

PARLIAMENTARY DEBATES.

HOUSE OF COMMONS

TUESDAY, 30th OCTOBER, 1917.

Vol. 98.—No. 131.

OFFICIAL REPORT.



CONTENTS.

WAR.

Questions to Ministers:

Military Service—Russian Subjects.
Enemy Air Raids—Public Warnings.

Supply:

Supplementary Vote of Credit.
Mr. Bonar Law's Statement.

Bills of Exchange (Time of Noting) Bill:

Considered in Committee; Reported, without Amendment;
Read Third Time, and Passed.

Ways and Means:

Considered in Committee.

LONDON;
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

Can be purchased in the manner indicated on the back of this Wrapper.

Price 3d. Net.

HOUSE OF COMMONS.

Tuesday, 30th October, 1917.

[OFFICIAL REPORT.]

The House met at a Quarter before Three of the clock, Mr. SPEAKER in the Chair.

ORAL ANSWERS TO QUESTIONS.

WAR.

SPITZBERGEN.

2. Mr. INGLEBY asked the Secretary of State for Foreign Affairs whether he is aware that a Swedish company has erected a wireless station on the island of Spitzbergen and that a Norwegian company has erected a similar station on Bear Island; whether he is aware that these two stations, if in hostile hands, might be a source of danger to the shipping of this country; whether, seeing that Spitzbergen was annexed by Great Britain in the time of James I. and effectively occupied for a long series of years, he will consider the desirability, on commercial as well as national grounds, of renewing effective possession at the earliest possible moment; and, if so, what steps it is proposed to take?

The MINISTER of BLOCKADE (Lord Robert Cecil): The answer to the first part of the question is in the affirmative; the answer to the second part of the question is in the negative; with regard to the third part, I understand that the station the Swedes have in Spitzbergen is a low-power station not capable of communicating with the mainland. As to the last part, I would refer the hon. Member to the answer returned to a similar question put by the hon. and gallant Member for Maidstone in November last year.

Mr. SHIRLEY BENN: Has the Noble Lord any information regarding the report of concessions to Germans to work the coal mines there?

Lord R. CECIL: If my hon. Friend wants an answer, he had, perhaps, better put a question down.

Mr. SPEAKER: The hon. Member's question is quite a different topic.

Mr. STEWART: If Spitzbergen was annexed in the time of James I., when was it given up?

Mr. SPEAKER: That is a question for a professor of history.

Colonel YATE: Are these installations of the German Telefunken system; if so, does it not militate against us, seeing, too, that there is no Marconi system there?

Lord R. CECIL: I am afraid that is another question that I must ask my hon. and gallant Friend to give notice of.

PEACE NEGOTIATIONS.

3. Colonel Sir J. NORTON GRIFFITHS asked the Secretary of State for Foreign Affairs if his attention has been drawn to a statement made by M. Ribot recently in which he declared, on behalf of the French Government, not to receive any proposal for peace without communicating it at once to our Allies; and whether His Majesty's Government adopt the same course?

Lord R. CECIL: The reply to both parts of the question is in the affirmative.

Sir N. GRIFFITHS: Arising out of that answer, may I ask whether, in this matter of what is called secret diplomacy, any offers made through any secret channels, in the event of their reaching my Noble Friend's hands, are also submitted?

Lord R. CECIL: Any offer of the kind will be submitted to all of our Allies.

Mr. SNOWDEN: Is that the practice of the whole of the Allies?

Lord R. CECIL: I have no reason to suppose that any of the Allies differ from us, and are less anxious than we are to fulfil the obligations of the Alliance.

Mr. SNOWDEN: My question was: Is it an understood thing amongst the Allies that if any one of them received any peace overtures the fact would be communicated to all the other Allies?

Lord R. CECIL: It is an understood thing amongst all the Allies that the material facts of the War should be communicated to one another.

EAST AFRICA (WAR CORRESPONDENTS).

4. Colonel YATE asked the Under-Secretary of State for War whether any newspaper correspondent is permitted to accompany the forces operating in East Africa the same as in Mesopotamia; and, if not, whether there is any objection to one being permitted to go there now?

The UNDER-SECRETARY of STATE for WAR (Mr. Macpherson): There is an accredited correspondent accompanying the forces operating in East Africa.

REGIMENTAL FEEDING.

5. Major DAVID DAVIES asked the Under-Secretary of State for War whether in some districts the practice has been introduced of withdrawing from commanding officers of battalions the control of the allowance for messing money and feeding of the men and of placing the food supply in the hands of a central committee; and, if so, can he state what amount of money has been saved by the new arrangement?

Mr. MACPHERSON: Control of the messing money has not been withdrawn from commanding officers, but, with a view to maintaining the highest possible standard of messing for the troops during the present difficult conditions of food supply central control of the soldiers' messing by experts has been introduced at certain home stations. Committees are formed of commanding officers' representatives. This system has proved very satisfactory so far, and it is being gradually extended. The saving in cash effected where the system has been in operation has been approximately £7 per 1,000 rations issued over the period of one month. These savings must not be considered as a permanent feature of the system, as the constantly-rising prices of foodstuffs required will materially affect them, and, further, the improved feeding of the troops is the object aimed at rather than cash savings.

Major DAVIES: Is the right hon. Gentleman aware that in all the camps where the change has taken place a substantial dietary is provided; also that in most cases the portions given to the men are in excess of what is laid down in the military manual relating to feeding in the Army?

Mr. MACPHERSON: I am aware of those facts; only this morning I have received a report from—I think it was the Western Command—from a very distinguished officer, saying that in thirty years' experience he has never found better treatment of troops.

MEDICAL STUDENTS.

6. Mr. CATHCART WASON asked the Under-Secretary of State for War if he is aware that a number of medical students volunteered for service in the early days of the War; and if, in view of the sacrifices made by them and the services rendered, they will be entitled to recognition as well as combatant officers?

Mr. MACPHERSON: I can only refer my hon. Friend to the answer I gave to him on the 23rd instant, and to the hon. and gallant Member for Stirlingshire on the 19th instant, to which I have nothing to add.

Mr. WASON: Are we to understand from that answer that these very officers, who were amongst the first to volunteer, are to receive no consideration at all?

Mr. MACPHERSON: No; I do not think my hon. Friend can assume that at all from the answers I gave. What I said then was that all these cases were very carefully considered, and that different regulations were being issued which, I hope, will include men of this type.

10. Mr. SNOWDEN asked whether it is intended to withdraw from the Army all medical students serving in non-combatant posts in order to relieve the shortage of doctors at home?

Mr. MACPHERSON: The whole question of the conditions of military service as it affects medical students is under consideration by the Ministry of National Service. I am informed that representations on the subject will shortly be laid by the Minister before the Army Council.

TERRITORIAL FORCE (GENERAL HOSPITALS).

8. Colonel GRETTON asked the Under-Secretary of State for War whether in the regulations for general hospitals of the Territorial Force it is laid down that

for ea
additio
admini
colonel
disting
fession
showin
present
genera
tenant-
disting
profess
present
these]

Mr.
first pa
tive, bi
be on
ment c
such m
Comma
necess
asked
[See W

ARR

9. M
tary of
quiries
Irishma
Ireland
employ
there
forced
Private
50th T
Camp
Salop;

Mr.
being r
the ho
positio

Mr.
issue
recruit
these
to do v

Mr.
Friend
Direct

17. M
Secret

for each 520 beds there shall be, in addition to medical officers engaged in administrative duties, four lieutenant-colonels and eight majors selected from distinguished members of the medical profession; and will he give a detailed return showing how many beds there are at the present time in each of the five London general hospitals and how many lieutenant-colonels and majors selected from distinguished members of the civil medical profession are actually engaged at the present time in clinical duties at each of these hospitals?

Mr. MACPHERSON: The reply to the first part of the question is in the affirmative, but only half of these numbers are to be on duty at one time, and the employment of the mobilised staff is subject to such modification as the General Officer Commanding of the Command may think necessary. I am circulating the details asked for with the OFFICIAL REPORT.—
[See Written Answers.]

MILITARY SERVICE.

ARREST IN MANCHESTER (PRIVATE M. CLINTON).

9. **Mr. BYRNE** asked the Under-Secretary of State for War if he will make inquiries into the conscripting of a young Irishman, a victim of unemployment in Ireland, who was compelled to seek employment in Manchester, and when there for four weeks was arrested and forced into the Army, and is now known as Private M. Clinton, No. 53602, D Company, 50th Training Reserve Battalion, Hut 4, Camp 5, Prees Heath, Whitchurch, Salop; and if he will order his discharge?

Mr. MACPHERSON: Inquiries are being made, and I will communicate with the hon. Member as soon as I am in a position to do so.

Mr. BYRNE: Will the hon. Gentleman issue some proper instructions to the recruiting authorities not to interfere with these Irishmen, who have been engaged to do work of national importance?

Mr. MACPHERSON: I think my hon. Friend must address that question to the Director of National Service.

RUSSIAN SUBJECTS.

17. **Major NEWMAN** asked the Under-Secretary of State for War how many

Russian and Polish aliens have applied to be shipped to their native country; how many have actually been sent; has the Russian Government intimated that it regards the sending of further shiploads as undesirable; and has it made adequate arrangements for the payment of separation allowances to the wives and dependants of those who have left for Russia?

Mr. MACPHERSON: Although an opportunity to return to Russia has been afforded to all applicants, of the Russian subjects who applied in the prescribed manner to return, only about four-sevenths, or slightly more than half the total number, availed themselves of the opportunity offered to them. The men who failed to return to Russia are now available for service in the British Army, and there is no question of sending further shiploads of Russian subjects to Russia. With reference to the payment of separation allowances to the wives and dependants of those who have left for Russia, I must refer my hon. and gallant Friend to the answer given to my hon. and gallant Friend the Member for Attercliffe on the 24th October.

Major NEWMAN: Do I understand that slightly more than half the total number of Russian subjects have actually been shipped to Russia?

Mr. MACPHERSON: That is what I said in my answer.

Mr. HOGGE: My hon. Friend says those men are available for the British Army; does he rally mean they are to be taken?

Mr. MACPHERSON: Yes.

18. **Major NEWMAN** asked the Under-Secretary of State for War whether he can give any details as to the progress made with the enrolling of Russian and Polish aliens under the recent Convention; how many have voluntarily offered themselves for enlistment before the appointed date for joining up; how many have appealed for exemption; what progress is being made with the hearing of such appeals; and in what period of time is it estimated that all such appeals will have been disposed of.

Mr. MACPHERSON: With reference to the first part of my hon. and gallant Friend's question, I must refer him to the answer given to my hon. Friend the Member for North Somerset on 16th October. I am unable to supply

[Mr. Macpherson.]

the information asked for in the second part of the question, as in order to obtain this information, it would be necessary to apply to some 18,000 tribunals.

Major NEWMAN: Is it not a fact that there are over 10,000 claims for exemption already?

Mr. MACPHERSON: I cannot add anything to my answer:

53. **Major NEWMAN** asked the Prime Minister whether he will take into consideration the attempts that are being made by a portion of the Russian aliens of military age to escape military service; and whether, having regard to the impossibility of shipping thousands of these men to Russia, he will request the Russian Government to give this country a free hand to hold, without further exception or favour, all Russian subjects as liable to military service in the British Army or to be employed on such work as may be deemed of national importance?

Mr. MACPHERSON: All Russian subjects who applied in the prescribed manner to return to Russia have been given an opportunity to return and those who failed to avail themselves of the opportunity offered to them to return to Russia are being called up for service in the British Army. As a result of the Russian Military Service Convention and the Military Service (Convention with Allied States) Act, 1917, Russian subjects of military age who are resident in Great Britain come within the operation of the Military Service Acts, 1916 and 1917, and it is therefore not necessary to make any representations to Russia.

Major NEWMAN: Is the hon. Gentleman aware that the Russian Government have made use of the Military Service (Conventions with Allied States) Act against British subjects with great freedom, and that all Britishers in Russia have either been sent back or made to serve in the Russian army?

Mr. SPEAKER: That is a matter for the Foreign Office.

CONSCIENTIOUS OBJECTORS.

38. **Mr. SNOWDEN** asked the Secretary of State for the Home Department if he will make any statement as to the health of Thomas Darling Matchett, a schoolmaster of Bath, confined to Dorchester prison as a conscientious

objector; whether his wife has been sent for as the man is not expected to live owing to hæmorrhage of the lungs; and can it be stated what circumstances brought about this condition?

The **SECRETARY OF STATE** for the **HOME DEPARTMENT** (**Sir George Cave**): This man who had not previously been in bad health had on the 12th October a severe hæmorrhage from the lungs probably arising from latent tuberculosis, and his wife was sent for. He is now much improved, and is no longer considered in immediate danger. If his friends can arrange for his reception in a sanatorium, I shall be prepared to exercise my power of release under Section 17 of the Criminal Justice Administration Act, 1914.

MAN POWER.

56. **Sir J. N. GRIFFITHS** asked the Chancellor of the Exchequer whether, in view of the necessity for maintaining the strength of the armies in France and elsewhere by providing trained drafts as required, legislation will be introduced with a view of making it compulsory for all single men fit for general service up to the age of twenty-one to become liable for military service, with no exemptions?

The **CHANCELLOR** of the **EX-CHEQUER** (**Mr. Bonar Law**): Suggestions similar to that contained in the question have been most carefully considered by the Government and have been rejected as impracticable.

Sir J. N. GRIFFITHS: Is there any intention on the part of the Government to reconsider the subject?

Mr. BONAR LAW: No; not on that point. We definitely came to the conclusion that nothing could be worse for the Army than to adopt a plan which would possibly leave them without the essential munitions.

ATTESTED MEN.

61. **Mr. SNOWDEN** asked the President of the Local Government Board whether an attested man who holds a certificate of exemption from military service by reason of being employed on munition work, and who was so employed before the 15th August, 1915, is, on the withdrawal of such certificate of exemption, entitled to the two months' grace provided for by Section 6 of the second Military Service Act?

The PARLIAMENTARY SECRETARY to the MINISTRY of NATIONAL SERVICE (Mr. Beck): My right hon. Friend has asked me to reply that the provisions of the Military Service Acts do not apply to attested men. An attested man who has held a certificate of exemption from a tribunal has the right to apply for renewal under the Instructions to Tribunals not later than seven days after a calling-up notice is sent to him.

ROYAL FIELD ARTILLERY.

(DRIVER F. A. BUXTON).

11. Mr. SNOWDEN asked the Under-Secretary of State for War if he will have an immediate inquiry made into the case of Driver F. A. Buxton, No. 78381, 7th Reserve Battalion, Royal Field Artillery, Fulwood Barracks, Preston, who is or was recently confined in the guardroom on a charge of malingering, and who is under orders to be sent with a draft to France; will he inquire why a soldier who has been wounded twice during the present War, and who is suffering from a badly injured leg due to wounds should have received such treatment from the medical military authorities; and will he ascertain if a fortnight ago, when placed on a draft, he was marked unfit for overseas, although his condition was then not so bad as it is at the present time?

Mr. MACPHERSON: I have called for a Report, and will let my hon. Friend know as soon as possible.

ALDERSHOT COMMAND.

12. Major D. DAVIES asked the Under-Secretary of State for War whether Lieutenant-General Sir Archibald Murray has been appointed to the Aldershot Command; if so, what is the number of different units comprised in the Aldershot Command; and whether this appointment is to be considered in the light of a promotion for Sir Archibald Murray's services on the Egyptian front?

Mr. MACPHERSON: The answer to the first part of the question is in the affirmative. In the public interest the information asked for in the second part cannot be given. In regard to the third part, the question of promotion does not arise.

Mr. DILLON: Has Sir Archibald Murray been sent to Aldershot in order to teach other British officers to lose battles?

Mr. MACPHERSON: If I may say so, I strongly deprecate that question. Sir Archibald Murray is a most distinguished General Officer Commanding-in-Chief. My advisers believe that he will do exceedingly well at Aldershot.

Mr. HOGGE: Can my hon. Friend say whether it is desirable to promote a gentleman of this kind to this post, in view of the fact that the dispatches of the Gaza fight—which was a defeat—have never been published in this country?

Mr. MACPHERSON: I cannot accept the statement that has been made by my hon. Friend. I have already stated that Sir Archibald Murray has been sent to Aldershot by the military authorities, on the distinct knowledge and understanding that he will perform the duties there exceedingly well.

Mr. WATT: Has the hon. Gentleman ever admitted that any member of his Department ever did badly?

FURLOUGH (SICKNESS).

13. Mr. FERENS asked the Under-Secretary of State for War whether a soldier while on furlough from France or the East, who is taken ill so that he has to spend the remainder of his furlough in a military hospital, is sent straight back to duty when fit to be discharged from hospital and is not permitted to complete his furlough before being sent back to the front, and that this is so even in cases where the illness is through no fault of his own and where the soldier may not have had furlough for a year or eighteen months; and, if so, whether he will take steps to have this practice changed?

Mr. MACPHERSON: The answer to the first part of my hon. Friend's question is in the affirmative. It is not proposed to alter the practice at present, though I sympathise with the unfortunate cases referred to. If, however, the practice were changed, it would, I fear, be at the expense of other soldiers waiting their turn for leave.

CADET CORPS.

14. Major NEWMAN asked whether the provision of arms and equipment will be

[Major Newman.]
granted when obtainable to Territorial Cadet units who have been organised by the War Office before Cadet formations of more recent origin are supplied?

Mr. MACPHERSON: No discrimination in this matter in favour of newly formed as against other Cadet units will be exercised.

15. Major **NEWMAN** asked the Under-Secretary of State for War whether he is aware of the wearing of uniform and assumption of military rank by clergymen and members of the theatrical profession on the ground of command of or association with various Cadet Corps in London and the Home counties; and will he state the Regulations which govern the granting of commissioned rank and the wearing of uniform in a Cadet Corps which is recognised by or affiliated to any Territorial Force association?

Mr. MACPHERSON: Cadet commissions are issued on behalf of His Majesty the King by Lords Lieutenant of counties. Uniform worn by officers may be ordinary regulation pattern service dress, with the letter C on the fronts of the collar and below the badges of rank when the latter are worn on the shoulder strap.

Major NEWMAN: The right hon. Gentleman has not answered the first part of my question?

Mr. MACPHERSON: I think I have covered that part in the answer I have just given.

Major NEWMAN: Then do I understand that any officer in any Cadet Corps may wear uniform at all times, every day, and all day, or when only on duty?

Mr. MACPHERSON: I believe it is only when on duty.

Mr. REDDY: Does that apply to sham officers wearing uniform in this House?

16. Major **NEWMAN** asked the Under-Secretary of State for War whether he can give any information as to the work of the Central Association of Volunteer Regiments in raising Cadet battalions in various parts of the country; are the battalions so raised under any supervision from the War Office or from a Territorial Force Association similar to that exercised in the case of county Territorial Cadets; and what

Regulations govern battalions so raised in the appointing to commissioned rank and the wearing of uniform?

Mr. MACPHERSON: The Central Association of Volunteer Regiments have undertaken to assist Territorial Force Associations in raising additional Cadet units, both by the provision of speakers and other means. Any units so raised will be organised and administered on precisely the same lines as other "recognised" Cadet units, as provided for by the Cadet Regulations.

Major NEWMAN: Will these Cadet units be under the control of the Territorial Association or the Independent Territorial Forces Association?

Mr. MACPHERSON: I do not believe that this question is at present settled, but I understand they will be under the control of the Territorial Forces Association.

SOLDIERS' COMPLAINTS TO MEMBERS.

19. **Mr. WHITEHOUSE** asked the Under-Secretary of State for War if it is an offence for soldiers and officers to make criticisms, suggestions, or complaints to Members of Parliament; and, if so, what Regulation deals with the matter and what is the object of such Regulation?

Mr. MACPHERSON: It is an infraction of the King's Regulations, paragraphs 439 and 453, for an officer or soldier to act in the manner suggested by my hon. Friend. I think I may say that the object of the Regulations is to safeguard the discipline of His Majesty's Forces.

Mr. TREVELYAN: May I ask whether there are any cases in which soldiers have been punished for sending such complaints to Members of Parliament?

Mr. MACPHERSON: I know of no cases, and I may say that when any complaints or letters from soldiers sent to Members of Parliament have come to me the soldiers who sent them have been immune from disciplinary action.

ARMY PAY CORPS.

21. **Mr. SNOWDEN** asked the Financial Secretary to the War Office whether something will be done to improve the remuneration

ration of the men attached to the Army Pay Corps, especially those soldiers who do not live in barracks or draw Army rations, but who are placed on the lodging list and have to provide their own food and lodging on a very inadequate allowance?

The **FINANCIAL SECRETARY** to the **WAR OFFICE** (Mr. Forster): I fear that no increase can be made in the lodging and ration allowances, but those not on special rates of pay will, of course, be eligible for the concessions with regard to pay recently announced for the Army generally.

DISCHARGED SOLDIERS (TREATMENT AND TRAINING).

22. Major D. DAVIES asked the Pensions Minister what provision has been made for the medical treatment and training of discharged soldiers in Wales and Monmouthshire; how many institutions have been established; and whether it is proposed to open new centres of treatment and training of disabled men?

The **PARLIAMENTARY SECRETARY** to the **MINISTRY** of **PENSIONS** (Colonel Sir A. Griffith-Boscawen): Some 176 institutions, including military, auxiliary, and civil hospitals and convalescent homes are in use and open to the treatment of discharged disabled men in Wales and Monmouthshire, and the Joint (Disablement) Committees set up by local War Pensions Committees, and the Ministry have been invited to submit proposals for meeting any deficiencies in this respect. Schemes for establishing an after-care colony with training for tuberculosis, and for at least one centre for orthopædic treatment are now under consideration. With regard to training, schemes have been sanctioned for cinema operating at Cardiff, cabinet-making and toy-making at Trefnant, and horticulture and market gardening at Wrexham Garden Village. Diamond-cutting and polishing will, it is hoped, be shortly established at Wrexham, and it is proposed to start a number of courses in various subjects at Cardiff.

Mr. HOGGE: Can the hon. and gallant Gentleman say how much money the Treasury has given for the creation of those centres?

Sir A. GRIFFITH-BOSCAWEN: I could not possibly say that without notice.

NAVAL AND MILITARY PENSIONS AND GRANTS.

23. Mr. J. P. FARRELL asked the Pensions Minister why Mr. J. O'Donnell, late of the Leinster Regiment, has had his pension reduced to 1s. 8d. for himself and four children, for whom he is unable to earn anything in consequence of total disablement due to rheumatism contracted on war service; and whether, in view of the present prices of food, etc., he will grant an immediate increase in this case?

Sir A. GRIFFITH-BOSCAWEN: The medical board, by whom Mr. O'Donnell was examined in July last, reported that he was then disabled to the extent of one-fifth and his pension was fixed on this basis. In view, however, of the representation as to total disablement due to rheumatism contained in the question, I am having arrangements made for a re-examination.

24. Mr. FARRELL asked the Pensions Minister why the parents of Private M. Dunne, No. 52215, 3rd Battalion Royal Irish Fusiliers, have only received the sum of 5s. 3d. per week separation allowance, all of which he left them out of his own pay; why some increment cannot be made, as in such cases; and will he have the case inquired into and an increase granted?

Mr. FORSTER: Inquiry will be made if my hon. Friend will furnish further particulars, as the soldier cannot be traced in the Royal Irish Fusiliers under the number given.

MINISTRY OF SHIPPING.

30. Mr. HOUSTON asked the total number of persons employed in the Ministry of Shipping; the number of Departments; the number of directors, exclusive of Sir Joseph Maclay, the Controller; the number of persons who receive a salary of £300 a year and upwards, or the equivalent thereof; and the total amount of wages paid in connection with this Ministry per month?

The **PARLIAMENTARY SECRETARY** to the **MINISTRY** of **SHIPPING** (Sir Leo Chiozza Money): The total number of persons employed in the Ministry of Shipping on the 26th October, 1917, was 1,219. This number includes 151 Civil servants lent by other Public Departments and naval and military officers

[Sir L. Chiozza Money.]
passed for light duty by medical boards. The number of Departments is eleven. In addition to the Director of Transports and Shipping there are eight posts held by persons officially designated directors, of whom three are unpaid and four lent by other Government Departments. The number receiving £300 and over is 115, of whom 70 are Civil servants on loan from other Public Departments. The total charge on the funds of the Ministry for salaries and wages is £12,000 a month, excluding payments made by other Departments to officers lent by them and still borne on their books.

Mr. HOUSTON: Can the hon. Gentleman state, approximately, the amount that is represented in payments by other Departments.

Sir L. CHIOZZA MONEY: I should want notice of that. I should think, about £1,500, in addition to the figures given.

Mr. WATT: Can the hon. Gentleman state, in a few words, what the 1,200 employés do?

Sir L. CHIOZZA MONEY: I cannot give that answer in a few words.

MERCHANT SHIPBUILDING.

27. **Mr. HOUSTON** asked the Parliamentary Secretary to the Ministry of Shipping (1) the number of standard ships which have been built, completed, and entered on service up to the 25th October instant, together with their respective gross register tonnage; and how many of these vessels have been lost; and (2) whether he can state, with reasonable accuracy, the number of standard ships which will be completed and enter on service between 25th October and 31st December next, and their respective gross register tonnage?

Sir L. CHIOZZA MONEY: The total number of standard ships completed and entered on service up to 25th October was five. The tonnage approximately is 5,200 tons gross each. One of these steamers has been lost. The number of standard ships expected to be completed between 25th October and 31st December is eighteen, of which sixteen will be of approximately 5,200 gross tons each, one of 3,000 tons gross, and one of 2,000 tons gross. As I pointed out in reply to a similar question recently, such figures give only a partial and therefore

misleading view of the subject, and further information will be given in the First Lord's statement on Thursday next.

Mr. HOGGE: Can the hon. Gentleman say whether the "War Shamrock," as well as the "War Clover," has been lost?

Sir L. CHIOZZA MONEY: That, according to my knowledge, has not been lost.

Mr. HOUSTON: Owing to the unsatisfactory nature of the reply, I beg to give notice that I shall deal with these matters in Debate either to-day or to-morrow, as opportunity offers.

29. **Mr. HOUSTON** asked the number of British merchant ships and their gross register tonnage which were built and completed during the first six months and second six months of the years 1913, 1914, 1915 and 1916, respectively, and during the first six months of this present year in Great Britain and abroad, respectively?

Sir L. CHIOZZA MONEY: The information sought is not readily available in the exact form indicated in the question, but a statement has been prepared which will be circulated in the OFFICIAL REPORT. I am sending my hon. Friend a copy this afternoon.

The following is the statement above referred to:—

BRITISH STEAMSHIPS LAUNCHED IN THE UNITED KINGDOM AND ABROAD.

Year.	Number.	Gross Tonnage.
1913—United Kingdom	661	1,397,745
Abroad	17	8,670
Total	678	1,406,415
1914—United Kingdom	668	1,317,454
Abroad	14	9,135
Total	682	1,326,589
1915—United Kingdom	371	758,858
Abroad	6	10,672
Total	377	769,530
1916—United Kingdom	310	526,747
Abroad	2	1,077
Total	312	527,824
1917—United Kingdom	202	585,862
(1st six mths.) Abroad	9	43,988
Total	211	629,850

FOOD SUPPLIES.

