearing:

[1] See No. 7.

Now, it is hereby agreed and declared by and between the Undersigned duly authorised for that purpose, as follows:—

Article I. Those provisions of our Agreement of the 19th day of January, 1899, by which the town of Suakin was excepted from the general régime established by the said Agreement for the future administration of the Sudan, are hereby abrogated.

Done at Cairo, the 10th July, 1899.

(Signed) CROMER.
BOUTROS GHALI.

C. MEMORANDUM ON THE SIGNATURE BY HIS MAJESTY'S GOVERNMENT IN THE UNITED KINGDOM OF THE OPTIONAL CLAUSE OF THE STATUTE OF THE PERMANENT COURT OF INTERNATIONAL JUSTICE[1]

THE EFFECT OF SIGNATURE OF THE OPTIONAL CLAUSE

1. ARTICLE 13 of the Covenant of the League of Nations provides as follows:

"The Members of the League agree that whenever any dispute shall arise between them which they recognise to be suitable for submission to arbitration or judicial settlement, and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject-matter to arbitration or judicial settlement.

"Disputes as to the interpretation of a treaty, as to any question of international law, as to the existence of any fact which, if established, would constitute a breach of any international obligation, or as to the extent and nature of the reparation to be made for any such breach, are declared to be among those which are generally suitable for submission to arbitration or judicial settlement.

"For the consideration of any such dispute, the court to which the case is referred shall be the Permanent Court of International Justice, established in accordance with Article 14, or any tribunal agreed on by the parties to the dispute or stipulated in any convention existing between them.

"The Members of the League agree that they will carry out in full good faith any award or decision that may be rendered, and that they will not resort to war against a Member of the

[1] From *Cmd.* 3452 (1929), pp. 2–7.

League which complies therewith. In the event of any failure to carry out such an award or decision, the Council shall propose what steps should be taken to give effect thereto."

2. This article provides a description of classes of international disputes which are to be regarded as justiciable, that is to say, suitable for decision by a court applying rules of law. But it does not impose upon the Members of the League any actual obligation to have such disputes settled in this manner; the words "*they recognise to be suitable* for submission to arbitration or judicial settlement," and "those which are *generally* suitable for submission to arbitration or judicial settlement," leave it open to any Member of the League to refuse to have any particular dispute settled in this way.

3. The original draft of the Statute of the Permanent Court of International Justice contained a provision giving the Court compulsory jurisdiction in the classes of cases set out in Article 13 of the Covenant. In the Statute as adopted by the First Assembly this was replaced by a provision which appears in Article 36 of the Statute. It is as follows:

"The Members of the League of Nations and the States mentioned in the Annex to the Covenant may, either when signing or ratifying the protocol to which the present Statute is adjoined, or at a later moment, declare that they recognize as compulsory *ipso facto* and without special agreement, in relation to any other Member or State accepting the same obligation, the jurisdiction of the Court in all or any of the classes of legal disputes concerning

(*a*) the interpretation of a treaty;

(*b*) any question of international law;

(*c*) the existence of any fact which, if established, would constitute a breach of an international obligation;

(*d*) the nature or extent of the reparation to be made for the breach of an international obligation.

"The declaration referred to above may be made unconditionally or on condition of reciprocity on the part of several or certain Members or States, or for a certain time."

4. It is the making of the declaration referred to in the above provision which is generally known as "signing the Optional Clause." States which have signed the clause have done so in varying terms, but the model form which is annexed to copies of the Statute of the Court is as follows:

"The undersigned, being duly authorised thereto, further declare on behalf of their Government, that, from this date, they accept as compulsory *ipso facto* and without special convention, the jurisdiction of the Court in conformity with Article 36, paragraph 2, of the Statute of the Court, under the following conditions:"

5. The terms of Article 36 have been regarded as admitting the making of a reserve or exception of any kind when accepting the compulsory jurisdiction of the Court, because the jurisdiction of the Court may be accepted "*in all or any*" of the classes of legal disputes enumerated. Up to July in the present year, the Optional Clause had been signed and ratified by the following States: Abyssinia, Austria, Belgium, Brazil, Bulgaria, Denmark, Estonia, Finland, Germany, Haiti, Hungary, Netherlands, Norway, Panamá, Portugal, Spain, Sweden, Switzerland and Uruguay.

Reasons Why Signature of the Optional Clause Is Desirable

6. Article 2 of the Treaty for the Renunciation of War as an Instrument of National Policy, now generally known as the Pact of Peace, provides that:

"The High Contracting Parties agree that the settlement or solution of all disputes or conflicts of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means."

