

The Deputies began their meetings in London in January of this year, and on 4th February the Right Hon. W. J. Jordan, High Commissioner for New Zealand in London, appeared before them to present a statement embodying the following views of his Government on the German settlement :—

The peace-making Powers should, he said, endeavour to solve the problems of the existing economic distress in Germany in such a way as not to prejudice the attainment of the paramount aim of security against German aggression. Security could best be guaranteed if the settlement were one which the Allied Powers would be unitedly resolved to uphold and which the German people would accept without a disproportionate amount of constraint on the part of the Allies. While it was doubtful whether this latter condition would be satisfied if historically-German territory were detached from Germany, some such detachment might be the lesser evil if the only alternative was to allow Germany to resume her courses of aggression. The New Zealand Government, therefore, while giving no commitment to support any specific proposal for territorial revision, urged that careful study be given to the question of providing physical guarantees against a revival of German aggression by detaching and placing under international control certain areas vital to Germany's war potential. In any case, demilitarization should be completed and should be a continuing process reaching into the industrial and economic fields and keeping pace with the progress of invention.

The New Zealand Government considered that the Germany most likely to be a peaceful member of Europe would be constituted as a federation on a genuinely democratic basis, and recommended that conjointly with this political transformation there should be an alteration in the social fabric of Germany which would enable the German people to break the domination of those elements in their society which had been the chief supports of German militarism.

Before presenting these views Mr. Jordan also informed the Deputies of the New Zealand Government's opinion that, under the existing procedure, countries other than those represented on the Council of Foreign Ministers would be inadequately associated with the preparation of the German treaty. It now appears that, in deference to the dissatisfaction which the Governments of the Dominions and certain European countries have displayed over their limited participation, a procedure will be approved which, while not satisfying all New Zealand's requirements, will be substantially more liberal than that which prevailed at the Paris Conference.

The present position is that the Council of Foreign Ministers have agreed to consult all other Allied States through an Information and Consultation Conference, and have agreed that there should be special committees and sub-committees to study specific questions relating to the treaty.

Certain problems of substance will await solution, but should they be resolved before the next full meeting of the Council of Foreign Ministers in November the New Zealand Government will, probably, be under the obligation of providing representatives to participate in the work of the new subsidiary bodies.

On 5th February Mr. Jordan appeared again before the Deputies and gave the New Zealand Government's view that Austria, while made to bear just penalties for her share in the war, should be re-established as an independent State with the same boundaries as before the Anschluss of 1938. There should, he said, be a careful examination of necessary measures for Austrian economic rehabilitation and of the degree to which her need for development within a larger economic framework would be satisfied by the work of the Economic Commission for Europe, the formation of which was to be studied by the Economic and Social Council. Any action in the nature of an Anschluss between Germany and Austria should be considered as a threat to the peace, but the question of an explicit guarantee of Austria's independence and territorial integrity would be the concern primarily of Austria's neighbours and the principal Allied Powers.

It has been the New Zealand Government's consistent view that all effective belligerents should participate in framing a treaty with Austria and that all should be entitled to sign. Keen disappointment has therefore been expressed at the procedure agreed upon by the Council of Foreign Ministers whereby the treaty with Austria when concluded is to be signed by the Four Powers alone.