PRICE LIMITS.

31. Mr. GEORGE LAMBERT asked the President of the Board of Agriculture whether he has concurred in and sanctioned the various price limits for meat and other agricultural products fixed by the Food Controller; and whether attention has been given to the possible deterrent in production of essential food products?

The PRESIDENT of the BOARD of AGRICULTURE (Mr. Prothero): Orders under Regulation 2F of the Defence of the Realm Act, "providing for the fixing of minimum and maximum prices" for agricultural produce are issued by the Food Controller. Neither the concurrence nor the sanction of the Board of Agriculture is necessary to their validity; but the Board concurred with the prices fixed for corn and milk and with the amended price for beef (live weight). The Board is consulted by the Food Controller as to the possible effects which proposed prices may produce upon food supplies.

POTATOES.

35. Mr. LOUGH asked the President of the Board of Trade whether he is aware that the Government bought 12,500 tons of 1916 crop potatoes in Holland during the spring; whether considerable delay occurred in bringing this stock into the country, so that they were nearly all condemned as unfit for human food; what was the total price paid for these potatoes and at what sum he estimates the loss to the country over the transaction; whether the Government made a further purchase of new crop potatoes in Holland; and what was the result of that transaction?

Lord R. CECIL: The quantity of Dutch 1916 crop potatoes purchased by His Majesty's Government in the spring of this year was not 12,500 tons, but 1,757 tons, in addition to which 33,000 tons of the 1917 crop were acquired.

Owing to circumstances over which His Majesty's Government had no control, considerable delay occurred in the shipments to this country, with the result that large quantities of the potatoes were condemned on arrival as unfit for human food.

The expenditure involved in the purchase amounted to £440,000. The accounts have not yet been completed and the loss

cannot, therefore, be stated. It will unquestionably be considerable; but I must point out that the purchase was not entered upon as a commercial transaction, but as a blockade measure, and as such must be considered to have achieved its object.

Mr. LOUGH: Can the right hon. Gentleman say how such a large sum as £440,000 could be paid for quantities reduced to less than 200,000 tons of potatoes?

Lord R. CECIL: My right hon. Friend did not hear my answer. I said 1,757 tons of this year's and 33,000 tons of the 1917 crop.

Mr. LOUGH: How could those few potatoes cost nearly half a million? Will the right hon. Gentleman undertake that if he does anything of this kind again it will be done through the ordinary business channels?

Lord R. CECIL: It was done on the advice of business men. I am sorry we did not get my right hon. Friend's advice, and perhaps he will be good enough to give it to us.

46. Mr. LOUGH asked the Prime Minister whether he is now in a position to state how the Government propose to give effect to their guarantee as to the price of potatoes since the 16th of September; and whether growers who have been compelled to sell at lower prices since that date will receive compensation?

Mr. BONAR LAW: In accordance with the promise given by me, this subject was considered by the Cabinet on the following day. It is complicated and difficult; but the Food Controller is preparing a scheme to deal with it which I hope it will be possible to announce in a day or two.

FOOD ORDERS (WELSH LANGUAGE).

43. Mr. ELLIS DAVIES asked the Parliamentary Secretary to the Ministry of Food whether he can arrange for the publication in the Welsh language in the local newspapers in Wales of all orders made by his Department?

Mr. PARKER (Lord of the Treasury): The Food Controller is considering what can be done to meet the suggestion of my hon. Friend.

SUGAR CARDS.

44 and 58. **Mr. TREVELYAN** asked (1) what course should be adopted by householders who, having filled up their sugar card in one district, will have removed all or part of their household by the end of the year to some other and perhaps distant part of the Kingdom; whether their sugar supplies will have to follow them by post or whether facilities will be offered for transferring their orders from one district to another; (2) what steps will have to be taken in January by householders who have changed the personnel of their household since registering in October; and whether there will be any system by which a servant or other person passing from one household to another may carry with them their claim to sugar?

Mr. PARKER: Facilities will be afforded for meeting both the requirements specified as part of the removals arrangements which are in course of preparation. These arrangements will be announced shortly.

TEA.

59. **Mr. KING** asked the Parliamentary Secretary to the Ministry of Food whether owing to the impossibility of obtaining tea, people are using burnt bread or dried herbs to make by infusion a substitute for tea; whether the use of bread for this purpose is permitted; and whether he will indicate any suitable and wholesome substitutes for tea?

Mr. PARKER: No information has reached the Ministry of Food that burnt bread and dried herbs are being used as substitutes for tea. There is no prohibition on the use of toasted bread for this purpose. Coffee and cocoa afford suitable substitutes for tea, and it is believed that a cheap and wholesome substitute can be made from cocoa shells and cocoa shell powder.

GRAIN PURCHASES (GOVERNMENT AGENTS).

60. **Captain O'NEILL** asked the Parliamentary Secretary to the Ministry of Food whether the Food Controller made any and, if so, what, statement to a deputation from the Irish farmers' co-operative societies which he received last July with reference to utilising these societies as agents for the Government in connection with the scheme for the purchase of grain for the Army; whether any of these

societies have been so appointed; and, if not, why this has not been done?

Mr. PARKER: The answer to this question was printed in yesterday's OFFICIAL REPORT. It was that the statement made to the deputation was that the matter would be considered. It subsequently appeared that these societies had no considerable experience of dealings in oats and could only offer very limited warehouse accommodation. It was not, therefore, found possible to utilise their services as buying agents.

Captain O'NEILL: Is the hon. Gentleman aware that certain farmers' co-operative societies have incurred considerable expense in erecting the storage facilities for grain and potatoes, and, if I bring to his notice a case of that kind, will he reconsider the matter?

Mr. PARKER: I am not aware of the facts as stated, but if the hon. and gallant Member will give me the facts he possesses I will pass them on to the Ministry of Food.

SALE OF HORSES ORDER.

32. **Mr. ELLIS DAVIES** asked the President of the Board of Agriculture whether, in view of the dissatisfaction which exists with regard to the Sale of Horses Order and the fact that certain classes of horses are, on account of their age or price, not bought for agricultural work, he can so modify the Order as to dispense with or facilitate the issue of permits?

Mr. PROTHERO: The object of the Order in question is to safeguard the supply of agricultural horses, and by purchases in counties which possess a surplus stock to make good deficiencies in other counties. At present I think that any relaxation would be unwise. In special circumstances the county committees have discretionary powers to grant permits subject to the sanction of the Board, and that sanction is not unreasonably withheld. The Board acts in close co-operation with the Utilisation of Horses Committee of the Board of Trade.

LADIES' GALLERY (GRILLE).

33. **Mr. ROWNTREE** asked the First Commissioner of Works what is to become of the grille which has been removed from the Ladies' Gallery?

The **FIRST COMMISSIONER of WORKS** (Sir Alfred Mond): Thirteen of the brass grilles removed from the Ladies' Gallery have been fixed in front of the glazed window openings facing the Central Hall. One grille has been presented to the London Museum and four are in store.

WELFARE OF BLIND.

39. **Mr. ROWNTREE** asked the Home Secretary whether his attention has been called to a resolution passed recently at six public meetings in York calling upon the Government to introduce into the House of Commons at the earliest possible opportunity a Bill based on the recommendations contained in the Report of the Inter-departmental Committee on the Welfare of the Blind; and what action the Government propose to take in the matter?

The **PARLIAMENTARY SECRETARY to the LOCAL GOVERNMENT BOARD** (Mr. Stephen Walsh): My right hon. Friend has asked me to answer this question. The Local Government Board have received a copy of the resolution referred to. The Committee's Report is receiving the careful consideration of His Majesty's Government, and it is hoped that it may be found possible before long to give effect to their recommendations.

ENEMY AIR RAIDS.

PUBLIC WARNINGS.

40. **Mr. GILBERT** asked whether, in view of the air raid last Friday week, he has further considered the question of night warnings for London and district; and can he now state definitely what warnings will be given in case of air raids after dark and what will be the all-clear signal?

Sir G. CAVE: Warning of an air raid impending at night is given by the constabulary, regular and special, who circulate through the streets on cycles or in cars carrying "Take Cover" placards, sounding their whistles, and calling on the people to take cover. In places at all near the danger area these warnings are supplemented by the sound of the anti-aircraft artillery, which is generally heard before the raiders reach London. These methods have proved quite effective in clearing the

streets; but a demand having arisen in some quarters for a louder warning to be given, the matter has been again considered by the Cabinet.

There are strong objections to using the sound bombs (or maroons) as a night warning. These form an excellent warning by day, when the streets are congested and the roar of the London traffic drowns all other sounds. But to use them at night, when there is comparative quiet and most people are in their own houses, would cause unnecessary alarm and might lead to serious consequences. The effect of such an alarm on inmates of hospitals and persons suffering from shell-shock or weak heart, old people, and women in delicate health, might be very grave.

Further, the Government are advised that the use either of bombs or sirens as a warning at night would be likely to impel great numbers of persons, especially in the poorer districts, to leave their homes and seek shelter elsewhere, with the result that they would incur much greater risk of being hit by shell splinters, and that in consequence of the exposure to which the children would be subjected a heavy toll would be taken of child life. Experience shows that if a raid occurs people are safest in their own homes.

After fully considering the whole matter, the Government have come to the conclusion that the present system of night warnings should be maintained, and that it is undesirable that warning should be given by bombs or sirens at night. The "All Clear" signal is given by bugle.

Mr. GILBERT: Can the right hon. Gentleman say whether, in view of the experience of last night, the Government has decided in regard to the whistle alarm whether the police and others who have the whistles can be provided with a louder whistle; and, secondly, will the right hon. Gentleman consider or undertake to see that posters giving this information in a precise form will be posted on all public buildings all over London, so that the public may know what these warnings will be?

Sir G. CAVE: I am told that the whistles last night were very loud indeed, and that within a very short time after the warning the streets were clear. As to the latter point, I will consider it.

Mr. GILBERT: Will the right hon. Gentleman consider that there are

[Mr. Gilbert.]

number of by-streets in London, and unless the whistles are very loud they cannot be heard there the same as in the main streets? Will he reconsider this point?

Mr. KENNEDY JONES: In the event of an air raid extending over five or six hours, as the last air raid did, and unaccompanied by any gunfire or sounds, has any provision been made for renewing the warnings from hour to hour?

Sir G. CAVE: Yes. I answered that question the other day. The Commissioner proposes that if the "All clear" signal cannot be given within two hours after the "take cover" the warning will be repeated.

Mr. JONES: Will the right hon. Gentleman publish that for the information of the public?

Sir G. CAVE: Yes.

Mr. HOUSTON: Will my right hon. Friend see that all bugle sounds are given in the same districts and neighbourhoods where the alarm is given? Last night I heard the whistle but I did not hear the "All clear" signal, although I was working until two o'clock?

Sir G. CAVE: Perhaps the hon. Member was asleep.

Mr. HOUSTON: Did my right hon. Friend not hear me say that I was working until two o'clock this morning? I was not asleep.

RECOVERY OF POSSESSION.

41. **Mr. JOWETT** asked the Home Secretary if he has received a communication from the town clerk of Bradford concerning the growing practice of justices to grant orders for recovery of possession after twenty-one days against the dependants of soldiers and sailors; and, if so, what action he intends to take with regard to it?

Sir G. CAVE: I have received the communication referred to. My Department is not responsible for the administration of the Act passed in 1915 which deals with this matter, but I will communicate with the justices and make inquiry into the statements in the question.

ENEMY ALIENS.

42. **Sir N. GRIFFITHS** asked the Home Secretary if he will state the nationality of Adolph Liebman, residing at The Whim, Byfleet Road, Weybridge, a house in the proximity of Brooklands aerodrome?

Sir G. CAVE: He is a British subject, having been naturalised in 1901.

SALONIKA EXPEDITIONARY FORCE.

45. **Major DAVIES** asked the Prime Minister whether the Commander-in-Chief of the Allied Expeditionary Force at Salonika has appointed officers of all the Allied contingents now serving on the Front to be attached to the general head-quarter's staff; and what steps of a similar nature have been taken by the Government in conjunction with our Allies to ensure complete co-operation among the various units of the Salonika force?

Mr. MACPHERSON: The command of all Allied troops at Salonika is vested in one single Commander-in-Chief, namely, General Sarrail. He is responsible for the issue of such orders to the various Allied Commanders as will ensure the co-operation of all towards the execution of his plans. The Commander of the British contingent has at his disposal a number of staff officers for liaison duties both with the Commander-in-Chief and with other Allied contingents. It is understood that the procedure in these contingents is similar. In addition, the Commander-in-Chief appoints such staff officers for liaison duties with the contingents under his command as he may think necessary.

MINISTRY OF HEALTH.

47. **Sir WILLIAM COLLINS** asked the Prime Minister whether, in view of the conflicting and varied interests involved, and the number of Government Departments concerned, he will consider the advisability of setting up some form of inquiry, by Royal Commission or otherwise, into the desirability and practicability of instituting a Ministry of Health?

Mr. BONAR LAW: As I stated in my reply on the 18th instant to the hon. Member for East Mayo, there is reason to hope that substantial agreement will shortly be reached amongst those directly concerned, and as the subject has already

been very carefully investigated and reported on by the Reconstruction Committee and by a Committee of Ministers, the Government do not consider that the appointment of a Royal Commission is necessary.

FRANCE (SECRET SESSION OF PARLIAMENT).

48. Mr. TREVELYAN asked the Prime Minister whether full information can be given as to the offer of the German Government conveyed to M. Briand; whether the proposals contained an offer to restore Belgium and cede Alsace-Lorraine; and what other conditions made the proposals unacceptable?

Lord R. CECIL: I have no reason to suppose that any offer of the kind suggested was made. But I must point out that this is primarily a matter for the French Government, and it would not be very desirable for me to make any public statement on the subject unless they had done so.

Mr. TREVELYAN: May I ask whether all the information which comes from France to the effect that there was a Session of the Chamber of Deputies upon this question, and that it was upon it that M. Ribot fell is untrue, and whether the British Parliament is not to have the same opportunity of considering this question?

Lord R. CECIL: The Session to which the hon. Member refers was a Secret Session and his information therefore must be derived from unofficial sources.

Mr. TREVELYAN: Is it not the case that in several newspapers of reputation in England there have appeared statements from France on the subject which was discussed in France, statements which have not been in any way contradicted, and, if so, are we not to have the same opportunities as the French Parliament?

Lord R. CECIL: I really do not know in the least what went on at the Secret Session of the French Chamber, and I cannot possibly be asked to make any admission or statement about it.

Mr. KING: If these accounts of this sitting and the events connected with it which have been published in several papers are untrue, why were they not censored?

Lord R. CECIL: The hon. Member must be perfectly well aware that the censorship is not under my control, but, apart from that, he must be perfectly well aware that there has been no censorship by the Foreign Office of statements in newspapers for, I think, more than two years.

Mr. KING: Are not all political events censored by the military censor when they have a military importance as this had?

Lord R. CECIL: I do not think that this can be said to have any military importance in that sense; at any rate, if the military censorship ought to have been exercised the hon. Member should address his question to the Department concerned.

Mr. SNOWDEN: May I ask whether the Foreign Office has received any communication from the French Government with regard to this alleged German offer?

Lord R. CECIL: I must ask for notice of that question.

Mr. D. MASON: May I ask the right hon. Gentleman or the Leader of the House if he has anything further to say with regard to his promise to consider the advisability of issuing a White Paper giving the exact words or statements made by eminent French Ministers?

TURKEY AND BULGARIA (MUNITION MATERIALS).

49. Major DAVIES asked the Prime Minister whether he has any information showing what quantity of supplies of food, cotton, metals, and other essential products for the manufacture of munitions of war have been sent during the twelve months ending 30th June, 1917, from the Turkish Empire and Bulgaria to the Central Powers?

Lord R. CECIL: I would refer the hon. and gallant Member to the answer given to him on this subject on the 23rd instant.

DEATH OF THOMAS ASHE.

50. Mr. BYRNE asked the Prime Minister whether he has received the unanimous finding of the jury that privilege should not be claimed by the Government with respect to documents of facts concerning the death of Thomas Ashe; and whether, in face of that desire, the Government

[Mr. Byrne.]

intend to insist that it is in the public interest that the evidence should not be made known?

The **CHIEF SECRETARY** for **IRELAND** (Mr. Duke): My right hon Friend has asked me to reply. It is not within the province of a coroner's jury to determine questions of production of documents, and so far as I have seen the jury empanelled in the case of Thomas Ashe has not purported to do so. In answer to a suggestion of the jury communicated to me by the coroner, I have informed the coroner, as the fact is, that there are no documents under my control which would assist the jury in coming to a determination in the case, or which ought in the public interest to be produced.

Mr. **DILLON**: I should like to ask whether the attention of the right hon. Gentleman has been directed to the savage and grossly unfair attacks made upon subordinate officials in the course of these proceedings, and whether, in view of those attacks, he does not consider it desirable, from motives of common justice, that all the facts should be made public?

Mr. **DUKE**: I am aware that attacks have been made. They were made where they are not under any control from external authority. It is not for me to express any opinions about them. I believe that all the relevant facts with regard to the death of Thomas Ashe have been made public. It is quite true that in my judgment a great many irrelevant facts are being sought for and a great many unjust attacks made, but that is not limited to the case of Thomas Ashe.

Mr. **DILLON**: Does the right hon. Gentleman consider it fair to leave subordinate officials at the mercy of ruthless and savage attacks of this character unjustly made?

Mr. **DUKE**: I do not think that I can add anything to the answer that I have given.

Mr. **BYRNE**: Will the right hon. Gentleman state what the Government hope to gain by concealing the true facts? Do they hope to shelter the real culprits?

Mr. **DUKE**: I do not think, except in the mind of the hon. Gentleman and those constituted like he is, that it is believed anywhere that I conceal any of the facts.

Mr. **BYRNE**: In all Ireland!

PARIS ECONOMIC CONFERENCE.

51. Sir **J. N. GRIFFITHS** asked the Prime Minister whether all the Allies of Great Britain have carried out in their respective countries the Resolutions passed at the Paris Economic Conference; and the position of this country in regard to such Resolutions?

52. Mr. **PETO** asked the Prime Minister whether it is the intention of the Government to give effect to the Resolutions of the Paris Conference of the Allied Powers with regard to commercial relations; and what, if any, steps have been taken or are being taken to give practical effect to them?

Mr. **BONAR LAW**: Much has been and is being done in connection with this subject. A good deal of it, and in particular our communications with our Allies in regard to it, could not be made public, but I am having a statement prepared, and as soon as it is ready I shall consider what is the best way of communicating it to the House.

Mr. **PETO**: May I call the right hon. Gentleman's attention to the last part of my question, asking whether he can state definitely what steps are being taken to give practical effect to the Resolutions of the Paris Conference?

Mr. **BONAR LAW**: My answer dealt directly with that question. I said that a great deal had been done. I was having a statement prepared, and I should consider the best way of communicating it to the House.

Sir **N. GRIFFITHS**: Will the right hon. Gentleman embody in that statement which of our Allies have already entered into and carried out the Resolutions of the Paris Conference?

Mr. **BONAR LAW**: I have already said that a great deal of information upon this subject cannot be made public. What I am having done is to have a statement prepared of what can be published. As soon as it is prepared, in some way or other, I shall communicate it to the House.

Mr. **TREVELYAN**: Will the right hon. Gentleman in that statement give the views of the United States as put forward in the Pope's Note against an economic war after the War?

Mr. BONAR LAW: I do not know exactly what the hon. Member means. I shall give as far as I can the views of His Majesty's Government, and also, when it can be done without impropriety, the action of our Allies.

Mr. KING: Have the United States been asked to adhere to the Resolutions of this Conference and have they acceded?

Mr. BONAR LAW: I can add nothing to what I have said.

PETROL.

54. Mr. C. WASON asked the Chancellor of the Exchequer whether, in view of the scarcity of petrol, he will consider the advisability of prohibiting the issue of petrol to motor vans belonging to great stores running miles out of London in competition with local shops?

The PRESIDENT of the BOARD of TRADE (Sir Albert Stanley): My right hon. Friend has asked me to reply to this question. The question of the allowance of petrol to be granted for use in commercial vans and lorries is now under consideration, and the quantities allotted will be confined to the minimum necessary for essential trade.

Mr. WASON: Will the right hon. Gentleman give his attention to the consideration that all these motor vans can be run perfectly well by means of coal gas?

Sir A. STANLEY: Certainly.

WOUNDED SOLDIERS.

55. Sir J. N. GRIFFITHS asked the Chancellor of the Exchequer whether the Government will take the necessary steps to gradually replace men who have been wounded two, three, or four times or more, and are still in the fighting line, by young and able-bodied men employed in various industries throughout the country?

Mr. BONAR LAW: As regards the first part of the question, I have nothing to add to the reply given to my hon. and gallant Friend the Member for the Northern Division of Cumberland on the 24th October by my hon. Friend the Under-Secretary of State for War. As regards the second part, every effort is being made to obtain for the Army fit men who can be spared from necessary work at home.

NERVE SHOCK (SOLDIERS AND SAILORS).

25. Mr. KING asked the Minister of Pensions whether the medical boards estimate the disability of ex-soldiers invalided through nerve strain without reference to the representations of local committees or the opinion of the men's usual medical attendants?

Sir A. GRIFFITH-BOSCAWEN: Men who are invalided from either the Navy or Army suffering from nerve strain are medically examined by a Special Expert Board. Any representations of local committees or available opinions of medical practitioners are considered carefully when men come up for re-examination.

26. Mr. KING asked the Minister of Pensions whether five out of the eleven Scotch and Irish doctors serving on the medical boards chosen to deal with cases of nerve strain holds posts connected with lunacy; whether the presidents have been selected because one is a Lunacy Commissioner and another the head of the largest lunatic asylum in Belfast; and why these qualifications entitle them to determine the fate of ex-soldiers who are not insane, and who, not being certifiable do not belong to the province of lunacy experts?

Sir A. GRIFFITH-BOSCAWEN: As regards the first part of the question, there are thirteen Scottish and Irish doctors serving on the medical boards in question, and of this number three hold posts connected with lunacy. As regards the second part, the presidents were selected with a view to utilising their special administrative capacity in the organisation of the branch medical boards. As regards the third part, the functions of these boards are solely the assessment of disability for pension purposes and the recommendation of suitable cases for treatment in homes of recovery. There is, as the hon. Member is aware, a dearth of doctors from whom to select at the present time, but apart from this, I cannot consider that a special knowledge of mental disorders renders a medical man unsuitable to exercise the functions I have mentioned in the case of men who are invalided for functional nerve disorders.

IRISH REBELLION (COMPENSATION).

72. Mr. **BYRNE** asked the Chief Secretary for Ireland if he is aware of the treatment of many of the victims who received small awards, to be paid weekly by the Rebellion Victims' Committee; that in some cases the weekly allowance was so small that some of the victims were compelled to take up light employment for small wages, with the result that the Government stopped their allowance; and if he will see that the Government will make proper allowance, or allow them to receive the awards and continue their light employment?

Mr. **DUKE**: In the case of wage-earners injured in the Rebellion the awards are in the nature of compensation for loss of earnings, measured on the degree of impairment of earning capacity. Where an injured person to whom such an award has been made resumes work, it has been decided that no compensation should be paid for any period in which his earnings were equal to, or more than, his earnings before the injury, but that in the event of any material change in the circumstances the case would be further considered. If an injured person, on the resumption of work, receives less than his pre-injury earnings, only so much compensation is payable as with his wages on re-employment will not exceed his earnings prior to the injury.

Mr. **BYRNE**: If the man takes up some fresh employment and earns a sum which, added to the compensation does not bring his wages up to the injury limit, will he be allowed to do that?

Mr. **DUKE**: I understand, from the answer that I have read, that that is the principle upon which this business is being done.

PLACES OF WORSHIP (GRANTS OF LAND).

63. Mr. **KING** asked the Joint Financial Secretary to the Treasury whether the Government will allow the Return relating to Grants for places of worship and Young Men's Christian Association huts standing in the same of the hon. Member for North Somerset?

Mr. **BALDWIN** (Joint Financial Secretary to the Treasury): Perhaps the hon.

Member will be good enough to address his inquiry to the three Departments concerned.

FISHING RESTRICTIONS (DUBLIN BAY).

65. Mr. **BYRNE** asked the Parliamentary Secretary to the Admiralty if he is aware that any attempt to curtail the fishing Regulations in Dublin Bay will cause ruin to many families depending on this trade for their living; and if he will see that Regulations are made to make Dublin Bay an open fishing ground?

The **PARLIAMENTARY SECRETARY to the ADMIRALTY** (Dr. Macnamara): Under the existing Admiralty Regulations fishing by night is prohibited altogether within fifteen miles of Kingstown Pier, and is restricted by day to small open boats not equipped with steam or motor power. These Regulations are considered to be necessary for the protection of the port, and cannot be relaxed at present. Even if they were removed altogether, Dublin Bay would not become an open fishing ground, as all trawling is prohibited within by by-laws made by the Irish Fishery Department.

MUNITIONS.

COLTHURST, SYMONS AND COMPANY,
LIMITED.

64. Colonel **SANDERS** asked the Minister of Munitions if on 11th February, 1916, the Munitions Department took over the brickyard at Dunbull, Somersetshire, belonging to Messrs. Colthurst, Symons and Company, Limited, for Government purposes; whether claims for compensation under the Defence of the Realm Losses Regulations were sent in on 1st June, 1916, and at a later date a statement was forwarded of claims for loose plant taken, for brickyard goods supplied, and for damage caused to stock; whether the only answer sent to such claims is a statement that the matter is under consideration; and whether he will take steps to settle the matter as soon as possible?

Mr. **KELLAWAY** (Joint Parliamentary Secretary to the Ministry of Munitions): I regret that there has been delay in dealing with this claim. The delay is largely due to the fact that the accounts of the

firm are kept in such a form as to make it a matter of extreme difficulty to apportion the cost and expenses between the various brickyards owned by them, and to check the alleged loss of profits to which they have been put. It is hoped that the claim will be referred to the Defence of the Realm Losses Commission very shortly.

BRITISH AIR RAIDS.

57. Sir N. GRIFFITHS asked the Chancellor of the Exchequer if he is aware that his speech when dealing with the question of recent air raids, in which he stated that in consequence of the pressure of one or two Members of this House and the pressure of the newspapers to find out exactly what was going to be done the Germans, who knew from the only quarter they could know where these raids would take place, sent down a fighting squadron to be ready for our men, and they were ready, has created an impression in the public mind that he referred to secret information which was given to one or two Members of this House which resulted in the enemy getting detailed information as to where raids over enemy territory would take place; if it was his intention to convey this impression or not; and if he will make a further statement in regard to this matter?

Mr. BONAR LAW: No such suggestion as that referred to in the question was intended or made.

