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Marconi's Wireless Telegraph Company, Limited, Agreement

[Marconi Wireless. (Jun. 19, 1913). Marconi Wireless Agreement, Vol. 54 re. improvident purchase of Marconi U.S. shares by David Lloyd George and Sir Rufus Isaacs, Commons Orders, 141 pgs. UK Parliament Hansard. Reproduced for educational purposes only. Fair Use relied upon. Source: <https://hansard.parliament.uk/Commons/1913-06-19/debates/7a0d0de3-004c-48a2-a4f0-b6797809a9d5/MarconiSWirelessTelegraphCompanyLimit%E2%80%A6>]

19 June 1913

Volume 54

Order read for resuming adjourned Debate on Amendment to Question [*18th June*], "That this House regrets the transactions of certain of His Majesty's Ministers in the shares of the Marconi Company of America and the want of frankness displayed by Ministers in their communications on the subject to the House."—[*Mr. Cae.*]

Which Amendment was to leave out from the word "House," to the end of the Question, and to add instead thereof the words "after hearing the statements of Mr. Attorney-General and Mr. Chancellor of the Exchequer in reference to their purchase of shares in the Marconi Company of America, accepts those statements, and deems it right to put on record its reprobation of the false charges of the gravest description brought against Ministers, which have proved to be wholly devoid of foundation."—[*Mr. Buckmaster.*]

Question again proposed, "That the words proposed to be left out stand part of the Question."
Debate resumed.

Mr. ALFRED LYTTELTON

I have since last night had the opportunity of very carefully considering the Debate and its course, and I am quite content to leave the facts of this case as stated with such accuracy by my hon. and learned Friend the Member for Kingston (Mr. Cave), and so luminously arranged and presented by him. To my mind, those facts have not been shaken; indeed, I am accurate in

saying that little effort has been made to shake them. I confine myself, therefore, to one proposition. I say that the attitude of the Government, and the attitude of the Ministers who have been heard in this House on this Motion, makes it necessary and imperative that we should proceed with that Motion, and should proceed, if necessary, to a Division. I will give the House, very briefly, the reasons why I have arrived at that conclusion. Till yesterday there had been no acknowledgment of error and no expression of regret by any of the Ministers concerned, and I say that the Attorney-General's apology of yesterday was but a qualified one. I say that no regret had been expressed and no acknowledgment of error attempted in the barest way until yesterday. On the contrary, the precise opposite had been presented before the Committee on oath by the Ministers who are the subject of this Motion. I do not think it would be fair to quote an answer wrested from someone in the heat of cross-examination and bear too hardly upon it; but this question that I am going to read to the House was one asked by the Chairman of the Committee, and I think no one will for a moment in this House, either on this side or on that side, say that it was of an exasperating or provocative character. On the 25th March, he asked the **Attorney-General** this question:—

““When you were making your speech in the House-of Commons on 11th October, did the thought occur to you that you might get rid of some of these rumours if you mentioned **your investments in the American Marconi's**, because both being Marconi's you could easily' understand one might get confused with the other?””

What was the answer?

““It did not occur to me, and it does not occur to me now.””

So the position was taken up after months of consideration that it not only did not occur to the Attorney-General when making that statement to the House on 11th October that the **disclosure should have been more full**, but in answer to the question of the Chairman of the Committee, he said that it did not occur to him even then that that statement should have been fuller and franker. [Dissent.] Well, I am summarising; I have read what he said. I understood the Chancellor of the Exchequer took up generally a similar attitude before the Committee—indeed,

