

16 June, 1911.]

TREATIES.

[10th Day.

Sir E. GREY—*cont.*

new treaty of commerce which has been negotiated has been arranged on those lines with an option to the Dominions, it follows that a number of the old treaties, which do not contain this option must be felt to be embarrassing. If it had not been that they were felt to be embarrassing by different parts of the Empire, this practice of making special arrangement for option in new treaties would never have come into force at all. The mere fact that it has come into force means that the older treaties have been found to be embarrassing, and not to give sufficient elasticity. As a matter of fact, the question has been opened already. It was opened at the request of the Commonwealth of Australia last year with the Government of Italy and with the Government of Austria. The Government of Italy, when they were approached, replied by saying that they could not see their way to modify the existing treaty in a way which would give the Commonwealth of Australia freedom to withdraw from it, and they ended up by saying: "The Royal Government" (the Italian Government) "cannot therefore see that such withdrawal is possible, and in their opinion it must remain dependent on the denunciation of the treaty by Great Britain, which is undesirable in the interests of both countries." So the point of view which the Italian Government took up was that they could not modify the existing treaty, but if power to withdraw was to be given it would mean denouncing the existing treaty with Italy and negotiating an entirely new treaty. We approached the Government of Austria-Hungary, and they took up rather a different line. The answer we got from our ambassador was: "I have now received a request from the Minister of Foreign Affairs at Vienna that, in order to be able to determine their point of view in this matter, they may be informed on what grounds the Government of the Australian Commonwealth wishes to withdraw, and whether the Commonwealth intends to do likewise in respect of other States, and whether the object is to prepare a way for a preference treatment of British vessels as against those of other nations? They also consider it important to know whether the Commonwealth would be ready to conclude a new Navigation Treaty with Austria in the event of their right being conceded to withdraw from the 1868 Treaty." The Colonial Office in April last year sent this to the Government of Australia, and ended up by saying: "I should be glad to learn in due course what reply your Ministers would desire to be returned to the inquiries of the Austro-Hungarian Government." I do not think any reply has been yet sent to that inquiry; thus, so far as Austria-Hungary is concerned, the negotiations remain suspended, the Austrian Government have asked certain questions, and meanwhile have not received the information. With regard to Italy it is different; they have stated distinctly that they think the only course would be to denounce the existing treaty and negotiate a new one.

Certain words, I think, are put into the resolution which contemplate that it might be very inconvenient to denounce existing treaties which have considerable benefit perhaps for several parts of the Empire before we have secured a new arrangement, and that to denounce existing treaties and to leave the whole of the British Empire in the air, so to speak, or suspended so far as commercial relations are concerned, might result in considerable inconvenience to the Empire generally, owing to a step which had been taken on behalf of one particular portion of the Empire. So I think the limiting words in the resolution—"without impairing the treaty in respect to the rest of the Empire"—are important. But I think we might meet the case very well by agreeing to open negotiations with those countries with whom treaties exist which are now felt to be embarrassing, asking them whether they would be prepared to modify the treaties which now exist so as to bring them into accord with the principles on which all our treaties for the last 15 years at least have been made, and bring them up to date, so to say. If they will agree to do that the course is quite simple; we would then proceed with the modification of the treaty which would leave the old treaty in existence, but in a form which was brought up to date. But supposing they adhere to the line, for instance, taken by the Government of Italy, that they cannot alter the existing treaty, and it would require the negotiation of a new treaty, then I think the best course of procedure would be to enter upon the negotiations for a new treaty with the foreign country in question, but without denouncing the existing treaty. We might then proceed with those