LUNACY ACT (SOLDIERS).

37. Mr. KING asked the Home Secretary whether he intends to introduce a Bill to give soldiers the same right as civilians of appeal to a magistrate when liable to be committed to an asylum on the order of a commanding officer, and certificate signed by one doctor of the Royal Army Medical Corps, and to render operative the provisions of the Lunacy Act in regard to soldiers confined in so-called war hospitals administered by asylum authorities paid to undertake this charge?

Sir G. CAVE: The answer is in the negative.

IRISH LINEN TRADE DISPUTE.

Sir HERBERT RAPHAEL (*by Private Notice*) asked the Minister of Munitions

whether the manufacture of linen for aeroplanes has been delayed by the closing for six weeks of the weaving manufactories in the North of Ireland, whereby 11,000 workers have been kept out of employment; whether the dispute between the employers and the Tenters' Union, which caused the stoppage, was referred to the Ministry of Labour to arbitration under the Munitions of War Acts; whether the arbitrator's award has been duly given and accepted by the men; whether the employers have, nevertheless, refused to allow the men to return to work unless they sign an undertaking to accept a lower rate of wages than that awarded by the arbitrator, and are keeping the mills closed; and, if so, will he say what steps he intends to take in the matter?

The MINISTER of MUNITIONS (Mr. Winston Churchill): In reply to the first paragraph of my hon. Friend's question, the output of aeroplane cloth was to a certain extent interfered with by the dispute in question. As regards the second and third parts of the question the answer is in the affirmative. As regards the fourth part, the facts are that the employers have not yet obeyed the award. The Ministry of Munitions were not directly concerned in the settlement of the dispute, which was dealt with by the Ministry of Labour. The Ministry of Munitions are, however, the statutory authority for enforcing the award and the question was only referred to them on Tuesday last by the Ministry of Labour. I am, of course, prepared to set the law in motion. At the same time I should say that I have personally interviewed representatives of both parties, and learn that there is some hope of an amicable settlement which, while preserving the award, will meet certain difficulties in the situation. I am glad to say that my hon. Friends the Parliamentary Secretary to the Local Government Board and the Treasurer of the Household, the hon. Member for East Down, and the hon. Member for West Belfast have consented to use their good offices as mediators between the parties. I hope that the result of their mediation may lead to a satisfactory solution without further delay.

Sir N. GRIFFITHS: How long will the right hon. Gentleman give them to come into line? If there is delay in arriving at a settlement between the parties and interference with the output of material which is urgently wanted for carrying on

[Sir N. Griffiths.]
the War, how long is he prepared to wait before stepping in and taking over these works?

Mr. CHURCHILL: That is a very difficult question. It is obvious that this matter has to be settled speedily now.

Major NEWMAN: Is it not a fact that one of the parties refused to agree to the arbitrator?

Mr. CHURCHILL: As we are going to have a consultation to-morrow on the subject, and I have every reason to believe that both parties to the dispute will come together with a desire to reach a settlement, I think it might complicate their prospects if we discussed the thing now.

Old Age Pensions.

66. **Mr. FARRELL** asked the Chief Secretary for Ireland whether he is aware that although the Longford Pension Committee granted John Kelly, of Kilmore, Longford, an old age pension on two occasions it has been refused each time on appeal of the pension officer; why property held in trust by this man for his sons should be valued as against him; and will he undertake that a special officer of the Local Government Board will inquire into the case?

Mr. DUKE: I am informed that the property referred to was admitted by Mr. Kelly and by his solicitor to be the claimant's own property.

Mr. FARRELL: Will the right hon. Gentleman answer the last part of the question: will the Local Government Board send an officer to investigate this case as they have done in many others?

Mr. DUKE: If the applicant and his solicitor both admitted the governing facts, it would be a waste of money to send somebody else to inquire into them.

67. **Mr. FARRELL** asked the Chief Secretary for Ireland why the pension granted to Mrs. Anne Stephenson, of Duben, North Longford, by the Longford Pension Committee has not been granted; whether her son, who was sending her some maintenance, has just been killed at the front; and, in view of the circumstances of this case, will he order the full pension to be granted to her forthwith?

Mr. DUKE: This claim was disallowed on the 18th instant, on the ground that the claimant's means exceeded £31 10s. a year. If the claimant's means have been reduced in the manner suggested in the question a new application should be made. The Local Government Board inform me that no such information has at present reached them.

Mr. FARRELL: As that involves a delay of three months, will the right hon. Gentleman undertake, as this young man has been killed in the War, and he was giving her a separation allowance of £31 10s., that the claim will be dealt with immediately?

Mr. DUKE: If my hon. Friend will send me the evidence of those facts, I will take every step I can to see that there is no delay.

68. **Mr. FARRELL** asked the Chief Secretary for Ireland what is the decision of the Local Government Board on the appeal of Thomas Ireland, of Brianstown, county Longford (Longford Pension Committee); whether this man has suffered losses in family deaths, etc., and is in urgent need of the sum granted him by the committee; and will he have the case decided as soon as possible?

Mr. DUKE: It has been determined that Thomas Ireland is entitled to continue to receive his old age pension of 5s. a week.

69. **Mr. FARRELL** asked the Chief Secretary for Ireland why the Local Government Board persist in the case of Patrick Guining, Kilmore Lower, in valuing a subsistence allowance fixed at 4s. weekly in a deed duly executed has been held by them to be large enough to deprive him of an old age pension; and if he will make inquiry to see that the proper value is put on this sum and not a fictitious one as at present?

Mr. DUKE: The Local Government Board have given no decision in the case of Patrick Gunning, of Kilmore Lower. The case is being investigated.

Mr. FARRELL: I understand that it is still under investigation?

Mr. DUKE: Yes.

71. **Mr. O'LEARY** asked the Chief Secretary for Ireland on what grounds Patrick White, of Drimerk, Dunmanway, has been refused an old age pension, having regard to the fact that his means of livelihood consist only of a right to a

room in his son's house and his daily food, or in lieu thereof the sum of £10 a year; and what action he proposes to take in reference to this man, who has been refused a pension?

Mr. DUKE: I am informed that the yearly value of support on such a farm as this claimant transferred to his son would be worth over £31 10s., and the Local Government Board cannot accept £10 as its value. The farm is 70 acres and about 9 acres are tilled.

Mr. O'LEARY: Is the right hon. Gentleman aware that under the deed of assignment the son has the option of paying £10 a year in lieu of the benefits to which the applicant is entitled; and does not that fact indicate better than any other proof the true value of his income?

Mr. DUKE: No, Sir; it seems to me to indicate something quite different.

Mr. O'LEARY: Will the right hon. Gentleman say what that something different is?

Mr. DUKE: Perhaps the hon. Member will think it over.

Education (Ireland).

70. **Mr. BYRNE** asked the Chief Secretary for Ireland if he has yet replied to the statements contained in a letter, dated 12th October, 1917, which was sent to him by T. J. O'Connell, general secretary of the Irish National Teachers' Organisation, with reference to the recent educational proposals and the scheme of salaries adopted; and the nature of his reply and his recommendations?

Mr. DUKE: I have received Mr. O'Connell's letter. I shall lay a Paper on the Table as soon as a few details of the scheme I lately explained to the House have been settled.

Leeds Training College.

34. **Mr. KING** asked the President of the Board of Education what arrangements are being made for the reorganisation of the Leeds Training College; what position will the Leeds local education authority and its chief official have in the future management of the college; whether the recent inquiry exonerated or condemned the management; whether the teachers who resigned have been reinstated; and whether he can give in outline the result of the findings of the recent inquiry?

The **PRESIDENT** of the **BOARD of EDUCATION (Mr. Herbert Fisher):** I cannot, within the limits of question and answer, summarise the results of the recent inquiry, but it indicated, in the Board's opinion, the need for considerable change in the methods of management of the college. The revised memorandum of arrangements defines, as far as is practicable, the functions of the different bodies and persons concerned, and as soon as it has been approved by the city council, I will furnish the hon. Member with a copy or lay it on the Table. I am not aware that any question of reinstating the teachers who resigned has arisen.

Mr. KING: Are these teachers who resigned by implication condemned by the Report or by the Board of Education?

Mr. FISHER: Each of the teachers who resigned received an official letter exonerating her from all blame in connection with these occurrences.

PROMOTION (ROYAL NAVY).

PERSONAL EXPLANATION.

Commander BELLAIRS: With the leave of the House, I desire to offer a short personal explanation, consisting chiefly in the reading of a letter and the offer of an apology. Last week I asked two questions concerning promotion in the Navy. The first was general, asking that the Admiralty should adopt the system of promotion by merit, and in the second I asked the Prime Minister

"Whether he is aware that Admiral Sims, of the United States, was promoted through two grades on taking command of the American flotilla in British waters; whether he is aware that Commodore Sir Reginald Tyrwhitt has for the period of the War commanded, with uniformly successful fighting, an even larger force; and whether it is proposed to delay the promotion of Sir Reginald Tyrwhitt until over fifty captains senior to him have been promoted to rear-admiral?"—[OFFICIAL REPORT, 22nd October, 1917, col 479, Vol. XCVIII.]

Subsequently I received a letter by hand from Sir Reginald Tyrwhitt repudiating my action, and I think it only fair to him that I should read the letter to the House:

"DEAR COMMANDER BELLAIRS—I shall be grateful if in future you will refrain from taking a personal interest in my professional career, as I am perfectly content to leave my advancement, etc. in the hands of my superior officers, who have risen by merit to the positions they hold at the Admiralty.—Yours truly, R. G. TYRWHITT."

That letter is dated from the Commodore's flagship, His Majesty's ship "Concord." I desire to offer him as full

[Commander Bellairs.]
and as ample an apology as it is possible to offer in regard to the personal aspect of the matter. I make only one reservation. It has never been possible to conduct in this House a discussion on promotion without citing individual cases, and I must, having given notice on the Vote of Credit to draw attention to the question of promotion, reserve to myself that liberty of action.

WRITTEN ANSWERS.

WAR.

FOOD SUPPLIES.

BREAD.

Mr. DUNCAN MILLAR asked the Parliamentary Secretary to the Ministry of Food if he can state the percentage of increase or decrease in the consumption of bread during the past six months and the increase or decrease in consumption as compared with the corresponding period of last year?

Mr. PARKER: Returns are received every four weeks as to the amount of flour used in bread and other articles containing flour or sold retail from about 6,000 bakers and retailers in all parts of the United Kingdom. These include 25 to 30 per cent. of the consumption of the civil population and are believed to be typical of the whole. The results expressed as percentages of the amount used in May, 1917, are shown in the following table:

Consumption of Bread and Flour.

	1916.	1917.
4 weeks ended—		
26th May... ..	100	100
23rd June... ..	97½	94½
21st July... ..	99	92
18th August... ..	95	89½
15th September... ..	94½	90½
13th October... ..	96	97½

There is strong reason for supposing that the stock of flour held in private houses in the northern counties of England for baking bread at home was reduced to an unusually small quantity before the cheapening of flour on Septem-

ber 17th, and that it has been replenished since that date. If reasonable allowance is made for this the numbers for the four weeks ended September 15th and October 13th, 1917, become 92½ and 95½ instead of 90½ and 97½. When the returns for the four weeks ended November 10th are received the changes in consumption shown in the last periods of the table can be accounted for with greater accuracy than is possible at the present time.

MILK.

70. Mr. CHANCELLOR asked the Parliamentary Secretary to the Ministry of Food if it is the policy of the Food Controller to refuse a licence to charge the best price for milk to owners of herds which are in perfect health and kept under perfect hygienic conditions unless the animals have been inoculated with tuberculin; and, if so, whether, in view of the doubt as to the value of this test, and of the fact that its effects are contradictory and sometimes dangerous, he will refrain from enforcing it upon owners who disbelieve in it and issue his licence to all whose herds are healthy and whose milk is pure?

Mr. PARKER: The Food Controller is considering the advisability of granting licences for the sale and purchase of milk of higher hygienic quality than the ordinary supply, but a decision has not yet been reached. In view of the importance attached by many competent authorities to the tuberculin test as a means of determining whether cows are free from tuberculosis, the Food Controller has not thought it advisable to grant temporary licences for the month of October in respect of the milk from herds which have not been so tested.

FLAX MILLOWNERS (RETENTION OF TOW).

Mr. KENNEDY asked the Chief Secretary for Ireland whether he has received representations protesting against flax millowners retaining the tow; is he aware that one-third of all flax milled results in tow; will he suggest to the War Office that all tow should be taken over by them at a fair price or, in the alternative, make it an offence under the Defence of the Realm Act for flax millowners to withhold tow from flax growers?

Mr. DUKE: I understand that representations have been made to the Flax Committee of the Department of Aeronautical Supplies protesting against the retention by millowners of tow left after scutching; that this has been a cause of dispute between farmers and millowners for many years; and that it is not the intention of the Department to interfere in the dispute at the present time.

ROYAL IRISH CONSTABULARY (PENSIONS).

Mr. W. THORNE asked the Chief Secretary for Ireland whether he has received any representations from Royal Irish Constabulary pensioners for some increase in their pensions, in order to meet the present cost of living; whether he is aware that these pensioners are finding their pensions inadequate to obtain the necessities of life and are consequently in distress; and whether he will have their case sympathetically considered with a view to some concession being granted?

Mr. DUKE: I have received a considerable number of representations from Royal Irish Constabulary pensioners, asking for an increase in their pensions. The matter has been carefully considered, but, as I informed the hon. Member for the College Green Division of Dublin last Wednesday, the Government do not see their way to introduce the legislation which would be required for this purpose. I may add that a large number of the pensioners retired from the constabulary at their own request, in order to obtain other positions.

TERRITORIAL FORCE (GENERAL HOSPITALS).

Colonel GRETTON asked the Under-Secretary of State for War whether in the regulations for general hospitals of the Territorial Force it is laid down that for each 520 beds there shall be, in addition to medical officers engaged in administrative duties, four lieutenant-colonels and eight majors selected from distinguished members of the medical profession; and will he give a detailed return showing how many beds there are at the present time in each of the five London general hospitals and how many lieutenant-colonels and majors selected from

distinguished members of the civil medical profession are actually engaged at the present time in clinical duties at each of these hospitals?

Mr. MACPHERSON: The number of equipped beds in each of the general hospitals referred to, and the number of lieutenant-colonels and majors doing duty at present is as follows:

	Beds.	Lt.-Cols. and Bt. Lt.-Cols.	Majors and Bt. Majors.
1st London ..	1,021	4	4
2nd „ ...	1,512	2	5
3rd „ ...	2,400	2	5
4th „ ...	2,171	2	3
5th „ ...	662	1	1

The number of medical officers and civilian medical practitioners employed in addition to those stated above is as follows:

1st London ...	...	...	21
2nd „ ...	...	...	21
3rd „ ...	...	...	36
4th „ ...	...	...	31
5th „ ...	...	...	16

ROYAL DEFENCE CORPS (PRIVATE HUNT).

Mr. SNOWDEN asked the Financial Secretary to the War Office if he will have inquiry made into the reason why Private F. Hunt, No. 45039, 263rd Company, Royal Defence Corps, has not been paid the sum of £2 4s. 3d. as deferred proficiency pay from the 30th March to the 26th May; and why he has not received any subsistence pay from the 16th April, 1915, to the 1st August, 1915?

Mr. FORSTER: I have called for a report and will let the hon. Member know the result.

OPEN AIR MEETINGS (CLEVELAND).

Mr. HERBERT SAMUEL asked the Home Secretary whether there has been any general prohibition of the holding of open-air public meetings in coastal districts on the North-East coast; whether the prohibition of certain meetings which were proposed to be held in Cleveland in August last took place by his authority; and, if not, under what authority, and whether the prohibition is still operative?

Sir G. CAVE: There has been no such general prohibition of open-air public meetings in coastal districts. I am informed that, in connection with a meeting which was proposed to be held at Carlin How in August last under the auspices of the Cleveland Federation of Independent Labour Party Branches, the Chief Constable of the North Riding expressed a strong opinion against holding open-air meetings near that part of the coast. He tells me that in the case of this particular meeting, if it had not been cancelled he would have applied for an Order of prohibition under No. 9A of the Defence of the Realm Regulations, but it proved unnecessary to make the application. The matter did not come before me, but I am satisfied that the Chief Constable acted rightly.

**COMMITTEE ON THE BLIND
(RECOMMENDATIONS).**

Mr. W. THORNE asked the President of the Local Government Board whether he proposes to put into effect, by legislation or otherwise, the recommendations of the Committee on the Blind?

Mr. S. WALSH: The hon. Member will have gathered from the oral answer I have to-day given to the hon. Member for York that it is hoped it may be possible before long to give effect to the recommendations of the Committee.

**HOUSING CONFERENCES (LOCAL
AUTHORITIES' DELEGATES).**

Mr. BOWERMAN asked the President of the Local Government Board if he is aware that sanction was refused the Whitefield, Lancashire, Urban District Council to send their clerk and a member of the council to the housing conference convened by the Workmen's National Housing Council at Blackpool in September last; and whether, in view of the importance of local authorities giving consideration to the early preparation of housing schemes, he will give instructions that they may be allowed to exercise their discretion as to whether or not they shall be represented at conferences convened by the Workmen's National Housing Council or similar representative organisations?

Mr. HAYES FISHER: In view of the necessity for restricting railway travelling and of ensuring strict economy in the expenditure of public funds at the present time I think that the practice of sending delegates to conferences at the public expense requires some control. Local authorities receive a considerable number of invitations to conferences at the present time, and in the particular case referred to the decision was given after careful consideration. I need hardly say that I am fully alive to the importance of local authorities taking practical steps for the preparation of post-war housing schemes, and I am glad to say that a large number of them are doing so in response to the request which I have addressed to them.

WASTE PAPER (DEALERS' PERMITS).

Mr. WILKIE asked the President of the Board of Trade whether he is aware of the complaints being made by dealers in waste paper that the recent order of the Paper Commission establishing a new system of permits will introduce unnecessarily the use of middlemen and will cause much unnecessary traffic on the railways by the provision that the holder of a merchant's permit must show an average weekly return of five tons and upwards; whether the Commission have considered the representations made to them; and whether the order itself can be reconsidered?

Sir A. STANLEY: I am informed that the new system of permit does not introduce new middlemen nor does it add to the traffic on the railways. The Paper Commission are already considering what steps can be taken to remedy the complaints of the small dealers that they have less facilities for selling waste paper direct to the paper mills.

Milk (Tuberculous Cows).

Mr. HUDSON asked the President of the Board of Agriculture whether he has given consideration to the effects upon child life by the consumption of milk from cows suffering from tuberculosis and to the necessity for taking some preventive measures; whether he is aware that for more than a quarter of a century the milk delivered by the Copenhagen Milk Supply Company has been guaranteed to be free

from tuberculosis as the result of the application of Professor Bang's method of rearing calves free from tuberculosis; and whether he will consider the advisability of bringing pressure to bear upon breeders of dairy cattle to adopt the method referred to in the interests of life and health?

Sir R. WINFREY: As to the first part of the question, the machinery set up by the Milk and Dairies Consolidated Act, 1914, in conjunction with the Tuberculosis Order of the Board of Agriculture, was designed with the object of reducing as

far as possible the production of milk from tuberculosis animals. The operation of these measures has been postponed until after the War in view of the impossibility of establishing the necessary staffs and organisation under war conditions. As to the second and third parts of the question, the Board are aware that considerable success has attended the methods adopted in Denmark for eradicating tuberculosis from cattle herds, but unfortunately similar preventive measures in this country cannot be contemplated at the present time.

ORDERS OF THE DAY.

SUPPLY.

Considered in Committee.

SUPPLEMENTARY VOTE OF CREDIT.

[Mr. WHITLEY in the Chair.]

The CHANCELLOR of the EX-CHEQUER (Mr. Bonar Law): I beg to move, "That a Supplementary sum, not exceeding £400,000,000, be granted to His Majesty, beyond the ordinary Grants of Parliament, towards defraying the Expenses which may be incurred during the year ending the 31st day of March, 1918, for General Navy and Army Services in so far as specific provision is not made therefor by Parliament, for the conduct of Naval and Military Operations; for all measures which may be taken for the Security of the Country; for assisting the Food Supply, and promoting the Continuance of Trade, Industry, Business and Communications, whether by means of insurance or indemnity against risk, the financing of the purchase and resale of foodstuffs and materials, or otherwise; for Relief of Distress; and generally for all expenses, beyond those provided for in the Ordinary Grants of Parliament, arising out of the existence of a state of war."

The last Vote of Credit, which was moved on 24th July, was estimated to carry on the expenditure to 5th November. That period has been slightly exceeded, and it will furnish funds till about the 8th or 9th. The Vote which I now ask the Committee to pass is estimated to supply the necessary funds up till the first week of January. That is the fourth Vote of Credit which has been moved during the current year and brings the total amount, when it is carried, which will have been sanctioned by this House to £1,900,000,000. and of course it is obvious that there must be another Vote of Credit before the end of the present Session. On all previous occasions the figures dealt with in moving the Vote of Credit have been made up to the Saturday immediately preceding the day on which the Vote was moved. On this occasion I have made a departure from that rule, and the figures will deal with the period up to 29th September. I have

done this because the increased amounts, as compared with the Budget Estimate, have made it absolutely necessary that there should be the fullest possible analysis of the causes of the increase, and, as that can only be made in consultation with the spending Departments, it is more easy to do it if we deal with figures further back. Putting the date as the 29th September, it exactly represents half of the financial year, and we shall, therefore, be in a better position to judge of the total expenditure under the Vote of Credit.

The Committee will probably remember that on the occasion of moving the first Vote of Credit this financial year the excess of the expenditure over the Budget Estimate alarmed the House. It was alarming to me also when the figures were given, but the explanation given to me, which I afterwards gave to the House, showed that there was no reason to anticipate that the great increase of expenditure in that short period was in any sense a symbol of what would take place during the whole year. The next Vote of Credit was moved on the 24th July. It dealt with a period of seventy-seven days, and the average daily expenditure, instead of being an increase of two millions, as in the first period, was £6,494,000 per day, as against the Budget Estimate of £5,411,000, or an increase of £1,000,000 per day. The present figures from the 22nd July to the 29th September deal with a period of seventy days, and they show a daily average expenditure of £6,414,000, or, approximately, an excess of £1,000,000. I think it will be more convenient, before giving any analysis of the figures, if I take the whole period from the beginning of the financial year up to the 29th September. Taking that period, I find that the daily average expenditure was £6,648,000, or an increase, exactly, of £1,237,000 per day. That increase is divided over the spending Department in the following way: The daily increase for the Army and Navy is £590,000. There is an increase in the Estimate for miscellaneous services of £306,000, and there is an increase in the amount advanced to Allies and Dominions, as compared with the Budget Estimate, of £341,000, making a total of £1,237,000.

As regards the advances, hon. Members will recall that in the Budget statement I said it was quite impossible to make any accurate estimate as to what our advances to the Allies and Dominions would be. At that time the United States of America

had just entered into the War, and it was impossible to foresee exactly what effect that would have in relieving the claims made upon us by our Allies. I am glad to be able to take this opportunity of saying how much, not only the British Government, but all the Allied Governments, have appreciated the very generous way in which the United States have come to our assistance in financing purchases in that country. It is an open secret that before America had come into the War the method of financing our expenditure there, and the question of exchange, was not only a serious problem, but so far as I was able to judge, it was an absolutely insoluble problem on any of the principles on which our finance had hitherto been carried on. Well, the United States have given us great assistance, and the fact that they have done so at the very time when they are incurring expenditure at a heavier rate I believe than any other of the Allies, in preparing to take their own part in the War, is something which I am glad to acknowledge in the House of Commons.

So far in dealing with these figures I have spoken of the amount of expenditure without any analysis of it, but I am sure the Committee will feel, as I have felt throughout this year, that that is a very inadequate way of dealing with these figures. The State has become, and month by month is increasingly becoming, engaged in the great business of supply. Very large amounts are spent in stocks, which are afterwards sold, and nothing could be more absurd than to treat as if they were on precisely the same level expenditure which is directly due to the War which will not be recoverable, and expenditure which is in the nature of business and which, as the sales take place, will come back to us. I think, therefore, that it is right that the Vote of Credit should be completely analysed from that point of view. I am going to do that now, but I wish the Committee to understand that the analysis in this respect which I am making does not deal with the whole of the expenditure which is recoverable—that is to say, in the Budget Estimate there was a certain amount put down for this purpose. I am not dealing with that. I am only dealing with the excess over the Budget Estimate of expenditure which is recoverable, and which, therefore, I think ought not to be regarded as if it were a dead-weight burden upon our expenditure. Looking at it from this

point of view, the first item in the figures is the increase in our Loans to our Allies and Dominions. That sum is £61,500,000. Perhaps I might begin by saying that instead of taking the daily increase, I shall give the total increase for the half-year, which amounts to £222,500,000. From that there ought to be deducted as recoverable the £61,500,000 to which I have referred. Then there is in addition a sum of £15,500,000 which is not really expenditure at all. As the Committee probably know—I think I have called attention to it before—sums are sent out by the Treasury to our agents in different parts of the world, and it so happens that the amount handled in that way since the beginning of the financial year exceeds the amount at the end of last year by £15,500,000. The Committee will therefore see that that is not expenditure at all. It is still as much in our hands as if it were under the direct control of the Chancellor of the Exchequer.

There is another, and a large item, of £24,000,000, which represents advances to the Dominions. These advances have no connection with the loans. What these advances mean is that some of the expense of the Dominions' Armies here is borne by the British Government in the first instance. It is paid, as the accounts are completed, by the Dominion Government, and this amount of £24,000,000 will be paid as soon as the accounts are settled, though, of course, it does not follow that our expenditure next year will be reduced, because this goes on, one expenditure being made as the last one is paid off. This amount of £24,000,000 is clearly not a charge upon the British Treasury. In addition to this there is an amount of three and a half millions spent by the Ministry of Munitions in commodities of different kinds on behalf of the Allies. This also is in the nature of a loan, and it will be gradually paid off.

I come now to the largest item—the item to which I have referred as being in the nature of a business transaction. In this connection the biggest amount comes from raw materials, such as wool, hides, and timber and foodstuffs, such as wheat and sugar. There is also a large sum under the heading of ships. The total amount is £74,500,000. I wish the Committee to be under no misapprehension as to exactly what this £74,500,000 means. There is no question that this is a book-keeping entry, or an attempt at window

[Mr. Bonar Law.]

dressing in order to keep our expenditure less. The figures have been arrived at in the most careful way by the officials at the Treasury in communication with the different spending Departments, and it may be taken as certain that this amount of £74,500,000 will come back to the British Treasury, but it is impossible to say exactly when it will come back.

Mr. P. A. HARRIS: Does that include supplies to the Army?

Mr. BONAR LAW: No; I was referring only to supplies bought by us which would be resold. There is no doubt
4.0 P.M. whatever that this sum will come back, but of course it is impossible to say exactly when. In this respect the Government is like any other large trader, as long as they are increasing their stocks at a more rapid rate than they are selling, this item will continue to increase, and it may be that the amount will not come back in any large volume until the War is over and the stocks are beginning to dwindle. But at all events the Committee may be quite certain that this item does represent expenditure which is recoverable and ought not to be regarded in any sense as part of our war expenditure.

