

## CHAPTER XXX

### THE PEACE TREATY

USEFUL though the presence of the Australian Prime Minister was at this juncture to the Australian military leaders in getting their troops quickly and smoothly home,<sup>1</sup> this had not been the main reason for Mr Hughes's prolonged stay in England. From long before the Armistice he had been determined to stay for the peace conference, and by a very stubborn fight he—and by separate initiative, the Canadian government—clinched the right, actually won for the Dominions by their troops, to be represented at the Peace Conference at Versailles. Early in 1915 the British government had pledged itself that Australia would be consulted "most fully" when the time came; and it was subsequently stated that this pledge would be observed in "the spirit as well as the letter" Actually, however, when the time came the British government, by concurring in President Wilson's reply to Germany agreeing to base the Peace Treaty upon his Fourteen Points, broke this pledge. The Australian government had not even been informed that the matter was under discussion.

Presumably this was due to the need for haste; but it so happened that the Australian government was highly critical of the Fourteen Points, being uncertain whether these might not imply a pledge of (1) free trade, (2) the giving up of the German colonies, and (3) the abandonment of the right to recover the cost of the war. In a speech in London of November 7th Hughes protested

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<sup>1</sup> Senator Pearce afterwards wisely came to London for the same purpose.

that Australia would not be bound by adverse interpretations on these points.

Strangely enough the Australian Cabinet, then headed by Mr W. A. Watt, did not think it reasonable for the Dominions to be represented as such at the Peace Conference, and had informed Mr Hughes that it would not support such a claim; and the proposal disturbed the British Foreign Office. But Mr Hughes had prepared his ground well. Himself immensely impressed by the part played by the Australian Corps in the final defeat of the German Army, he ensured that it should be made well known in Great Britain by inviting many parties of press leaders to visit the corps during its advance and even himself showing them over the ground recently won. He also, in October, rushed to Paris to support the French objection to any weakening of the future peace terms by reference to the Fourteen Points, an action which took him straight to the heart of Clemenceau and other French leaders. On December 2nd the Supreme War Council met in London to arrange the procedure at the Peace Conference. Next day, the Dominion representatives being present, the Conference agreed that, whereas the great powers would each have five representatives, British Dominions and India should, like the smaller powers, each have two, excepting New Zealand which would have one. These would, however, exercise no votes additional to those of the British delegation. Their inclusion was admitted to be the direct result of the general appreciation of their countries' war efforts.

At the conference, which met at Versailles on 12th January 1919, the control was in the hands of the great powers—indeed no other system would have permitted any headway in the immense task, or any hope of agreement. Sessions of the full conference were used only for formality—publicly to approve of decisions already made. From the first the Supreme War Council appointed itself as a Committee—the Council of Ten—to conduct busi-

ness. Even this Committee, consisting of the leading representatives and foreign secretaries of the United States, Great Britain, France and Italy, with Japan now added, was soon found too large; secrets leaked in all directions, through staff or members. President Woodrow Wilson, and the Prime Ministers of Britain, France and Italy afterwards largely took control as a Council of Four (or, when Italy for a time withdrew dissatisfied) a Council of Three. The five foreign ministers formed a Council of Five to which some matters were delegated. The general body of delegates was employed on "Commissions" (or Committees) to which the Council distributed the detailed work of drawing the terms in various fields—War Offences, Reparations, League of Nations and so forth. In addition, each nation privately discussed every matter concerning itself at meetings of its own delegation.

Mr Hughes at once came into conflict with the Council of Five over its intention to hand over the occupied German colonies to various powers on trust to administer them in accordance with terms to be laid down in "mandates" to be issued by the projected League of Nations. The German colonies north of Australia were required by Australia for one reason and one only—protection from attack; German South-west Africa was needed for the same reason by the Union of South Africa. If the League of Nations laid down that immigration and trade to those territories were to be unrestricted, it might be impossible to prevent their falling into hands hostile to these Dominions. New Zealand stood with Australia in this contention, and Sir Robert Borden of Canada decided to support his Dominion colleagues. Accordingly, apparently by the good offices of Clemenceau and Lloyd George, the four Dominion Prime Ministers were suddenly admitted to a session of the Council of Five on January 24th, and strongly stated their case.