The treaty, however, does not provide any machinery for the pacific settlement of disputes. As regards disputes of a justiciable character, therefore, His Majesty's Government in the United Kingdom consider signature of the Optional Clause as the logical consequence of the acceptance of the Pact of Peace. Acceptance of the Optional Clause means that disputes falling within its terms will receive from the Permanent Court of International Justice a definite solution, which the parties to the dispute are bound under Article 13 of the Covenant to "carry out in full good faith." If the Pact of Peace is to be made fully effective, it seems necessary that the legal renunciation of war should be accompanied by definite acts providing machinery for the peaceful settlement of disputes. His Majesty's Government in the United Kingdom believe that the first step in thus building up

barriers against war is to secure the general acceptance of a system under which justiciable disputes will be settled by the operation of law. His Majesty's Government were, therefore, most anxious to sign the Optional Clause at the earliest possible moment. By so doing they hoped both to give to the world a proof of their confidence in the Pact of Peace and an earnest of their own desire to secure the peaceful settlement of justiciable disputes in which they might become involved, and also to do what lay in their power to stimulate other nations to do the same. The extent to which the latter object has already been fulfilled is shown by the fact that the Optional Clause was signed during the last Assembly by Czechoslovakia, France, Italy, Latvia, Nicaragua, Peru and Siam, in addition to all the Dominions which are separate Members of the League and India. There are, indeed, at the present moment, only thirteen Members of the League which have not signed the Optional Clause, and it is understood that some of the thirteen now have the matter under consideration.

The Declaration of Signature Made by His Majesty's Government in the United Kingdom

7. After discussion with the Governments of the Dominions before and during the Assembly, the Optional Clause was signed by the Secretary of State of Foreign Affairs on the 19th September in the following terms:—

8. "On behalf of His Majesty's Government in the United Kingdom and subject to ratification, I accept as compulsory *ipso facto* and without special convention, on condition of reciprocity, the jurisdiction of the court in conformity with article 36, paragraph 2, of the statute of the court, for a period of ten years and thereafter until such time as notice may be given to terminate the acceptance, over all disputes arising after the ratification of the present declaration with regard to situations or facts subsequent to the said ratification, other than:

"Disputes in regard to which the parties to the dispute have agreed or shall agree to have recourse to some other method of peaceful settlement; and

"Disputes with the Government of any other member of the League which is a member of the British Commonwealth of

Nations, all of which disputes shall be settled in such manner as the parties have agreed or shall agree; and

"Disputes with regard to questions which by international law fall exclusively within the jurisdiction of the United Kingdom.

"And subject to the condition that His Majesty's Government reserve the right to require that proceedings in the court shall be suspended in respect of any dispute which has been submitted to and is under consideration by the Council of the League of Nations, provided that notice to suspend is given after the dispute has been submitted to the Council and is given within ten days of the notification of the initiation of the proceedings in the court, and provided also that such suspension shall be limited to a period of twelve months or such longer period as may be agreed by the parties to the dispute or determined by a decision of all the members of the Council other than the parties to the dispute."

9. The Optional Clause was also signed by the Dominions and by India. All these, with the exception of the Irish Free State, made Declarations identical in terms with that set out in the preceding paragraph above. The Declaration made by the Irish Free State was as follows:

"On behalf of the Irish Free State I declare that I accept as compulsory *ipso facto* and without special convention the jurisdiction of the Court in conformity with Article 36 of the Statute of the Permanent Court of International Justice for a period of twenty years and on the sole condition of reciprocity. This declaration is subject to ratification."

The Effect of the Exclusions Contained in the Declaration of Signature

10. At the time of signature the Secretary of State made the following statement explaining the formula of acceptance adopted by His Majesty's Government in the United Kingdom:—

11. "The 'optional clause,' which His Majesty's Government in the United Kingdom are now accepting, gives the Permanent Court of International Justice at The Hague jurisdiction over juridical disputes with other parties accepting the like obligation without the necessity for framing in respect of each dispute a special agreement for its submission to the court.

"The formula which I have just signed on behalf of the United Kingdom, and copies of which are, I believe, available, follows the usual practice in being subject to reciprocity and in including a time-limit. This is fixed at ten years, but the acceptance continues in force after the expiration of the period, unless notice is given to terminate it. The signature is also subject to ratification. This will enable the question to be raised in Parliament, if so desired, before the acceptance of the compulsory jurisdiction comes into operation.