Mr. RUNCIMAN: With regard to the item for ships, does the right hon. Gentleman anticipate that the amount expended on ships purchased or on ships contracted to be constructed abroad will be recovered during or after the War to the full amount?

Mr. BONAR LAW: The Estimate has been made for them and my right hon. Friend, who understands the subject as well as anybody in the House, knows, I am sure, when we are taking into account ships not only purchased abroad but ships which are now being built in this country, that they are being built at a price which is below the level at which ships are now being sold as between one shipowner and another. So that there is every reason to suppose that the amount given to me by the Ministry of Shipping will come back to the State when the ships come to be sold. These sums in all amount to £179,000,000. Deduct that from the £222,500,000 and it leaves the total real increase in the Budget Estimate for the half-year of £43,500,000, or the equivalent of £239,000 per day instead of £1,237,000 if this analysis had

not been made. It is, of course, evident that the analysis which I have just made does not in any way diminish the amount of money which has to be found for carrying on the War. It has no relevance in that respect, because the money must be raised in precisely the same way as if it were expenditure which would not be recoverable. But there is one consideration in which it is very relevant—that is, as to the proportion of the expenditure which ought to be raised by taxation and the amount which it is proper to raise by Loan. I know that it would not be in order to deal with the subject of taxation here, but perhaps hon. Members will permit me to say this in supplement to the answer to a question which I gave the other day: The largely increased expenditure on the Vote of Credit had made me consider seriously whether we ought not to introduce a Supplementary Budget to set right the great increase of expenditure on our Estimate. The considerations to which I have referred bear directly on that question, and after going into it in the most careful way in my power and with the full determination to introduce a new Budget if I found that the principle on which we had always hitherto gone, that at the end of the financial year there ought to be sufficient taxation without counting the Excess Profits Duty, when peace comes, to bear the normal expenditure of the country—after going into it from that point of view, and considering also that there is every reason to suppose that there will be an increase over the Budget Estimate in the revenue from taxation, I came deliberately to the conclusion that it would not be right or in the interests of the country to make a secondary Budget at this time.

I do not wish the Committee by any means to have a more favourable view of the situation than the real one. I can assure hon. Members that these figures were prepared at my instruction with the sole desire of getting the exact facts of the case, with no wish to make them appear better than they are, and I wish, therefore, to point out that, as far as I can judge, the position in the second half of the year from the point of view of dead-weight expenditure will not be quite so favourable as it was in the first half of the year. That is due mainly to two causes. As the Committee knows, the Government decided to fix the price of the loaf at 9d. They have also decided to increase very largely the pay of our soldiers and sailors.

These two items together for the half-year—of course, it is only the half-year—will add to the dead-weight expenditure for the second half of this year a sum somewhere between £40,000,000 and £50,000,000. I do not think that it is necessary to say any more with regard to this analysis, but I shall now look at the dead weight of increased expenditure. That amount is, as I have said, £43,500,000, and nearly the whole of that is due to increased expenditure of the War Office. The total increase by the War Office over the Estimate is £39,000,000, leaving only £4,500,000 to be divided pretty equally between the Munitions Department and the Navy. I have received from the War Office the most detailed examination of every item of the increase as compared with the Budget Estimate, but I do not think that I should be justified in giving these details to the Committee, but I shall put before them some of the main causes of this increase.

The first is one with which the Committee must be familiar. There is unfortunately a rise in the price of commodities all round. That applies, of course, to the increased purchases by the War Office; but I am glad to say, and I say it after careful examination, that this increase would have been enormously greater but for the system which gradually has grown up of in some cases requisitioning and in others fixing the prices at which supplies are bought by the War Office. Apart from this cause—and it is not by any means so heavy as some of the others—in this increase of £39,000,000, a cause of the increase is the expenses of the forces which we are keeping abroad. The number of men serving abroad is considerably larger than the number estimated by the War Office at the time the Budget Estimate was made, and, of course, the Committee understands that the expense per head abroad is considerably more than the expense per head of our forces at home. Another cause of the increase is aviation. That is a considerable amount, and, of course, in what I am now saying it does not include the supply of aeroplanes. That comes under Munitions. It represents only the increased personnel in consequence of the larger aviation programme. Another cause—and this represents a large sum—of the increase is the larger number of Indian troops who are now serving exclusively in the Mesopotamian theatre of War. And the final cause of the increase

in the War Office Estimate is one which will give a certain amount of satisfaction both to the Committee and to the Government. It is due to the forward movement which has been made by our troops in France. I need hardly say that that does mean increased expenditure, because of more railways, more bridges, and everything of that kind, and the Committee will understand better the general effect of this advance upon the expenditure when I give them one item. The advance beyond what was our railway line of communication has meant that there is a gap, which has to be filled largely by motor transport, and that analysis which I have got from the War Office shows that this item alone of increase comes to something like £5,000,000. That covers, I think, all the explanation which it is in my power to give as to the increase in the amount of expenditure out of the Vote of Credit as compared with the Budget Estimate.

I am sure that it will interest the Committee—as it always does—to have an estimate of the position in which our National Debt stands now, at the end of the half-year. The figures were supplied by the Treasury for the Committee, and have been made public, but perhaps I may be permitted to repeat them. On the 29th of September the total amount of our National Debt was between £4,900,000,000 and £5,000,000,000. I take it at £5,000,000,000. But, in my opinion, in estimating what the burden upon the country is, we are entitled to deduct from this sum the amount of the advances to our Allies and Dominions. This item comes, in the case of the Allies, to £1,100,000,000, and in the case of the Dominions to £160,000,000; and I would like to explain to the Committee—for they will otherwise notice an apparent discrepancy in the figures which I have just given—that they do not correspond with the figures given at the end of the last financial year, plus the figures of the increased expenditure in the interval. They do not correspond for this reason, that in the case of the Allies you have to add the discount, or, which is the same thing, the interest; and in the case of the Dominions they do not correspond for another reason. In their case the arrangement made from the beginning of the War was that they should be charged for the money precisely the same amount as we had to pay ourselves—that they should be put on precisely the same footing as the British Government. The result is that, as the last Loan raised by the British Govern-

[Mr. Bonar Law.]

ment was at 95 for a face value of 100, it follows that the face value of the Loans to the Dominions were greater than the amount would be if they were taken by themselves. The amount in the case of the Dominions is £160,000,000. Then we are entitled to deduct another item, that is, part of the gift of the Indian Government to the Empire in connection with the War. The gift amounted to £100,000,000, but of that amount something like £34,000,000 has been raised by the Indian War Loan and has been treated by us as if it were revenue. So it cannot be counted. But the Indian Government have taken responsibility for the balance in debt, which will amount to £66,000,000, or thereabouts. Taking these items together, they come to £1,326,000,000. That brings down the total amount of our debt to £3,674,000,000; but the Committee must remember that the amount of the National Debt at the beginning of the War was £645,000,000, so that the increase of debt due to the War, if we assume that these debts will be repaid, is £3,000,000,000.

I have certainly never suggested that that was a burden which could be treated lightly by this Committee or by the country, but I think it will be useful, and I think that the Committee will probably like to have from me whatever information is available as to the German finances in comparison with ours. It has not been very easy to get it, for the German figures are not given in as plain a way as ours are given, but this is the position: Up to the present the German Government have passed through the Reichstag Votes of Credit for £4,700,000,000, but, as far as we can tell, that does not include advances to their Allies, which are made apparently through the German banks, and do not come into the estimated accounts at all. That amount does not include the large sums which are paid by us out of the Vote of Credit for such things as separation allowance, which are paid by the States in Germany. There is an understanding there by which part of this amount will be repaid to them by the Central Government. Leaving these items out of account, the fact remains that the expenditure on the War by the German Government is £4,700,000,000, and the whole of that represents additional war debt, because the German Government have never

raised by taxation any part of the expenditure of the War since it began. That is a very important consideration. The result of that is that, though the German expenditure is considerably less than ours, they have an addition to their war debt of at least £4,700,000,000, without counting loans as well. If we treated our war debt in the same way, in spite of the heavy expenditure, it is only £3,000,000,000, or £1,700,000,000 less than theirs. There in another item which, from this point of view, is not discouraging. One of the alarming things with us is the steady growth of expenditure. I must confess that I believe that will continue as long as the War lasts. It is not confined to this country. In the case of Germany—I am giving now only statements which have been made by German Ministers—in June, 1916, their monthly expenditure was £100,000,000; in May of this year it is stated by them to have risen to £150,000,000—that is to say, an increase of 50 per cent., whereas during the same time our increase is about 34 per cent. I notice statements made quite recently by Germans that their expenditure is steadily increasing, so that it would be safe to assume that a very much higher rate of expenditure is the case.

I have said that the German Government have raised no part of their war expenditure out of taxation. The exact facts are these: They put on no new taxation at all until last year—1916; then they began by putting on increased taxation to the extent of £25,000,000. This year they have decided that that was not enough, and added an additional £60,000,000 of taxation, making a total of £85,000,000. Beyond this, they have intimated that they are making a capital levy which they estimate to bring in £100,000,000. It is not included in the Budget statement, and I have not been able to ascertain what steps have been taken to raise this levy, but I am going to assume that the amount is being raised. What does it show? Their additional taxation amounts, as I have pointed out, including this £100,000,000, to £185,000,000 per year; but the interest on their war debt alone is £240,000,000 at least, on the basis of the figures that I have given; so, looking at no other item, the result is that their increased taxation for the War falls short by £55,000,000 of the interest on their debt, apart altogether from any items which are neces-

sary towards the cost of the War. I think these figures are not only interesting but instructive. We have never denied to the rulers of Germany a fair amount of wisdom from their own point of view, and we may be perfectly certain that they realise, as strongly as we do, the terrible burden which the War is going to bring upon them, and the need of reducing that additional taxation, if they possibly can, and as much as possible. It is possible they have not done so because the state of the country would not enable the money to be raised, but I do not think that is altogether the real reason. I think it is psychological. I think it means they are afraid to put this taxation on the German people because of its effect on their view with regard to the War; and, more than that, it is obvious that any large amount of taxation, as our experience shows, must come from the well-to-do classes, and in Germany these are the classes which to a large extent affect the decisions of the Government, and, for that reason, they have been altogether afraid to subject them to any taxation during the War.

I think that all I have said is important. It is important for this reason: I think it was on the first occasion when I proposed a Vote of Credit that I pointed out the colossal sums with which we were dealing. I said no one could doubt the continuance of that burden, but of this I am certain, that though we cannot bear this strain indefinitely, it will not be the want of money which will prevent us from winning the War, because we will be able to bear it longer than will be possible for our enemies. I think the figures I have given show that view to be right.

We have to consider the effect of this burden when the War is over. Just look at the contrast between the position of this country and that of Germany. If the War ended to-morrow the amount of taxation which we are now levying, and the amount of revenue received, would be sufficient, and more than sufficient, to enable us, without the imposition of additional taxation, and without counting the Excess Profits Duty, to bear all the normal expenditure of the Government. If the War were to end to-morrow, the German Government would find themselves in this position, that they must either at once have an immense new loan, or it must put on new taxation, amounting. I have seen in different German

newspapers, to many hundreds of millions. Though it is very important and vital—for after all finance is one of the most important factors on which the success of the War depends—though it is vital to consider the relative strength of countries during the War, it will be no comfort to us, and it would not help our country if we find that Germany is hopelessly bankrupt at the end of the War. We cannot take any hope from that. We must consider our burden by itself. I think there has been a good deal of exaggeration with regard to it. It is heavy, but I do not think it is intolerable. If we contrast the amount of the national debt at the end of the Napoleonic war and take the resources of the country at that time, and contrast the amount of this debt with the resources of the country to-day, I myself have no doubt that we shall be much better able to bear the much heavier burden which we have incurred than our forefathers theirs at the end of the Napoleonic war. But I do not conceal from myself, and I think the Committee will agree, that the nature of the burden will depend very largely on the nature of the peace. The recovery of this country industrially and financially will depend upon our credit, and that credit will certainly depend on the nature of the peace which we are able to secure. If, when peace comes, it means, in effect, that the objects we set out to secure have not been secured, if it means that we shall have a revival of all the uncertainties, doubts, and fears which the dread of German armaments kept before our eyes for years before the War, and if, in addition, there is to continue the insane competition in armaments which existed before the War, then indeed the burden will be hard to bear. But if the War ends as we mean it to end, then I have no doubt that it is a burden which this nation will be well able to carry.

I have covered all the ground, and I am not going to deal with any other question on the Vote of Credit; but, before I sit down, I should like to say a word or two on the interim report of the Select Committee on National Finance. In the first place, I must say that when the Committee was set up the Government not only assented to it, but, I think, welcomed it. It was understood that the object of that Committee would be not to harass the Government Departments, not to worry about mistakes which have been made in the past, except so far as

[Mr. Bonar Law.]

they have a bearing on the future, but to devote themselves to helping the country, if possible, in keeping down the expenditure. I am glad to say that not only from their report, but from all I have heard about this Committee, that it is in that spirit they have undertaken their work. I myself have carefully considered the report, and I have given it to the experts and the advisers of the Treasury, and asked them to examine it most carefully from the point of view of considering which of the recommendations it would be possible for us to adopt. The same course has been taken in regard to the Departments to which special reference has been made, namely, the Munitions Department and the War Office. They are dealing with it in the same way, and I may say at once that some of the recommendations have already been considered, and one of them will certainly be adopted. Just as this Committee have tried to help us, so it is our desire to make the best use we can of the recommendations of that Committee. Certainly the House, as a whole, will agree that at this stage it would be useless for me to attempt to say anything in detail in regard to it. We must see what steps we can adopt on the recommendations. As far as the Government is concerned, the right course is for us to consider the report ourselves and see what steps we can take, and then, later on, before the close of the Session, an opportunity will be afforded to the House to consider the recommendations of this Committee and our action in regard to it.

Mr. McKENNA: The speech of the right hon. Gentleman is one to which we have listened with the very greatest interest, and I may say for myself with some little surprise and satisfaction. The published figures, we all know, have apparently disclosed a state of things which in truth was quite unreal. Week after week we have seen returns of expenditure which we and the whole country believed to be real expenditure. We find, happily, that an excess of upwards of a million a day which appears on the Paper is really an excess of less than one or two hundred thousand per day.

Mr. BONAR LAW: Two hundred and thirty-five thousand pounds.

Mr. McKENNA: The result is as satisfactory as it is unexpected. I thought the

speech of my right hon. Friend was specially directed to the point of explaining and justifying why he did not think it necessary to raise any further taxation at the present time, and I am bound to say upon this new statement of the case he appears to me to establish his point. When the right hon. Gentleman last introduced a Vote of Credit we were told that the rate of daily expenditure up to the 21st of July was £6,795,000, but we did not then understand from him that three-fourths of the excess was imaginary, or, rather, was unreal.

Sir J. WALTON: Is it?

Mr. McKENNA: Three-fourths of the excess consists of items which will be returned to the Treasury.

Sir J. WALTON: But the money has been expended.

Mr. McKENNA: Yes, but the goods are in possession, and the goods in due course will be sold and the proceeds of the sale will return to the benefit of the taxpayer. Therefore, the money cannot be said to be expenditure in the same sense in which it is expended when the taxpayer is ultimately to get no benefit. I am not quite clear yet upon the figures which my right hon. Friend has given us, as regards the advances to Allies of £61,500,000 in excess of the Estimate for the half-year. I think before we include the whole of that sum as a sum which we expect to recover, we ought to know whether any part of it is really of a nature which we neither expect nor wish to recover. There are some of the advances which we made to the Allies which we do not expect to recover.

Mr. BONAR LAW: Not in any part of this.

Mr. McKENNA: As regards the other two items, advances to Dominions and goods purchased, advances to Dominions being £24,000,000 and goods purchased £74,500,000, are we to understand that on the 29th September those figures represented the excess at which those items stood over the amount at which they stood on the 1st of April?

Mr. BONAR LAW: Over the amount estimated on the 1st of April.

Mr. McKENNA: So that during the six months we had purchased an excess over what we had sold during the six months equal to seventy-four and a half millions.

In that case there is no doubt whatever that the £179,000,000 for which my right hon. Friend has accounted may be expected to be returned to the Treasury, and the excess of £222,500,000 is reduced to £43,500,000. We should all congratulate my right hon. Friend, quite apart from the new explanation of the figures which he has given, that there is a very real and substantial reduction in the actual daily reckoned expenditure. The figures have gone down. The daily rate now is, I think, something like a quarter of a million less than it was two or three months ago. I hope it will not be considered that I am whittling away my congratulations to my right hon. Friend when I say that the interest which the House of Commons has taken in economy has played no small part in bringing about the reduction of expenditure. I have always held the opinion, both in and out of office, that the natural desire of the Exchequer to ensure economy in expenditure can never have its due weight in the Government as a whole unless the Treasury is supported by the House of Commons.

We have all read the weighty and valuable Report, the Preliminary Report, for I hope we shall have a great many more Reports, which has just been issued by the Committee presided over by my right hon. Friend here (Mr. H. Samuel). I do not propose to touch upon that Report now. I have no doubt the subject will be very properly handled by members of the Committee who are in the House. But I do think that it is not out of place to call attention to certain aspects of the financial situation without wishing in any way to impair the optimistic views or feelings which have been raised by the speech of my right hon. Friend. Undoubtedly my right hon. Friend's speech was a very hopeful speech, and I do not think he is wrong in making a very hopeful speech. My right hon. Friend beside me suggests that I should call it an anti-pessimistic speech. I think that is a much more accurate description. Whether my right hon. Friend, from his own point of view in another aspect, was altogether wise, may perhaps be open to doubt. After all, he has got to bring pressure to bear on the Departments. The Departments are already very much of the opinion that, however much the cost, we shall have money enough to last through, and unless the Exchequer is stern with them and really impresses

upon them that there is a limit even to the financial resources of this country, I am afraid the Departments might run away with the other idea. But the point for the moment on which I wish to lay emphasis is that in this consideration I think we attach too much importance to money terms, and we do not sufficiently look behind at what the money means. We never make that mistake when we go into the country and address war savings meetings and advise the people to economise. We explain to the people quite simply that money only represents the value of the goods and services which the people purchase, and that as there is a limit to the goods and services which the nation can produce, if the private individual uses up those goods and services himself, there being only a limited amount, there will be so much less for the service of the War. Our argument is absolutely complete and unanswerable. We always direct the attention of the audience to goods and services as the real matter about which we have got to be anxious, and not really about the money.

Precisely the same is true of the Government. You may raise an indefinite amount of money. It is the fact that at the present time every country in the world almost has got an inflated currency. Some few happy minor neutrals States are still upon practically a pre-war basis, but all the rest of us, this country included, all the belligerents, including the United States, have an inflated currency, and the money is lessened in value. An increasing amount of money does not help us to get more goods and more services, and what we have to remember when we press economy on the Government is that they should make right use of such goods and services as the nation has to give. I hope it will not be thought that, in saying this, the House of Commons wishes in the least to deny anything that the nation can give to those gallant men who are serving us at the front. It would be a miserable thing, indeed, if the House of Commons, having passed a vote of thanks to the Army and the Navy yesterday, were to-day to measure out with a niggardly rule the money which we are willing to give for their support. It is not in that spirit that some of us would desire to impress upon the Government and the country the necessity for the right use of our resources. The Committee, whose Report we have read, make an observation which I think extraordinarily

[Mr. McKenna.]

correct. They say that in the consideration of our strategic plans we do not seem ever to have considered the cost as an item to be borne in mind. If cost were really only a question of money and issuing more currency, or more bank notes, I do not know that we need trouble very much about it; but cost means the use of services, the use of labour, the use of materials, and it is vital that in all our plans we should consider what is the best use we can make of the limited amount of resources which we have under our control. For these reasons I think the House of Commons will be well advised to continue in its attitude of pressing on the Government the need for economy, notwithstanding the fact that the case is nothing like as black as it seemed to have been painted by the publicly-issued accounts.

There is one other point. I would ask my right hon. Friend, who has touched upon the question, as to the inexpediency of introducing a second Budget at the present time, whether he has given consideration to all the salient facts? He has laid it down—and I am sure he has laid it down with the concurrence of the whole House and of the country—that we ought not to borrow money without making provision in advance for the payment of the interest and sinking fund in respect of the loan, and we ought never to be in a position to borrow money in order to pay the interest upon our loan. When last May, in introducing the Budget, he made a forecast of what our position would be upon a peace basis, he showed we should have a balance in our favour on the estimates then made of £2,000,000. It was not a large balance, it was true, but I am bound to say I felt very strongly with him at the time that although the balance was small there were so many favourable considerations with regard to post-war revenue and expenditure which we might take into account that the balance was sufficiently reasonable. Well, even on a reduced scale of expenditure, as explained to us to-day, that balance has disappeared, and I understand from my right hon. Friend that the excess of irrecoverable expenditure on the estimate will be for the whole year something like £120,000,000 to £130,000,000. Allowing interest and sinking fund at no more than 5½ per cent., that will be an additional charge of £6,000,000 or £7,000,000, which will con-

vert this proposed balance of £2,000,000 in our favour into a deficit of £4,000,000 or £5,000,000. We should, therefore, on this mere statement of figures, be in a position which we all abhor—a position of having to borrow in order to pay the interest on our debt.

But last May there were other considerations which gave reasonable hope of an increase of revenue beyond that estimated for at the time, and I certainly thought with my hon. Friend that his provision was an ample one. I think we must face the fact now that these estimates as to a post-war Budget are based on certain assumptions, and that those assumptions as the War progresses are daily becoming more unreal. The first assumption is that we shall be repaid immediately after the War the interest on the whole of our advances to the Allies. That is an assumption which, in view of what has taken place in different parts of the world—in Belgium, in Serbia, and even in greater countries, it is absolutely impossible to rely upon as a fact. We may still hope it, but no sane auditor would pass accounts which represented as a business probability that immediately on the close of the War interest upon part of our advances will be paid in full. That is the first assumption as to which we must have some doubt as the War goes on. The second assumption, and I think on the whole the more important one, is that we shall be able to carry on our Government after the War on the pre-war basis of expenditure. I would ask the Committee to observe what our calculations involve. They are not calculations for which the right hon. Gentleman is responsible, as successive Chancellors of the Exchequer, including myself, have all made them. We have all known their doubtful character and the point I would try to make now is that as the War progresses their doubtfulness becomes a certainty. We have now an enormous revenue derived from taxation on the existing scale. Leaving the Excess Profits Duty out of account far away the biggest item that contributes to our revenue is the Income Tax. The Income Tax to-day as compared with the pre-war rate and the product of the Income Tax as compared with the pre-war rate product is enormously high. We get more for a penny than before the War, but we get so much more now because of the high rate of profits and the big incomes that are made and brought under taxation. If

this big revenue due to high profits is really the consequence of high prices we cannot hope to get the same revenue after the War unless the high prices continue. If the high prices do continue after the War we cannot hope to carry on the Government at the paltry rate of expenditure at which we carried it on before the War. We are here on the horns of a dilemma. If the prices remain up the cost of the Government will go up; if the prices go down our revenue will go down. Therefore, in my judgment, taking it for what it is worth, it is absolutely unsafe to calculate your post war conditions upon the basis of pre-war prices for expenditure and post war prices for revenue. If my right hon. Friend takes these two factors into account—the probability of immediate payment of full interest on war advances to the Allies, and the possibility of carrying on the Government after the War for £173,000,000, leaving out the debt charge—then no doubt he can show a good case for thinking that he will be able to meet his post war debt charges out of revenue, but if he shares my doubt upon those two points I think he will have reason to doubt whether his case is completely made out that he is making provision in advance for all the money which he is asking this House to borrow. Nobody is more aware than I am of the difficulties of my right hon. Friend and in anything I say I have only one desire and that is to help the Treasury. But you cannot help the Treasury very often—why conceal it?—you cannot help it very often without attacking or appearing to criticise other Departments of the Government. The Treasury itself must always exercise control over the other Departments, and if the Chancellor of the Exchequer continues as he has done in the past to treat this Committee with the confidence he has shown he will always find us behind him, and if he likes to put his foot down his stamp will be supported by the stamp of the whole Committee.

Mr. ADAMSON: The interesting speech to which we have just listened from the Chancellor of the Exchequer, taken in conjunction with the first Report of the Select Committee on national expenditure, proves that the Government and this Committee require to make a very careful survey of the financial resources of this country. As a matter of fact, I have always been of the opinion that the measure of our success in this great struggle will largely depend

upon the wisdom displayed in handling our financial resources. When war began in 1914, and a call was sent out for men, the answer made by the manhood of this Empire surpassed all our expectations, and it gave an object lesson to the whole world. I do not think that the history of the world will furnish us with any case where the answer to a country's call was equalled by the response that was made by the manhood of this Empire during 1914-15. At that date our resources in wealth equalled our resources in men. If our wealth had been as carefully administered as many Members of this House think it should have been, I am strongly of opinion that our financial position would have been stronger than it is to-day. In making this statement I do not for a moment suggest that we should have curtailed the expenditure in such a way as would have either impaired or imperilled our military or naval efficiency. The issues which are at stake are too fundamental for us to follow a policy of that description. It would have been a penny-wise and pound-foolish policy. Every one of us is prepared to spend the necessary money to ensure a successful issue of this great conflict for ourselves and our Allies. But when we have made ample allowance for necessary expenditure we must see to it that we are careful in avoiding useless and wasteful expenditure, because in doing so we should clearly realise that we are thereby imperilling our chances of complete success. What I would suggest, as one who has had a little experience on the Select Committee on National Expenditure, is that an effort should be made by the Government to have greater co-ordination in the work of our great Departments of State. I do not think there is any doubt that during the past three years there has been far too much independent action on the part of our large spending Departments; that independent action has in many cases led to competition as between the Departments and the public; prices have been thereby raised, and much money spent that could have been saved to the country. There is one other suggestion which I would seriously make while I am dealing with the question of finance. It is that the Chancellor of the Exchequer should seriously consider conscripting a portion of the wealth that remains in private hands, thereby doing away with the necessity for such a large expenditure in the shape of interest upon

[Mr. Adamson.]

the money borrowed. I spoke a few minutes ago about the importance of success in this conflict for ourselves and for our Allies, and I am certain that I have carried with me the unanimous feeling of the members of the Committee when I say that we should extend to two of our Allies—namely, Russia and Italy—our sympathy at the present moment in the circumstances in which they find themselves. In my opinion, the circumstances in which those two countries find themselves at the moment have to a considerable extent been brought about by the extensive German propaganda, a propaganda aimed not at securing a world peace, but aimed at securing a German peace. We believe and trust that our two Allies will overcome the difficulties with which they are faced, and we should be prepared to render them every possible assistance. Russia is also suffering from the effects of the bad old régime. The present state of the Russian Army is due to the cankerous growth started before the Revolution, rather than to anything which has taken place since the Revolution. We extend our sympathy to both those Allies in the circumstances in which they find themselves, and, as I have said, I think we ought to be prepared to extend the fullest measure of help we can, believing that they will continue to be true to the Allies and to do their best to bring this conflict to a successful issue.

