CONCLUSIONS of a Meeting of the Cabinet
held in Mr. Chamberlain's Room, House of Commons, S.W., on Monday, 15th August, 1921,
at 5 p.m.

PRESENT:

THE PRIME MINISTER (IN THE CHAIR).


The Right Hon. Sir L. Worthington-Evans, Bart., M.P., Secretary of State for War.

The Rt.Hon. S. Baldwin, M.P., President of the Board of Trade.


The Rt.Hon. B.S. Montagu, M.P., Secretary of State for India.


The Right Hon. T.J. Macnamara, M.P., Minister of Labour.

The Rt.Hon. R. Munro, K.C., M.P., Secretary for Scotland.


THE FOLLOWING WERE ALSO PRESENT:

Sir Edward Grigg, K.C.V.O., C.M.G.

Mr. Thomas Jones, Principal Assistant Secretary.
(1) The Secretary of State for India reported that at the trial of a prominent Indian for alleged fraud on the Munitions Board the Attorney-General for Bengal, after re-examining the charges, had withdrawn them, and had only given one reason, namely, that to pursue them would be a danger to a network of industrial and commercial interests.

The matter had never been before the Viceroy, and the Attorney-General had acted on the instructions of Sir Thomas Holland, a member of the Viceroy's Council and the head of the Munitions Board, who had consulted two other (un-named) members of the Viceroy's Council.

The evidence before the Cabinet indicated the probability that a serious error of judgment had been committed, and the question was referred to a Cabinet Committee composed of --

The Secretary of State for India,
The Lord Chancellor,
The Secretary of State for Foreign Affairs,
The Attorney-General,
The Home Secretary,
The President of the Board of Education,

Mr T. St.Q. Hill (Secretary) --

with full authority to take decisions.
(2) With reference to Cabinet 67 (21), Conclusion A, the Cabinet had before them a draft of the King's Speech as revised by the Cabinet Committee, together with sections prepared by the Secretary of State for Foreign Affairs.

The revised draft was considered and amended (Paper C.P.-3226).

The Cabinet agreed --

That the Prime Minister should submit the Speech in draft as now amended to His Majesty, and should state that the section referring to Ireland was provisional.
With reference to Document 67 (21), Conclusion 5,

the Prime Minister reported to the Cabinet that he had seen Mr Asquith and Mr Clynes in regard to the discussion on the Consolidated Fund Bill to take place on the following day.

Mr Asquith had asked that the Prime Minister should make a statement in regard to the recent meeting of the Supreme Council, and the Prime Minister had replied that such a statement would comprise:

- Upper Silesia
- Sanctions on the Rhine
- Russian Famine
- Asia Minor (which Mr Asquith had wished to discuss)
- and possibly also War Criminals.

During the meeting the Lord Privy Seal arranged that Mr Asquith should be notified that the Prime Minister would also make a statement in regard to:

- The Imperial Conference.

Mr Asquith had then raised the question of Sir Eric Geddes’ Committee on Expenditure. He had displayed no desire for a Parliamentary Committee, and his main criticism had been that premature publicity had been given to the enquiry, which would have been unobjectionable to him if it had merely been called into being by the Chancellor of the Exchequer to assist him. In short, Mr Asquith had criticised the form, though approving the Committee in substance.

Mr Clynes had displayed no great interest in the Committee on Expenditure.

In regard to Ireland Mr Asquith had indicated his willingness to support the policy of the Government, as had Mr J.H. Thomas also. Mr Clynes, however, had not been able to express a definite opinion until he had consulted his colleagues.
(d) With reference to Cabinet 62 (21), Conclusion 1, arising out of the discussion summarised in the previous Conclusion, the Cabinet had a short discussion in regard to the Terms of Reference to and membership of the Committee on Government Expenditure, and had before them a Memorandum on the Financial Position, by the Secretary of State for India (Paper C.P.-3208).

The Cabinet were reminded in this connection that nothing had been included in any Government announcement which would preclude the Prime Minister and the Chancellor of the Exchequer, as Lords Commissioners of the Treasury, from appointing the Committee themselves to advise them. This procedure was felt by the Cabinet to possess considerable advantages and to be consistent with constitutional usage and procedure.

There was general agreement that nothing would be gained by adding Members of Parliament to the Committee.

The Cabinet agreed —

That the Prime Minister should be authorised to announce that the Chancellor of the Exchequer intended within the coming weeks to overhaul Government expenditure and to appoint a Committee to assist him, which would be composed as follows:

Sir Eric Geddes (in the Chair),
Lord Incheape,
Lord Farrington,
Sir Joseph Maclay,
Sir Guy Granet,

with the following Terms of Reference:

"To make recommendations to the Chancellor of the Exchequer for effecting forthwith all possible reductions in the National Expenditure on Supply Services having regard especially to the present and prospective position of the Revenue. In so far as questions of policy are involved in the expenditure under discussion these will remain for the exclusive consideration of the Cabinet: but it will be open to the Committee to review the expenditure and to indicate the economies which might be effected if particular policies were either adopted, abandoned or modified."
With reference to Cabinet 87 (21), Conclusion 7, in regard to the Russian Famine, the attention of the Cabinet was drawn to information which had been received that in accordance with the Treaty concluded between Russia and Afghanistan Russian gold had been conveyed to Kabul with a view to subsidising the Amir, and to the anomaly of making an appeal in this country for monetary and other help for the starving peasants of the famine districts. Reference was also made to various alleged breaches of the Russian Trade Agreement. Stress was laid on the importance of basing any statement by the Prime Minister in the House of Commons on incon­testable evidence.

The Cabinet agreed ——

That the Secretary of State for India should take steps to provide the Prime Minister with reliable data for a statement in the House of Commons, and that the Attorney-General should examine the evidence upon which these data were based before their submission.
With reference to Cabinet 85 (21), Conclusion 4 (c) the Cabinet had before them a Memorandum by the Minister of Labour calling attention to the recrudescence of a demand for a continuation of Unemployment Benefit from among those who had exhausted the provision hitherto made by the Government (Paper C.P.-3216).