"The declaration accepting the jurisdiction covers only disputes which may arise in future. Past disputes relating to past events will continue to be submitted to the court under a special agreement concluded in each case.

"Three classes of disputes are excluded from the operation of the declaration of acceptance. These are disputes for the submission of which to some other method of peaceful settlement provision is made by existing or future agreements, disputes with other members of the British Commonwealth of Nations, and disputes about matters which fall within what is called the domestic jurisdiction of a State. Commercial treaties and conventions dealing with special subjects, such as reparations, or with technical matters, such as copyright, very often contain provisions setting up special tribunals to deal with disputes which may arise as to the meaning or application of their terms. When that is the case, the dispute will be dealt with as provided in the agreement and will not be submitted to the court at The Hague. This is the effect of the exclusion of the first class of disputes.

"Disputes with other members of the British Commonwealth of Nations are excluded because the members of the Commonwealth, though international units individually in the fullest sense of the term, are united by their common allegiance to the Crown. Disputes between them should, therefore, be dealt with by some other mode of settlement, and for this provision is made in the exclusion clause.

"On certain matters international law recognises that the authority of the State is supreme. When once it is determined that the subject-matter of the dispute falls within the category of cases where this is so, there is no scope for the exercise of the jurisdiction of an international tribunal.

"At the end of the formula comes a proviso which enables disputes to be referred to the Council of the League before they are dealt with by the court. This is to cover disputes which are really political in character though juridical in appearance. Disputes of this kind can be dealt with more satisfactorily by the Council, so that the conciliatory powers of that body may be exercised with a view to arriving at a friendly settlement of the dispute. This formula places the United Kingdom in much the same position as a State which has agreed to a treaty of arbitration and conciliation providing for the reference of all disputes to a conciliation commission before they are submitted to judicial settlement. The formula is wide in character because the extent to which it operates depends on the Council itself. It would cease to operate from the moment when the Council decided that it was better that the question should be submitted to the court, and therefore declined to keep the dispute under consideration. Within these limits, however, the proviso would apply to any justiciable dispute, whatever its origin. It would extend, for instance, to disputes arising out of cases where it had been necessary for the United Kingdom to take action at the instance of the Council in pursuance of its obligations as a member of the League."

D1. UNITED STATES NO. 1 (1928) *Cmd.* 3109:

CORRESPONDENCE WITH THE AMBASSADOR OF THE UNITED STATES RESPECTING THE PROPOSAL OF A PACT FOR THE RENUNCIATION OF WAR[1]

Sir Austen Chamberlain to Mr. Houghton:

[After acknowledging receipt of Mr. Houghton's note, declaring his government is interested, and comparing the French draft to the United States draft, he proceeds]:

"The aim of the United States Government, as I understand it, is to embody in a treaty a broad statement of principle, to proclaim without restriction or qualification that war shall not be used as an instrument of policy . . . The French proposals . . . have merely added an indication of certain exceptional circumstances in which the violation of that principle by one party may oblige the others to take action seeming at first sight to be

[1] Pp. 23–26 (No. 2). Excerpts only.

inconsistent with the terms of the proposed fact. His Majesty's Government appreciate the scruples which have prompted these suggestions by the French Government.

"After studying the wording of article 1 of the United States draft, His Majesty's Government do not think that its terms exclude action which a State may be forced to take in self-defence.

"As regards the text of article 2, no appreciable difference is found between the American and the French proposals. His Majesty's Government are, therefore, content to accept the former if, as they understand to be the case, a dispute 'among the high contracting parties' is a phrase wide enough to cover a dispute between any two of them.

"The French note suggests the addition of an article providing that violation of the treaty by one of the parties should release the remainder from their obligations under the treaty towards that party.

" . . . If it is agreed that this is the principle which will apply in the case of this particular treaty, His Majesty's Government are satisfied and will not ask for the insertion of any amendment.

"The point is one of importance because of its bearing on the treaty engagements by which His Majesty's Government are already bound mentioning [the League of Nations and Locarno]. The sole object of all these engagements is the elimination of war as an instrument of national policy, just as it is the purpose of the peace pact now proposed. It is because the object of both is the same that there is no real antagonism between (said) treaty engagements . . . and the fact which is now proposed."

" . . . the obligations of the new engagement will cease to operate in respect of a party which breaks its pledges and adopts hostile measures against one of its co-contractants.