I have verified the matter—that no error was to be acknowledged and no regret expressed. I say that it is impossible that such declarations should have been made under such circumstances without producing and stereotyping a most formidable impression upon the people of the country. Both these right hon. Gentlemen had had this matter under consideration, not for weeks, but for months, **both of them were men of great and high office**, and I say that such a declaration at such a time made solemnly on oath before a Committee would arrest and set back the wholesome current of public opinion about these matters. It is useless to deny that we are all party men, and there are millions of party men in the country, and the only tendency of such a declaration made under such conditions, and by such men, was that at any rate with their own party and in their own Press, there would be a view expressed, and expressed widely throughout the country, which I say was in total conflict with the best traditions of the public life of this country. I say this is another reason which makes it necessary to persist in this Motion. I say that the opinion to which I have just referred diffused throughout the country, was accentuated and emphasised by the unhappy, and now I am glad to say, **utterly discredited Report of the majority**. I need not say more than that, beyond this, that if the members who signed that Report think it a valid and sound one after the views that were expressed by the Ministers themselves yesterday, I envy them their power of reasoning. The second reason why this Motion must be persisted in, is I say, that **the apology of the Attorney-General was qualified and not full**. I must state what my opinion is of the case he presented to the House with regard to the most serious part of the indictment against them. What he regretted was not that partial disclosure to the House on 11th October, but that **he had failed to perceive at that time and to appreciate how uncharitable, how censorious, and how suspicious the Opposition were**. [Cheers.] I am glad to hear those cheers, because I think I fairly represent what the right hon. Gentleman said. I was present upon that Friday, and I heard what passed. I heard the dispute which took place between Mr. Lansbury and the Chancellor of the Exchequer. I heard—I must have heard because I was within a few yards—the Chancellor of the Exchequer say on that day —

““The reason why the Government want a discussion before going into Committee, is because we want to bring here these rumours, these sinister rumours, that are being passed from one foul lip to another.””

Yes, I accept the description of the Chancellor of the Exchequer that he and the Government wanted a frank disclosure before going into Committee. Is it possible for any candid and sincere man to say that that condition was fulfilled?

May I give to the House my personal experience—the effect upon me personally of that statement? I am known to many Members on both sides; I trust I am not, and I never hope to be, a suspicious man. I was present on that occasion. I came with an open mind. I heard the statement of the Attorney-General, and I went away absolutely satisfied. I went away convinced that there was absolutely nothing in any suggestions that had been made anywhere with regard to the conduct of the Ministers in this matter, and that the whole question with regard to what has been called the "Marconi Scandal" was an absolute mare's nest. That is an impression which ought not to have been conveyed. I do not dwell upon that; it has been amply dealt with before. I say that if this Motion is not pressed and recorded by this House the consequences must be very serious indeed, because the test of frankness, the test of full disclosure before this High Court of Parliament—a court of honour, as well as a court of legislation and a court of justice—will be not what were the full facts that ought to have been disclosed, but what were the facts Ministers think ought to have been disclosed. If this Motion is not pressed and recorded, any Civil servant may accept valuable financial consideration or a Stock Exchange tip—every private secretary or every clerk may accept valuable consideration or a Stock Exchange tip for some person in business relation with his Chief, provided always that the intermediary of the contractor selects as his agent in this transaction some relative of his own. I say that that is an enormous danger. Accepting what the Attorney-General said that he regarded this favour to be purely the result of fraternal affection, am I not right in saying, if that excuse is held good by the House of Commons, it will be open to every person with business relations with local authorities and anybody in business relations with a Government Department, through the secretary or through the clerks, to accept that favour provided he is able to say that a relative or brother has been the intermediary conferring it.

I say, again, that if this Motion is not pressed and recorded the Chancellor of the Exchequer, the head of the Treasury, the head of the greatest financial business concern perhaps in the world, is to be entitled to speculate on the Stock Exchange. I ask any men of business in the House what would be the consequence if any partner in a great firm of bankers were to speculate on the Stock Exchange and were to be discovered doing so. They know, as well as I know, that he would at once lose his position and be discharged from the position of partner. What is the rule, as I understand it from the evidence of the Stock Exchange? It is that if any servant of a merchant or any servant of a firm speculates on the Stock Exchange through a broker without paying there and then for his speculation the broker is liable to dismissal from the Stock Exchange. You have here—I will not go into the facts again—they are here—you have here a servant of the public—the official head of the Treasury, speculating on the Stock Exchange, you have the Chancellor of the Exchequer by so doing placing himself in a position in which every precedent, and every acknowledged duty of his office is violated. It was presumed by both right hon. Gentlemen yesterday—it was said by them—"It is true, now we know the whole circumstances, we should not have done it; it would have been wiser and more discreet not to have done it." Is it competent for anybody—I ask any man of business again—is it competent for any man, even in much humbler walks of life, to excuse himself for that which is unwise, indiscreet, or improper, because he had not made any inquiries? The name of this company in which they purchased shares, the name alone was an advertisement—a plain advertisement—that they were dealing with a matter of the highest delicacy and the highest difficulty. It surely ought to have suggested more than the casual question which the Chancellor of the Exchequer asked of the Attorney-General and which the Attorney-General answered repeatedly to the Chancellor of the Exchequer. Surely before the Chancellor of the Exchequer enters into a speculative transaction in a Marconi company, this House is entitled to demand that he should himself with diligence and with care make full and reasonable inquiry! It is admitted—frankly admitted—that this whole transaction was done in absolute carelessness, that no inquiries of the kind I have suggested were made at all, and that, on the contrary, the enterprise was entered upon with recklessness and without care. I have very few more words to say. I sum up the matter by submitting to the House that these Ministers did in fact—and after yesterday they cannot deny it—intentionally withhold information from this House on the 11th October; that

