

APPENDIX I.

OPENING SPEECHES.

1ST OCTOBER, 1923.

OPENING SPEECH BY THE PRIME MINISTER OF GREAT BRITAIN.

Welcome to Oversea Representatives.

Mr. Stanley Baldwin: I have great pleasure in extending to you all a very hearty welcome to Great Britain. General Smuts and Mr. Massey are no strangers to this historic Council Chamber. They took an important part in the deliberations of the last Conference, and indeed in those of all similar meetings held here since 1917. The same is true of Lord Curzon. The rest of us, with the exception of Mr. Burton, are, I believe, here for the first time at an Imperial gathering of representatives of Great Britain, the Dominions, and India.

I have at the outset to draw your attention to the enlargement which has taken place in the circle of the Imperial Conference by the constitution last year of the Irish Free State. I am sure you will wish that I should, on behalf of all His Majesty's Governments who have in the past been entitled to attend these meetings, extend to Mr. Cosgrave, as President of the Free State Executive, and to his colleagues, a cordial welcome on joining our counsels.

We welcome Mr. Mackenzie King, and we shall rely on him to continue the high traditions of his predecessors. Especially shall we be glad to benefit by his knowledge of industrial problems. Mr. Warren is almost as new to his high office as I am to mine, but he is no stranger to this country. Nor is Mr. de Wet, to whom also I extend a cordial greeting. Mr. Bruce is unable to be with us at the opening of our deliberations, but we shall welcome him a few days hence.

It is a great pleasure to have with us distinguished representatives of the Indian Empire in the persons of His Highness the Maharajah of Alwar and Sir Tej Bahadur Sapru. His Highness is widely known as an enlightened ruler deeply interested in the educational and material progress of his State—a State which rendered valuable help in men and money during the war. Sir Tej Bahadur Sapru has long been a conspicuous figure in Indian public life, and we recognize in him a brilliant lawyer and wise statesman.

German Reparation and Ruhr Occupation.

In his review of the state of the world at the opening of the last Conference in the summer of 1921 the British Prime Minister struck, on the whole, a moderately hopeful note. At home he observed a sense of strain and exhaustion after the prolonged struggle of the war; there was labour unrest and unemployment, though no actual privation amongst our people. Abroad there was turmoil and tension, but some of the most troublesome and menacing problems of the peace had either been settled or were in a fair way of settlement. One of these was the disarmament of Germany, the other was reparation. The former was in process of being accomplished. The schedule of reparation liabilities drawn up in accordance with the Treaty of Versailles by the Reparation Commission had been forwarded to the German Government on the 5th May, 1921. When Mr. Lloyd George spoke six weeks later it had been accepted by Germany, so that, as he told his colleagues at this table, the two most troublesome problems were either settled or in a very fair way of being adjusted.

Nowhere is prophecy more difficult than in politics, and especially in the field of foreign affairs. As is well known, it proved impossible to hold Germany to the fulfilment of her reparation obligations under the scheme evolved in May, 1921. The Allies at various times granted alleviations and postponements, but the German payments grew ever less, until at the end of last year we were faced with the possibility of total default. Definite proposals for a complete and final settlement were made in January last by Mr. Bonar Law. These proposals involved heavy sacrifice by the British taxpayer in the direction of writing off debts for which we hold the unconditional obligations of our Allies. Our proposals would involve the writing-off of the greater part of the Allied obligations, amounting to over twelve hundred millions sterling, and leaving the British taxpayer to face the resulting burden without himself receiving payment. We deeply regret that so generous an offer to effect a final settlement did not receive more favourable consideration.

This difficult problem of reparation was complicated by a difference of opinion amongst the Allies as to the measures to be taken to secure the payment of what was due to them. It need scarcely be emphasized that there was no difference of opinion whatever on the principle that Germany should be made to pay to the utmost limit of her ability. The French and Belgian Governments decided to seize and exploit the Ruhr Valley, and they claimed that, Germany having been reported in voluntary default by the Reparation Commission, they were entitled to do this under the Treaty of Versailles. His Majesty's Government could not share this view, and were, moreover, convinced that such action could not but prejudice the prospects of the Allies ultimately securing the bulk of reparation. The French and Belgian Governments, however, with the acquiescence, though not very active support,