"The language of article 1 . . . renders it desirable that I should remind your Excellency that there are certain regions of the world the welfare and integrity of which constitute a special and vital interest for our peace and safety. His Majesty's Government have been at pains to make it clear in the past that interference with these regions cannot be suffered. Their protection against attack is to the British Empire a measure of self-defense. It must be clearly understood that His Majesty's Government in Great Britain accept the new treaty upon the distinct understanding that it does not prejudice their freedom of action in

this respect. The Government of the United States have comparable interests any disregard of which by a foreign Power they have declared that they would regard as an unfriendly act. His Majesty's Government believe, therefore, that in defining their position they are expressing the intention and meaning of the U. S. Government.

"Your Excellency will observe that the detailed arguments in the foregoing paragraphs are expressed on behalf of His Majesty's Government in Great Britain. It will, however, be appreciated that the proposed treaty, from its very nature, is not one which concerns His Majesty's Government in Great Britain alone, but is one in which they could not undertake to participate otherwise than jointly and simultaneously with His Majesty's Governments in the Dominions and the Government of India. They, have, therefore, been in communication with those Governments, and I am happy to be able to inform your Excellency that as a result of the communications which have passed it has been ascertained that they are all in cordial agreement with the general principle of the proposed treaty. I feel confident, therefore, that on receipt of an invitation to participate in the conclusion of such a treaty, they, no less than His Majesty's Government in Great Britain, will be prepared to accept the invitation."

AUSTEN CHAMBERLAIN.

D2. UNITED STATES NO. 2 (1928) *Cmd.* 3153:

FURTHER CORRESPONDENCE WITH THE GOVERNMENT OF THE UNITED STATES RESPECTING THE UNITED STATES PROPOSAL FOR THE RENUNCIATION OF WAR[1]

ENCLOSURE IN No. 1 (FROM THE UNITED STATES)

DRAFT OF PROPOSED TREATY

The President of the United States of America;
The President of the French Republic;
His Majesty the King of the Belgians;
The President of the Czechoslovak Republic;
His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India;
The President of the German Reich;

[1] [In continuation of *Cmd.* 3109.] Excerpts only.

His Majesty the King of Italy;

His Majesty the Emperor of Japan;

The President of the Republic of Poland;

Deeply sensible of their solemn duty to promote the welfare of mankind;

Persuaded that the time has come when a frank renunciation of war as an instrument of national policy should be made, to the end that the peaceful and friendly relations now existing between their peoples may be perpetuated;

Convinced that all changes in their relations with one another should be sought only by pacific means and be the result of a peaceful and orderly process, and that any signatory Power which shall hereafter seek to promote its national interests by resort to war should be denied the benefits furnished by this treaty;

Hopeful that, encouraged by their example, all the other nations of the world will join in this humane endeavour and, by adhering to the present treaty as soon as it comes into force, bring their peoples within the scope of its beneficent provisions, thus uniting the civilised nations of the world in a common renunciation of war as an instrument of their national policy;

Have decided to conclude a treaty and for that purpose have appointed as their respective plenipotentiaries:

The President of the United States of America:

The President of the French Republic:

His Majesty the King of the Belgians:

The President of the Czechoslovak Republic:

His Majesty the King of Great Britain, Ireland, and the British Dominions beyond the Seas, Emperor of India:

For Great Britain and Northern Ireland and all parts of the British Empire, which are not separate members of the League of Nations:

For the Dominion of Canada:

For the Commonwealth of Australia:

For the Dominion of New Zealand:

For the Union of South Africa;

For the Irish Free State:

For India:

The President of the German Reich:

His Majesty the King of Italy:

His Majesty the Emperor of Japan:

The President of the Republic of Poland:

Who, having communicated to one another their full powers, found in good and due form, have agreed upon the following articles:

Article 1.—The high contracting parties solemnly declare, in the names of their respective peoples, that they condemn recourse to war for the solution of international controversies, and renounce it as an instrument of national policy in their relations with one another.

Article 2.—The high contracting parties agree that the settlement or solution of all disputes or conflicts, of whatever nature or of whatever origin they may be, which may arise among them, shall never be sought except by pacific means.

Article 3.—The present treaty shall be ratified by the high contracting parties named in the preamble in accordance with their respective constitutional requirements, and shall take effect as between them as soon as all their several instruments of ratification shall have been deposited at .

This treaty shall, when it has come into effect as prescribed in the preceding paragraph, remain open as long as may be necessary for adherence by all the other Powers of the world. Every instrument evidencing the adherence of a Power shall be deposited at , and the treaty shall, immediately upon such deposit, become effective as between the Power thus adhering and the other Powers parties hereto.