they made such a partial disclosure of the facts that the omission to state what was not stated made that which was stated misleading, and you can call scores of witnesses who will say that it did mislead the House; and they were parties to appointing a Committee to investigate a scandal of whose origin they themselves held in their custody and undisclosed the highly probable key. Can we be any parties to not taking a perfectly straight vote upon this subject? We, as I said yesterday, fully recognise that the charges of corruption have been refuted and wholly refuted. While recognising that—there has been no dispute about it, for every Member on both sides of the Committee and of all parties on the Committee has recognised it and recorded it—we do ask the House to pronounce the temperate and restrained judgment which is embodied in our Motion. If you take a position antagonistic to that Motion, it seems to me that you are yourselves saying that you and the House do not regret what the Ministers themselves said they do regret. I do not think that such a position, when the Prime Minister and the Foreign Secretary come to think of it, can with safety, I was going to say with sound judgment or honourable discretion, be recommended to this House.

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The PRIME MINISTER (Mr. Asquith)

Mr. Speaker, I can say with complete sincerity that I have rarely risen to address the House with greater reluctance, and never under a stronger sense of personal responsibility, for it is impossible for me to forget in regard to this matter that I have a double character, each side of which imposes upon me a special obligation. On the one hand, I am the head of the Government, and the Ministers whose conduct is being passed under review are my respected and honoured colleagues. On the other hand, I am for the time being the Leader of this House, and in that character I have to remember that those same Ministers and I myself are colleagues of all our fellow Members. I hope, without disloyalty to any of the obligations which those two sets of responsibility entail, I may say that I had hoped, after the statements made by my two right hon. Friends yesterday—though that hope is, I will not say shattered, but very much weakened by the remarks to which I have just listened from the right hon. Gentleman opposite—that something in the nature of a general agreement might be attained. As regards the Motion which was moved yesterday with so much moderation and ability, and with such

admirable tone and temper by the hon. and learned Gentleman (Mr. Cave), there are two reasons which seem to me conclusive against its adoption by the House. In the first place, if this Motion is to be put forward, as it has been put forward, as embodying the considered and recorded judgment of the House of Commons upon the results of the inquiry which it entrusted to one of its own Committees, I do not hesitate to say that the terms of the Motion seem to me to be not only inadequate but in the highest degree ungenerous. What was the origin of this inquiry? How was it that the House came to authorise the appointment of the Committee? It was because allegations had been made and rumours had been circulated—I am not going, as the House will see, into any controverted questions of fact—as is now clearly established from, at any rate, an early date in last year, before any of the transactions which are referred to in this Motion had taken place or had even been contemplated—allegations had been made and rumours were circulated, which gathered in volume, force, and virulence as time went on, to the effect that Ministers of the Crown had been guilty of two of the gravest offences it is possible for people in their responsible position to commit.