In the course of yesterday's proceedings the Prime Minister moved, in a very eloquent and impressive speech, that the thanks of this House be given to the Forces of the Crown. That Resolution was very heartily endorsed in all parts of the House, and the Members were unanimously of the opinion that the services rendered, the valour displayed and the devotion manifested by our soldiers, our sailors and the men of our mercantile marine were worthy of our highest praise and our most sincere thanks. To-day, in consequence of the right hon. Gentleman the Chancellor of the Exchequer proposing this Vote of Credit of 400 millions, I want to take advantage of the opportunity which is afforded me of suggesting that our gratitude to our soldiers and our sailors and their dependants should be expressed in a far more substantial form than has ever yet been proposed by the Government. I hold in my hand at the present moment a letter from a private in one of our Infantry regiments, in which he sug-

gests that the most appropriate form in which we can express our thanks to the Army and the Navy is to give them a very substantial increase in their pay. When war broke out three years ago and the call was made for men, millions of our men responded who up to that time had no idea of serving either in the Army or in the Navy. As a matter of fact, many of the men who responded were in principle opposed to war, but their sense of duty, their strong sense of duty, to the country in her hour of danger was such that they left their homes and their peaceful avocations in which they were able to secure as much by their personal energy as would keep those who were dependent upon them in comfort—they left their homes and answered the call that was made.

In responding in this magnificent manner these men naturally expected that we who remained at home would see that their wives, their children, and their fathers and mothers would be kept in as comfortable a position as they had been in before their menfolk enlisted. I think that the time is long past due when the pay of our soldiers and our sailors should be substantially increased. I know that I am adding difficulties to the Chancellor of the Exchequer in making such a suggestion. It would cost extra money, but in my opinion it is nothing less than scandalous that the men who are suffering and dying for us should have the least monetary reward for their services and that their families at home should be less comfortably off than any other people, and I hope that the Government will give this matter their very serious and careful consideration with the view of giving them in the very near future a substantial increase in their pay. I also hope that the Government will see to it that the irritating policy of deductions being made from the soldier's pay for this, that, and the other thing will be stopped. Rather give him a substantial increase in his pay and see that he gets it in full. I can assure the Chancellor of the Exchequer and the Committee that this is a matter regarding which I have had numerous complaints, and I believe these complaints have been sent to other Members of the House as well as myself. There is another matter that I want to bring before the notice of the Chancellor of the Exchequer regarding our soldiers, and it is that the arrangements which have been made for enabling men on service overseas to obtain a fair amount of leave

is still giving a considerable amount of dissatisfaction. I think that the Government should do their best to see that each man gets his fair turn. When men are away from home for two or three years at a stretch they naturally desire to come home to see their wives and their families, and when they see other men, be they officers or privates, getting leave more frequently than they are able to get it themselves it makes them dissatisfied, and it is bound to make them less efficient as soldiers.

There is still another matter regarding our soldiers to which I desire to draw the attention of the Chancellor of the Exchequer, and in raising it I am sensitive that I am raising a delicate question. I refer to the question of the treatment that numbers of our soldiers get at the hands of certain officers and non-commissioned officers. I think myself that there are numbers of officers and non-commissioned officers in the Army who forget that the men who are now serving are not professional soldiers, but civilians accustomed to civilian methods of life. Those men have gone into the Army to fight for their country, and, if need be, to pay the supreme sacrifice. I am bold enough to say that if this War is carried to a successful conclusion, as successful a conclusion as I am certain every one of us desires, it will be in spite of some of the methods, the irritating methods, that are adopted by certain officers and non-commissioned officers. I am perfectly well aware that it is essential to have discipline, but in having discipline it is not necessary, in my opinion, to treat men in the inconsiderate way that is sometimes being done—it is not necessary to treat men as if they were mere cogs in the wheel. There is great dissatisfaction in the ranks regarding some of these matters which I am bringing to the attention of the Committee, and I hope that the Government and the military authorities will take heed of them, and that they will see that the greatest measure of justice is meted out to the men serving both in the Army and in the Navy. If we realise, as I am certain every one of us realises, the great debt of gratitude which the country owes to these men, it is not too much for me, as representing a very large proportion of the members of both Services, to ask that these men should be treated humanely and justly, and that we

should give them every consideration which it is possible for the financial resources of this country to allow.

Mr. HERBERT SAMUEL: I do not rise to deal with any of the specific points to which the hon. Member who has just sat down has directed the attention of the Committee, but perhaps I may be allowed, in passing, to express to him the congratulations which I am sure are felt in all quarters of the House at the honour that has lately been conferred upon him in his appointment as the chairman of one of the most important sections of this House. I return to the larger financial considerations which formed the substance of the speech of the Chancellor of the Exchequer and of my right hon. Friend sitting beside me. I do not think that we can approach any particular problem of expenditure unless we continue to remind ourselves of what the main facts of the situation are, and the figures are so large that they almost cease to bite. We speak of expenditure on the War of 5,000 millions in round figures—and our figures now do certainly lend themselves to globular treatment—and 5,000 millions conveys little precise meaning to the average mind. If we were to say that we have spent upon the War already in three years between four and five times the total capital invested in all the railways of the United Kingdom, then I think perhaps people may realise somewhat more fully the vastness of this expenditure. If the War continues for another twelve months we shall have added to our debt, after assuming—a somewhat comfortable assumption—that we shall be repaid the whole of the sums advanced not only to our Dominions, but also to all our Allies, we shall have added to our debt the sum of about 4,500 millions.

Our National Debt, if the War continues another year, will be rather greater than the pre-war debts of this country, France, Germany, Russia, Austro-Hungary, and the United States added together—including in the German debt the debt not only of the Empire, but of the various States, and in regard to Austro-Hungary not only the dual monarchy, but of the two separate kingdoms—and ignoring the fact that many of these countries have large assets in railways and other undertakings to set against their indebtedness. The Committee will remember the efforts made before the War to reduce our National Debt. Each year this House made provision for a Sinking Fund which gradually

[Mr. H. Samuel.]

and painfully paid off a large fraction of the old debt which we had inherited chiefly from the Napoleonic Wars. Indeed, before the War we took pride in the fact that we had accomplished the unprecedented task of paying off no less than £100,000,000 of debt in that one decade. I know the late Government used to find a special gratification in the fact that, mostly through its efforts, there had been made that very large provision, that in ten years, painfully and slowly, we had at last succeeded in paying off £100,000,000 of National Debt. Now we are adding £100,000,000 to the National Debt every twenty-five days.

Each six months that the War continues to add £750,000,000 of dead-weight debt—again assuming that all our loans to others are ultimately repaid. As is stated in the Report of the Select Committee on National Expenditure, if interest be taken at 5 per cent., and an allowance of 1 per cent. per annum be made for a sinking fund, this will mean that the annual debt charge for each six months of the War, at the present rate of expenditure and the present rate of borrowing, will be £45,000,000, and this over a long series of years. Now, £45,000,000 is nearly equal to the whole yield of the Income Tax and the Super-tax before the War. Each six months the War continues will mean that for many years to come we shall have to raise, for the payment of debt incurred in that period alone, a sum equal to the whole yield of the Income Tax and the Super-tax before the War. On the other hand, it is true, we shall have some comparatively small assets—factories here and there, machinery here and there, and works of one kind or another. But these are totally insignificant as a set-off against the expenditure. What is the moral from all this? Not that we should abandon the effort in which we are engaged! This is not a limited liability war. I think most of us, if it came to it, would rather see Britain ruined than see Prussia triumphant. But that danger is, I agree with the Chancellor of the Exchequer, not really in view. Our resources, actual and potential, are vast enough to enable us to bear even these colossal burdens. At worst, after the War, we shall be reduced in the amount of national wealth to the general standard of comfort of, perhaps thirty or forty years ago. And, after all, our fathers in those days managed to get

on not uncomfortably. Nor is the moral to be drawn from contemplating these stupendous figures that we ought to stint our Armies and Fleet of the things they need—of munitions, of equipment, of supplies, of whatever is required to carry the War to a successful conclusion. I submit to the Committee that the moral to be drawn is that there must be the strictest possible control over the day-by-day expenditure that now continues, a rigid pruning of all expenditure which can be found in any degree to be unessential, and a stern resistance to proposals for increases of expenditure.

This pressure must come from the top. The Departments take their tone from the War Cabinet. The War Cabinet takes its tone mainly from the Prime Minister and, I hope, in these matters also from the Chancellor of the Exchequer. There was a great meeting a few days ago in the Albert Hall in which the War Cabinet were present, which meeting was addressed by the head of the War Cabinet. The meeting consisted of men and women from all over the country who were engaged in the campaign of war savings and economy. Admirable exhortations were delivered from the platform. I am not at all sure that it would not have been advisable for the audience also, through its spokesmen, to have exhorted the platform. Money has been flowing like water. It is essential that the War Cabinet should make it plain to the Departments and to the country that it is not merely content to see it go on flowing like water. I was a little disturbed on hearing the Chancellor of the Exchequer to-day, in a speech which otherwise I thought on all points admirable, with a somewhat light heart say that, in his view, of course, we must expect that the War expenditure, which had increased, would go on increasing to the end of the War. It is not only to the War Cabinet that we ought to look for instilling the proper spirit into the spending Departments. We must look to ourselves as well. Hardly a day do I open my newspaper without seeing some proposal for increased expenditure in one direction or another, and that proposal is almost invariably supported by one or more Members of this House. A distinguished Civil servant said to me the other day: "After all, you must remember that every economy makes an enemy." He might have added, "Every expenditure makes a friend." Walter Bagehot, in one of his

books, tells how a friend of his in the House of Commons said to him: "If you wish in Parliament to raise a certain cheer engage in a general panygeric on economy; if you wish to incur certain defeat, endeavour to secure a particular saving." There is a great deal of truth in that. I think the House of Commons ought to show its disapproval of those amongst its own members who take what is, after all, a very easy road to popularity in continually urging the Government of the day in one direction or another to make further grants out of the taxpayers' money.

In somewhat kind terms the Chancellor of the Exchequer referred, as did my right hon. Friend beside me, his predecessor (Mr. McKenna), to the work which is being done by the Select Committee on National Expenditure. That Committee was appointed just before the Recess. It works mainly through sub-committees, for the field is far too vast for any one body of men to cover it as a whole. The Committee and its sub-committees have nearly held seventy meetings. They have conducted a great number of inquiries. They have made it a rule not to ask any Department for elaborate statistical returns. Their interviews with officials are, as a rule, quite brief, and more or less informal. I should like to take this opportunity to repeat an expression which appears in the Report lately presented to the House, that the Committee and all its sub-committees have received from all the Ministers and officers whose help they have invited, both Civil servants, and naval and military men, the readiest possible assistance. There has been no withholding of information in any direction. Everyone has been most helpful to the Committee in its inquiries. The recommendations which the Committee have made in their first Report are now before the House. I do not propose to cover the same ground again. It is unnecessary, and it would be tedious. I welcome the statement of the Chancellor of the Exchequer that the Government is already engaged in investigating the proposals which we have made. I quite concur, of course, in his view that the Government could not be expected to-day to give considered information as to the action of the Government on a Report which was printed only last Saturday. I would, however, make this suggestion again. The recommendations are very numerous. They cover a wide field. It would perhaps be

inconvenient for the right hon. Gentleman to inform the House one by one, and at various times, what action the Government proposes to take. I want, therefore, to suggest to him for his consideration, whether it would not be for the convenience of the Government, as well as the House, and the Committee itself, if, say, in two or three weeks' time, he were to lay upon the Table a White Paper giving one by one the recommendations of the Committee, and saying what action the Government had taken in respect of each. It is very important that the House should not lose sight of the proposals made by this Committee. They should be followed up, and we should know specifically in respect of each what action the Government are taking, or upon what grounds they have found that some of the recommendations are not practicable, and, therefore, are unable to accept them.

Sir F. BANBURY: A discussion?

Mr. SAMUEL: That, I think, was said by my right hon. Friend the Chancellor of the Exchequer.

Mr. BONAR LAW: I hope there will be an opportunity in the ordinary way. If not, I will endeavour to give an opportunity.

Mr. SAMUEL: I am sure the Committee will welcome that statement of the right hon. Gentleman. There are many other matters which are now engaging the attention of the Committee and Sub-Committees, in addition to those already dealt with in the first Report. I would add here that the Committee is shortly sending out a circular letter to hon. Members to say that we shall be exceedingly glad to receive suggestions as to directions in which they themselves think the Committee might usefully inquire with a view to prevent extravagance. The Committee intends, from time to time, to present to Parliament further Reports, I hope at short intervals. It approaches its investigations not in any spirit of hostility—as the Chancellor of the Exchequer has very kindly acknowledged—for we recognise, Heaven knows, how heavy and how difficult are the tasks of those charged with the duties of administration during this War—but in a spirit of what I may call friendly vigilance, and with a single-minded desire to make such practical suggestions as commend themselves to us for effective saving; and in order to promote

[Mr. H. Samuel.]

what is the most essential thing of all, an atmosphere of economy pervading the whole of the spending Departments of the State.

Sir SAMUEL ROBERTS: As a member of the Select Committee I should like to add a few words to what the right hon. Gentleman, the Chairman, has just said. In the first place, I should like to inform this Committee what a very excellent chairman the right hon. Gentleman is, and that the success of the Committee is, in my opinion, very largely due to the atmosphere created by his kindness and discipline. I want to deal with one phase only of the question, and it is a phase which I think my right hon. Friend the Chancellor of the Exchequer and the Treasury ought to take up in the very first instance of this Report, namely, the control exercised by the Treasury, and also by the Finance Departments in the War Office, the Ministry of Munitions, and the Admiralty. I do not think it is generally known what a very ancient thing this Treasury control is. It came here with the Normans at the time of the Conquest. It is a French institution. The ancient building at Rouen now is believed to be that of the old Norman Exchequer. Over the doors of the building is this inscription, "Le Père de l'Échiquier à Londres," and the system which existed in France at the time of the Conqueror was set up in London under the name of the Exchequer of Account, divided into two offices, the Upper and the Lower. The Upper Court of Exchequer was the Court responsible to the King and was presided over by a treasurer and barons, whose duty it was to ascertain what was due to the King from the taxpayers, and to exercise a general financial control. For all these years that financial control has been vested in the Treasury, and where you have a country with its finances growing in so many Departments it is absolutely necessary for a Department like the Treasury to control the general finances. That Court has undergone many changes and vicissitudes. The office of Treasurer was put into commission on the death of Lord Salisbury in the year 1612, and became quite a separate Department. Though it has undergone changes since then, there is one thing which has never changed, and that is the exercise of financial control. Sir William Anson, in a book that is well known to this House, the "Law and Custom of the Constitution," says:

"The duties of the old Exchequer of Account and of the Treasurer were to the King. It was the business of the office to see that the King's debtors paid all that they owed, and that the King's creditors got no more than was their due."

Now the duties of the Treasury and of the Chancellor of the Exchequer are not to the King, but they are to the taxpayer to see that no more money is asked for than is wanted, and that no more money is spent than has been authorised by Parliament

I think we all have cause to congratulate my right hon. Friend the Chancellor of the Exchequer on the way that he has accepted this Report. I wish to assure him that what my right hon. Friend the Chairman has said is absolutely true of every member of the Committee, that our object is not a wrecking object, but is to assist the Government in every way we can to exercise due economy, not with the object of stopping anything it is necessary to spend to carry the War to a successful issue, but to see that the money is used to advantage and properly. The Chancellor of the Exchequer and his staff have a good many enemies to contend with. He has to curtail the demands of the servants of the State, who want more money than the Treasury is willing to give. Then there are the Departments of the Government, who want more money than the Chancellor is prepared to give; the House of Commons, who contests the amount the Chancellor of the Exchequer demands on Budget day, and also contests the mode in which it is proposed to raise the money; the taxpayer, who objects because he is called upon to pay at the same time that he wants everything done well for him.

What happened with regard to Treasury control when war broke out? It was seen almost immediately that the old system of Estimates could not go on. Expenditure was far too large for that. In time of peace the Estimates are presented to this House by the Treasury. The Departments have to keep to them, and if they exceed them they have to come to the House for Supplementary Estimates. That, in peace time, is the real control. That is nearly all gone. Early in the War it was seen that it must be conducted by Votes of Credit, and soon after the War Treasury control was practically abandoned except in certain cases. Treasury control in the Army, for instance, still went on under certain heads—pay in certain cases, the purchase of land, and that very useful control of the purchases which the War Office and Munitions Department are

making abroad. That is important because of the exchange. In addition to those little exceptions, there are two Emergency Committees. One Emergency Committee sits with regard to the Navy, and the other with regard to the Munitions Department. They sit at the Treasury twice a week. Details of important expenditure are brought before the officials of the Treasury, and are dealt with very expeditiously. I had the pleasure myself of going to the Treasury and seeing the way this business is conducted.

Now that the Treasury control has ceased in many directions, a responsibility is cast on the two financial Departments within the War Office and Munitions Department. Within the War Office, very fortunately, the financial Department is strong. It existed before the War, and the machinery there is quite up-to-date. The Assistant Financial Secretary there has told us that he considers himself an outpost of the Treasury, and we should like to see a financial Gentleman sitting in the Munitions Department who would also be an outpost of the Treasury and responsible to this House. At present there is no Minister responsible on this Bench for the munitions expenditure, and that is one of the recommendations which is made in the Report. The Assistant Financial Secretary of the War Office told us he considered that all the necessary machinery for financial control in keeping with present circumstances existed, but that its application in practice had become largely a question of personality, that is, the influence exerted by the Secretary of State and the finance Member. This shows the very great importance of having a Minister in charge of those big establishments, the War Office, the Munitions and the Admiralty, in this matter.

There is one suggestion in the Report about the Munitions Department in which I concur, and that is that the Treasury would be well-advised in calling to their assistance an expert in business—an assessor or whatever you like to call him. And I think they require within the Treasury some gentlemen well acquainted with business concerns to guide their decisions. I speak thus about the Treasury in their own interests, as well as in the interests of the country, in order that they should not let financial control slip out of their hands. What I am afraid of is that if this kind of thing goes on we shall find

when the War is over that the great control which the Treasury hitherto has had will have been swept away, and they will find great difficulty in getting it back. I think for that reason also it would be a good thing if the Treasury wholeheartedly accept every one of these recommendations. In conclusion, I should like to say, from my experience in the Committee, that all Departments into which we have inquired have seen that we do not come to try to hinder them in their work but to assist them, and they receive us wholeheartedly and give us every assistance they can. I think the very fact of the appointment of the Committee, and the holding of these inquiries into the different offices of the Government, will make them a very great deal more careful in those large transactions which they are carrying out.

Sir FREDERICK BANBURY: I do not think it is very encouraging to the efforts of the Committee on National Expenditure that during the speech of my hon. Friend and at the present moment there are only about sixteen or seventeen Members in the House, of whom about ten are members of the Select Committee on National Expenditure, two are members of the Government—great men in their way, but, still, occupying more or less subordinate positions—and I think three or four Members of the House who are neither in the Government nor members of the Select Committee on National Expenditure. I hope this is not a forecast of the method or manner in which the recommendations of the Committee on National Expenditure are going to be received by the House of Commons. Of course, there is another point, and that is that we are voting no less a sum than £400,000,000, and I think it is a little surprising that more Members have not taken the trouble to attend the House when such a very momentous sum as that, coming on top of the enormous expenditure, has got to be considered by this Committee. I did not intend to have risen this afternoon, because the Chancellor of the Exchequer has informed us that within a short time he proposes to make an announcement to the House as to the proceedings which the Government will adopt in view of the Interim Report of the Select Committee, and he has also been good enough to say that if there is not an opportunity in the ordinary way—and I take it that an opportunity in the ordinary way does not mean a short hour or so in the evening, but

[Sir F. Banbury.]

means an appropriate opportunity to discuss the Interim Report of the Select Committee—he will give a day for it. Under these circumstances I do not think it would be necessary or advisable to discuss that Report now at any length. I should, however, like to emphasise the remarks made by my hon. Friend opposite, and I wish to say, as the Chairman of one of the Sub-Committees on national expenditure, that it seems to me that one of the reasons for the excessive expenditure—that there has been excessive expenditure I do not think anyone will doubt, and by that I mean unnecessary expenditure—and that the same result could have been obtained with a smaller expenditure—has been that the Treasury has practically exercised no control over the great majority of the Departments. The method of control exercised by the Treasury in the old days before the War was that a certain sum was granted to the different Departments, and if they exceeded that sum they could not get a Supplementary Estimate without the consent of the Treasury. It is evident that procedure of that sort was not adaptable or suitable to the War, and the Treasury under these circumstances said in effect, “We cannot really exercise any control.”

I think they could have exercised some control in this way: they should appoint officials—and not too many of them—who would investigate the estimates and the contracts, and who would be able to say, “We have investigated this contract or this estimate; we agree that you should do so-and-so, but we wish to point out that you are preparing to spend £100,000 when you could do the same thing with £75,000, and therefore we step in and say, ‘You are not to spend that amount.’” That is a rough and ready way that could be made efficacious, and it would not interfere with the acquisition of any necessary munitions of war and the other necessary expenditure for carrying on the War. I desire to thank the Treasury for their readiness to make up their mind as to what they are going to do with our Report, and for giving us an opportunity of discussing what is a very important Report, and also of discussing the action which is to be taken on that matter. Personally, I have no doubt whatever that England can find all the money that is necessary and yet be in a prosperous state after the War, provided only that every

class has made up its mind to make sacrifices. Those sacrifices must not be made by one class, and they will not succeed if all that is done is to put up the Income Tax or the Super Tax, while other classes who are receiving increases of wages make no sacrifices. Sacrifices must be made by everybody, and if they are prepared to do that I have no doubt we shall be able to pull through.

Sir JOSEPH WALTON: I am afraid that all the optimistic speeches in the world cannot alter the hard fact that we have piled up in Votes of Credit since the War began the gigantic total of £5,692,000,000. The Chancellor of the Exchequer made an optimistic speech in which he tried to show the House that the enormous increase of expenditure this year, so much over the Budget Estimate, was not really in existence, but the figures he gave us showed that no less than £222,000,000 extra have been expended in the first part of this financial year. That money has to be provided, and it is none the less expended by reason of the fact that we hope that a considerable proportion of it will be ultimately paid back. In the meantime we have to finance these Votes of Credit; we have to foot the bill, and I consider it is most misleading to put the matter too strongly on the lines adopted by the Chancellor of the Exchequer. What is really the case? If we continue the same expenditure to the end of the year that we have had in the first half, including the subsidising of the people's bread at the cost of £40,000,000 a year, the increase in the pay of our soldiers and sailors, a proposal which is enthusiastically endorsed without reserve by everybody in the House, we are told that the expenditure for the second half of the year will be greater than in the first half.

I do not hesitate to assume that this year's expenditure will be £500,000,000 in excess of the Budget Estimate, and that brings the amount up to £2,790,000,000, while our total Budget Revenue was anticipated to be £638,000,000. We are thankful to know that in the first half of the financial year the revenue has substantially exceeded the Estimate, but he will be a very sanguine man who believes that the total will go much beyond £700,000,000, and that a total of £2,790,000,000 expenditure leaves no less than £2,090,000,000 sterling to be raised by loan this year. If some of it is paid back quickly so much the better, but for

the time being we have to find the money and the nation has got to foot the bill. Therefore it is no good painting things in too rosy a light. We are prepared to find all the money necessary for the War, but we must press upon the Government the fact that the taxpayers of this country are by no means getting value for their money. We have just received the interim Report of the Committee presided over by my right hon. Friend opposite and all of us are grateful to the Committee for having so promptly gone into these questions and for having submitted such a valuable interim Report. That Report, summarised, states clearly that there is absolutely lacking proper and efficient control over the finances of the country not only on the part of the Treasury, but in every spending Department of the State, and particularly in the Ministry of Munitions.

We have had, since the War began, after great pressure, certain Committees appointed to inquire into the expenditure connected with the Army, the Navy, the Ministry of Munitions, and other Departments of State, with a view of reducing expenditure. What has been the result? It has been most disappointing. The Committees were created, and they sat and finished their labours too often without presenting any clear report, if they reported at all, and the House was never clearly informed as to the financial savings effected by this or that Department as the result of the work done by those Committees. I am glad to hear from the Chancellor of the Exchequer that no doubt these Committees made recommendations, but I would like to know how many of those recommendations have been given effect to by the Government or the Departments concerned. Practically none, I believe, and now the Chancellor of the Exchequer exhibits a disposition to consider all the recommendations made by the Select Committee on National Expenditure with a view to adopting and carrying into effect as many of those recommendations as possible.

We need this matter to be promptly dealt with. The Committee has been prompt, and I ask the Government, in the interests of the taxpayers, to be equally prompt in considering this interim report and in deciding how best to give effect to it, and not to keep the House of Commons much longer than is necessary in the dark as to what steps they have taken,

and what they propose to do in order to give prompt effect to the valuable recommendations of the Select Committee. I was surprised to find the ex-Chancellor of the Exchequer taking such a rosy view after his speech in connection with the last Vote of Credit, and I would remind him that, notwithstanding some slight reduction of under £200,000 per day in the expenditure, that it still exceeds the Budget Estimate by £1,200,000 per day, and this in spite of the fact that the Government have commandeered the whole of the shipping, which they run at Blue Book rates, without any profit to the owners; in spite of the fact that they have commandeered the coal mines and fixed the price of coal, and have taken over the railways and consequently are enjoying the benefits of cheap transit. Besides all this, the purchase of munitions is being carried on by the American Government at the same prices they pay themselves, and we are no longer paying Americans £2 for every £1 worth received. Even all these great savings seem to have failed to check the flowing tide of a rise in national expenditure, and that is one of the most vital questions in connection with this War—the question as to whether the war will be ended by famine on the one hand or financial bankruptcy on the other.