All the Continental powers—and the Japanese—desired to annex territory; and, though "in principle"

the Council agreed to the mandate system, some of them were most willing to see if the British Dominions could break it down. President Wilson, however, saw the prospect of all his high aims being accepted "in principle" but completely abandoned in fact by reason of a swarm of exceptions. He held to the mandate system; and, when attacked in the press—not only in France and England but, by Mr Hughes's efforts, in the western states of America—he threatened to return to America and report this obstruction.

At this juncture, however, Lieut.-Commander John Latham, a Victorian lawyer on the staff of Sir Joseph Cook, suggested to Sir Maurice Hankey, secretary of the British Delegation and of the Council of Four, a form of mandate that should meet the views of both sides where the captured territory was remote from other powers but lay next to that of the nation to whom it was mandated: in these cases, Latham urged, the mandatory nation might be allowed to apply its own laws to the territory, subject to safeguards of native interests and to a prohibition against fortifying the territory or raising armed forces there except police. President Wilson accepted this, but Mr Hughes did not until after a heart to heart talk with Mr Lloyd George. "We gave up English and went into Welsh," said Mr Hughes afterwards; he was told that if the Dominions asked for more than this compromise they must go on without the help of the British government. That appears to have settled the matter.<sup>2</sup>

On this basis the League of Nations, when formed under the Peace Treaty, issued what were known as "C" class mandates over some of Germany's former possessions; south-west Africa was thus entrusted to the Union of South Africa; Samoa to New Zealand; New Guinea and the associated islands south of the equator to Australia; the former German islands north of the equator

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<sup>2</sup> For the detailed story see *Vol. XI, pp 771-787*

to Japan; and the phosphate island of Nauru—in the fate of which, Mr Hughes complained, “big business” had an undue influence—to the British Empire, under which the responsibility and benefits were shared by Britain, Australia and New Zealand.

The German islands north of the equator, thus entrusted to Japan, had been among those which, at the beginning of the war, Australia was asked by the British government to occupy. When Japan came in, the Japanese Navy, also at the request of the British government, occupied Yap, but Japan informed Britain that the occupation was temporary and that she was ready to hand over to an Australian force. The British government passed this information to Australia on 13th October 1914, with the suggestion that Australian forces should relieve the Japanese as soon as possible. A special force was accordingly raised to take over this and other former German islands north of the equator. But in November 1914 the British government, on being informed that the expedition was about to sail, abruptly recommended that it should be stopped and that those islands—Pelews, Mariannes, Carolines and Marshalls—should for the present remain in Japanese hands, “leaving whole question of future to be settled at end of war”.

There had evidently been some failure to inform the Australian government of a change in either Japan's or Britain's attitude<sup>3</sup> towards this problem; apparently the British government had found it necessary to ask the Japanese to undertake extensive tasks in those waters, and therefore could hardly request them to hand over the islands. Later, when Mr Hughes visited London in 1916, Sir Edward Grey asked him if he would object to the islands being handed to the Japanese. His reply was: “What is the use of my objecting. I am confronted with a *fait accompli*.” In 1917 the Australian government, on

<sup>3</sup> See Vol. IX, pp 130-7; Vol. X, pp. 149-161; Vol. XI, pp. 763-4. For our government's astonishing carelessness in geography see Vol. XI, p. 766.

further inquiry from London, raised no objection to Britain's promising to support after the war Japan's claim to these islands. A week later this promise—together with a much less defensible one concerning German territory in China—was given to Japan by Lloyd George and the French government. Ultimately Japan received the islands under a "C" mandate, the terms of which her military leaders eventually broke.