The Minister of Labour said it was desirable that the Committee on Unemployment should meet to consider the position, and that the vacancy in the Chairmanship should be filled.

The Prime Minister undertook, in consultation with the Lord Privy Seal, to appoint a new Chairman in succession to Dr Addison.

(Subsequently the Prime Minister invited the Minister of Health to act as Chairman.)
(v) The Cabinet took note of the following:


(b) Conclusions of a Conference of Ministers held on July 25, 1921, at 1-15:
    Proposed Pacific Conference. (Appendix II).

(c) Conclusions of Committee of Home Affairs No. 66, held on July 28, 1921, at 4-15 p.m.:
    1) Industrial Assurance Bill.
    2) Public Works Loans Bill.
    3) Expiring Laws Continuance Bill.
    4) Default of the Poplar Borough Council. (Appendix III).

(d) Conclusions of Committee of Home Affairs No. 66, held on August 4, 1921, at 4-15 p.m.:
    Isle of Man (Customs) Bill. (Appendix IV).

... ... ... ...

2, Whitehall Gardens, S.W.1,
August 15, 1921.
CONFIDENTIAL.

SUMMARY OF THE TRANSACTIONS OF THE
PRIME MINISTERS AND REPRESENTATIVES OF THE
UNITED KINGDOM, THE DOMINIONS AND INDIA.
JUNE, JULY AND AUGUST, 1921.

It is understood that the procedure proposed in regard to the attached document in its final form, is as follows:–

(a) The document will be communicated to the Press but without the relevant Appendices.

(b) At the earliest possible date the document, accompanied by the Appendices will be published as a parliamentary Blue Book.

(Sgd) M.P.A. HANKEY.

2, Whitehall Gardens, S.W.1.,
August 4th. 1921.
SUMMARY OF THE TRANSACTIONS OF THE
PRIME MINISTERS AND REPRESENTATIVES
OF THE UNITED KINGDOM, THE DOMINIONS
AND INDIA, JUNE, JULY AND AUGUST, 1921.

I. PRELIMINARY NOTE.

The Proceedings of the Conference of Prime Ministers and
Representatives of the United Kingdom, the Dominions and India,
opened at 10 Downing Street, on June 20th, 1921, and were
continued until August 5th. During that period thirty four
plenary meetings took place, which were normally attended by
the following:

GREAT BRITAIN.

The Right Hon. D. Lloyd George, O.M., M.P., Prime
Minister.

The Right Hon. A. Chamberlain, M.P.,
Lord Privy Seal.

The Right Hon. A.J. Balfour, O.M., M.P.,
Lord President of
the Council.

The Most Hon. The Marquess Curzon, K.G., G.C.S.I.,
G.C.I.E., Secretary of
State for Foreign Affairs.

The Right Hon. W.S. Churchill, M.P.,
Secretary of State for
the Colonies.

NEW ZEALAND.

The Right Hon. W.F. Massey, Prime Minister.

SOUTH AFRICA.

General The Right Hon. J.C. Smuts, K.C.,
Prime Minister

The Hon. Sir Thomas Smartt, K.C.M.G.,
Minister of Agriculture.

Col. The Hon. H. Mentz, Minister of Defence.

CANADA.

The Right Hon. A. Meighen, K.C.,
Prime Minister.

AUSTRALIA.

The Right Hon. W.K. Hughes, K.C.,
Prime Minister.

INDIA.

The Right Hon. E.S. Montagu, K.P.,
Secretary of State
for India.

His Highness The
Maharao of Cutch,
G.C.S.I., G.C.I.E.

The Hon. Srinivasa-
Sastri.
In addition, the following attended meetings for the discussion of subjects which particularly concerned their respective Departments:

**The Right Hon. Viscount Birkenhead, Lord Chancellor.**

**The Right Hon. Sir L. Worthington-Evans, Bart., M.P., Secretary of State for War.**

**The Right Hon. J. A. L. Fisher, M.P., President of the Board of Education.**

**The Right Hon. F. G. Kellaway, M.P., Postmaster-General.**

**Sir Eyre A. Crowe, G.C.M.G., K.C.B., Permanent Under Secretary of State for Foreign Affairs.**

**Field-Marshal Sir H. H. Wilson, Bart., G.C.B., D.S.O., Chief of the Imperial General Staff.**

**Sir C. J. B. Hurst, K.C.B., K.C., Legal Adviser, Foreign Office.**

**Sir B. P. Blackett, K.C.B., Controller of Finance, Treasury.**

**Sir G. L. Barstone, K.C.B., Controller of Supply Services, Treasury.**

**Major-General Sir F. H. Sykes, G.B.E., K.C.B., O.M.G., Controller-General of Civil Aviation.**

**Captain E. F. C. Lane, C.M.G., Private Secretary to General Smuts.**


**The Right Hon. Lord Lee of Fareham, G.B.E., K.C.B., First Lord of the Admiralty.**

**Captain The Right Hon. F. E. Guest, C.B.E., D.S.O., M.P., Secretary of State for Air.**

**Admiral of the Fleet Earl Beatty, G.C.B., G.C.V.O., D.S.O., First Sea Lord and Chief of Naval Staff.**

**Air-Marshal Sir H. M. Trenchard, Bart., K.C.B., D.S.O., Chief of the Air Staff.**

**Sir Phillip Lloyd-Greame, K.B.E., M.C., M.P., Director of Overseas Trade Department.**

**Sir H. Llewellyn Smith, G.C.B., Chief Economic Adviser to H.M. Government.**

**Rear-Admiral Sir E. P. F. G. Grant, K.C.V.O., O.B., First Naval Member of Naval Board and Chief of Australian Naval Staff.**

**Captain B. E. Donville, C.M.G., R.N., Director of Plans Division, Admiralty.**

**Mr. C. Hipwood, C.B., Mercantile Marine Department, Board of Trade.**

**Mr. L. C. Christie, Legal Adviser to Department of External Affairs - Canadian Government.**
Apart from the plenary meetings, the Prime Ministers of the United Kingdom and the Dominions met on eleven occasions, and eight meetings of Committees were held at the Colonial Office.

