

Being convinced that the influence of each of them in the cause of peace was likely to be greatly enhanced by their common agreement to use that influence in the same direction, they declared their intention of continuing to consult and co-operate with one another in this vital interest and all other matters of common concern.

The representatives of the several Governments concerned further had under review the possibility of reviving confidence and increasing the stability of economic and financial conditions in the world, a process which they considered essential to the prosperity of individual countries as well as to international peace. In order to assist in furthering this end they declared themselves ready to co-operate with other nations in examining current difficulties, including trade barriers and other obstacles to the increase of international trade and the improvement of the general standard of living.

Finally, the members of the Conference, while themselves firmly attached to the principles of democracy and to parliamentary forms of government, decided to register their view that differences of political creed should be no obstacle to friendly relations between Governments and countries, and that nothing would be more damaging to the hopes of international appeasement than the division, real or apparent, of the world into opposing groups.

X. DEFENCE.

The Conference gave close attention to the subject of defence, and considered ways in which it would be possible for the Governments concerned to co-operate in measures for their own security. The occasion was taken for a detailed review of the state of defence in each of the countries represented at the Conference, and this opportunity was generally welcomed.

The discussions began with a review of the events which led up to the adoption by His Majesty's Government in the United Kingdom of their rearmament programme, and of defence problems generally. The members of the Conference noted with deep concern that since the session of 1930 international tension had increased in a marked degree, and that there had been a large and rapid increase in the armaments of all the principal Powers. They were impressed by the world-wide effect of these increased armaments on the international situation and on the financial and economic position of the nations concerned, and, while their respective Parliaments had already recognized the necessity for taking measures to put their defences in order, they thought it of the highest importance that negotiations for the limitation of armaments should be reopened whenever there was a reasonable prospect of success. They recognized with regret that, notwithstanding the measure of success in the limitation of armaments attained by the countries concerned in the London Treaty for the Limitation of Naval Armaments of 25th March, 1936, and in the Anglo-German Agreement of 18th June, 1935, international conditions were not at the moment favourable to further progress in the direction of disarmament. At the same time, however, they acclaimed the efforts now being made to extend naval limitation to other countries.

The statements made to the Conference by the delegation of the United Kingdom concerning the rearmament programme of the United Kingdom reported the further developments in the organization of the Committee of Imperial Defence, notably in improving the arrangements for joint planning between the three Defence services and for the mobilization of industry. Facilities are always given to Dominion representatives to attend meetings of the Committee of Imperial Defence, if they so desire, when questions of defence affecting their respective countries are under consideration. Attention was also drawn to the important progress made in recent years in the standardization by the Governments concerned of the training and equipment of the defence forces in different parts of the Empire, as well as in uniformity of administrative practice in defence matters. Reference was made to the increasing importance of the industrial side of defence owing to the progress of technical development in armaments, and emphasis was placed on the advantages attending co-operation in the production and supply of munitions