The controversy over mandates was only the first of several in which Mr Hughes, whatever one may think of his manners, secured for Australia terms the vital importance of which for his nation has since been proved. The next arose upon a request from the Japanese delegates, headed by Baron Makino, for the inclusion, in the Covenant of the League of Nations, of a declaration that equal treatment must be given by all member states to the nationals of all other members, "making no distinction either in law or in fact on account of their nationality". Before bringing this forward the Japanese representatives had interviewed those of other nations. Mr Hughes told Baron Makino that Australia would have no objection to a declaration of national equality provided that it clearly stated that it did not confer any right to enter Australia—or any other country—except as the government of such country might determine. Makino replied that he sought only "a technical right of free entrance, and that there was no intention to act upon it".<sup>4</sup>

The proposal was temporarily dropped through a technicality, but was three times revived in slightly other forms. However, as Baron Makino refused to exclude by express words the interpretation that this gave the right to immigration, Mr Hughes still refused to agree, despite the assent not only of President Wilson but even of the Canadian and South African leaders. When the matter was brought to a vote in the Commission responsible for

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<sup>4</sup> See W. M. Hughes, *The Splendid Adventure*, p. 359

framing the basis of the League of Nations, the representatives of Italy, France, Greece, Czechoslovakia, Poland and China spoke in favour of the Japanese proposal. President Wilson, in the chair, was against a division, but the Japanese pressed for it, and the votes were 11 to 6 in its favour. But President Wilson knew that, if the declaration was made, Hughes would deliver "an inflammatory speech" at the solemn conference that was to ratify the Covenant, and would "raise a storm of protest not only in the Dominions but in the western part of the United States".<sup>5</sup> He therefore, to the amazement of the Committee, ruled that any amendment to the draft of the Covenant could be carried only by a unanimous vote. The Japanese, most astutely, made use of their reverse in order to obtain, as compensation, the former German rights in China. To this Wilson, being forced (like the Allies before him) into an act of opportunism, agreed. As a consequence the Japanese duly came into the League, contenting themselves with a protest at the full conference which, on April 28th, adopted the Covenant of the League of Nations.

In the Commission of the League that dealt with "Reparations" Mr Hughes was a vice-president and a leading spirit. He had been chairman of the British government's Committee appointed in 1918 to explore this problem; it had reported that the cost of the war to the Allies was £24,000 million (and that Germany should be able to pay one-twentieth of this annually as interest "when normal conditions are restored"). The British Treasury and Mr J. M. Keynes held on the other hand that one-twelfth of the former sum, that is, £2000 million, was the maximum safe figure of Germany's capacity to pay. Mr Hughes's attitude was probably not unconnected with his desire to return to Australia with the promise of a large war indemnity; Australia was estimated to

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<sup>5</sup> See *The Intimate Papers of Colonel House*, Vol IV, p. 430 (quoted in Vol. XI, p. 794, footnote 70).

have spent £364 million on the war, and she had little return from war industry. But Wilson's Fourteen Points, as modified and accepted by the Allies, allowed only compensation for all damage to civilians and to their property.

On this point the Commission split. In the consequent dilemma the Council of Four seized on a suggestion by General Smuts that damage to civilian property included the capitalised amount of war pensions. This opened the door to vast demands, but no fixed sum was eventually set. Actually the leaders probably realised that the demand was impossibly large—the British delegation certainly did—but in view of the public expectation, for which some of them were partly responsible, they dared not ask for less. Australia's claim for £364 million—the actual war-time cost—was ruled out in one stroke, and her eventual share was based on her claim for £100 million for pensions, rehabilitation and loss to civilians and of civilian property.

Mr Hughes on his return home did not hide his disappointment. He informed his government that Australia's share would be "about a twenty-fifth of £2000 million spread over twenty, or fifty, or a million years more or less". Actually Australia received £5,571,720 before 1932 when the arrangement finally collapsed and payments ceased. A minor reparation was the eventual expropriation of German private property in New Guinea. Some compensation was also derived from the sale of German-owned goods, and from German ships that had been seized.

The Treaty of Versailles was signed by the German delegates in the famous Hall of Mirrors on 28th June 1919. Mr Hughes and Sir Joseph Cook signed for Australia, and—a condition of acceptance on which the Australian government, for one, insisted—the treaty was ratified by the Federal Parliament in September. Although it contained several provisions which—as its wisest builders

were aware—must some day be modified, and others that held obvious seeds of future trouble, it was the result of an earnest attempt to solve difficult problems, and its arrangements were, on the whole, exceptionally fair—incomparably more so, if the Brest-Litovsk treaty is a guide, than any treaty that would have been imposed by the Germans. Wilson was satisfied because he felt that, if it ultimately required modifications, there existed, in the League of Nations, the machinery for making them.