What were they? First, that those Ministers or some of them had made use of confidential information accessible to them as Ministers, and not to the world at large before the contract or tender or its acceptance—I do not care for this purpose how you describe it—was published to the world in the month of March, for the purpose of enriching themselves upon the Stock Exchange by gambling transactions. That was the first allegation. The second was that these same Gentlemen, by the use of their influence and authority as Ministers of the Crown, and in pursuance of those private purposes of personal profit, had done what they could to procure the acceptance, at any rate by the Government, and possibly by the House of Commons, of the contract so entered into. Those were the allegations—serious, widely disseminated, going to the very root of the character and credit of the Ministers concerned—which largely influenced the House of Commons in appointing this Committee to make this inquiry. There are circumstances in this case for which I know no parallel in our history. The wide range which was given to these scandalous statements was largely due to the action and the influence of a certain section of the Press. I gladly acknowledge that the great organs of the Press, those in particular that represent the party opposite, behaved from the beginning to the end of this transaction with dignity, with moderation, with restraint, and in a manner which calls for no

adverse comment or criticism. But there was a section of the Press, including, I am sorry to say, journals whose past traditions ought to have taught them a better lesson, which did not hesitate to pick up at random, and haphazard, any story, however ill-substantiated and however calumnious, if they could get an additional bit of fuel to add to the flame of calumny which they were engaged in fanning.

There is another element in the case to which I feel bound to call attention, because, happily, it is also new in our political life. No one who has followed the history of these transactions can be blind to the fact that the most disgraceful appeals were made from the beginning to racial and religious animosity, not only in these transactions, but, I regret to say, in others, to which I need not refer, but which are fresh in the memory of the House, and which inspired not a little of this most discreditable campaign. These were the circumstances, in consequence of which the House took the exceptional step of ordering this special inquiry. And what is the first, the most obvious and the most salient result of that inquiry? It is that, after an investigation of the manner and of the scope of which I will not, because I do not want to be betrayed into heated language, say more than that it pursued with relentless industry any rumour, or any nucleus of a rumour, or any ghost of a rumour that came within its ken. After an investigation conducted upon those lines, by those methods and in that spirit, both the charges I have referred to, the most serious that could be made against statesmen in this or in any other democratic country, have been conclusively disproved by the unanimous and emphatic decision of the Committee. I hope I am not going too far when I say that last night—I am bound to call attention to it—the Noble Lord (Lord Robert Cecil) made an observation which it is impossible to pass without notice. He said:—

“I can assure hon. Members that if I had really wished to make a flaming Report against them, could have said a great many things which I did not say, because I thought it would not be fair to put in the Report what I considered was not supported by evidence.”

What an extraordinary dictum from a judicial mind! Not content with that, the Noble Lord goes on to say very kindly:—

““I am quite ready to tell any hon. Member frankly some of the things which I did not put in the Report and in regard to which I do not think there is sufficient evidence on which to put them before the House and the country.””

An hon. Member interposes, "You ought to state them," to which the Noble Lord replied:—

““I shall be very glad to tell the hon. Member privately, but I do not think it is fair to state in public what I do not think there is sufficient evidence to justify my putting into the Report.”—
[OFFICIAL REPORT 18th June, 1913, col. 46.]”

I make no comment upon that. It is a passage which speaks for itself, and which, I am afraid, throws some light on the spirit in which this Motion has been moved. But I go back to what I was saying a moment ago. I say, by the unanimous and the emphatic decision of the Committee, these two grave charges had been declared to be without any foundation whatever. What follows? It seems to me to follow as clearly as day follows night that if the House is to put on record its considered judgment on a matter so vitally affecting the character and honour of Ministers, not only Ministers, but fellow Members of their own, it surely ought to put in the very forefront its reprobation of these charges and its satisfaction at their complete refutation. That, in any case, quite apart from what took place yesterday, would have been my first criticism of the hon. and learned Gentleman's Motion, and that, I have no doubt, is the reason which led my hon. and learned Friend (Mr. Buck-master), who moved the Amendment, to supply what was wanted. [Laughter.] Is it not wanting, an omission of so grave a character, if the House is to record its judgment on the subject, and to declare that it is the unanimous opinion of this House that Ministers have been foully traduced?

But there is another aspect of the hon. and learned Gentleman's Motion—here I come to perhaps more debatable ground—to which I can in no circumstances, and certainly not after what happened yesterday, advise the House to assent. It is, both in substance and in terms, a Vote of Censure upon the Ministers concerned. There cannot be any dispute about that after the speech to which we have just listened. Let me be clearly understood. I do not in the least complain of the question being raised, or, indeed, if the question was to be raised, of the very

moderate phraseology in which the hon. and learned Gentleman couched his proposition. I think with him that what had taken place called for inquiry and for explanation on the part of Ministers concerned, not merely in the Committee, but upon the floor of this House.