The greater part of the proceedings, particularly that relating to Foreign Affairs and Defence, was of a highly confidential character, comparable rather to the work of the Imperial War Cabinets of 1917 and 1918 than of the Imperial War Conferences of those years. Other parts, though not so secret in their nature, were intermingled with matter which must for the present be kept confidential. In regard to such discussions only an indication has been given here of their general tenor.

II.

OPENING STATEMENTS.

Mr. Lloyd George, as Chairman, opened the proceedings with a comprehensive review of the situation in which the Conference had assembled. He outlined its tasks, stated broadly the principles of policy which commended themselves to the British Government, and dwelt upon the significance of the Conference and the importance of its work. He was followed in turn by all the other Prime Ministers, by Mr. Sastri for India, and by Mr. Churchill for the Colonies and Protectorates. This preliminary discussion occupied two days. The speeches were published in full immediately afterwards, and are attached to this summary.
III.

FOREIGN POLICY.

The Conference then addressed itself to the foreign policy of the British Empire. This was opened by the Secretary of State, who made an exhaustive statement upon affairs since the Peace Conference, supplemented by Mr. Churchill, who dealt of the Middle East.

There followed a series of important discussions, largely conversational in form, convening in turn as occasion prompted, without formality of any kind. The objects in view were threefold - first, that the members of the Conference should all put their ideas into the common stock and thus gain a thorough understanding of each other's point of view; second, that the principal questions of foreign policy should be examined by this means from every point of view; and third, that there should be a free and full discussion of the general aims and methods to be pursued. The discussions, which covered the whole area of foreign policy and extended over many days, proved most fruitful in all these respects. They revealed a unanimous opinion as to the main lines to be followed by British policy, and a deep conviction that the whole weight of the Empire should be concentrated behind a united understanding and common action in foreign affairs. In this context, very careful consideration was given to the means of circulating information to the Dominion Governments and keeping them in continuous touch with the conduct of foreign relations by the British Government. It was unanimously felt that the policy of the British Empire could not be adequately representative of democratic opinion throughout its peoples unless representatives of the Dominions and of India were frequently associated with those of the United Kingdom in considering and determining the course to be pursued. All
III.
FOREIGN POLICY.

The Conference then addressed itself to a detailed consideration of the Foreign Policy of the British Empire. The discussion on this was opened by the Secretary of State for Foreign Affairs, who made an exhaustive statement upon the course of foreign affairs since the Peace Conference. His statement was supplemented by Mr. Churchill, who dealt with the special problems of the Middle East.

There followed a series of important discussions, which were largely conversational in form, each representative intervening in turn as occasion prompted, without formality of any kind. The objects in view were threefold - first, that the members of the Conference should all put their ideas into the common stock and thus gain a thorough understanding of each other's point of view; second, that the principal questions of foreign policy should be examined by this means from every point of view; and third, that there should be a free and full discussion of the general aims and methods to be pursued. The discussions, which covered the whole area of foreign policy and extended over many days, proved most fruitful in all these respects. They revealed a unanimous opinion as to the main lines to be followed by British policy, and a deep conviction that the whole weight of the Empire should be concentrated behind a united understanding and common action in foreign affairs. In this context, very careful consideration was given to the means of circulating information to the Dominion Governments and keeping them in continuous touch with the conduct of foreign relations by the British Government. It was unanimously felt that the policy of the British Empire could not be adequately representative of democratic opinion throughout its peoples unless representatives of the Dominions and of India were frequently associated with those of the United Kingdom in considering and determining the course to be pursued. All
members of the Conference expressed a vivid sense of the value of this year's meeting in that respect and a desire that similar meetings should be held as frequently as possible.

A precedent created by the Imperial War Cabinet was also revived with valuable results. From 1916 till the Armistice the Prime Ministers of the Dominions and the Representatives of India frequently sat with members of the British Cabinet to determine the measures necessary for the prosecution of the war. This method of procedure was also adopted by the British Empire Delegation during the Peace Conference in Paris, when all cardinal decisions were taken by the Delegation as a whole. In accordance with this precedent the Prime Ministers of the Dominions and the Representatives of India present in London this year were invited to meetings with members of the British Cabinet called to deal with Imperial and foreign questions of immediate urgency which arose in the course of the sittings.

One of the most important of these was the Upper Silesian question, which during the session of the Conference assumed an acute form, and was debated at each stage by the members of the Conference, whose interest in a matter so closely affecting the relations of Great Britain and France was incontestable. The main lines of British policy in connection with the solution of this problem received the unanimous approval of the Conference, and it was with satisfaction that they heard, before the termination of their sittings, that, the preliminary difficulties having been resolved, the final settlement of the question of the Silesian frontier was remitted, under the terms of the Treaty of Versailles, to an immediate meeting of the Supreme Council at Paris.

The problems of the Western Pacific and the Far East, together with the Anglo-Japanese Agreement, were also fully discussed; and President Harding's invitation to a Conference on Disarmament was warmly welcomed by all the members of the Conference. The following statement, made by the Prime Minister in the House of Commons on July 11th, represents the general view of all members of the Conference on the main issues of the Pacific as also on the question of disarmament: -
The broad lines of Imperial policy in the Pacific and the Far East were the very first subjects to which we addressed ourselves at the meetings of the Imperial Cabinet, having a special regard to the Anglo-Japanese Agreement, the future of China, and the bearing of both those questions on the relations of the British Empire with the United States. We were guided in our deliberations by three main considerations. In Japan, we have an old and proved Ally. The agreement of 26 years’ standing between us has been of very great benefit, not only to ourselves and her, but to the peace of the Far East. In China there is a very numerous people, with great potentialities, who esteem our friendship highly, and whose interests we, on our side, desire to assist and advance. In the United States we see to-day, as we have always seen, the people closest to our own aims and ideals with whom it is for us, not merely a desire and an interest, but a deeply-rooted instinct to consult and co-operate. Those were the main considerations in our meetings, and upon them we were unanimous. The object of our discussions was to find a method combining all these three factors in a policy, which would remove the danger of heavy naval expenditure in the Pacific, with all the evils which such an expenditure entails, and would ensure the development of all legitimate national interests of the Far East.