What is our financial position? We have already piled up nearly £1,000,000,000 of short-dated Treasury Bills, and £400,000,000 worth of Exchequer Bonds and War Saving Certificates; and although we rejoice that the new War Bonds are being organised and arranged on such admirable terms and conditions—and we all hope that they will be largely taken up by an enormous number of people in this country—yet we cannot shut our eyes to the fact that with all these liabilities we are bound to have a long-dated Loan floated, at any rate, early in the new year. This will have to be done in spite of the fact that shipowners are left without profits, and the profits of coalowners have been largely reduced, and we are taking 80 per cent. by the Excess Profits Duty, and in the case of coalowners 95 per cent. I ask, under these circumstances, where is the gigantic sum of money to come from that will be needed in the next long-dated War Loan? That will be an eye-opener when the day arrives for that Loan to be raised, unless some decided change takes place. The best way to bring out the financial resources of the country, and to encourage everybody to assist through this financial crisis, is that

[Sir J. Walton.]

the country should be made to realise that in every possible way economy is being exercised. There is another question I wish to refer to, and it is the enormous waste of money that has taken place in connection with the buying of timber for our national needs. Yesterday in answer to a question I was told that the price of Scottish pine has risen since the War began from a minimum of 3d. per cubic foot to 11d. per cubic foot. How has that been brought about? By

6.0 P.M. the Government allowing private buyers to compete with Government buyers. There are forests that have been commandeered and bought the valuation of which is being settled. They began with Scottish pine at 5d. per cubic foot. Anyone can see the cases that are being dealt with by the Committee presided over by Sir James Woodhouse. They gradually crept up 5d., 6d., 7d., 8d., 9d., 10d., and now 11d., as compared with 3d. before the War. I know of one case where an estate owner's timber was valued at £25,000 before the War and he is now receiving over £70,000 from the Government. I want to know where is the equal incidence of taxation and of burden? That man receives £50,000 in excess of the pre-war value of his timber, and he pays no Excess Profits Duty and no taxation of any sort or kind. I call it absolutely monstrous. I hold that the Government at the outset of the War ought to have placed an embargo upon the sale of any home-grown timber except with their consent, and that any private buyer should only have been able to get it under licence granted by the Government. At the same time they should have fixed fair prices for the different classes of timber. I venture to state unhesitatingly that the methods employed have resulted in a scandalous waste of public money, and someone ought to be brought to book. I am bound to say that the present President of the Board of Trade and the present Committee managing timber are not responsible, because the matter was only placed in the hands of the Board of Trade on 1st June last. I should like to know from the Chancellor of the Exchequer whether the Government, even at this late hour in the day, are not prepared to treat the requirements of the nation in respect of timber on exactly the same lines as every other interest has been treated, namely, to requisition and commandeer their require-

ments at a reasonable price. I do not hesitate to say that the amount of money unnecessarily expended in the purchase of timber during the duration of the War, upon strict investigation, would probably be found to reach even millions sterling. It is not a small question.

I spent the Recess in Scotland, and I can tell how many landowners there are chortling over the splendid bargains that they have made with this incompetent Government in finance. I am surprised that the President of the Board of Trade is not here, because I spent an hour with him to-day. I do not read dramatic statements in the House and make criticisms and changes without first informing the Department of my intention to do so. I hope some other day we shall have some statement, either from the Chancellor of the Exchequer or from the President of the Board of Trade, on this very important question. Let me give just one illustration of the waste of money. In the constituency of my right hon. Friend opposite (Mr. H. Samuel) the Ministry of Munitions have erected magnificent hutments, fitted up with electric light and gas, with water laid on, and even with bedsteads, for 6,000 miners who were never likely to come, and who never will come. The Ministry of Munitions, regardless of expense, squandered the whole of this money in providing for 6,000 extra miners in the Cleveland Division. When the time came, not long ago, for considering the question of the accommodation of thousands of soldiers who were living in tents, what do you think they did? They proceeded to billet them out in various places in the district at a great cost and to the great annoyance of those places, because in many cases they do knock the houses about terribly, instead of bringing them into these unused hutments ready to hand and fitted up with every appliance for comfort. Two of them are within a mile and a quarter or a mile and a half of the sea-shore, near which I suppose they need them to be. How much better these men would have been together in these hutments under their officers than scattered about all over in billets? How much better they could have been laid hold of and made effective use of supposing an emergency arose? The Financial Secretary to the War Office promised me a definite reply to-day on the question whether they were going to waste public money upon billeting these men or whether they were going to put them into

these unused hutments ready to hand, but I am still without that reply. I raised the question weeks ago and wrote to my right hon. Friend opposite. I am sure that it has had his attention, as these matters always do. He knows the position, and I leave it in his hands to effect this saving of public money, because undoubtedly it costs more to billet thousands of troops than to have them together in camps under control where they can be fed much more cheaply.

Mr. J. HENDERSON: I echo very sincerely and strongly the remarks of my right hon. Friend the Member for the City of London (Sir F. Banbury). It is a very strange thing that the Members of Parliament who are sent to this House by the constituencies for the principal purpose of looking after and checking the funds are always absent when the funds are discussed. I have seen it time and time again, and I hope at the next election that every constituency will see to it and make it a point that their member shall perform in this House the principal function for which he is sent to it. Reference has been made to the preliminary report of the Committee, and the Chancellor of the Exchequer has been good enough to say that he will give it his earliest consideration. That is the common form. It is only an interim report, and, bad as it may appear, I believe that there is very much worse behind. The Chancellor of the Exchequer knows perfectly well that he will get this vote and the money, but he knows very well also that he is piling up money on a debt which is already far too top heavy. What is the position? Since the War began the borrowings have been £5,758,000,950. There has been raised by revenue £1,375,800,000. That leaves £4,368,000,000. Of that we have lent to our Allies and to the Colonies £1,161,000,000. That leaves £3,197,000,000. Add to that the debt existing before the War, £650,000,000, and you get a total of £3,847,000,000 of public debt. The public will not grudge these votes. The public will gladly subscribe all that is necessary to finish this War, but the public must be satisfied that the money is being prudently spent. Unfortunately, they are not satisfied that it is so, and indeed there is no reason why they should be satisfied, because the evidence is very clear on all hands that there is an enormous quantity of waste.

Let me mention one source of wasteful expenditure. The moment that there is any difficulty the Government, instead of taking the Department to which the matter belongs and reorganising or extending it, appoint a new Ministry with a large staff with high salaries and with expensive accommodation. Sometimes the whole thing is absolutely unnecessary. Everybody now knows the fiasco of the National Service Department, but it is not the only one. When we come to deal with this matter by and by, it will be found that there are other Departments which are duplicating work, as they have no right to do, and which are costing the country millions of money a year. Men are put into posts at extravagant salaries. Of course, we have got to congratulate ourselves that in these appointments we have one or two, I should not think more than two, families of super men and super women. They are called upon and the nation is saved. It would be a sad thing if these super men and super women turned out after all to be only human creatures subject to all our frailties and all our respects and did no better than their predecessors. I hope that it may not be so, but I am afraid that it will. Take another case. An officer came back to this country after two years of service at the front, and he was asked what struck him most in the alteration and changes at home. He said that the thing that struck him most was the enormous number of men in khaki uniforms. "What are they all doing? Some of them I know are doing good work and are at home on leave. I do not mean these, but there are thousands I see everywhere, non-combatants—what are they doing?" I can tell him what some of them are doing. They are all very assiduous in one thing. They are all unfailing and efficient in drawing their salaries. There are men receiving £500 and £600 a year. I do not say that they are not worth £600 or £6,000 a year, but you must have some regard to the class of work being done. There are thousands of these men drawing salaries of £500, £600, £700, £800, and even £1,000, all for work which a clerk at £200 would do quite as efficiently, but because they are military men they have these jobs provided for them. I could give instances of men who are drawing big salaries and who only serve about four hours a day, with plenty of time to attend to their ordinary business. They are there in uniform drawing

[Mr. J. Henderson.]

salaries they have no right to draw. How long is this to go on?

We have this extraordinary fact: The Munitions Department draws £50,000,000 every four weeks from the Treasury, and the Army draws £50,000,000 every four weeks from the Treasury—that is, £1,300,000,000 per year. A saving of 5 per cent. on that amount represents £65,000,000 a year. It does not seem to me that it would be very difficult to save that amount. With regard to the waste that has gone on in many other Departments, I have no doubt that it will come before the Committee and come into their Report. I am going to speak straightly and frankly. We have at the head of this War Cabinet gentlemen who have no idea of the value of money. We have at the head of the Government a man of rare qualities and who has this charming characteristic in a private man, that he does not care for money. His greatest enemy could not say that he is a money grubber or that he cares for money. That is a most estimable characteristic in a private man, but it is a most deadly and dangerous one in the head of the Government. When a prudent man sees his obligations mounting up steadily, he lays his plans and takes the greatest precautions. He sees that he never spends £1 where 15s. or 10s. would do. That is not the policy of the Cabinet. They do not spend £1 where £2 will do. That is the principle on which they act. It is a system of *largesse*, and the public are getting a little bit tired of it. I believe it is the motto of the Cabinet that money must not stand in the way of the War. It will not stand in the way of the War, but what will stand in the way of the War is the want of money. Are we not approaching that position? We have, as my hon. Friend (Sir J. Walton) said £1,000,000,000, roughly, of Treasury Bills. Last February we had £1,000,000,000 of Treasury Bills, and the Government set every agency to work, by advertisement, by public meetings, by committees, by every artifice known to the advertiser, and the result was that they got £1,000,000,000. But the whole of that has gone in a very few months. It was only enough to meet Treasury Bills falling due. Here we are again with £1,000,000,000. Not only that. Let me point out that there are American Dollar Bills to a very large amount and that there are other unfunded securities.

Probably they amount, altogether, to £1,500,000,000. How are you going to meet them?

You cannot go on indefinitely with Treasury Bills. You put up a Loan three weeks ago, a Loan, as they say in the City, which is untapped. How much have you got? The Chancellor of the Exchequer says £70,000,000. That does not go far to clear off your current liabilities. What are you going to do? I am glad to see the Chancellor of the Exchequer present because it is necessary that he should know this. I do not know where he is going to get the money, and I am sure that he does not know unless he is going to force it. If you are going to force that money the man who is going to pay will insist upon it that you are not going to waste one shilling of it. He is entitled to that. A man is not going to send his money in order that you may squander it in the way mentioned by my hon. Friend (Sir J. Walton). He is not going to see it spent in providing salaries of £700 a year when £200 will do. You cannot call upon him to do that. Hon. Members who have been preaching pacifism will have a great many men added to their standard, which has a very small following just now, when money is being forcibly taken from people in order to meet your requirements. There is no difficulty in getting the money if you honestly and prudently spend it, but you have no right to make a single improvident bargain or to spend a single penny imprudently. If you do you will put yourself in such a position that the money will fail you. You are drifting towards that position now. I put it very strongly because I feel it strongly. The public are not alive, this House is not alive, to the dangerous financial position. It will get dangerous unless it is grappled with the utmost care and the most economical and prudent ideas, unless Departments are scrapped where they are unnecessary and all men are scrapped where they are unnecessary, and unless you bring the expenditure down to the absolutely necessary level in order to enable us to succeed in this War.

Colonel COLLINS: My hon. Friend who has just addressed the Committee is disappointed with the poor attendance of Members this afternoon. In view of the Chancellor of the Exchequer's statement earlier in the day that he welcomed the Report of the Committee on National

Expenditure and that he would do his best to consider favourably the suggestions we put forward, I think the smallness of the attendance is only natural. We may, however, have to ask the assistance of the House later if the Committee are not satisfied with the steps taken by the Government to carry into effect the recommendations the Committee makes. Some few months ago the Chancellor of the Exchequer told us that in view of his duties at the Exchequer and as Leader of the House it was impossible for him to attend daily at the War Cabinet.

Mr. BONAR LAW: What I said was that I could not do my share of the work of Cabinet Ministers, which consists in attending Committees, and things of that kind. I never said that I could not attend the meetings of the Cabinet.

Colonel COLLINS: I understood that the Chancellor of the Exchequer at the time found it impossible to be in daily attendance at the Cabinet.

Mr. BONAR LAW: No, I never said that.

Colonel COLLINS: Naturally, with the right hon. Gentleman's assurance, I pass from that point, because I am sure that this Committee, interested as it is in expenditure, is anxious also to know, and is glad to know, that the representative of expenditure in the Government is represented day by day at the War Cabinet. I have endeavoured to find out from the Government the cost of their expeditionary policy, and have been advised that it is impossible for the Government to provide any figures on that subject. In view of this Vote of Credit, the public are entitled to know the channels of expenditure. They are entitled to know where their money is being spent. The Committee know that so much is being spent in each of these various Departments, but the expenditure should be analysed on a geographical basis, so that the country as a whole can judge, so far as they are able, how their money is being spent and come to some conclusion accordingly. Whether the Chancellor of the Exchequer can provide this information at a later stage I do not know, but I would urge upon him that the broad subject of the channel of expenditure on a geographical basis should be laid before the House of Commons at an early stage. My right hon. Friend (Mr. H. Samuel) referred to a meeting at the

Albert Hall last Tuesday, at which the Prime Minister and the Chancellor of the Exchequer were present. There was a point in one speech which caused some doubt in my mind; that was the sentence quoted by the Prime Minister himself, in which, speaking of the debt, he said:

"The next salient fact is this, that most of this gigantic debt will be debt we owe to ourselves."

He went on to say:

"Great Britain is borrowing in the main from her own children. The debt is in the family, and although that does not always make a difference, I think on the whole it is better."

The speech created in my mind an impression that the amount of our internal debt was not so vital. If the idea is circulated and generally maintained that the amount of our internal debt is not so important, then I believe injury will result. The Prime Minister said:

"The debt is in the family."

The question I would ask the Committee is not only what is the amount of the debt, but what is the character of the debt? If the money lent by the public to the Government represents real savings from their annual income, then the result is that the public are taxed to pay the interest on the debt and the debt is in the family. Surely a large part of our debt to-day does not represent real savings, but is the creation of credit. If that is so, there is nothing in the family except expended credit, which must be liquidated. Whether I have understood correctly the Prime Minister's statement in that speech I do not know, but I wish to make this clear distinction between money lent by the public to the Government, which comes out of real savings, and this vast amount of credit which is being created day by day, and which must be liquidated in the future. I only rose to thank the Chancellor of the Exchequer for having met us this afternoon, and for his assurance that the recommendations of this Committee will be considered in due course by the Government.

Mr. PERCY HARRIS: I should like, first of all, to thank the Chancellor of the Exchequer for his very lucid and interesting statement upon the financial position. There was one point he did not make very clear, namely, with regard to the figures including the extra cost of two big liabilities the Government had incurred just before the Recess and during the Recess, the liability for the cost of cheap food and the extra cost of the soldiers' pay,

[Mr. P. Harris.]

together something like £90,000,000, which is equal to 2s. 6d. on the Income Tax. I think both those items were justified by the facts of the case. The Chancellor of the Exchequer should have made clear to the country, in introducing the Vote of Credit, what these two items of expenditure involve. It is very encouraging to members of the Expenditure Committee to find how well-disposed the Chancellor of the Exchequer was to its work. I hope that the Committee, working through its Sub-Committees, has proved so useful that it will become part of the permanent institutions of the country. Nothing would be more unfortunate if from these Reports the impression got abroad that the people responsible for the Army were extravagant. There is an idea—justified by some facts—that the soldier carries on war quite regardless of the cost. I must admit that when I started as a member of the War Office Sub-Committee I went with that idea very much implanted in my mind. But the result of the work was rather to disabuse me. I found that, on the whole, the soldier was anxious not to waste money, and to economise as far as possible. What was wrong was not the individuals who ran the Army—on the contrary, a more efficient, keen, and capable lot of administrators the country could not have, especially in France—but rather the system. I should get into trouble with my Sub-Committee if I entered upon that. I will not describe what that system is. That will be the subject of a further Report, I hope at a very early date. The country ought to realise that it is not the men who are to blame, but the system; nor can the Army be entirely responsible for the expenditure. The impression that I got—and I think other members of our Committee have got—is that there has never been any real effort towards economy in the people up above—the Government. I could quite understand, in the very early days of the War, when everything had to be improvised, and an Army made in a hurry, that questions of cost would not be considered; but now things have changed, and the Army has got on a stable basis, questions of £ s. d. ought to be considered by the Cabinet in matters of policy. As far as I can see, the Cabinet—especially the War Cabinet—never gives any serious attention to cost. On the contrary, the tendency is rather to initiate than to check expenditure.

The Chancellor of the Exchequer referred to the question of money. When questions of life and death are involved, there is something apparently rather mean in introducing the word "money," and I was very glad that he dealt with what money really meant. We are very fond of talking about man-power, tonnage, and food and labour problems as vitally important to the ultimate success of the War, but when it comes to finance the fashion is to say, "We have a bottomless purse; we are never going to lose the War because of money." But, after all, money represents all these things. Money covers food, clothes, munitions, labour, shipping, and everything that is requisite to enable us to run the War. We have not got unlimited food. That will be admitted by the Minister of Food. We have not got unlimited steel and timber. That will be admitted by the Ministry of Munitions. We have not got unlimited shipping. The Ministry of Shipping will admit that. We have not got unlimited men. The Minister of National Service will admit that. All these things are covered by the one word "money." It is far easier to think in terms of finance than to think of the details of what money represents. It would be quite madness to ignore money as a factor in winning the War. That was brought home to us on the question of the exchange. It is now no secret that the financial position of the country last summer would have been very serious if the United States of America had not intervened to come in on our side; in other words, owing to the adverse state of the exchange, owing to the fact that we could not pay for the goods that we had to import from America—steel, food, and munitions—our credit was getting into such a serious state that articles necessary for our Armies in the field, for the proper prosecution of the War, were likely to run short. In other words, money had become an important factor in the success of the Allies in the War. I know it is a common thing to say, for the encouragement of those who are in a state of depression, that if our position is serious the position of Germany is worse. Undoubtedly that is the case. German resources are not so large. German credit is worse. Owing to our blockade her power of replenishing her impoverished stocks is much worse than ours. But that does not mean that we are to fritter away our resources. On the contrary, we should realise that we

have that great superiority and we should make full use of it by seeing that it is used to the best advantage

There is a very shrewd suspicion in this House and outside that we have too many expeditions and that we are not therefore using our resources to the best advantage. There is a feeling that if it is necessary to go to Gaza it cannot be equally necessary to go beyond Bagdad, and that if both the Gaza and Bagdad Expeditions are necessary, then it cannot be necessary to have a large army in Salonika. Conversely, if it is necessary to have a large army at Salonika the expeditions to Gaza and Bagdad cannot be equally important. It is not my desire to question these expeditions. That is a matter of high policy. But from the financial point of view of the proper duties of our resources, it is quite clear that the cost of these various expeditions should be taken into consideration. Then comes the question of Home Defence. There is some reference in our Report to the great number of men employed in the form of a home army. We spend enormous sums of money on keeping the Fleet—not only during the War but before the War. The whole idea of that large fleet was to secure us from the danger of invasion. Even the most severe critics of the Bluewater School will admit now that invasion on a large scale is quite out of the question. Not only has our Fleet proved, during three years of War, that it is quite capable of preventing the German Fleet coming out on a large scale, but it has convinced the country, and I think the military authorities and the Cabinet, that the very most we can expect is a raid. Yet we keep up an enormous Army enrolled and equipped and withdrawn from industry—which is perhaps the most important point of all—of tens of thousands of men on the off-chance that a German Armada may be able to evade Admiral Beatty's Fleet and make a landing on these shores. You have also to realise that the home Army is not a cheap Army. It is drawn largely from men of low categories, largely C 1 and C 2, under the old system, and therefore liable to a higher rate of sickness. All these men have to be fed, clothed, equipped, trained and housed at very great cost to the nation. I do not suggest that the country should be denuded of troops. It must obviously be clear that a fairly large Army must be maintained, but I have before suggested that being an island State, and the risk of invasion being small,

we ought to be able to depend more and more on part-time service troops. In many schemes of home defence it was made clear by the military authorities before the War that the Territorials would be quite capable of repelling an invasion at the outbreak of hostilities, and at the beginning of this War we were dependent almost entirely on the Territorials.

I have been since the outbreak of the War associated with the Volunteer Force. From the very beginning there was a great deal of suspicion amongst the military authorities as to its utility, but in spite of considerable discouragement the force has gone on, and now, ultimately, the Government has taken it over and not only given it recognition, but seen to its training, and I think I am pretty well safe in saying that the Volunteer Force is pretty well as efficient as the Territorials were at the outbreak of hostilities. You have it in the fact of the large amount of training that is required of them. While the Territorial soldier is only asked to put in forty drills per annum, the Volunteers can be made liable to do as many as 168 drills a year, or fourteen hours in a month. This Force is capable of infinite expansion. With a little encouragement from the Government and a rather more friendly attitude from the War Office, any number of troops could be raised on this basis to give their spare time to training. Of course, the advantage from the point of view of economy is immense. Not only do these men remain in industry—they remain producers; but the cost of feeding them, paying them, and maintaining their wives and families is saved to the State. I suggest that in considering the total financial powers of the State the home defence question should be reconsidered in the light of the fact that this new Volunteer Force, or new Territorial Force, has come into being, is now properly organised, and is on a sound military basis. The cost of this large number of men now kept for home service, whose full time is retained on the off-chance of an invasion, could either be saved to the State, as they would be allowed to return to their ordinary occupation, or, alternatively, they could be sent overseas and thus release the State from the liability of calling up very large numbers more men. I would press upon the Chancellor of the Exchequer that he should recognise the necessity of

[Mr. P. Harris.]

criticising in a friendly spirit all proposals of large-scale expenditure in all our theatres of war.

Mr. DAVID MASON: I am sure that the hon. Member who has just spoken and those associated with him and with the right hon. Member for Cleveland (Mr. H. Samuel) have a great task before them. I hope that the work which they are doing may prove of great value and become part of our financial constitution. I should like to refer to what the right hon. Gentleman (Mr. McKenna) said when he appeared to agree with the Chancellor of the Exchequer that he had made out a case for no further taxation and no interim Budget. The right hon. Gentleman said that he did not think there was any necessity for an interim Budget at the present time. I believe that statement created profound disappointment, not only among many Members of this House but among many people in the country. Anyone who chooses to give careful study to the financial position must recognise the supreme necessity for increasing the proportion of our revenue derived from taxation as compared with that revenue which we derive in the shape of loans. The late Chancellor of the Exchequer and the present Chancellor of the Exchequer seem to consider that if they can prove that the daily expenditure has been reduced that justifies them in the attitude they have taken up. I was amazed that that should be made the test of whether we ought to have an interim Budget. Surely the real test is the increasing disparity between the proportion raised by loans as compared with the proportion raised by taxation. In the Crimean War 50 per cent. of the revenue was raised from taxation, in the Boer War 33½ per cent. was raised from taxation and in the Napoleonic wars something like 40 per cent. was raised from taxation, whereas to-day I am well within the mark in saying that we are only raising something like 20 per cent. from taxation as against 80 per cent. from loans. That is a declining quantity. If we go on as we are doing, piling up loan indebtedness, the proportion raised by taxation must still further be reduced. It means at the present time that for every £100 we are spending on the War we are raising only £20 from taxation.

The Chancellor of the Exchequer in an answer to a question of mine yesterday gave us the details of the floating debt at the present time and I would like to

recall some of those figures to the attention of the Committee. There is one very serious omission from the figures which the right hon. Gentleman gave. He stated that the Treasury Bills amounted to £965,000,000 odd, the War Expenditure Certificates £23,500,000, Ways and Means advances £210,000,000, making a total floating debt of £1,219,945,000. The serious omission is the steadily increasing amount of Treasury currency notes. If anyone takes the trouble to study that return they will see that every week it is steadily increasing at the rate of from £1,000,000 to £1,500,000. Therefore, to get an accurate statement of the floating debt you must add £185,000,000, which, I think, is the present figure of the Treasury currency account, which gives us a total of £1,404,000,000. If we add the amount which the right hon. Gentleman gave, of over £70,000,000 for national war bonds, we get an increase in our loan expenditure since the last taxation proposals were brought before this House of £1,475,000,000. I think that is a most alarming fact, and one which we ought to consider seriously. I am no pessimist. Some reference was made to the speech of the Chancellor of the Exchequer as being a cheerful, an anti-pessimist speech. I hope I shall not be accused of being pessimistic. My endeavour is rather to make an anti-optimistic speech. In other words it seems to me that we should really face the problem as it exists, and that we have to recognise that the problem before us, that of financing this enormous floating indebtedness, is one which we ought to set ourselves to meet. We ought to take immediate steps to face it.

It seems to me that the necessity for drastic taxation is an immediate necessity. It is not one which we can postpone until next April. It calls for immediate action in face of these vast figures of expenditure. I think the Committee ought to press steadily, as some hon. Members are doing, for economy and for immediate measures being taken for bringing in taxation proposals to meet the present position. I think some reference might be made to several other items in the reply of the Chancellor of the Exchequer, particularly with reference to what he said had been laid aside for the purpose of the Depreciation Fund. That is a most fallacious and unsound proposition, and it will be remembered that it was brought into the 5 per Cent. Loan. The Chancellor of the Exchequer told us yesterday that the

sum of over £21,000,000 had been set aside for this purpose. Let me call the attention of the Committee to what is going on with regard to this fund. I criticised it at the time it was created. We did not get an opportunity of expressing our opinion upon it, and the House was not consulted upon it until it had been put into the prospectus, and when we did criticise and asked why it had been put in, we were told that we could not remove it because it would be committing a breach of faith with the investors. That placed us in a very awkward position, because one does not wish to break faith with the investors. My contention was that this was no advantage to the investor. On the contrary, it is to the disadvantage of the investor. It is fallacious. It does not carry out the object which it was apparently intended to secure when the right hon. Gentleman placed it in his prospectus. I endeavoured to cite authorities. The right hon. Member for Cleveland (Mr. H. Samuel) said to-day that if we have any suggestions to make the Committee over which he presides will be willing to consider them. Let me offer him one suggestion. Let me remind him that when a similar Committee was appointed during the Napoleonic Wars one of its first recommendations to the Government was that it should get rid of a provision similar to this depreciation fund which exists in regard to the 5 per cent. War Loan. That Committee pointed out in a most convincing passage the fallaciousness of such a provision, and that in a time of war, when you have, as we have got now, a deficit of over £1,600,000,000, you cannot have a sinking fund effective. You are simply wasting the nation's money in useless transactions, involving commissions to bankers and brokers which might be saved to the State. Therefore, in response to the right hon. Gentleman's invitation, I suggest that perhaps he might ask his Committee to give this matter some consideration.

The Chancellor of the Exchequer told us yesterday that £21,000,000 have been set aside for this purpose, but he gave us figures showing that there was a total floating debt of £1,400,000,000. What he is actually doing is borrowing money which he is bound to repay in a few months, and using the proceeds to repay the long-date securities which we need not in the ordinary course of events repay until 1947. Such a procedure is incredible.

We are in a very embarrassing position, anxious to save every penny, and a Committee has been appointed consisting of some of the ablest men in the House for the purpose of saving expense, and yet we have the Government as the greatest spendthrift, showing such blank ignorance of the ordinary laws of finance as to get money which they must repay on short-dated Treasury Bills and National War Bonds, and using the proceeds in the way I have indicated. One and a half per cent. on the total capital Loan of two thousand millions represents a charge of thirty millions. No less a sum than £30,000,000 is being expended through the Government brokers and through bankers to repay loans which, if we had not had this provision, would have been safely put behind until 1947. It must be self-evident that the money market is something like a cistern, and if the Government with one hand withdraw from this cistern £21,000,000 representing so many buckets, they depress the stock, and when they purchase the loan their stock possibly rises to the same level it stood at before. In a time of war, when you are running the country at a loss, to enter into fallacious schemes of this sort only deceives and deludes the public. Moreover, such schemes are not financially sound. I do not wish to labour that point, but I hope the Committee will give attention to it, and if they make a recommendation to the House, and the House also takes action, we may in time get the Government to suspend this provision for the duration of the War. I wish particularly to emphasise the fact that I am not opposed to Sinking Funds as such. I would support a Sinking Fund in times of peace which is applicable to all loans, but not a Sinking Fund applicable to any particular loan. That matter was dealt with by Mr. Gladstone. During the Crimean War it was proposed to have a Sinking Fund in respect to one loan, but he said that that would tend to create a lack of uniformity, and that the Sinking Fund should be applicable to all loans.

