

3rd Day.]

DECLARATION OF LONDON.

[1 June, 1911.]

Mr. BATCHELOR—*cont.*

Powers, according to Sir Edward Grey's Memorandum, has been to object to the sinking of neutral prizes. Under those circumstances in any war to-day any Government which goes in for sinking naval prizes has to remember that that is opposed, and strongly opposed, to the practice of the greater Naval Powers, and therefore the systematic sinking of naval prizes would be, one would judge, impossible to-day, because of the danger of offending the greatest Naval Powers.

Sir EDWARD GREY: It did not prove impossible in the last naval war, because it happened in the Russo-Japanese war.

Mr. BATCHELOR: There were a few cases there, but had that continued to any great extent it might have been possible for some very strong protest to have been raised.

Dr. FINDLAY: It was raised.

Mr. BATCHELOR: But in a much stronger form than that.

Sir EDWARD GREY: We were very much disappointed at the Hague Conference after the Russo-Japanese War to find how little general agreement there was amongst the Powers on this subject of the sinking of neutral vessels. We found that there was no general consensus of opinion against the right to sink them, and the result of the discussion of the matter at the Conference was to show that the international feeling against the sinking of neutral prizes was even weaker than we had expected.

Mr. BATCHELOR: I can understand that that would account for the acceptance of a policy which in itself was strongly condemned by your Memorandum. What I was going to say was that if there is any such feeling it would be perilous to go in for any wholesale destruction of neutral prizes, because of the danger of offending Great Britain, which is much the strongest Naval Power, and America, who holds the same view I think.

Sir EDWARD GREY: I think America does.

Mr. BATCHELOR: Those are two very strong Naval Powers, which combined make a Naval Power of considerable strength. Under those circumstances, as I say at present, it would be somewhat perilous to offend those nations, but once we have laid it down in so many words that, given certain conditions, naval prizes can be sunk, will not nations claim the right, are they not much more likely to claim the right, because it is an undoubted right, they absolutely possess the right, there is no fear of any reprisal from any source; they need not fear the British or American power in this matter, and they can sink, whenever it appears to be necessary to the success of the operation with which they are concerned, any prizes they may have. I put it with some hesitation, but it seems to me that under the circumstances we have got so little limitation with regard to the sinking of neutral prizes that the effect might be rather to increase than prevent destruction.

Now there is a matter my colleague wants me to refer to, and that is that we ought to have a better definition of what is meant by the word "enemy" in Article 34—whether it means the people of the country or whether it means the enemy's Government. That is a matter on which I understand it has been stated by Sir Edward Grey that something ought to be done to obtain a clearer definition.

Reverting to my former point, of course, the danger of the possibility of neutral prizes being sunk would affect the price of goods tremendously, both here and in Australia. It would affect us if it became difficult for neutrals, or if it became dangerous for neutrals, to engage in the carrying trade when we were at war, or if any other countries were at war when we were neutrals, and