It shall be the duty of the Government of to furnish each Government named in the preamble, and every Government subsequently adhering to this treaty, with a certified copy of the treaty and of every instrument of ratification or adherence. It shall also be the duty of the Government of telegraphically to notify such Governments immediately upon the deposit with it of each instrument of ratification or adherence.

In faith whereof the respective plenipotentiaries have signed this treaty in the French and English languages, both texts having equal force, and hereunto affixed their seals.

Done at the day of in the year of Our Lord one thousand nine hundred and twenty

No. 2

SIR AUSTEN CHAMBERLAIN TO MR. ATHERTON

Sir, *Foreign Office, July* 18, 1928.

I AM happy to be able to inform you that after carefully studying the note which you left with me on the 23rd June, transmitting the revised text of the draft of the proposed treaty for the renunciation of war, His Majesty's Government in Great Britain accept the proposed treaty in the form transmitted by you and will be glad to sign it at such time and place as may be indicated for the purpose by the Government of the United States.

My Government have read with interest the explanations contained in your note as to the meaning of the draft treaty, and also the comments which it contains upon the considerations advanced by other Powers in the previous diplomatic correspondence.

You will remember that in my previous communication of the 19th May I explained how important it was to my Government that the principle should be recognised that if one of the parties to this proposed treaty resorted to war in violation of its terms, the other parties should be released automatically from their obligations towards that party under the treaty. I also pointed out that respect for the obligations arising out of the Covenant of the League of Nations and of the Locarno treaties was the foundation of the policy of the Government of this country, and that they could not agree to any new treaty which would weaken or undermine these engagements.

The stipulation now inserted in the preamble under which any signatory Power hereafter seeking to promote its national interests by resort to war against another signatory is to be denied the benefits furnished by the treaty is satisfactory to my Government, and is sufficient to meet the first point mentioned in the preceding paragraph.

His Majesty's Government in Great Britain do not consider, after mature reflection, that the fulfilment of the obligations which they have undertaken in the Covenant of the League of Nations and in the Treaty of Locarno is precluded by their acceptance of the proposed treaty. They concur in the view enuciated by the German Government in their note of the 27th April that those obligations do not contain anything which

could conflict with the treaty proposed by the United States Government.

My Government have noted with peculiar satisfaction that all the parties to the Locarno Treaty are now invited to become original signatories of the new treaty, and that it is clearly the wish of the United States Government that all members of the League should become parties either by signature or accession. In order that as many States as possible may participate in the new movement, I trust that a general invitation will be extended to them to do so.

As regards the passage in my note of the 19th May relating to certain regions of which the welfare and integrity constitute a special and vital interest for our peace and safety, I need not repeat that His Majesty's Government in Great Britain accept the new treaty upon the understanding that it does not prejudice their freedom of action in this respect.

I am entirely in accord with the views expressed by Mr. Kellogg in his speech of the 28th April that the proposed treaty does not restrict or impair in any way the right of self-defence, as also with his opinion that each State alone is competent to decide when circumstances necessitate recourse to war for that purpose.

In the light of the foregoing explanations, His Majesty's Government in Great Britain are glad to join with the United States and with all other Governments similarly disposed in signing a definitive treaty for the renunciation of war in the form transmitted in your note of the 23rd June. They rejoice to be associated with the Government of the United States of America and the other parties to the proposed treaty in a further and signal advance in the outlawry of war.

I have, &c.

AUSTEN CHAMBERLAIN

E. FROM THE BRITISH GOVERNMENT'S REPLY TO THE BRIAND MEMORANDUM[1]

[No command paper was issued on this reply. (Excerpts only.)]

1. His Majesty's Government in the United Kingdom has examined with profound interest the proposals for the organiza-

[1] *The New York Times*, July 18, 1931.

tion of a system of European federal union made by the French Government in May. It is of the opinion that the poposals are so important in their scope as to require careful and prolonged consideration. *His Majesty's Government in the United Kingdom would furthermore feel it its duty to undertake that consideration in consultation with all his Majesty's governments in the British Commonwealth . . .* [1]

8. It it has rightly understood the proposals contained in the memorandum, the French Government suggests the creation of a new European conference and executive committee and, perhaps, also of a new European secretariat. These bodies would in no way derive their authority from the Covenant or from Part XIII of the Treaty of Versailles; they would in no way be controlled by the rules and safeguards which these instruments provide; they would be in no way organically connected with the League of Nations; they would only correlate their work with that of the organs of the League in so far as they decided by specific and spontaneous decisions to do so in any given case that might arise. Since the organs of the League have already begun to work on virtually the whole of the program of practical action which the memorandum puts forward, it is difficult to see how these new European institutions could operate without creating confusion and, perhaps, also a rivalry which, however little it might be intended or desired by the European governments, could hardly fail to diminish both the efficiency and the authority of the League.