Some reference has been made to inflation, and I would like to offer a few observations upon what I believe is a very prevalent aspect of our finance at the present time. We know that the prices are steadily rising for all commodities, and it is very easy to understand how that is brought about. The Government sell to the banks these Treasury Bills, and the proceeds which the Government are able to

[Mr. D. Mason.]

derive are spent through the country, and that, of course, leads to a large number of orders to various manufacturers, who in turn increase their deposits with the banks, and the banks, as a result of the increased deposits, are able to go to the Treasury and get further advances of Treasury Notes. Consequently, there is further increase in the inflation which is going on in the country. You are swelling

your inflation by this floating
7.0 p.m. debt and by the other method
of currency emission which

has been practised by all the belligerents. To show the staggering amount of this increase of currency inflation by the belligerents I may quote some very interesting figures which were given recently by Mr. Franklin in the "Economist." He was unable to get the figures for Austria, which have not been published since their declaration of war, but in June, 1914, the total amount of paper money in circulation in eleven European States was £754,000,000, which was backed by gold amounting to £529,000,000. The latest return for this month gave the staggering sum of £3,771,000,000 paper currency, against gold and silver amounting to £743,000,000. I am not a pessimist with regard to this country. We are a very rich country and we have still enormous resources, but these resources are not inexhaustible, and if we fritter away our reserves by loose financial methods we may become embarrassed and may not be able to maintain that pre-eminence which all of us desire. It is most essential that we should husband our resources and stop this inflation which is going on steadily and which very few people observe.

We have many members of the Labour party who come down here and complain of the increase in the cost of living, and we have the hon. Member for Derby and others who wish to have a war bonus for railway employes and employes in many other industries who are at present struggling to live in face of the ever-increasing natural rise in commodities, but as long as you have the Treasury diluting the currency every week at the rate of from £1,000,000 to £1,500,000 you must have an ever increasing rise in prices. I believe that now when this matter is brought home to the notice of the Treasury by many others besides myself they will recognise the necessity of putting on the brake and stopping this most insidious and unsound operation. An in-

teresting quotation is given by Mr. Evans, from one of the most distinguished French economists of the day, who points out that you cannot have in time of war an effective sinking fund which carries out what the Treasury intended to carry out in the prospectus to which I have referred. It is pointed out that Chile and Peru had suspended these provisions during time of war. I hope that the Treasury may consider the feasibility of this course, but if they say, as they might, "We put this in our prospectus, and it would be a breach of faith to go back on it," then I respectfully suggest that the other alternative is to bring out a long term loan rather than those short-dated securities. It is better to have a long-term loan than to be taking from one hand and putting into the other. It is that which gives an impression of artificial strength. If you take the £70,000,000 which you got from the National War Bonds you ought to deduct the £21,000,000 which does not go to the credit of the State for the War, but is simply taken from one pocket and put into the other. Therefore, the Government must consider, apart from the fact that the National War Bonds are not a great success, that when you have to finance a war costing £7,000,000 a day, £70,000,000 is a trifle, and you must face the matter with increased taxation and immediately bring in proposals to meet the situation. It would not be in order to refer to taxation now, but I might say in passing that it seems to me that Income Tax might be suitable for this purpose.

Now a few observations on the War itself. We have had recently speeches from the Prime Minister and other members of the War Cabinet and the Minister of Munitions. When one reads those speeches one is amazed at their character. The Minister of Munitions told the country that there was only a very thin partition between Germany and collapse. One would imagine that Germany was in a hapless position, and he went on to say that the prize was within our grasp, and one would expect that at any moment Germany would be *in extremis* and the War would be over. I claim no inside knowledge with regard to Germany, but how foolish are such utterances when we know what has happened within the last few days. I do not suggest that Ministers should talk in an unduly pessimistic strain, but we remember the famous speech of this particular Minister that we were on the even of a great victory in the

Dardanelles, and his reference to rats in a hole, and I notice that whenever this right hon. Gentleman opens his mouth there is always, curiously enough, some great success on the part of the enemy within a few days afterwards. I would suggest to His Majesty's Ministers that in the interests of the dignity and credit of the Government it might be advisable to muzzle that particular Gentleman. But if we take the speech of the Prime Minister himself he gave us a rhetorical display the other day in the Albert Hall. He said that we had dispersed the shrine of militarism at Potsdam. The country is determined that we shall achieve the objects with which we entered the War, but, as Lord Palmerston once said to a man who was anxious to join his Government, any Minister, however jingoistic may be his utterances, must always consider ways and means and what he can achieve in conducting a great war. What is the use of the Prime Minister telling us that we are going to disperse some intangible, nebulous something at Potsdam if you cannot destroy the German militarism? If the German people prefer to be military it is a matter for the German people. You cannot break it up unless, of course, you think that you are within reasonable distance of entirely crushing Germany and taking over the Government of Germany. But while we talk like this we have this display of German strength, annexing islands in the Baltic, and we have this German victory in Italy.

I do not take too pessimistic a view of the position in Italy. I believe that we will stand by Italy, but do not let us delude ourselves with this rhetorical nonsense. We have a great task, which we intend to carry out. That does not necessitate our indulging in these rhapsodies, which cover ourselves with ridicule and do not in any way strengthen our position. While we maintain the principles for which we entered this War, knowing that it was just in its inception, knowing, as we must know, that there is hardly a family in the country that has not suffered some loss, and recognising the awful slaughter that is going on and how interminable seems the ebb and flow, our valorous men on the Western Front making advances in the face of tremendous obstacles, of which the people of this country have no conception, where men are drowned actually in the mud in the terrible country in which they are fighting, and yet, in

spite of these obstacles, such are the indomitable pluck, valour, and heroism of our nation that we are still making progress—though we recognise that, and everyone of us yesterday supported the Vote of Thanks to our soldiers and sailors for their gallantry in the work which they have performed, yet each of us has to try if he can to offer some solution, to see if there is no way of bringing this thing to an end rather than to let it go on for another twelve months with the same story, with the same ebb and flow of success for us on the Western Front, and then success for the enemy on some other front.

Let us recognise that, even with the help of the United States, yet, as any soldier will tell you, you cannot put more than a certain number of men on a given front at a given moment, and though I appreciate the valour and the enormous resources of America and her enormous reserves of man-power, still, we have to recognise the fact that now, when we are in the fourth year of the War, the German armies are not defeated and are capable of the most effective offence which they have achieved under one of the ablest generals in Europe on the Italian Front. If we recognise this, surely, as practical and reasonable men, while not giving away in the slightest with regard to objects such as the restoration of Belgium and the settlement between France and Germany over Alsace-Lorraine, we should bring our minds to consider and envisage and visualise the whole position. We should have some regard to the terrible depletion of the young manhood of Europe and to the suffering that has to be entailed by whatever emerges from this War. If we take the Napoleonic Wars we know that after these wars there was very great distress. You cannot keep on in a course of great destruction, and then afterwards expect a boom in trade. There will be no boom. The great nations are spending their resources, and keeping up artificial prosperity while expending money, and they cannot do that and expect to remain in a normal position after the War and have a great boom. It is a delusion. All history gives the lie to it. After the Napoleonic wars there were in this country failures in trade, and the bankrupt estates which came into the market were something terrible. Political economy and arithmetic are the same to-day as they were a hundred years ago, and the same

[Mr. D. Mason.]

results are bound to follow. I do not suggest that as any argument for giving way on what we believe to be right, but I suggest that what I have said is the fact. We talk about dispersing the Prussian shrine at Potsdam, and we hear other oratorical nonsense, but any practical man must at once admit that all this sort of talk is not within the limits of practical politics.

There is surely a higher thing than mere utility and the advantages of the country. There is our position as a Christian Empire, which has stood for the advancement of humanity and of Christianity among nations; and surely we must recognise that we shall have to live with these people of the Central Empires, however much we may detest and condemn them. There are many millions of them, and we shall have to live with them. All this continuous talk in the newspapers about getting the Huns on the run, and other undignified and derogatory remarks, make us look ridiculous when we are not able to do what we say. This sort of talk does not conduce to the strength of our position, nor does the holding out of what we will do conduce to it, when we are not able to carry out in practice what we state. If we are desirous of recreating a new world, if we do desire to recreate an atmosphere of kindness and of give and take, it will not be achieved by foolish speeches, by continual abuse of Germany, and by taking up aims which we are unable to carry out. I hope an early opportunity will be taken by His Majesty's Government, without giving way upon essential points for which we entered the War, to do what it can to bring this interminable War to an end.

Mr. BUXTON: I desire as briefly as possible, but it cannot be extremely briefly, to call attention to questions of war policy towards Germany's Allies, not in the smallest degree by way of criticism of the attitude of the Government, but for the exactly opposite reason. It appears to me that the result of utterances of the Foreign Secretary, for instance, and of the Minister of Blockade last July, had an extremely conciliatory effect in Austria and also in Bulgaria. There have been, since the House sat in the summer, rather heated polemics on this subject, and I see that those who still hold extremist views find two motives which inspired the conciliatory attitude to which I have referred. They have discovered them with

great ingenuity, and they declare that the motive is mainly Roman Catholic or is purely pacifist. I am not a Roman Catholic, neither am I a pacifist; I desire to be a rationalist, and it is that policy which has support, and which seemed to be supported by the Government in the summer, as purely a policy of efficient war diplomacy. I hold that diplomacy is a very great power in the efficient conduct of the War, and in this case it appears to me that the efficiency with which it has been conducted cannot be too widely known, cannot be too much spoken of, both in this country and in Austria. The subject has assumed much greater importance since the last Debate upon it, when the conciliatory attitude of the Government was certainly approved by public opinion. It has been approved also in France and in Russia, and it has also been approved in Italy, where opinion has long, as I understand, retracted from extreme demands. The recent reverse, temporary as we trust and believe it to be, leaves unaltered the rational and bed-rock policy of Italy or any of the Allies. The arguments which applied before apply just the same since the change in the military situation in Italy. The idea of meeting the Austrians' inclination for peace has been viewed in this country as a highly important step towards defeating Germany's aims by bringing pressure from Germany's Allies upon Berlin.

The SECRETARY of STATE for FOREIGN AFFAIRS (Mr. Balfour): Will the hon. Gentleman give me the quotation from what I said?

Mr. BUXTON: I referred to the Foreign Secretary's speech of the 28th July, in which he alluded—I have not the exact words—to the aims of the extreme Junker class, the Annexationist party, who asked for promises from the Entente. There has been, as the Foreign Secretary must be aware, naturally great disappointment on the part of those classes at his utterances and those of the Minister of Blockade. Let us recall what was the result of this action abroad. Great encouragement has been given to the anti-German elements in Austria and Bulgaria during the Recess by the statement of President Wilson in his reply to the Papal Note, that America does not desire to dismember Empires. This has been almost as valuable as the much-quoted statement of the Prime Minister in the spring, "That we have no quarrel with Austria," and that of

the Chancellor of the Exchequer on May 19, "That no blow would seem so fatal to the Germans as the detachment of one of her Allies." We have their utterances confirmed beyond doubt. The Prime Minister has made many speeches, but he has resisted the demands of the extremists that he should make any promise inconsistent with the general conciliatory attitude of the Government. It is true that there has been one inconsistent note used by a high authority, the late Prime Minister, who appeared to confirm and even extend the proposals of the extremists. I cannot but believe that some malevolent reporter must have distorted the utterance of the right hon. Gentleman in his Leeds speech. At all events, it has done something to upset the favourable effect of the utterances of the Government in Austria, and it has been certainly a great disappointment to a large section of public opinion. Personally, on this point, as an old supporter of the late Prime Minister, I cannot help noting the very deep regret felt among many of his followers, that he has failed to indicate in this direction any difference of attitude from that which I should call pure Jingoism on this subject. The men who are the backbone of the old Liberal party have supported it as the party of reason, and those who are most enthusiastic about the War are just the men to feel that on the difficult matter of war policy and diplomacy a difference of view must be felt between the typical rational Liberal and the typical Jingo. We have looked in vain to the late Prime Minister to give form to this difference of outlook and method. In this matter of Austria it would appear that, in regard to the Irredentists and the aims to be realised by the small nations of the Balkans, he is not in accord with the policy which I think the country has supported; he is more Jingo than the Jingo, and though in other respects the very same speech gave encouragement to those who believe in improved international methods, the references to Austria—due, perhaps, to an invincible optimism of temperament which experience has not justified—have alienated some of his keenest supporters. We may hope, however, that in Austria and the Near East it is realised that the late Prime Minister was not speaking for the Government, to whose policy, indeed, his reference was markedly contrary.

The subject of Germany's Allies has become so important that it is opportune to review briefly the arguments on both sides. The main considerations are clear. On the one hand our duty is to defeat aggression, to protect our Allies, and to establish security. On the other hand, it is a definite military aim to increase the desire for peace felt by Germany's Allies, and thus to decrease the value of their co-operation. These two apparently opposing aims are thought by some to be incompatible. The question is whether a proposal may be found which meets the irreducible conditions on both sides. Such a proposal is: The recognition of the Austro-Hungarian frontier—except as to the Trentino—the claims of the nationalities in the Empire being met by internal reforms; the restoration of Serbia, and the incorporation by her of Montenegro, the port of Antivari being made a genuine economic outlet by the purchase of Spizza from Austria; the recognition of Bulgaria's claims to her national frontiers, and, in addition, (1) to the so-called "uncontested zone," (2) to the Bulgarian parts of the recent Greek acquisitions in Macedonia, and (3) to the part of the Dobrudja held by her in 1912; Bulgaria to abandon her present occupation of the contested zone and of every part of the kingdom of Serbia; Salonika to be internationalised; Roumania to be restored, and the rights of the Roumanians in Hungary to be met by autonomy for Transylvania. The arguments used in this controversy are perhaps worth reviewing. Our proposal is a practical one, and the probability of its success in one form or other is sufficient to outweigh the possible risks to be adduced against it. What is the material for deciding this question? It lies partly in recent events in Austria. There are many signs of a change of feeling. For instance, American officials who have lately returned through Austria report the prevalence of very great hostility to Germany in both countries, and the various difficulties in which the Austrian and Hungarian Governments find themselves are familiar to us. It is evident that Austria would desire peace if she were able to preserve her frontiers with minor adjustments, even if one of the conditions of peace were her adoption of a federal system. I have here some notes of the leading events which are of great importance in this connection. I have refrained from stating arguments used in

[Mr. Buxton.]

the previous Debates because I want to save the time of the House. It is important to note these events in Austria. Let me recall them briefly. We began with the summoning of the Reichsrat and the young Emperor's very important speech. We had also the order that speeches in the Reichsrat should be printed and reported not in German alone, but, as they are now, also in Czech, a very revolutionary reform from old ideas. We had the amnesty of political offenders. We had the fall of the Clam Martiniz Government because Poles, Czechs, and Jugoslavs were not satisfied with his nationality, programme, autonomy with centralism, and so formed a coalition against him. We had the statement about parliamentary autonomy and autonomous administration on the basis of districts. We had bitter attacks by German Jingoists on that policy. We then had attacks by Magyar extremists on the policy of Austria because it was becoming so liberal. Then again there was the antagonism in general between Germany and Austria. Here may I quote arguments from a paper which certainly did not desire to support my argument? "New Europe" quoted evidence of this the other day from the "Secolo" on the 26th of August:

"That differences do exist between the two empires is undoubted. The high military circles are painfully conscious of the yoke imposed on them by the German command while the Court of Emperor Charles does not get on with the Hohenzollerns, and in the masses of the people resentment against the Germans is acute."

Deep disappointment about the German reply to the Pope is expressed openly. For instance, "Die Zeit," which also insists on President Wilson's point about the democratisation of the German Government, and which has been full of attacks on Germany, resulting, as I think, largely from the attitude of the French and German Governments, on 27th July pointed out:

"The Monarchy, like all other European States, is even now in the throes of a change. While adhering to her present union with Hungary, she wants to find new principles for her national constitution."

If you imagine for a moment the President of France talking in that sort of way about the Government of this country you will see at once what a tremendous movement and violence of feeling is indicated by those utterances, which would be perfectly incredible among members of the Entente. Then, again, there was plenty of evidence of anti-German feeling of Austrians. Dr. Redlich, who is very well

known to many in this country by his notes on English local government and an important man in Austria, has been attacking the German Government over the unrestricted submarine war and air raids, and urging the necessity of peace by agreement. Then von Seidler made a very important speech to the Constitutional Committee, in which he said:

"Self-government will be assured to every nationality within the political unity of the State."

The "Fremden Blatt," the official organ, commenting on the speech of the Minister of Blockade made in July, said:

"If the possibility offered itself that English statesmen consider the road through Vienna practicable, we do not think we ought to oppose a blunt 'No' to such a way of looking at things."

That is just the spirit I presume the Government desire to produce. Hungary, which is, of course, exactly as important as Austria, offers the same trend of opinion. We had the fall of Tisza and the popular movement for franchise reform and peace. The King playing for popularity supported this and Tisza himself said, when the new Government was formed, "It is the beginning of a revolution." But the franchise reform movement has gone on. The new Premier Wekerle, a man with a liberal record, in his speech in September, dwelt on the need of meeting the desire for nationality. We have further evidences of this extraordinary change in Hungary as well as in Austria. I may be allowed, perhaps, to quote a man who is a very active protagonist on the opposite side. Dr. Seton Watson, in a book written before the War, "Corruption and Reform in Hungary," said:

"Reform, it is true, may be delayed a few years, but only in so far as the Government can exploit the age and physical weariness of the venerable sovereign. The injustices and inequalities which Francis Joseph has been unable to remove will yield to the hand of a successor who is at once younger and less prone to compromise."

These, I think, are relevant points. We cannot pass over either what has occurred, though a small matter, in Bulgaria. In Bulgaria the effect of Russia ceasing for a time to be a military power has not prevented the Bulgarian Government from facing the disapproval of Germany. This is conspicuously shown in its refusal to break off relations with America, which the Germans succeeded in forcing the Turks to do. In Bulgaria the participation of the United States in the War is certainly a factor in the change of attitude, for Bulgarians regard that country as their educational creator.

Russophile policy in Bulgaria has plucked up courage by reason of popular feeling, and has got together, using the form of a so-called cultural society to hold its meetings. Then the Russian Revolution completely changes the Bulgarian attitude to Russia in many ways, especially since the abandonment by Russia of the policy of annexing the Straits. This effect was seen so long ago as last April in the serious riot, anti-German as much as anti-Government, which took place in Sofia. If I may just mention one or two things about this very important matter, we have had since the House met in August the extraordinary fact of the Bulgarian Minister, the Minister of one of our enemy States, making a reported utterance in Washington, in which he said "that Bulgaria's sole object in entering the War was the Dobrudja and the Macedonian parts of Serbia," not a very welcome utterance to the Germans, and significant also in this way, that he did not claim any part of the old kingdom of Serbia. He also said:

"We joined the Central Powers not because we had to, but because we deliberately chose to do so. Now that Bulgaria has attained her aims she is ready for peace according to no less an authority than Rado Slavoff, and wants nothing but that which by language, nationality, and historic right belongs to her. She sees no interests in Germany's reported dream of Mittel-Europa."

I am not arguing that either of those Powers is in a position to detach herself, but their coldness and refusal to cooperate in the way that Germany desires is of very great importance in value to the Allies. The "Morning Post" not long ago printed from a Jassy correspondent that the Bulgarians have been making overtures in all directions. The "Times" of 15th October, to the surprise of many people, had a special article devoted to showing that the Bulgarian Government is shaking, and that it is practically the only genuine pro-German element in Bulgaria, and that it is left with scarcely a shred of respect or authority:

"Bulgarians have realised that Germany is not going to be victorious, that a permanent settlement in accordance with their aims can only be obtained by the consent of their present enemies, and that this consent will never be given to the allies of Germany."

Again we have it stated that they distrust the Government because of suspected corruption of the pro-Germans, and the opposition claim practically the unanimous support of the people. A more extraordinary thing than that has occurred. The editor of the Government organ "Echo de Bulgarie," Mileff, was allowed to grant an interview in which he said:

"We are not concerned to know what Germany will be able to gain for herself; we have not pledged ourselves to her war aims."

It was not long afterwards that complaints came from Berlin, and this editor was compelled formally to retract or modify some of the things he had said, but that was an evident formality in the diplomatic game. This is evidence very significant, indeed, of the hostile feeling towards Germany. These opinions cannot be passed over as unimportant. We have the second point, bearing on the attitude which I desire to support, of the enormous military advantage which follows if any degree of success is attained. Germany's main object in the War, the possession of a corridor to the East, is thwarted if Austria and Bulgaria cease to be friendly to her. The Entente would reap immediate benefits. The necessity of an offensive in Salonika would cease, the pressure of the submarine campaign in regard to transport and tonnage would be enormously diminished. The diminution which has taken place in our forces at Salonika has borne good fruit already. Indeed, the effect was immediately seen, and was a large factor in producing the events which I have mentioned. We hear now much less of the insane proposal for transferring the main offensive from the West to Macedonia. The Extremist party really did themselves injustice in showing themselves indifferent to the overwhelming military authority which was against them, and they revealed their personal non-acquaintance with the forces and geographical features which the Army has to contend with there. They might have taken the trouble to have read the letters which everybody gets from friends of the Salonika army about the impossible nature of the mountainous country against which some of our troops are faced. It is realised now that a march to the Danube is a vain delusion. There has been already a vast military waste of forces at Salonika, waste proved by the deplorable losses which we incurred when an advance was attempted, and losses which have been too little realised in this country. Another great factor has been introduced by the elimination—temporary, as I trust—of Russia. The proposal has been made to cut the Berlin-Bagdad corridor by creating a great Serbia and Roumania. Those States would indeed be a barrier if supported by a great Power from outside. That Power could only be Russia. No one supposes that they could stand alone, of

[Mr. Buxton.]

that England, France or Italy desire to be permanently responsible for them. The corridor was one between the Western Powers and Russia, but it cannot be called a corridor any more. "Corridor" implies a wall on each side, but at present the expansion on the Russian side is unhampered and the small States alone will be of no value. There is one thing which would make the barrier actual and that would be a friendly Bulgaria, because the Bulgarian Army will remain a powerful military factor. I fail to see any escape from the conclusion that in order to sever Germany from the East, Bulgaria must be left at the end of the War without any real national grievance compelling her to be pro-German. The only solution of the corridor problem would be vitiated at the start by the policy of the anti-Bulgarian party. If Russia is strong, then she is the Power to recognise the national Bulgarian claim. If she is weak, then of course the smaller States are no real barrier without a friendly Bulgaria.

Now what are the contrary arguments? I desire to do justice, and it seems to me that supposing detachment should actually take place, Germany would obtain increased supplies through the presence of neutral countries on her flank. I presume that would be dealt with in any arrangement that might be made. More than that, Bulgaria would evidently be unwilling to join Austria in defecting from Germany, because she would have to lose large territories which she now only holds at the price of keeping the peasants from their farms. She cannot do it permanently. The populations are unsympathetic in non-Bulgarian districts, and they will have to be governed, and independence on good terms with the Allied Powers would be more attractive in the end than material prosperity if she had it as a German gangway without real political freedom. Then we are told again there is a military risk of alienating the small States. We are bound to make perfectly clear our essential obligations to those States. To estimate justly the balance of risk on both sides requires a full knowledge of official information. The risk of not adopting the policy which is suggested is also of course very great, but, provided that the Allies adhere to the policy of restoration, there is no equally attractive prospect the Central Powers can hold out either to Serbia or to Roumania. We are told that those who join the Ger-

mans were treacherous. That has been argued over and over again, and there is nothing to be gained by repeating it here. It is suggested that Serbia, Roumania, and Montenegro would be unjustly treated, but in reality the policy in meeting the change of feeling in Austria itself is surely the only policy by which the legitimate aspirations of Serbia, Roumania, and Montenegro are likely to be really achieved. There would have been much happier days for those States if the legitimate aspirations of the States that were driven to the enemy's side had been recognised at an earlier date. But there is no need to go back on the past. We may surely remember it was Russia who, as the traditional champion of the Slavs, first took up arms in the war for Serbian independence, and we cannot go beyond Russia in the active support for the Irredentist ambitions of our Balkan Allies. Serbia would be adequately rewarded for the loss of the uncontested zone in Macedonia by a union with Montenegro and genuine access to the sea. Certainly without that the restoration of Serbia cannot be justly and adequately achieved. I hope that some of those who are very noisy now will in the end realise the duty of restoring Serbia and Roumania, and not be uncertain and shallow guides as to what is our duty.

There is another argument. Austria may remain pro-German, and in that case the question whether small independent States would be any greater barrier is very problematic indeed. The corridor cannot be severed without friendliness on the part of these States and of the Bulgarians. The corridor is severed by the simple restoration of their former frontiers to Serbia, Montenegro, and Roumania, with Bulgaria as a friend. But, apart from these questions, I cannot help feeling that some importance ought to be attached to the record of those who suggest policies of an extreme character and urge them on the Government. They have a certain record, and to my mind they have not proved good guides. Their advice has been in favour of policies which have led to great disaster. It was on their advice the necessity of buying Bulgarian co-operation, even at all costs, was ignored. It was on their advice, consequently, that Serbia suffered so frightfully. It was they who urged that, by hook or by creek, we should bring in Roumania, with the results that are now seen in the revictualling of Germany. It

was because of their policy that feeling in Italy has changed in favour of the Jugo-Slav movement. I do not think it can be known too widely in this country that the refusal of the Government to take up and support their policy will have the best results abroad. Public opinion is behind the Government and the Foreign Office in their adoption of a rational policy towards these allies of Germany, and if we want confirmation of that we have it in the attitude of America. Let us not forget that Austro-Hungarian feeling for America remains friendly, and that in regard to Bulgaria Germany has proved unable to induce her to sever diplomatic relations with America, so that friendly communications are now actually passing both at Washington and at Sofia between one of Germany's Allies and our greatest partner in the War. It seems to me that the extremely cordial feeling between Austria and America on the one hand and Austria and Bulgaria on the other is a practical guarantee that the policy pursued by the Government during the past few months will lead to success.

