A.—6. 20

An agenda for the Conference has been prepared, and it embraces a number of topics in addition to foreign affairs and defence which it is desirable we should examine together, but I think you will agree that one of the most important items on it is this question of inter-Imperial trade. The whole subject will be gone into by the Economic Conference under the chairmanship of my friend the President of the Board of Trade, and we shall have before us here some of the major questions which are involved. I am confident that we shall be able to devise measures which will be to our mutual advantage by way of redistributing the population, improving transport and means of communication, and generally increasing the facilities for the growth of trade within the Empire.

The economic condition of Europe makes it essential that we should turn our eyes elsewhere. The resources of our Empire are boundless, and the need for rapid development is clamant. I trust that we shall not reparate before we have agreed upon the first steps to be taken to create in a not-too-distant future an ample supply of those raw materials on which the trade of the world depends. Population necessarily follows such extension, and that in its turn leads to a general expansion of business, from

which alone can come an improvement in the material condition of the people.

India

Upon the peculiar problems presented by India I do not now propose to dwell, however briefly. Doubtless they will be authoritatively interpreted to us, as occasion arises, by the members of the Indian delegation. But it does seem to me important to remember that this great country stands at the moment in special need of all the sympathetic understanding we can give her. She is engaged, under British guidance, in the stupendous task of educating one-fifth of the human race to the burdens and privileges of responsible government; and the period of transition between the old traditional regime and the emergence of self-governing institutions must necessarily be both delicate and difficult. Moreover, her relationship with other component elements in the British Commonwealth presents a problem at once complex and critical, for in it are involved the contact of civilizations, so varied in history and tradition, and the future harmony of East and West. I am convinced that we may look with confidence for the co-operation not merely of the peoples of India themselves, but also, in so far as may lie in their power, of the Dominion Governments.

Closing Survey.

Contemplating Europe as we do to-day and comparing what we see with what we hoped for three or four years ago, we can find little to encourage us in our labours. The size of armies and the money spent on munitions are greater than in 1914. Economic solidarity is rent asunder. Is it not amazing that after an exhausting world-wide war all efforts should not be directed to reconstruction, to the building-up of the wealth spent in war and waste, and to the recreation of the economic machinery which war has put out of joint? The only consolations I can draw in a situation so charged with unrest are to recall the history of the past, and to reflect on the unity of our own Empire and the deep and universal desire of our people for peace.

All the great European wars have been followed by a recrudescence of militarism, and the nations have taken far more years to recover from the shock of war than the years which separate us from the Treaty of Versailles. It took France a couple of centuries to recover from the Hundred Years' War; a long and dreary period followed the Thirty Years' War, in Germany. The years which followed Waterloo were among the darkest in our national history. After the Congress of Vienna

there was no organized demand for schemes of disarmament.

Compared with a century ago, we have, at least within limits, a League of Nations, and no one can have studied the transactions of its Assembly at Geneva without becoming aware of a growing international moral sense, and a determination to confront the problems of the reduction of armaments, difficult as they must be. What can be achieved by international co-operation and reconstruction on sound economic lines is shown in the case of Austria, where nine Governments have joined to guarantee a loan. No one who knew Austria eighteen months ago would recognize the new spirit which now prevails there. Compared with a century ago, there is a powerful friend of peace in the United States. In this room on this occasion it is natural that we should be most conscious of that League of Nations in whose name we are assembled—the British Commonwealth—that system of States spread all over the world, far greater, as General Smuts once truly said, than any Empire which has ever existed, "a dynamic system growing, evolving all the time towards new destinies."

The British Empire.

The British Empire, whose representatives are assembled here to-day, has often been described as the product of accidents. It is, in fact, the natural and spontaneous product not of its own necessities only, but of those of mankind. Scarcely four centuries have passed since the continents of the world swung like new planets into each other's ken. When Columbus discovered America and Vasco de Gama opened the routes to the East, all nations and kindreds of the earth were presently brought into intimate contact. A few years later a political writer of the sixteenth century remarked, "Henceforth the world is one commonwealth." In a sense his words were prophetice. Our ever-increasing control of natural forces has so knit the nations together that whatever affects one for good or ill affects them all. They are as organs of one body. But the mastery achieved over physical forces has completely outdistanced the control acquired over human forces. The fact is that our minds learn far more quickly than our characters change; so the social and political structure of the world has not kept pace with the growth of its knowledge. I am not saying that no progress has been made in applying moral ideas to political facts. Before me I see men who together can speak for a world commonwealth containing one-quarter of mankind. The peoples you represent are drawn from all the continents, from all their races, from every kind of human society. Like a network of steel embedded in concrete, this commonwealth holds more than itself together. It held through the greatest cataclysm that has ever shaken the foundations of the world. Dissolve those ties and civilization itself would collapse.