9. Apart from this very difficult problem of co-ordination, his Majesty's Government in the United Kingdom thinks it possible that an exclusive, independent European union of the kind proposed might emphasize or create tendencies to intercontinental rivalries and hostilities which it is important in the general interest to diminish or avoid. It is in its view essential that measures taken for closer European co-operation should not cause anxiety or resentment in any other continent. Unless this object is kept continually in view, his Majesty's Government in the United Kingdom is satisfied that even the wider interests, both of Europe and the world, may be seriously endangered. *It will be plain to the French Government that in this connection there are special considerations of which his Majesty's Government in*

[1] Italics not in the original text.

the United Kingdom, as a member of the British Commonwealth of Nations, must take account.[1]

10. Moreover, his Majesty's Government in the United Kingdom is inclined to believe that the purpose which the French Government has in view can effectively be secured by so adapting the proposals put forward in the memorandum as to bring them fully within the framework of the League of Nations. It is impressed that the Warsaw Health Conference of 1922 and the reconstruction of Hungary and Austria—to name only two of the examples that might be taken—were matters of European interest and concern and yet were effectively dealt with by the existing machinery of the League. His Majesty's Government is therefore convinced it would be possible, perhaps by establishing European committees of the Assembly, of the Council and of the technical organs of the League, or perhaps in other ways, to create whatever machinery is required for promoting closer European cooperation without incurring the risks and difficulties which a system of new and independent institutions might involve.

11. His Majesty's Government in the United Kingdom believes, however, these are questions which can only be adequately dealt with in open discussion among the governments concerned after each government has had time to examine fully and in all their aspects the proposals which have been made. Since, for the reasons above suggested, these proposals affect intimately not only the governments of Europe but the governments of all the members of the League, his Majesty's Government in the United Kingdom hopes the French Government may think it desirable that its memorandum should be placed on the agenda of the next Assembly.

12. His Majesty's Government in the United Kingdom earnestly hopes these tentative comments and suggestions may meet with the approval of the French Government and that by some such procedure as that above suggested practical results of real value may be secured.

[1] Italics not in the original text.

Appendix VII

PROPOSED STATUTE OF WESTMINSTER: RESOLUTION FOR AN ADDRESS TO HIS MAJESTY FROM THE CANADIAN PARLIAMENT REQUESTING THE ENACTMENT OF AN IMPERIAL STATUTE[1]

Whereas the Delegates of His Majesty's Governments in the United Kingdom, the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State and Newfoundland, at Imperial Conferences held at Westminster in the years of Our Lord One Thousand Nine Hundred and Twenty-six and One Thousand Nine Hundred and Thirty, did make certain declarations and resolutions, which are set forth in the Reports of the said Conferences;

And Whereas, pursuant to certain recommendations set forth in the Report of the Imperial Conference, held at Westminster in the year of Our Lord One Thousand Nine Hundred and Twenty-six, as modified by Agreement made between His Majesty's Governments, a Conference on the Operation of Dominion Legislation and Merchant Shipping Legislation was held at Westminster, in the year of Our Lord One Thousand Nine Hundred and Twenty-nine, and certain declarations, resolutions and recommendations were made, as set forth in the Report of that Conference;

And Whereas the delegates of His Majesty's Governments at the Imperial Conference, held at Westminster in the year of Our Lord One Thousand Nine Hundred and Thirty, passed certain resolutions, set forth in the Report of that Conference, which read as follows:

"(*i*) The Conference approves the Report of the Conference on the Operation of Dominion Legislation (which is to be regarded as forming part of the Report of the present Conference), subject to the conclusions embodied in this Section."

[1] Moved by the Right Hon. R. B. Bennett, Prime Minister, *Canadian House of Common's Debates*, pp. 3430-3432, June 30, 1931.

(*ii*) The Conference recommends:

"(*a*) That the Statute proposed to be passed by the Parliament at Westminster should contain the provisions set out in the Schedule annexed.

"(*b*) That the 1st December, 1931, should be the date as from which the proposed Statute should become operative.

