REPORT OF THE UNDER SECRETARY OF STATE FOR EXTERNAL AFFAIRS.

To the Right Honourable

Sir Robert Borden, G.C.M.G.,
Secretary of State for External Affairs,
Ottawa.

Sir,—I submit herewith the usual review of the more important questions which have engaged the attention of the department during the annual period 1918-19.

EUROPEAN WAR.

This will cover the last phase of the tremendous struggle which has taxed the energy and resources of the whole world, and its termination in the complete defeat of the Central Powers. The enemy's supreme effort to break through to the Channel Ports and to strike at Paris, which was initiated in March and culminated in July, was in that month effectively checked, and the Allies counter-offensive begun and continuously and successfully maintained until, thoroughly broken and defeated, the German army sought terms for an armistice. This was concluded on the 11th November, 1918. Austria-Hungary had previously laid down her arms under an armistice of the 3rd November, Bulgaria having surrendered on the 30th September and Turkey on the 31st October.

Roumania having reached the end of her resources, had unfortunately been compelled to abandon the Allied cause and come to terms with the Central Powers as she did by the Treaty of Bucharest, concluded on the 5th March and ratified the 7th May.

Shortly before the conclusion of the Armistice, the Canadian ministers were invited to London to consult as to the matters to be dealt with at the Conference to settle the terms of peace. Accordingly, the Prime Minister, accompanied by the Right Honourable Sir George Foster and the Honourable A. L. Sifton, set out on this mission in November, 1918, being followed later by the Honourable C. J. Doherty. The Conference, consisting of delegates of the Allied and Associated Powers, assembled at Paris, where its first meeting was held on the 18th January, 1919, its deliberations being still continued at the present time. The most important of its earlier operations has been the formulation of the Covenant constituting the League of Nations, which it is intended to embody in the treaties settling the terms of peace with the various enemy powers, so that assurance of the continuance of peaceful and beneficial conditions for the future may be provided.

THE IMPERIAL WAR CONFERENCE.

The Imperial War Conference, including representatives of the Imperial Government, the Governments of Canada, of New Zealand, of South Africa, of Newfoundland and of India, assembled at London on the 12th June, 1918, for the consideration of the problems of reconstruction which would arise after the coming of peace, its discussions continuing until the 26th July. Sir Robert Borden, Mr. Meighen and Mr. Rowell attended as Canadian representatives.

Among the more important matters discussed was the Empire's future economic policy regarding the supply of non-ferrous metals and all essential raw materials which,