Mr. BALFOUR: If I express some regret, as I do, that my hon. Friend has brought forward this subject at this particular juncture, it is not because I have anything to complain of in his speech, which was excellent in tone. It was moderate in expression, and very full of that knowledge of Eastern affairs to which my hon. Friend has devoted so much attention, not merely since the War began, but long before that event. But I think that even my hon. Friend's speech itself is sufficient evidence that very little good is to be gained, while much may easily be lost by debates upon peace arrangements carried on in this House at the present stage of the War. I think my hon. Friend and others in this House must have a standing quarrel with Mr. Seton Watson and those who think with him, and they are always trying to bring me into their quarrel. I altogether decline to be made a party to these friendly controversies. Both Professor Seton Watson and my hon. Friend have expert knowledge of this near Eastern question. Like other experts, they differ absolutely and profoundly among themselves, and, like all other experts, they naturally turn to any quarter where they think they can find important aid in pressing their views. I do not think it is my business to minister to that desire, and I do not propose to do so. Indeed, painful

experience has shown me how very dangerous is any speech, however dull and however cautious, made by the Minister for Foreign Affairs upon these thorny topics. My hon. Friend began his speech by giving an account of something which I had said towards the end of July, and which he was pleased to praise, and which I confess I do not recognise as representing in any actual sense what I then sought to lay before the House. I endeavoured on that occasion to be as dull and as cautious as befitted my position. I did not, I regret to say, wholly succeed. At any rate, the speech of my hon. Friend tells me I did not succeed in being as cautious as I ought to have been, as he has read into my speech a declaration of policy regarding Austria which, I think, has no ground whatever, as far as I can see, in anything that I said. I have been refreshing my memory by looking over that speech, and I am unable to find any sentence, or group of sentences or paragraphs, which justified my hon. Friend in giving the House the wholly eulogistic account which he did of my utterances on that occasion. That makes me doubly anxious to avoid saying anything which might be misinterpreted—unintentionally misinterpreted—either by one party or

8.0 P.M. the other in this great controversy which is going on in the country between my hon. Friend and those who believe in the opposite school, advocated with great ability by Mr. Seton Watson and others.

Mr. BUXTON: I think I made it clear that what I alluded to was the Foreign Secretary's refusal to adopt extremist policies which were being urged upon him. May I just add that my view of the importance of that refusal, and the refusal of the Minister of Blockade which I coupled with the Foreign Secretary's speech, has been noticed in exactly the sense I spoke of in Austria and in Hungary, and upon which I based my views of the matter.

Mr. BALFOUR: I were rather that I were judged by the speech I made than by the view of that speech taken in Austria-Hungary. It appeared by what has fallen from my hon. Friend that what he admired in that speech was not what I said but what I refused to say. It really is a very serious thing to be criticised not for what we put in our speeches but for what we do not put in. Leaving the personal aspect of the matter, let me just call

[Mr. Balfour.]

attention in a very few minutes to what I understand to be my hon. Friend's point. He read us a large number of extracts from newspaper reports indicating that in Austria and in Hungary there was going on a great—I was going to say a silent revolution, but that would not be perhaps the appropriate word—but a great revolution in the direction of increased local autonomy to the constituent elements in that composite monarchy, combined with a great extension of democratic institutions in the direction of general self-government; and he regarded that, as indeed I think we must all regard it if it be true, as a most hopeful sign. Everybody must welcome this development in the direction, as we think, of sound liberty which my hon. Friend appears to think is taking place in both halves of the Dual Monarchy, and it is on that that he desires me to make some statement indicating how the policy of His Majesty's Government is moved or deflected from its original course by the changes going on in those countries. If my hon. Friend is right and if there is a change going on, is it not perfect insanity to discuss in this House what you would do if these changes come to the happy conclusion which my hon. Friend foresees. For a Minister holding my office, whoever he may be, from whatever party he may be drawn, or whatever his complexion of politics—for him to make declarations now in the face of the changing circumstances of Europe is surely the height of insanity, and my hon. Friend's whole point is that the face of Europe is changing. He points to Bulgaria, to Hungary, to Austria—if it had been worth his while he might have made endless quotations to show that changes are going on in Germany.

I do not know whether those forecasts are true. I do not know whether this happy movement in favour of increased freedom is merely an expedient of politicians in difficulties, or whether it really represents a steady, irresistible and fruitful movement in all those countries. We have to depend, remember, on most imperfect sources of information. The newspapers in all those countries are strictly censored. Not merely is the news censored, but the complexion of the views they are allowed to utter is critically controlled by all the Governments themselves. We have no independent representatives there, we have no compatriots there with whom we can communicate, so

that our sources of information, though they may be important, are still so far from being adequate and authentic that it really is folly for us at this moment to try to base any conclusions as to the changes of opinion, changes of constitution, or changes of view that may or may not be going on to the extent my hon. Friend supposes in the countries in whose destinies he is interested. Surely the very facts which he brought forward are a reason for any Government refusing to say that at the end of this War we mean to do that or we mean to do the other, that such-and-such shall go in that direction, that such-and-such another State shall be increased, that this community will be rendered autonomous, or that that other community will be given a measure of self-government under some higher power. This sort of declaration which my hon. Friend wants to get out of me, really if I was foolish enough to make it would show me, I venture to think, utterly unfit to hold a responsible position at one of the most critical moments in the world's history, and I must with all respect to my hon. Friend, and with, I believe, the full concurrence of the House, decline to allow myself to be dragged into any such controversies, debates, discussions or declarations.

We all wish, and our wishes have been put on record in many documents, to see a new Europe, as far as possible a free Europe, and as far as possible a Europe in which there shall not be the elements of future discords which arise from unsatisfied national aspirations. We all desire that, we should all like to see that, but when you are asked to make declarations as to how precisely that is to be carried out you are accused of making promises. It is not merely stated that you are expressing aspirations, hopes or wishes, but your statements are quoted as promises committing your country and even, it may be, your Allies. Some caution is absolutely necessary, and I am unwilling to go further than we have already gone in stating what our hopes and what our wishes are. My hon. Friend said it would be a great misfortune—I think those were his words—it would be a great desideratum that Bulgaria at the end of the War should be left without a grievance. I do not quarrel with the phrase. I should like every nation to be left at the end of the War without a grievance, but after all Bulgaria is in the field against us.

Bulgaria is our enemy. Whether, if the affairs of this country had been better managed she would have been our friend is another point. My hon. Friend appears clearly to hold that it was the blundering of the Allied Governments, perhaps even the blundering of my predecessor in office, which brought Bulgaria into the War. I cannot agree with that statement. I am not going to undertake the defence of Sir Edward Grey's foreign policy. I am not sure that I have the knowledge for it, and I think it had better be left to himself to do it when he thinks fit. He has always refrained from making any general survey of the important months and years in which he held the post of Foreign Secretary, and I believe he has refrained on the highest public grounds. He did not believe that any public service would be done—much to the contrary—by raking up these ashes of controversy, and he probably felt that the case could not be made until the War was over, and until documents, authorities, and statements could be made with safety to his country, and to his Allies, which could not be made in the course of the War. Therefore, I am not going—there is every reason why I should not go—into that. No doubt historians will occupy themselves with it, and I believe they will come to a different conclusion from that which commends itself to my hon. Friend.

However that may be, whether diplomatic dexterity could or could not have kept Bulgaria out of the War, the fact is Bulgaria is in the War. She has deliberately chosen, she has deliberately determined, to become the enemy of nations who certainly conceived she was bound to them by strong ties of gratitude and consideration. She has done it deliberately, and it is perfectly useless to criticise, to comment, still more to condemn, an action which I think has been most disastrous to the world, but which, in the opinion of Bulgarian statesmen, at all events, however bad for other people, is good for Bulgaria. Nevertheless, I should also like to see—I agree with my hon. Friend—Bulgaria and other nations come out of the War without a grievance, because grievance is the source of new wars, and when we come out of this War I do not wish it to leave any cause, if it can be avoided, of new wars. So far I am with my hon. Friend, but there are other people I wish to come out of the War without a grievance. Serbia, Greece, Rou-

mania are our Allies; they are fighting gallantly; they are undergoing great sacrifices for the common cause, in which my hon. Friend believes as much as I do. They are fighting on the right side, even in my hon. Friend's opinion. They are fighting on the side of light as against darkness. Let them come out of the War without grievance. I am intensely desirous—I do not deny it—that some means may be found by which when this War is over the Balkan States should be able to live in amity with each other and form together a force united against aggression from outside. All of them had their life crushed out of them under the oppressive heel of the Turk. Each one of them has fought the same battle for freedom, and—with European assistance, always remember—have fought that battle successfully, have obtained independence, autonomy, self-government, and have shown in almost every respect that they were not unworthy of it by the progress they have made in every civilised art. In one thing only—I do not at this moment apportion the blame anywhere—they have failed. United as one would think they might be by the common memory of the oppression from which they have escaped, they have never contrived to live in friendship with one another. I am glad to think that those of the Balkan States who are now our Allies are bound by the strongest ties of friendship and loyalty, not merely to the Entente Powers as a whole, but to each other. Nevertheless, looking back upon the Balkan Peninsula—even after the time when freedom was obtained from the Turk—is it not unhappy history that the Balkan States could not live in peace with each other? I do not deny that I have no political desire nearer to my heart in connection with those regions than that that miserable state of things somehow or another should be brought to an end; that the nations who ought to be friends should be friends indeed. But we have not got to that point, to that stage, when that becomes a matter of practical, of immediate policy. We are in the midst of a war. In that war we have Allies. To those Allies we are bound by every tie of loyalty. Much, therefore, as I desire, in the words of my hon. Friend, that Bulgaria should come out of the War without a grievance, that absence of a grievance must not be bought by the betrayal of those who have thrown everything they

[Mr. Balfour.]

have into the support of the Allied Cause, and who are prepared to fight with us to the end.

Mr. R. McNEILL: I should like to say with what very great satisfaction I have listened to the speech which has just been delivered by my right hon. Friend. If I may say so, after the warning which he gave at the commencement of his speech, I should like also to add that my satisfaction is derived both from what my right hon. Friend said, and from what he left unsaid. In spite of the warning which he gave, I should like to say to my hon. Friend below the Gangway (Mr. W. Buxton) that my satisfaction at what my right hon. Friend has said is chiefly concentrated upon the concluding part of his speech, in which he pointed out with much force that if the various nations on both sides in this war are to come out of the War without a grievance that it will possibly be difficult to satisfy them; and I take him to mean—and I hope I take him rightly—it is more our business to see that our friends come out without a grievance than to see that our enemies so come out. If I may respectfully say so, I entirely agree with the statement of my right hon. Friend that this is not a very opportune time at all for discussing this question. But the Debate has been introduced, and I am in the happy position of having, if possible, less responsibility in this matter even than my hon. Friend below the Gangway. As I have on more than one occasion felt impelled to express my strongest possible dissent from the views which he holds upon this question, I should like to-night, in a few words, to repeat the reasons why I am unable to agree with him. I do not intend to cover the ground which he has covered in detail. There are, however, one or two points of general principle upon which I should like to say a word or two. My hon. Friend below the Gangway bases the whole of his Balkan policy, which he has expressed so often in this House, upon the unalterable feeling of friendship for Bulgaria. That is a personal emotion which characterises my hon. Friend. I do not think anybody will quarrel with him for that. From some points of view one may admire the persistency with which he supports his friends. But for those who have not got that personal feeling, their feelings are

not likely to change by the conduct of Bulgaria to which my right hon. Friend so very discreetly alluded.

My hon. Friend below the Gangway spoke with almost inhumanly cold and analytical judgment of the position of those various States, as if he were discussing the position on a chess-board of the various pawns, and knights, and bishops. He entirely leaves out of account the human element. He leaves out of account the whole conduct of the King, the Government, and the people of Bulgaria during this War. Nothing surprises me more in listening to these speeches delivered from time to time by my hon. Friend, and some other of his political Friends, than the complete surrender which they have made of all the old Liberal traditions of foreign policy. When we are discussing domestic affairs, I think it would be very unfair to call out the recollection of some Liberal policy of twenty or thirty years ago and ask hon. Members who are Liberals to-day why they have turned their back upon it? Of course, it stands to reason that principles which governed actions thirty years ago need not necessarily govern them to-day. Consistency does not require that, and conditions have entirely changed. That is not so in foreign policy. After all, the main principle which guided, not merely the Liberal party in this country, but Liberalism in its larger European sense twenty or thirty years ago, remain constant to-day as then. One of my earliest recollections in politics was hearing, and reading in my youth of the wonderful campaigns by which Mr. Gladstone swept the country, by reason of the indignation at what were then called the Bulgarian atrocities—atrocities, of course, committed upon the Bulgarians by the Turks. I remember reading the accounts of those horrors both at that time, and since. I challenge anyone to deny that the Bulgarian atrocities in the seventies of last century, which excited such indignation on the part of Mr. Gladstone, and which enabled him really to sweep the country at the General Election following, do not pale into insignificance before the horrors that have been perpetrated in the last two years, not upon the Bulgarians, but by them! The horrors and atrocities which have been committed in Serbia by the Bulgarians, wantonly, not merely by officers, but by the licentious soldiery, often by the order of their officers, are such that it would be impossible if they were spoken in this

House that they could be reported in the Press. They have to be submitted in manuals of evidence which have been prepared for the purpose; and this is the people—

Mr. BUXTON: May I interrupt the hon. Gentleman? He alludes to me. I wish he would allude rather less to me. Will he be good enough to deal with the policies which I raised, and which we are discussing. I cannot feel that he will find this matter of atrocities to which he refers a question of War policy, or a question of security after the War. He has said that my motive was a personal one. I would observe, without repeating, that my motive is one of sympathy with any small nations; for one just as much as the other. Again, when he says that it is inhumanly cold towards some other powers it seems to me that that is a compliment to my policy. Surely we ought to be able, in regard to the particular claims of one side or the other, to confine ourselves to the interests of this country, both during the War and after the War.

The DEPUTY-CHAIRMAN (Sir Donald Maclean): The hon. Member interrupted to make an explanation. It seems to me what he has said is very much like a speech.

Mr. BUXTON: I apologise.

Mr. McNEILL: I am afraid what my hon. Friend has just said absolutely confirms my point of view. He has indicated again and again that complete disregard for the human element in this matter which I do not think ought to be left out of account. From the same point of view, I say his cold, scientific analysis, as if it were a philosophic problem, may be very admirable, but I think policy as between nations cannot leave out of account the human element, and indignation against the wrongdoing and wickedness of one State against another makes it impossible for me to have as much affection for the one as for the other. Personally, if I have as a matter of policy to choose between two States, one of which has committed atrocities, and the other of which has suffered them, other things being equal, my sympathies are with those who have been wronged, rather than with those who have been the wrongdoers, and in that, apparently, I have the misfortune to differ from my hon. Friend. Therefore, I cannot subscribe to the idea that in the policy which His Majesty's

Government ought to pursue we ought to leave out of account altogether the iniquities that have been perpetrated, and that when a settlement is made, although questions of nationality, questions of boundary, and questions of future security must of course be all given their due force, I hope that the rights and wrongs, the ethical side which springs out of the history of the last two or three years, will not be entirely forgotten. If that is so, then I think that in some of these matters of boundary, some of these matters of territory, where the ethnological problems must perhaps always remain unsettled, we shall, in holding the balance between those who have been our Allies and our enemies, those who have been wrongdoers and those who have been wronged, decide those questions, if they come to be decided by us, in the manner I have indicated, and not in the cold, scientific way of my hon. Friend.

The other main principle of my hon. Friend with which I disagree is the notion that during the War, or after the War, we can safely build a policy upon the idea that there is a growing divergence of feeling between Austria and Germany. The hon. Member has quoted a number of indications to show that there is a growing restraint between Austria and Germany. From the Government point of view that has been admirably dealt with by my right hon. Friend, but I should like to go further than official discretion would allow my right hon. Friend to go, and I would say that there is no evidence whatever we can trust that there is any such divergence of sympathy between Austria and Germany as shows that either during the War could we make a separate peace, if that were desirable, or that after the War we could build a policy upon friendliness to one and continued hostility to the other. To begin with—although I quite acknowledge what the hon. Member has said regarding certain evidences to be found in Austria—I would answer for it that you could find almost as much evidence, and as strong evidence, of differences between Bavaria and Prussia. There have been as strong expressions of dislike of Prussian policy to be found in Bavarian journals and Bavarian speeches as have been found between Austria and Germany as a whole. We all know that there is a tradition, and perhaps a racial antipathy, as between Germans of the North and Germans of the South. It has shown itself in history time after time,

[Mr. R. McNeill.]
and now as between North and South of the German Empire, and still more strongly as between the German Empire and the Austrian Empire. But we know equally well that those feelings of dislike and hostility arising out of the differences of temperament and history never go far, and are never likely to go far, to indicate a real divergence when it comes to matters of policy, because these Germans are able to a great extent to build their policy upon coldly scientific analysis of their interests, altogether leaving out of account questions of human life and sentiment.

Therefore, we cannot build upon that, and, in addition, all the evidence goes to show that even if Austria at the present time could be accepted as being hostile to Germany, anxious to get free from Germany, anxious to form a new alliance, anxious to form a separate peace, we know it is physically impossible for her to do so. From the military point of view the armies are so intermingled and entangled that all military authorities are agreed, I think, at the present time that if the Austrian Emperor were tomorrow to attempt to disband his Army or recall his Army, or make peace, it would be a physical impossibility for him to do so. He is getting more and more dependent upon Germany, economically and politically, and I am afraid that the very deplorable events of the last week, which we are watching with so much anxiety, have gone far to increase the dependence of Austria on Germany and the impossibility of her shaking herself free. The hon. Member objected to my paying so much attention to his speeches. I am sorry I feel it necessary to do so, but it has been my fortune several times in this House to follow him in debate on this subject, and really the hon. Member cannot complain if attention is directed to his speeches on this subject, because, so far as I know, he is almost the only Member in this House who expresses the view he is so fond of doing. In another respect he does depart in an extraordinary way from what I call old Liberal traditions. In his idea of how we are to arrive at the ends we desire in the settlement after the War, he thinks all these questions of subordinate nationalities within the Austrian Empire could be left to internal reform, and in another part of his speech he talked of getting autonomy for the Roumanians in Transylvania.

From the date of the Treaty of Berlin to the present time what has been the burden of Liberal criticism of that great instrument? Surely the criticism of Disraeli at the time the Treaty of Berlin was made and the criticism of it ever since has been that those matters of internal government in various European States, especially in the Balkans, Armenia, and elsewhere, were left to internal reform—to the Government of the country.

And now the hon. Member, after all these years, is actually proposing that we should set our hands to some instrument of the same sort by which all the unredeemed population of Italy, or of Serbia, or of Roumania, should not get this great opportunity of forming their union of race, their independence from oppression, but that they should be left to the tender mercies of the Government under which they live, and that it should be left to internal reform based upon some scrap of paper in a treaty which is to be signed by them. There was a great name a long time ago that was very much revered in Liberal circles in this country—the name of Mazzini. I am sorry I have not got a quotation with me here from a speech delivered by Mazzini, in which he took a view of the Austrian Empire and of those nationalities very different from that which is voiced to-day by my hon. Friend, when he pointed out that it could only be a question of time until those nationalities could be set free from the Austrian Empire, whose whole history had been the negation of the rights of those nations. I do not know whether the hon. Member includes me in the group that he speaks about as extremists. I do not know to whom he refers, and I cannot say whether he does me the honour of including me or not.

Mr. BUXTON: Yes.

Mr. McNEILL: Then the hon. Member apparently does include me. My right hon. Friend referred to Dr. Seton Watson, who appears to him to be the chief offender in the list of extremists. If I have any title to the honour of being included in the same group as Dr. Watson, it is because I happen to be a member of the committee of the Serbian Society with which he has been somewhat conspicuously associated. I do not agree with Dr. Watson in all his views, but I agree with him upon many things with regard to the Balkans. I agree with him in so far as the Serbian Society holds for itself, and

endeavours to persuade other people to take the same view, that the best settlement, if we could arrive at it, for the Balkan Peninsula would be a union of the Slav people, and the formation of a new Slav State with independence and integrity and a future life of its own. That is an aspiration which we hope may still be attained, and that is certainly in agreement with the principle laid down first of all by the late Prime Minister, and latterly by the present Prime Minister, that the settlement, so far as we can affect it, shall have regard to the principle of nationality.

But in one respect I confess I am in agreement with Dr. Seton Watson. I know that on this point the hon. Member below the Gangway (Mr. Buxton) disagrees with me and agrees with Dr. Watson. The hon. Member spoke as if the reward of Serbia for her constancy in this Alliance, and for her splendid fighting and the series of sufferings she has gone through, should simply be obtaining her old boundary and a union with Montenegro with access to the sea. The union with Montenegro is one of the points upon which Dr. Seton Watson laid great stress. I do not dissent from the idea of a union between Serbia and Montenegro so long as it is fully understood that it is the desire of both those peoples, but I do not think it is either right or becoming that we, as one of the important and powerful members of the Alliance, in forecasting what the settlement is to be, should dictate or even indicate for ourselves a strong preference for any particular method of union amongst those peoples, and still less do I think that it is right that we should dictate or favour the elimination of an allied monarchy. There is a Serbian and a Montenegrin monarchy. It may that the union to be brought about will require one of those monarchies to disappear. What I do say is that that is a matter for those two nations themselves and it is not for us at the present time to dictate to them, or to show in what way it ought to be brought about. I was induced to intervene in this Debate because the hon. Member below the Gangway again put forward his views, which he has expressed so often, and because I think it is desirable as often as he does so that there should be some clear expression in this House of the opinion which is held on the other side, and that the idea should not go forth that his views

are at all generally accepted in the House of Commons, but that he forms a very small minority entitled to hold his own views, expressed with the moderation which he always adopts, but still it should be clearly understood that his opinion is not one which is generally held in this House.

Mr. WING: The hon. Member for Norfolk (Mr. Buxton) always speaks with a fairly full knowledge of the subject with which he generally deals, and I am sorry that the hon. Member opposite (Mr. R. McNeill), in his speeches, is never able to keep out differentialities between one set of sinners and another, and he generally deals with the shortcomings of Liberals, even in time of war. I do think, in dealing with this question, he might recognise the present time, for we have dropped the differences which existed in old times—

Mr. McNEILL: I hope the hon. Member does not think I made my observations in a party spirit. I was indicating old Liberal opinions which I fully share, and I was expressing the opinion that the views put forward by the hon. Member for Norfolk were entirely out of touch, not merely with the Liberal party, but with Liberalism.

Mr. WING: I rose to call attention to one or two matters which have already been alluded to. I wish to impress upon the Treasury the importance of realising the growing discontent that exists among some of our soldiers and their dependants at the increased cost of living, and the non-adjustment of soldiers' and dependants' pay to meet those difficulties. Allusion has been made not only to the effect of these things upon the shopkeeper, but even the cost to the soldiers in the canteen has been affected. I suppose my correspondence on this matter is very much like that of other hon. Members, and I had a letter the other day from a soldier's wife in which she expressed the view that a soldier's wife was the worst paid person in the British Isles at the present time. I should like to impress upon the Treasury the advisability of being of a little more generous nature in these matters. There is the question of the value of apprentices to their parents, which I know has been allowed for by the Pensions Ministry in the form of gratuities, but in relation to pre-war dependents there has been no change whatever, and this is a source of

[Mr. Wing.]

great grievance to a very large number of people. There is also the question of leave, a subject with which I do not think the hon. Member representing the Government will feel himself capable of dealing with. While I admit that there has been a great improvement there is still a feeling on the part of the men in places like Malta and Gibraltar, and other distant theatres of war, that a more generous form of leave might be granted to our soldiers. There is also the question of transfers from one regiment to another in which difficulties are arising. Men are transferred three or four times in a very short time, and they miss advantages which they would have if they remained with one unit. There is another matter. Soldiers are being sent to distant hospitals. Men from the North are being sent to the South, and men from the South are being sent to the North. I wish something could be done to bring about a residence of soldiers in hospitals nearer to their homes. I realise the great difficulty, but people feel the great expense of travelling, in addition to the very great inconvenience, and if it could be done it would be very greatly appreciated. Another matter which has been brought to my attention is that men who have received temporary promotions on the field revert to their ordinary positions when they return home. There is a feeling among soldiers that if, in a moment of great difficulty, they are given promotion on the field, and put in a position of responsibility, they ought not to be reduced when they return home. They speak with some pride of their promotion on the field, and they feel that it is a reflection upon them, as well as a loss, to be reduced—for that is what it is called—when they return home. I have ventured to call attention to these matters, but the most important is the desirability of a very substantial increase in the income of soldiers' dependants to meet the rise in the cost of living.

Question put, and agreed to.

Resolution to be reported To-morrow;
Committee to sit again To-morrow.

WAYS AND MEANS.

Considered in Committee.

[Sir DONALD MACLEAN in the Chair.]

Resolved, "That towards making good the Supply granted to His Majesty for the service of the year ended on the 31st day of March, 1916, the sum of £20 be granted out of the Consolidated Fund of the United Kingdom."—[*Mr. Baldwin.*]

Resolved, "That towards making good the Supply granted to His Majesty for the service of the year ended on the 31st day of March, 1918, the sum of £441,501,923 be granted out of the Consolidated Fund of the United Kingdom."—[*Mr. Baldwin.*]

Resolutions to be repeated To-morrow;
Committee to sit again To-morrow.

BILLS OF EXCHANGE (TIME OF NOTING) BILL.

Considered in Committee; Reported without Amendment; read the third time, and passed.

The remaining Orders were read, and postponed.

Whereupon Mr. DEPUTY-SPEAKER, pursuant to the Order of the House of the 12th February, proposed the Question, "That this House do now adjourn."

Question put, and agreed to.

Adjourned accordingly at Eight minutes before Nine o'clock.

1. Nov.
5. Nov.

Notes added

not the original copy of the report
he has received in the office of the printer

Members wishing to have the daily Official Report forwarded to them should give notice to that effect at the Vote Office.

The Bound Volumes will—in addition—be sent to Members who similarly express their desire to have the same.

No proofs of the Daily Reports are supplied. Any corrections which Members desire to suggest in the Report of their Speeches for the Bound Volume should be clearly marked in this Daily Report, and the copy of the Report containing the same must be received at the Debates Room, House of Commons, by Saturday, 3rd November, 1917.

Members may obtain at cost price, namely, Six Shillings for each 125 Copies of four pages (eight columns), excerpts of their Speeches from the Official Report on application to the Controller of H.M. Stationery Office, Westminster, S.W. Such application, however, must be made within one month from the date of the delivery of the Speeches.

The House of Commons Official Report may be purchased through any bookseller or directly from H.M. STATIONERY OFFICE at the following addresses:

Imperial House, Kingsway, London, W.C. 2; and 28, Abingdon Street, London, S.W. 1;

37, Peter Street, Manchester; 1, St. Andrew's Crescent, Cardiff;

23, Forth Street, Edinburgh;

or from E. PONSONBY, Limited, 116, Grafton Street, Dublin;

or from the Agencies in the British Colonies and Dependencies,
the United States of America, and other Foreign Countries of

T. FISHER UNWIN, Limited, London, W.C. 2.

Printed under the Authority of His Majesty's Stationery Office
By JAS. TRUSCOTT & SON, Ltd., Suffolk Lane, Cannon Street, E.C. 4.