"(*c*) That with a view to the realization of this arrangement, Resolutions passed by both Houses of the Dominion Parliaments should be forwarded to the United Kingdom, if possible by 1st July, 1931, and, in any case, not later than the 1st August, 1931, with a view to the enactment by the Parliament of the United Kingdom of legislation on the lines set out in the schedule annexed.

"(*d*) That the Statute should contain such further provisions as to its application to any particular Dominion as are requested by that Dominion."

And Whereas the said Report of the Imperial Conference, held at Westminster in the year of Our Lord One Thousand Nine Hundred and Thirty, also sets forth in a schedule certain clauses and recitals to be included in a statute which, it was proposed, should be enacted by the Parliament of the United Kingdom, and which, it was thought, might conveniently be called the Statute of Westminster;

And Whereas consideration has been given by the proper authorities in Canada as to whether and to what extent the principles embodied in the proposed Act of the Parliament of the United Kingdom should be applied to Provincial legislation; and, at a Dominion-Provincial Conference, held at Ottawa on the seventh and eighth days of April, in the year of Our Lord One Thousand Nine Hundred and Thirty-one, a clause was approved by the Delegates of His Majesty's Government in Canada and of the Governments of all of the Provinces of Canada, for insertion in the proposed Act for the purpose of providing that the provisions of the proposed Act relating to the Colonial Laws Validity Act should extend to Laws made by the Provinces of Canada and to the powers of the Legislatures of the Provinces; and also for the purpose of providing that nothing in the proposed Act should be deemed to apply to the repeal, amendment or alteration of the British North America Acts 1867 to 1930, or any order, rule or regulation made thereunder; and also for the

purpose of providing that the powers conferred by the proposed Act on the Parliament of Canada and upon the Legislatures of the Provinces should be restricted to the enactment of Laws in relation to matters within the competence of the Parliament of Canada or of any of the Legislatures of the Provinces respectively.

Be it therefore resolved that a humble Address be presented to His Majesty the King, in the following words:

To the King's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the and Commons of Canada, in Parliament assembled, humbly approach Your Majesty praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom, pursuant to certain declarations and resolutions made by the Delegates of Your Majesty's Governments in the United Kingdom, the Dominion of Canada, the Commonwealth of Australia, the Dominion of New Zealand, the Union of South Africa, the Irish Free State and Newfoundland, at Imperial Conferences held at Westminster in the years of Our Lord One Thousand Nine Hundred and Twenty-six and One Thousand Nine Hundred and Thirty, and pursuant to certain other resolutions made by the Delegates of Your Majesty's Government in Canada and of the Governments of all of the Provinces of Canada at a Dominion-Provincial Conference held at Ottawa on the seventh and eighth days of April in the year of Our Lord One Thousand Nine Hundred and Thirty-one, the said Act to contain the following recitals and clauses, or recitals and clauses of the following effect:

STATUTE OF WESTMINSTER

And whereas it is meet and proper to set out by way of preamble to this Act, that inasmuch as the Crown is the symbol of the free association of the Members of the British Commonwealth of Nations, and as they are united by a common allegiance to the Crown, it would be in accord with the established constitutional position of all the Members of the Commonwealth in relation to one another that any alteration in the law touching the Succession to the Throne or the Royal Style and Titles shall hereafter require the assent as well of the Parliaments of all the Dominions as of the Parliament of the United Kingdom.

And whereas it is in accord with the established constitutional position that no law hereafter made by the Parliament of the United Kingdom shall extend to any of the Dominions as part of the law of that Dominion otherwise than at the request and with the consent of that Dominion.

(1) The Colonial Laws Validity Act, 1865, shall not apply to any law made after the commencement of this Act by the Parliament of a Dominion.

(2) No law and no provision of any law made after the commencement of this Act by the Parliament of a Dominion shall be void or inoperative on the ground that it is repugnant to the law of England, or to the provisions of any existing or future Act of Parliament of the United Kingdom, or to any order, rule or regulation made under any such Act, and the powers of the Parliament of a Dominion shall include the power to repeal or amend any such Act, order, rule or regulation, in so far as the same is part of the law of the Dominion.

It is hereby declared and enacted that the Parliament of a Dominion has full power to make laws having extra-territorial operation.

No Act of Parliament of the United Kingdom passed after the commencement of this Act shall extend or be deemed to extend to a Dominion as part of the law of that Dominion unless it is expressly declared in that Act that that Dominion has requested, and consented to, the enactment thereof.

Without prejudice to the generality of the foregoing provisions of this Act sections seven hundred and thirty-five and seven hundred and thirty-six of the Merchant Shipping Act, 1894, shall be construed as though reference therein to the Legislature of a British possession did not include reference to the Parliament of a Dominion.

