

regard to amount actually collected from Canadian debtors. Great Britain proposes to make a charge of two and one half per cent upon amounts paid by British Government to British creditors which aggregate seventy one and a half million pounds approximately. British Authorities believe that this percentage will produce a sum sufficient to cover any loss in collecting indebtedness of United Kingdom nationals to enemies. Naturally British Authorities favour general proposals because amounts owing to British creditors exceed by approximately fifty five million pounds amounts owing by British debtors. We see great difficulties in applying this scheme to Canada by reason of our Federal system and notwithstanding section one hundred thirty-two British North America Act, and unless Council differs from our own view we shall press for direct settlement between debtor and creditor so far as Canada is concerned. Amount of debt in case of dispute to be ascertained by International Commission and right stipulated in treaty to enforce such debts against German property in Canada generally. Australia has accepted British proposals and France favours them but understand that they have not been otherwise approved by Allied nations. Please cable views of Council.

BORDEN

94. *Le ministre des Douanes et du Revenu intérieur au  
Premier ministre*

My dear Sir Robert,

Paris, April 2, 1919

Having received a paper circulated as a note by Mr. Barnes in connection with meeting of the Labour Committee the other day, in which he ignores entirely the real points at issue, I have prepared same from my standpoint in the way of a memo, which I would suggest that you, with such changes or amendments as you feel to be desirable, have circulated to the members of the British Empire Delegation before the meeting which you requested yesterday.

As this meeting when held, will probably be for a short time and the Premier or Mr. Balfour will probably have to leave to attend other business, it would be well if they were given an opportunity before their arrival there to find exactly the important parts, at least, of the trouble in connection with the proposed Permanent Labour Organization. It does not appear reasonable that a matter of vital importance to the British Empire should be side-tracked out of sentimental consideration for the feelings of Mr. Barnes and Sir Malcolm Delevingne.

Yours very truly,  
ARTHUR L. SIFTON