4.0 P.M.

Since the hon. and learned Gentleman made this Motion, these explanations and statements have been given. The question, therefore, now is, in view of these statements, ought this Motion, a clear, distinct, and emphatic **Motion of Censure**, to be persisted in? The hon. and learned Gentleman's grounds for censure fall into two categories. I take the second first, as has been done by previous speakers. It is a complaint of want of frankness displayed by Ministers in their communications on the subject to this House—the subject being their transactions in shares of **the Marconi Company in America**. The House has heard from my two right hon. Friends what they have to say upon that point. I do not think that I have ever heard, or that anybody has ever heard, a franker or more manly explanation. **They both admit, fully and freely, that it would have been better for them at the time of the Debate in October to have given to the House a full statement of these transactions, and they regret that they did not do so.** But, at the same time, they both give reasons for their reticence, if that is the proper term to be used, on that occasion, which seem to me, and I think must seem to all fair-minded men—I do not care in what quarter of the House they are sitting, for after all we are sitting here in judgment on fellow Members on a matter which took place on the floor of the House, and in which the two parties concerned are the Members themselves and the House—they give reasons with reference to what they did, or did not do, on that occasion which, I should have thought, in the judgment of all fair-minded men must, at any rate, acquit them of the very serious charge of want of frankness. Want of frankness means, if it means anything, that you are concealing, with the intention of deceiving, facts which it is material should be known. There is no other interpretation I know of can be given of the term.

Now what is the fact? I will tell the House. I ought to tell the House at this point, not that I think my conduct has been impugned, so far as I have heard in the course of these Debates, but I am a Member of the House, and I am bound to tell them just as much as everybody else. At the time of that Debate in October, the only thing I knew with regard to these transactions was this: The

Master of Elibank told me, I think at the end of July or the beginning of August—I cannot charge my memory as to the exact date, nor does it matter—what I believe was repeated in a letter, which I am sorry to say I did not keep a few weeks later, during the recess, from my right hon. and learned Friend the Attorney-General. It was to this effect, that **the three Ministers concerned had bought some shares in an American company which was carrying on, exploiting, or developing the Marconi system in America,** that there was no connection of any kind between that company and the English **company—no connection which was material in any sense of the term**—that the **purchase had taken place some considerable time after the Post Office contract had been published to the world, and that some of the shares had been sold.** I think the expression was that the **bulk of them had been retained.** That was all I knew. I did not know the date of the transaction, I did not know the amount of the purchase, I did not know the price given, and I did not know any of the circumstances of the transaction. I am bound to tell the House that, not because it has any bearing on the question of the conduct of my right hon. Friends, but because it is my duty, as it is the duty of everybody, to make a perfectly full disclosure. I was not present at the Debate which took place in October, because through a slight indisposition I was prevented from attending the House for the best part of the week, and I held no communication of any sort or kind with my right hon. Friends with regard to the statements they made. But I read them, and so little importance did I attach to what I had been told—and I have told the House the whole of it—that I really believe that at that moment it had almost passed out of my mind. It seemed to me to have no relevancy of any sort or kind to these calumnious rumours with regard to the supposed gambling in the English Marconi shares by Ministers on the strength of confidential communications before the contract was made. I thought this was a matter of no concern.

Therefore when I read the declarations, which I did, of my right hon. Friends, they seemed to me to be perfectly natural, proper, and full. They were direct to the point, so far as I knew the only point then under consideration, namely, whether or not these disgraceful charges had any foundation in fact. I quite agree with my two right hon. Friends, now that I know the whole facts, that they would have been better advised on that occasion to have stated the whole story to the House. I think it would have saved an enormous amount of time and trouble. They think so, too, but the answer to the charge of want of frankness seems to me absolutely complete and

conclusive. It is, first, that the matter was in no sense directly, it cannot be said to have been indirectly, relevant to the charges then in circulation, and that next it was their intention—an intention which they, as the Noble Lord said yesterday, communicated to him—to go before the Committee at the earliest possible moment to disclose the whole of these facts.

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Lord ROBERT CECIL

They never made arty such communication to me.

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The PRIME MINISTER

I beg the Noble Lord's pardon: to the Chairman.

Share

Lord ROBERT CECIL

They said they would come when they were called.