Without prejudice to the generality of the foregoing provisions of this Act section four of the Colonial Courts of Admiralty Act, 1890 (which requires certain laws to be reserved for the signification of His Majesty's pleasure or to contain a suspending clause), and so much of section seven of that Act as requires the approval of His Majesty in Council to any rules of Court for regulating the practice and procedure of a Colonial Court of Admiralty, shall cease to have effect in any Dominion as from the commencement of this Act.

(1) Nothing in this Act shall be deemed to apply to the repeal, amendment or alteration of the British North America Acts 1867 to 1930, or any order, rule or regulation made thereunder.

(2) The powers conferred by this Act upon the Parliament of Canada or upon the Legislatures of the Provinces shall be restricted to the enactment of laws in relation to matters within the competence of the Parliament of Canada or of any of the Legislatures of the Provinces respectively.

(3) The provisions of Section of this Act shall extend to laws made by any of the Provinces of Canada and to the powers of the Legislatures of such Provinces.

(A number to be inserted corresponding to the section number of the second clause set forth in the Schedule, Imperial Conference 1930, Summary of Proceedings, page 19.)

Notwithstanding anything in the Interpretation Act, 1889, the expression "Colony" shall not, in any Act of the Parliament of the United Kingdom passed after the commencement of this Act, include a Dominion or any Province or State forming part of a Dominion.

All of which we humbly pray Your Majesty may take into Your favourable and gracious consideration.

Appendix VIII

OFFICIAL PRESS RELEASE BY THE DEPARTMENT OF EXTERNAL AFFAIRS ON THE ACQUISITION OF A NEW SEAL FOR THE IRISH FREE STATE TO REPLACE THE GREAT SEAL OF THE UNITED KINGDOM ON DOCUMENTS SIGNED IN BEHALF OF THE IRISH FREE STATE

The visit of the Minister for External Affairs to His Majesty the King at Buckingham Palace on the 19th of March was concerned with constitutional matters of the highest importance—namely the new procedure to be adopted by the Government of the Irish Free State in tendering advice to the King and the execution of certain documents having an international character.

It will be recalled that the report of the Imperial Conference of 1926 recorded the fact that the Governor-General holds "in all essential respects the same position in relation to the administration of public affairs in the Dominion as is held by His Majesty in Great Britain, and that he is not the representative or agent of His Majesty's Government in Great Britain or of any department of that Government."

In matters of internal administration—for example, the function of assenting to bills of Parliament, etc.—advice is tendered by the Saorstat Government to the Governor-General, who, on that advice, signifies the assent of the King.

In matters relating to external administration—namely, the issue of full power to negotiate and conclude international treaties and the ratification of such treaties—the practice has been to tender advice to the King through the Secretary of State for the Dominions in London. The advice so tendered was solely and exclusively the advice of the Saorstat-Government, but it was tendered through the channel referred to.

The fact that that channel of communication with His Majesty was used in matters of external administration and also the fact that the document issued by the King containing either full power to a plenipotentiary to negotiate and conclude a treaty or

the King's ratification of a treaty, was sealed with the Great Seal of the Realm, a purely British Seal, gave rise to considerable confusion in the minds of foreign Governments and of eminent international lawyers in other countries as to the precise constitutional status of the Irish Free State, and of its responsibility in international law for the transactions concluded.

In order to remove this confusion the Saorstat Government expressed the view that the channel of communication heretofore used between the Governments of the States of the Commonwealth and the King should be discontinued. It was urged by them that advice tendered to the King should be communicated direct to him, and not through the channel of any British Minister.

It was also their view that the seal to be used by the King on a particular document of the kind referred to should be a seal struck, kept and released by the Government of the Irish Free State, on whose advice the document was issued by the King.

The arrangement now made is that the Government of the Irish Free State will advise His Majesty direct, and that the channel of communication heretofore used, namely, the Secretary of State for the Dominions, will no longer be used. In addition, a seal will be struck in the Irish Free State to be used on all documents of the kind referred to issued by the King on the advice of the Government of the Irish Free State and on which the Great Seal of the Realm has been used heretofore.

The new Seal will be the property of the Irish Free State, and will be struck, kept, and controlled in the Irish Free State.

A Signet Seal will also be struck, and will be affixed by the Minister for External Affairs on all documents relating to the Irish Free State issued by His Majesty on the advice of the Government of the Irish Free State other than those on which the Great Seal of the Realm has heretofore been used . . . "

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