

considered and approved by the Imperial War Cabinet) as to the position which should be urged on behalf of the Britannic Commonwealth at the Peace Conference. If the preparation of such a memorandum served no other good purpose, it would assist in clarifying our ideas and in enabling us to reach a necessary conclusion before the Conference begins. I realize of course that any conclusion thus reached would be subject to, and might be extensively modified by, the criticism, destructive or otherwise, which it would undoubtedly meet at the Conference.

You know my own conviction that there is at least possible a League of the two great English speaking commonwealths who share common ancestry, language and literature, who are inspired by like democratic ideals, who enjoy similar political institutions and whose united force is sufficient to ensure the peace of the world. It is with a view to the consummation of so great a purpose that I should be content, and indeed desire, to invite and even urge the American Republic to undertake worldwide responsibilities in respect of undeveloped territories and backward races similar to, if not commensurate with, those which have been assumed by or imposed upon our own Empire.

II. I have already expressed in the Cabinet and you have concurred in the view that there should be available a carefully prepared statement with respect to the doctrine of the freedom of the seas and that this should set forth all that can be urged for or against the British point of view having regard to historical, legal and strategical considerations. This work is now in hand, as I understand, by the Admiralty and by the law officers of the Crown.

III. While it is desirable that South Africa, Australia and New Zealand should respectively make their case at the Peace Conference for the retention of certain Colonial possessions conquered from Germany in this war, I venture to suggest that a confidential memorandum should be prepared on the subject and that it should set forth not only the point of view which will thus be urged but any wider considerations which point in the same direction.

IV. Doubtless the question of indemnities (apart from the restoration of the devastated regions of Belgium, France and Serbia) will be considered by the Cabinet in due course. The questions thus arising are necessarily both complex and difficult. One nation or Dominion may have suffered greatly in loss of man power with a resulting pension roll which will impose heavy burdens for half a century; another nation or Dominion may have sustained a much smaller relative loss of this character but a greater loss in the destruction of shipping or other property. Accessions of territory with large supplies of raw materials may wholly or partially compensate one nation or Dominion and not another; a powerful and wealthy nation like the United States may be opposed to any indemnity; the enemy nations may not possess material resources sufficient to pay any indemnity comparable with the appalling losses which they have inflicted upon the world.