We had, in the first place, to ascertain our exact position with regard to the Anglo-Japanese Agreement. There had been doubt as to whether the notification to the League of Nations made last July constituted a denunciation of the Agreement in the sense of Clause 6. If it did, it would have been necessary to decide upon some interim measure regarding the Agreement pending fuller discussions with the other Pacific Powers, and negotiations with this object in view were in point of fact, already in progress. If, on the other hand, it did not, the Agreement would remain in force until denounced, whether by Japan or by ourselves, and would not be actually determined until 12 months from the date when notice of denunciation was given. The Japanese Government took the view that no notice of denunciation had yet been given. This view was shared by the Secretary of State for Foreign Affairs; but, as considerable doubt existed, we decided, after a preliminary discussion in the Imperial Cabinet, to refer the question to the Lord Chancellor, who considered it with the Law Officers of the Crown, and held that no notice of denunciation had yet been given.
It follows that the Anglo-Japanese Agreement remains in force unless it is denounced, and will lapse only at the expiration of 12 months from the time when notice of denunciation is given. It is, however, the desire of both the British Empire and Japan that the Agreement should be brought into complete harmony with the Covenant of the League of Nations, and that wherever the Covenant and the Agreement are inconsistent, the terms of the Covenant shall prevail. Notice to this effect has now been given to the League.

The broader discussion of Far Eastern and Pacific policy to which we then turned showed general agreement on the main lines of the course which the Imperial Cabinet desired to pursue. I have already explained that the first principle of our policy was friendly co-operation with the United States. We are all convinced that upon this, more than any single factor, depends the peace and well-being of the world. We also desire, as I have stated, to maintain our close friendship and co-operation with Japan. The greatest merit of that valuable friendship is that it harmonises the influence and activities of the two greatest Asiatic Powers, and thus constitutes an essential safeguard to the well-being of the British Empire and peace of the East. We also aim at preserving the open door in China, and at giving the Chinese people every opportunity of peaceful progress and development.

In addition to these considerations, we desire to safeguard our own vital interests in the Pacific, and to preclude any competition in naval armaments between the Pacific Powers. All the representatives of the Empire agreed that our standpoint on these questions should be communicated with complete frankness to the United States, Japan and China, with the object of securing an exchange of views which might lead to more formal discussion and conference. The Secretary of State for Foreign Affairs accordingly held conversations last week with the American and Japanese Ambassadors and the Chinese Minister, at which he communicated to them the views of the Imperial Cabinet, and asked in turn for the views of their respective Governments. He expressed at these conversations a very strong hope that this exchange of views might, if their Governments shared our desire in that respect, pave the way for a conference on the problems of the Pacific and the Far East.
The views of the President of the United States were made public by the American Government this morning. It is known to the House, Mr. Harding has taken the momentous step of inviting the Powers to a Conference on the limitation of armaments, to be held in Washington in the near future, and he also suggests a preliminary meeting on Pacific and Far Eastern questions between the Powers most directly interested in the peace and welfare of that great region, which is assuming the first importance in international affairs. I need not say that we welcome with the utmost pleasure President Harding's wise and courteous initiative. In saying this I know that I speak for the Empire as a whole. The world has been looking to the United States for such a lead, I am confident that the House will esteem it as an act of far-seeing statesmanship and will whole-heartedly wish it success. I need hardly say that no effort will be lacking to make it so on the part of the British Empire which shares to the full the liberal and progressive spirit inspiring it.
In accordance with the suggestion, which was believed to have been made by the American Government, that the Conference on Disarmament should be preceded by friendly conversations or consultations between the Powers who were principally concerned in the future of the Far East and the Pacific, the Imperial Conference, in the firm conviction that the later discussions on Disarmament, to which they attached a transcendant importance, could only be made effective by a previous mutual understanding on Pacific questions between the Powers above referred to, devoted many hours of examination to the question how such an understanding could best be arrived at, where the proposed conversations could best be hold; in what manner the representatives of the British Dominions, who were so vitally affected, could most easily participate in them; and upon what broad principles of policy it was desirable to proceed. It was difficult for the Dominion Prime Ministers, owing to the exigencies of time and space, to attend at Washington late in the Autumn. On the other hand, advantage might be taken of their presence in England to exchange views with representatives of the other Great Powers who had been invited to Washington later on. It was in these circumstances that the idea was mooted that the preliminary conversations or consultations, to which the American Government had in principle agreed, should be held in London.

Then it transpired a little later that the American Government, owing to some misunderstanding of the views and attitude of the Imperial Conference, were opposed to the holding of any such preliminary conversations save on American soil, the British Government, in the earnest desire to remove any possible misconception, and to meet the American views at each stage of the impending discussions, volunteered to attend a meeting on the other side of the Atlantic, at which the agenda of the forthcoming Conference at Washington could be discussed, and a friendly interchange of views take place in order to facilitate the work of ..........
of the main Conference later on. The British Prime Minister and Foreign Secretary together with the Dominion Prime Ministers were prepared to attend such a meeting, if invited to do so by the American Government.

The Japanese Government signified their willingness, if invited, to take part in the suggested conversations.

The American Government, however, did not favour the idea, which was accordingly dropped.

This conclusion was viewed with the utmost regret by the members of the Imperial Conference, who had devoted no small portion of time to the working out of an arrangement, which they understood would be equally acceptable to all parties, and the abandonment of which could not, they feared, be otherwise than prejudicial to the great objects which all had in view. At no stage had it been suggested that the results of such a consultation as was contemplated should either anticipate the work or tie the hands of the Washington Conference at a later date. On the contrary the sole intention of the Imperial Conference was to promote its momentous but complicated task to which they wished every possible success.
IV. LEAGUE OF NATIONS.

