

United Kingdom.		Secretariat :	Canada.
Sir M. P. A. HANKEY, G.C.B.			Dr. O. D. SKELTON.
Mr. E. J. HARDING, C.M.G.		(Secretary).	New Zealand.
Commonwealth of Australia.			Mr. F. D. THOMSON, C.M.G.
Sir ROBERT R. GARRAN, K.C.M.G.			Irish Free State.
Union of South Africa.			Mr. P. MCGILLIGAN.
Captain E. F. C. LANE, C.M.G.			India.
			Professor L. F. RUSHBROOK WILLIAMS, C.B.E.

IMPERIAL DEFENCE RESOLUTIONS.

Mr. Baldwin : Do you wish to say anything about the Resolutions on Imperial Defence, Lord Salisbury? * You were responsible for initiating them.

Lord Salisbury : I have nothing to say to the Conference about the Resolutions, except that they have been the subject of a good deal of very careful thought and conversation amongst several of us. The Prime Ministers with whom I have had the pleasure of dealing in this matter have treated me with the greatest consideration, and there has been a general desire to come to an arrangement. Mr. Bruce has had a good deal to do with the actual draft, although it has been modified to suit various ideas. I hope it will be accepted. I think it is moderate. But I ought to say that, in respect of one paragraph which was agreed to rather late, namely, paragraph (e), Mr. Mackenzie King would like the words rather differently drafted, and I have had the new draft that he proposes hastily typed, and it is now being circulated round the table. † I cannot pretend that I like it quite so well as the other draft, but, so far as I am concerned, as representing the British Government, I am quite prepared to accept it, although, as Mr. Mackenzie King knows, there are one or two words which I should much prefer to be differently expressed. But with that exception I do not think I have anything to say about these Resolutions, unless anybody wishes to ask me a question about them.

Mr. Amery : I should like to ask one question. I do not know whether it is accidental, but the reference to the interchange of personnel, which is a thing we have encouraged, both in Military and Naval matters, has been left out; I do not know whether it has slipped out in the redrafting.

Mr. Mackenzie King : That was one of the phrases which I thought it would be better to take out. Our Government would, I think, be perfectly willing to arrange for an interchange of personnel, but I am inclined to think that the words might be misunderstood or misinterpreted if they were inserted in the Resolution, and might convey a wrong impression. That was my idea. I want to avoid anything going into the Resolution which might be misunderstood. That is all.

Mr. Massey : Do I understand you to say, Mr. Mackenzie King, that there is no objection to the interchange of personnel?

Mr. Mackenzie King : It is being done at the present time.

Mr. Massey : Yes, but you do not like it being circulated in a Resolution?

Mr. Graham : We have been doing it through our Department.

* For the Resolutions as circulated, see Appendix I.
† See Appendix II.

Lord Salisbury : I think it would have been better to have it in.

General Smuts : That is what they call doing good by stealth!

Mr. Baldwin : Then I take it that the Resolutions are approved.

(Agreed.)*

FOREIGN AFFAIRS.

As to the second item, it is proposed to postpone consideration of the draft paragraphs of the Report†; there are one or two points which have to be examined and may have to be altered. It would be better perhaps if that matter were examined to-morrow or Thursday.

UNITED STATES AND LIQUOR TRAFFIC.

The next item on the Agenda is "The United States and Liquor Traffic." Lord Curzon has a statement to make on that.

Lord Curzon : The question of Liquor Traffic and the United States was, as the Conference will remember, referred to a Committee over which I had the honour to preside.‡ We went carefully into the considerations affecting the case and we came unanimously to the conclusion that it was desirable, on grounds both of equity and of expediency, to go as far as we could in meeting the American case. The spectacle of this "rum-running," as it is called, in which British ships are largely engaged and in which great profits are being made by British firms, is one that is far from pleasant to contemplate, and there arise—and perhaps not unnaturally arise—very different feelings in the United States. The United States Government have committed themselves (whether wisely or unwisely it is not for us to say) to a policy of prohibition. All our information is that that is a policy to which they propose to adhere; it represents the settled convictions of large masses of people, and, whether it be or be not carried out in a fair way, at any rate it is a matter of domestic policy of a great foreign State with which we have neither the right nor the power to interfere. On the other hand, the spectacle which I have described can without difficulty be presented as an attempt on the part of the shipping of another State to run counter to their settled legislation and practice. If the present position continues without any relief I cannot but think that a very delicate and disagreeable situation will be produced. Fortunately, the American Government have throughout adopted a line, apart from their actual conduct in searching ships, of conciliation and of desire to settle the matter on friendly terms with ourselves. We share that desire, and accordingly we considered at the Committee what we could do to carry it into effect.

Importance of Maintenance of Principle of Three-Mile Limit.

The principle to which we all attach supreme importance, whether we look at it from the point of view of the Admiralty or the Foreign Office, or any other Department of State, is the preservation of the 3-mile limit as the basic principle of British policy in all parts of the world, a principle which we are not only loth to compromise, but are absolutely resolved not to abandon. In these circumstances we had to consider how far we could reconcile the maintenance of that principle with some concession to the American Government in respect of search. Mr. Hughes had suggested a Treaty to us which would give the American Government the right of search up to a distance of 12 miles from the coast, and he indicated at the same time that in return for any such concession the American Government not only did not regard the concession which we might make as an exception to the principle, but were prepared themselves to reaffirm the principle.

* For the Resolutions, as adopted, see Section XII of the published Report of the Conference (Cmd. 1987).

† For the paragraphs as circulated, see Appendix III.

‡ For the proceedings at the Committee dealing with this question, see Appendix IV to the Minutes of the Fourteenth Meeting.