A discussion took place in regard to the League of Nations during which Mr. Balfour explained at length the work which had been carried out by the League and the special difficulties with which it has to contend. Mr. Balfour's statement was published in full, and will be included in a Blue Book to be issued shortly.

While a more equitable distribution between its members of the cost of the League was considered essential to its future, there was general appreciation of its work and of the League's claim to the support of the British Empire as a step forward in the regulation of international affairs.

V. EGYPT.

Close consideration was given to the question of British policy in Egypt, and the future status of that country, and general agreement was reached regarding the principles by which His Majesty's Government should be guided in the negotiations with the Egyptian Delegation.

VI. IMPERIAL DEFENCE.

(a) Naval.

Several plenary meetings and several meetings of the Prime Ministers alone with the Secretary of State for India were devoted to considering the Naval Defence of the Empire, and the following Resolution was adopted:—

That, while recognising the necessity of co-operation among the various portions of the Empire to provide such Naval Defence as may prove to be essential for security, and, while holding that equality with the naval strength of any other Power is a minimum standard for that purpose, this Conference is of opinion that the method and expense of such co-operation are matters for the final determination of the several Parliaments concerned, and that any recommendations thereon should be deferred until after the coming Conference on Disarmament.
In addition, a number of useful consultations took place between the Admiralty and the Representatives of the several Dominions, and India, at which were discussed such matters as the local co-operation of each Dominion in regard to the provision of oil tanks, local naval defence, etc.

(b) Military and Air Defence.

A discussion took place on the Military and Air Defence of the Empire, and the views of the General and Air Staffs on the principles which should be adhered to in order to ensure co-operation in these matters were laid before Ministers.

VII. IMPERIAL COMMUNICATIONS.

The question of improved communication throughout the Empire, including Air, Telegraphy, Telephony and Shipping, was considered, and a special Committee under the Chairmanship of the Secretary of State for the Colonies was appointed to go into the whole question. This Committee reported to the main Conference, and eventually the following Conclusions were arrived at:

(a) Air.

The Conference, having carefully considered the Report of the expert sub-committee on Imperial Communications, are of opinion that the proposals contained therein should be submitted for the consideration of the Governments and Parliaments of the different parts of the Empire.

The Report will be included in a Blue Book which will be issued shortly.
On the understanding that the cost involved will be in the region of £1,800 per month they recommend that, pending such consideration, the existing material, so far as useful for the development of Imperial Air Communications, should be retained.

(b) **Imperial Wireless Scheme.**

It is agreed that His Majesty's Government should take steps for the erection of the remaining stations for which they are responsible, as soon as the stations are designed; that the Governments of Australia, the Union of South Africa, and India, should take similar action as far as necessary, and that the Governments of Canada and New Zealand should also co-operate.

The above scheme was accepted by the Prime Minister of the Commonwealth subject to giving full freedom of action to Australia to decide the method in which Australia will co-operate.

c) **Shipping.**

As regards the Report of the Imperial Shipping Committee on Bills of Lading, it was decided to adopt the following Resolution:

"The Conference approves the recommendations made in the Report of the Imperial Shipping Committee on the Limitation of Shipowners' Liability by Clauses in Bills of Lading, and recommends that the various Governments represented at the Conference to introduce uniform legislation on the lines laid down by the Committee."

A Resolution was also adopted to the effect that, pending the constitution of a permanent Committee on Shipping, the existing Imperial Shipping Committee should continue its enquiries.
The representatives of His Majesty's Government and the Governments of New Zealand and India were ready to agree to a wider resolution recommending the constitution under Royal Charter of a permanent Committee to carry out the duties specified in the Report of the Imperial Shipping Committee dated 3rd June, viz:—

(a) to perform such duty as may be entrusted to them under laws in regard to Inter-Imperial Shipping, applicable to the whole or to important parts of the Empire;

(b) to enquire into complaints in regard to ocean freights and conditions in Inter-Imperial trade or questions of a similar nature referred to them by any of the Governments of the Empire;

(c) to exercise conciliation between the interests concerned in Inter-Imperial Shipping;

(d) to promote co-ordination in regard to harbours and other facilities necessary for Inter-Imperial Shipping.

The representative of Canada, however, did not agree to this wider resolution, and the representatives of the Commonwealth of Australia and the Union of South Africa reserved the matter for further consideration.

The position as regards rebates was discussed and strong representations were made by Dominion Ministers in regard to it, but no resolution was passed, it being understood that the matter is at present under consideration by the Imperial Shipping Committee.

(d) Wireless Telephony.

The present position regarding the development of Wireless Telephony was explained, and the following Resolution was adopted:

"That the Radio Research Board be asked to investigate the subject of Wireless Telephony and to report on its development, whether Governmental or private.

That the Postmaster-General shall supply to the Governments of the Dominions and India technical reports showing its position and possibilities."

(e) Cable and Wireless Rates for Press Messages.

The special Committee on Communications received a Deputation representing the Empire Press Union and the Newspaper Proprietors' Association, and subsequently Mr. Robert Donald, Chairman of the Empire Press Union, made representations to them on the subject of wireless telegraphy. The following Resolution was agreed to and thereafter adopted by the main Conference:
"The Committee agrees with the Resolution passed at the second Imperial Press Conference held at Ottawa in 1920 that any assistance given by the Governments of the Empire towards the reduction of rates for Press services by wireless and cable should appear specifically in the Estimates of Public Expenditure, and should be so directed as not to affect the quality of the news service supplied or the freedom of the newspapers so served.

The Committee is in full sympathy with the object of reducing rates, both by cable and wireless, for press messages, and recommends the most favourable examination by the Governments concerned of any practicable proposals to this end."

VIII. REPARATIONS.

The Conference agreed that the Reparation receipts under the Treaty of Versailles should be apportioned approximately as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Amount (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>66.85</td>
</tr>
<tr>
<td>Minor Colonies</td>
<td>.90</td>
</tr>
<tr>
<td>Canada</td>
<td>4.35</td>
</tr>
<tr>
<td>Australia</td>
<td>4.35</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1.75</td>
</tr>
<tr>
<td>South Africa</td>
<td>.50</td>
</tr>
<tr>
<td>Newfoundland</td>
<td>.10</td>
</tr>
<tr>
<td>India</td>
<td>1.20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

IX. POSITION OF BRITISH INDIANS IN THE EMPIRE.

The question of the position of British Indians in the Empire was discussed first at a plenary meeting when the representatives of India fully explained the situation and the views held in India on the subject. The question was then remitted to a special Committee under the Chairmanship of the Secretary of State for the Colonies.
At a final meeting on the subject the following Resolution was adopted:

The Conference, while reaffirming the Resolution of the Imperial War Conference of 1918, that each community of the British Commonwealth should enjoy complete control of the composition of its own population by means of restriction on immigration from any of the other communities, recognises that there is an incongruity between the position of India as an equal member of the British Empire and the existence of disabilities upon British Indians lawfully domiciled in some other parts of the Empire. The Conference accordingly is of the opinion that in the interests of the solidarity of the British Commonwealth, it is desirable that the rights of such Indians to citizenship should be recognised.

The representatives of South Africa regret their inability to accept this resolution in view of the exceptional circumstances of the greater part of the Union.

The representatives of India, while expressing their appreciation of the acceptance of the resolution recorded above, feel bound to place on record their profound concern at the position of Indians in South Africa and their hope that by negotiation between the Governments of India and of South Africa, some way can be found, as soon as may be, to reach a more satisfactory position.

X. EMPIRE SETTLEMENT AND MIGRATION.

The question of Empire Settlement and Migration was considered by a special Committee under the Chairmanship of the Secretary of State for the Colonies, and the following Resolution was finally adopted by the Conference:

"The Conference having satisfied itself that the proposals embodied in the Report of the

x The Report will be included in a Blue Book which will be issued shortly."
Conference on State-Aided Empire Settlement are sound in principle and that the several Dominions are prepared, subject to Parliamentary sanction and to the necessary financial arrangements being made, to co-operate effectively with the United Kingdom in the development of schemes based on these proposals, but adapted to the particular circumstances and conditions of each Dominion, approves the aforesaid Report.

The South African representatives wish to make it clear that the limited field for white labour in South Africa will preclude co-operation by the Union Government on the lines contemplated by the other Dominions.

(2) The Conference expresses the hope that the Government of the United Kingdom will, at the earliest possible moment, secure the necessary powers to enable it to carry out its part in any schemes of co-operation which may subsequently be agreed on, preferably in the form of an Act which will make clear that the policy of co-operation now adopted is intended to be permanent.

(3) The Conference recommends to the Governments of the several Dominions that they should consider how far their existing legislation on the subject of land settlement, soldier settlement and immigration, may require any modification or expansion in order to secure effective co-operation and should work out, for discussion with the Government of the United Kingdom, such proposals as may appear to them most practicable and best suited to their interests and circumstances.
XI. EMPIRE PATENT.

A Memorandum prepared in the Board of Trade on the demand for an Empire Patent was considered by a special Committee under the Chairmanship of the Secretary of State for the Colonies, and the following recommendation, which was concurred in by the main Conference, was agreed to:

"The Committee recommends that a Conference of representatives of the Patent Offices of His Majesty's Dominions shall be held in London at an early date to consider the practicability of instituting a system of granting Patents which should be valid throughout the British Empire."

XII. NATIONALITY

A Memorandum prepared in the Home Office with reference to the nationality of children of British parents born abroad was considered by a special Committee under the Chairmanship of the Secretary of State for the Colonies, and the following Resolution, which was finally approved by the main Conference, was adopted:

"The Committee, having considered the Memorandum prepared in the Home Office regarding the nationality of the children born abroad of British parents, commends the principle of the proposals contained therein to the favourable consideration of the Governments of the Dominions and India."

XIII. CONDOMINIUM IN THE NEW HEBRIDES.

The Condominium in the New Hebrides was discussed by a special Committee under the Chairmanship of the Secretary

The Memorandum will be included in a Blue Book which will be issued shortly.
of State for the Colonies.

XIV. THE PROPOSED CONFERENCE ON CONSTITUTIONAL RELATIONS.

Several plenary meetings and several meetings of the Prime Ministers were devoted to a consideration of the question of the proposed Conference on the Constitutional Relation of the component parts of the Empire, and the following Resolution was adopted:

"The Prime Ministers of the United Kingdom and the Dominions, having carefully considered the recommendation of the Imperial War Conference of 1917 that a special Imperial Conference should be summoned as soon as possible after the war to consider the constitutional relation of the component parts of the Empire, have reached the following conclusions:

(a) Continuous consultation, to which the Prime Ministers attach no less importance than the Imperial War Conference of 1917, can only be secured by a substantial improvement in the communication between the component parts of the Empire. Having regard to the constitutional developments since 1917, no advantage is to be gained by holding a constitutional Conference.

(b) The Prime Ministers of the United Kingdom and the Dominions and the Representatives of India should aim at meeting annually, or at such longer intervals as may prove feasible.

(c) The existing practice of direct communication between the Prime Ministers of the United Kingdom and the Dominions, as well as the right of the latter to nominate Cabinet Ministers to represent them in consultation with the Prime Minister of the United Kingdom, are maintained."
The Prime Minister was asked by the members of the Conference to present the following humble address to His Majesty the King:

We, the Prime Ministers and other Representatives of the British Empire, speaking on behalf of the United Kingdom, the British Dominions, the Indian Empire and the British Crown Colonies and Protectorates, desire on the eve of concluding our meeting, to present our humble duty to Your Majesty and to reaffirm our loyal devotion to Your Throne.

We have been conscious throughout our deliberations of a unanimous conviction that the most essential of the links that bind our widely spread peoples is the Crown, and it is our determination that no changes in our status as peoples or as Governments shall weaken our common allegiance to the Empire and its Sovereign.

Knowing Your Majesty's deep interest in all that touches Your people's happiness, we trust that our labours in this time of world-wide unrest may be satisfactory to you and conduce to the welfare and safety of Your dominions as well as to the peace of the world.

We pray that Your Majesty and the Queen may long be spared to enjoy the affection of Your subjects and to see all classes equally recovered from the strain and sacrifice of the war.

2, Whitehall Gardens, S.W.1.

3rd August, 1921.
CONCLUSIONS of a Conference of Ministers held at 10, Downing Street, S.W., on Monday, 25th July 1921 at 1-15 p.m.

PRESENT:

THE PRIME MINISTER (in the Chair)


The following were also present:

Sir Edward Grigg, K.C.V.O., C.M.G.,

Lt.-Col. Sir M.P.A. Hankey, G.C.B., Secretary, Cabinet. Colonel S.H. Wilson, C.B., C.M.G., Principal Assistant Secretary, C.I.D.
The Conference had before them the draft of a despatch prepared in accordance with the instructions of the Prime Minister, addressed to the Government of the United States of America on the subject of the proposed conversation on Pacific questions to precede the conference on Disarmament at Washington (See Paper E. 46).  

Discussion centred largely on the place at which the conversation should take place. It was strongly urged that, as the main object of the conversation would be to induce the United States of America to make a concession and to abandon her intention to build a great Navy, it would be inexpedient to insist on the conversation being held in London, and that better results would certainly be obtained if it were held in America.

Various alternative localities were suggested including Honolulu, Havana, Bar Harbour and Portsmouth, Maine.

The suggestion was made that, in the limited time available, little result was likely to be attained unless both the agenda and the number of Powers represented were strictly limited, and that this might be practicable if the subjects of discussion were limited to the substitution of some kind of tripartite agreement for the Anglo-Japanese Alliance.

The Conference agreed -

That the draft despatch should be circulated to the Prime Ministers of the Dominions and the representatives of India.

Whitehall Gardens, S.W.

25th July, 1921.
SECRET.

H.A.C. 95th Conclusions.

CABINET.

COMMITTEE OF HOME AFFAIRS. 95.

Conclusions of a Meeting of the above Committee, held in the Home Secretary's Room, House of Commons, S.W. 1, on Thursday, July 28, 1921, at 4:15 P.M.

Present:

The Right Hon. H. A. L. Fisher, M.P., President of the Board of Education (in the Chair).


Mr. Hilton Young, D.S.O., M.P., Financial Secretary, Treasury.

The following were also present:

Sir A. W. Watson, K.C.B., Government Actuary (for Conclusion 1).

Mr. G. S. Robertson, Chief Registrar of Friendly Societies (for Conclusion 1).

Mr. W. M. Graham-Harrison, C.B., Second Parliamentary Counsel (for Conclusion 2).

Mr. C. Knight, C.B., Ministry of Health (for Conclusion 4).

The Hon. Hugh Godley, Third Parliamentary Counsel (for Conclusion 3).

Mr. T. St. Quintin Hill, Acting Secretary to the Committee.

Mr. R. B. Howorth, Assistant Secretary, Cabinet.

Industrial Assurance Bill.

1. The Committee had before them a Memorandum by the Home Secretary (C.P. 3152) covering a draft Bill on Industrial Assurance. The Memorandum was accompanied by a note by the Chief Registrar of Friendly Societies and the Government Actuary and by a copy of the Report of Lord Parmoor's Committee (Cmd. 614). It was explained to the Committee that the Bill had been drafted in order to remedy the abuses in industrial assurance which had been pointed out on pages 1-8 of the Parmoor Committee's Report, and it followed closely the recommendations of that Committee as set out on pages 8-15 of the Report.

The opinion was expressed that, in view of the complicated and technical nature of the Bill, the only question which the Committee could conveniently discuss was the advisability of introducing the Bill this session. This step had been suggested by the Home Secretary with a view to affording opportunity for discussion of the Bill and for the expression of the views of those interested, so that the Government might have the advantage of considering any criticisms.

The Home Secretary explained that his view was no longer, as stated in his Memorandum, that a second reading should be given to...
the Bill in the House of Lords, but that the Bill should be merely introduced and printed. This would be the simplest way to bring it to public notice. Further discussion with the companies would be impossible unless the Bill were printed, as the companies had asked to see the actual provisions. The agents had so far refrained from making any criticisms, no doubt because they wished to await publication of the Bill.

Reference was made to the probable political effect of the Bill some of the provisions of which would be opposed by insurance agents and others, who benefited by the present system of industrial assurance, though in labour circles there would be a substantial measure of support. It was questioned whether it would be wise to introduce such a contentious measure so long before it was intended to pass it into law. Particular reference was made to the provision limiting expenses as being likely to arouse opposition.

It was urged that, if the Bill were to be published this session, it would be desirable that a debate should take place in the House of Lords in order that the Government might have an opportunity of explaining that the Bill had been introduced merely for the purpose of evoking the comments of those interested, and the Chancellor of the Duchy of Lancaster informed the Committee that, if the Committee expressed a preference for a debate in the House of Lords, he would consult the Chief Whip as to whether it would be possible to arrange time for the debate.

The Committee were informed that the Ministry of Labour had stated that a detailed examination of the measure might reveal a possibility of their Employment Department being interested in it.

The Committee agreed—

(1.) That, on the assumption that the Ministry of Labour raised no objection,* the Industrial Assurance Bill (C.P. 3152) should be introduced in the House of Lords this Session, and that the Chancellor of the Duchy of Lancaster should be invited to consult the Chief Whip as to whether it would be possible to arrange for a debate on the Bill in that House, since, in the Committee’s opinion, such a debate would be desirable.

(2.) That various modifications of a minor character which the Treasury desired to introduce into the Bill should be discussed between the Treasury and the Home Office, and that the Home Office should ascertain whether in fact the Ministry of Labour were interested in the Bill.

2. The Committee had before them a note by the Financial Secretary to the Treasury covering a draft of the Public Works Loans Bill (C.P. 3163). The Committee were informed that this was an annual Bill and had been drafted in the same form as the Act of the previous year. It gave power to the National Debt Commissioners to issue up to a certain amount money for the purpose of local loans. It also empowered the Treasury to write off assets on the local loans fund, and to remit the arrears of the principal and interest in respect of the Eyemouth Harbour Loan.

The Committee were informed that of the sum of £40,000,000 which was authorised by the Bill, one-half was a re-vote of the amount authorised by the Act last year.

The Committee agreed—

That subject to the consent of the Government Whips, the Public Works Loans Bill should be introduced into Parliament this Session.

*Note.—The Ministry of Labour have since intimated that they have no objection to raise.
3. The Committee had before them a note by the Financial Secretary to the Treasury covering a draft of the Expiring Laws Continuance Bill (C.P. 3148), together with a memorandum by the Home Secretary suggesting that the Workmen's Compensation (War Addition) Acts, 1917 and 1919 (C.P. 3169), should be included in the schedule to the Expiring Laws Continuance Bill.

The Home Secretary explained that the Workmen's Compensation (War Addition) Acts, 1917 and 1919, were agreed measures with the employers, but negotiations had not yet been completed with the Mining Association and the Railway Companies' Association. It was hoped that they would be completed very shortly. No opposition in the House of Commons was anticipated to the inclusion of these Acts in the Expiring Laws Continuance Bill. The extension of the Acts was necessary as they would lapse next February, and as they had been originally passed to meet in some measure the rise in the cost of living, which had continued longer than was anticipated when the Acts became law.

The Third Parliamentary Counsel pointed out that this was the first occasion upon which an Act whose duration depended upon the continuance of the war has been included in the Expiring Laws Continuance Bill, but the Committee were of opinion that its inclusion was justified on the ground that the increase in the cost of living which led to the passing of the Act in question was still in existence.

The Committee were informed that, as regards the Expiring Laws Continuance Bill, the Ministry of Labour had sent a message to the effect that they had been advised that it was doubtful whether it was possible to continue the operation of section 45 of the Unemployment Insurance Act, 1920, by inclusion of the section in the schedule to the Bill. In any case the Ministry of Labour did not desire to continue the operation of this section.

The Committee agreed—

(1) That the Expiring Laws Continuance Bill should be introduced into Parliament this Session, and that the Workmen's Compensation (War Addition) Acts, 1917 and 1919, should be included in the schedule to the Bill if the negotiations with the Mining and Railway Companies' Associations were brought to a successful conclusion.

(2) That the Treasury should take up with the Ministry of Labour the question of the inclusion in Part IV of the schedule to the Bill of section 45 of the Unemployment Insurance Act, 1920.

4. The Home Affairs Committee had before them a Memorandum (C.P. 3176) by the Minister of Health relative to the situation which had arisen in consequence of the default by the Poplar Borough Council to levy the rates precepted to them by the London County Council and other authorities.

From this Memorandum it appeared that there was little probability of the Borough Council reversing their present attitude, that possibly other Borough Councils in London might follow the example of Poplar unless drastic action was taken, and that in the view of the London County Council it was desirable that Parliament should forthwith pass a Bill to the effect that where it was represented that a London Borough Council defaults in the exercise of their statutory functions, there shall be power in the Ministry of Health to appoint a Commissioner to exercise the functions of such defaulting Council for such time as might be necessary.

It was pointed out that in present circumstances it would be impossible to pass into law a Bill of this nature during the present
Session, that such a Bill would in any case be treated as controversial and would provide an occasion for discussion of such questions as the equalisation of London rates, &c. On the other hand the Home Affairs Committee were informed that the London County Council and the Ministry of Health had both been warned by their respective legal advisers that under the present law no remedy existed by which a precepting authority could obtain its money if the rating authority defaulted in the matter of levying the rate, and also that it was understood that the political extremists in London were vigorously supporting the attitude of the Poplar Borough Council in the matter.

It was agreed—

(i.) That the Ministry of Health should take steps forthwith to obtain the opinion of the Law Officers and of Mr. Macmorran, K.C., on the question whether any, and if so what, legal remedy could be enforced by the Government and/or the London County Council in the event of the continued default of the Poplar Borough Council; and

(ii.) That this opinion, when obtained, should be submitted to the Home Affairs Committee with a view to further consideration of the question.

2, Whitehall Gardens, S.W.,
July 28, 1921.
SECRET.
H.A.C. 96th Conclusions.

CABINET.

COMMITTEE OF HOME AFFAIRS. 96.

Conclusions of a Meeting of the above Committee, held in the Home Secretary's Room,
House of Commons, S.W. I, on Thursday, August 4, 1921, at 4.15 P.M.

Present:
The Right Hon. H. A. L. FISHER, M.P., President of the Board of Education
(in the Chair).
The Right Hon. E. SHORTT, KG., M.P. | Mr. HILTON YOUNG, D.S.O., M.P., Financial
Secretary of State for Home Affairs. | Secretary, Treasury.
The following were also present:
The Hon. HUGH GODLEY, Third Parlia-
mentary Counsel. | Mr. W. CHRISTIAN, His Majesty's Board of
| Customs and Excise.
Mr. E. C. CLEARY, Treasury.
Mr. T. ST. QUINTIN HILL, Acting Secretary to the Committee.

The Committee had before them a Memorandum by the
Financial Secretary to the Treasury (C.P. 3190) covering a draft
of the Isle of Man (Customs) Bill. The Bill provided for the
continuation of import duties already in force and for the imposition
of certain new duties. It also proposed to remove the additional
duty on cigars imposed by sub-section (2) of section 2 of the Act
of 1920.
The Committee were informed that the Bill was in form similar
to the Acts passed in preceding years, and that the new duties
imposed by it had been collected since the dates mentioned in the
Bill, on the strength of a resolution of Tynwald. It was essential
that the Bill should become law this Session, as without it the
collection of the revenue would be impossible.
Certain minor drafting amendments were referred to in the
course of the discussion.
The Committee agreed—
To approve the immediate introduction of the Isle of Man
(Customs) Bill into Parliament, and to authorise the
Financial Secretary to the Treasury to settle the nature
of the drafting amendments to be made in the Bill.

2, Whitehall Gardens, S.W. I,
August 5, 1921.