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The PRIME MINISTER

They said they would go before the Committee. They were ready and willing and anxious to go before the Committee. They would have gone before the Committee. They made the offer to the Chairman, who was the proper person, and there can be no doubt in the mind of any hon. Gentleman I am addressing now, that both at the time of the Debate in October, and subsequently, my two right hon. Friends were not only willing, but ready and anxious to go before the Committee and disclose the whole of these transactions. [An HON. MEMBER: "What about Lord Murray?"] I am not speaking at the moment of Lord Murray. He is away. I am perfectly certain he was in exactly the same position. A great deal has been said about Lord Murray, and I, therefore, feel bound to say this to the House, that I was during two or three most anxious years in daily communication of the most confidential kind with him. I owe to him for his loyal, assiduous, and faithful service during that time a debt which it is impossible for me to

measure, and during the whole of that time I never saw anything in his language or his conduct which led me to entertain the faintest doubt, either of the soundness of his judgment or the integrity of his character. I say therefore, in regard to this charge of want of frankness, it is impossible that it can be substantiated, and it ought not to be assented to by the House of Commons.

I come now to the transaction itself. I ought perhaps here in candour and fairness to the House, as I have not had an opportunity except in answering questions of dealing with the matter before, to tell them my state of mind. I knew nothing more beyond what I have already said until a day which, so far as I can fix it, was in the first week in January of the present year, when my two right hon. Friends came to see me and told me first of all the history of what I may call the **first transaction in April**, and further—what I had never heard of in any shape or form before—the **subsequent purchase** by my right hon. Friend the **Chancellor of the Exchequer**, I think, some time **in the month of May**, of shares without the knowledge of the Attorney-General on his own account, and that of the **Master of Elibank**. That is the first I heard of it. The effect produced upon my mind was this: My right hon. Friends entirely agreed that, in that state of facts, of course it was their duty, as they acknowledged it was from the first, to seize the earliest possible opportunity of disclosing to the Committee everything that had taken place. There was nothing new in that. For some reason or other which I do not know, the Committee have been occupied, I daresay quite properly, in the intervening weeks in the discussion of other aspects of the matter, and my right hon. Friends assured me that it was their desire to go before the Committee and tell them everything.

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Lord ROBERT CECIL

Why did they not do so?

Share

The PRIME MINISTER

That is exactly what they did. They told the Committee everything.

Share

Mr. GOULDING

They told two colleagues on the Committee.

Share

The PRIME MINISTER

I know nothing about that. They went before the Committee. They told the Committee every detail of the story without any kind of concealment, reservation, or equivocation whatsoever. The Committee was put by them in possession of the whole of the facts. I mention that parenthetically because I was bound to say what my concern in the matter was. I come now to the transaction itself, which is incriminated or inculpated in the Motion of the hon. and learned Gentleman. I do not think myself it is an easy thing, I doubt whether it is a proper thing, to try to lay down anything in the nature of an exhaustive code of rules of conduct for Ministers and persons in official positions with regard to pecuniary matters.

I have seen some suggestions made lately, indicating a rather exaggerated state of public conscience in some quarters, which are not only impracticable, but quite absurd. It is said that a Minister ought not to hold shares in any company with which the Government has or may have a contract. Are you going really to lay that down as part of the ethics of public life? It is a perfect absurdity. Take this case. There is a contract going to be entered into by my right hon. Friend the First Lord of the Admiralty in regard to the supply of oil to the British Navy. Nothing is more important—I say with full knowledge, to the public interest—than that we should get our supplies of oil from the widest possible area and from all conceivable or available sources, and because one of my hon. Friends here—I do not like to single one out specially; I will take the most innocent I can see; perhaps it would be invidious to particularise—happens to have, perhaps, fifty shares in one of these companies, which perhaps he acquired one or two or ten years ago, and in respect of which he is receiving an honest dividend, he the First Lord is not to enter into a contract with that company which is needed in the public interests, because one of his colleagues has got some shares or is suspected to have some shares in it. There is only one rule in relation to that matter. It is a very simple one. It is that if you have, as a shareholder or in

any other way, any interest in a Government contract which comes before you as a Minister—that is in regard to the making or execution of it—if you have any voice whether by way of advice or administration in making a decision or otherwise, you must disclose fully to your Parliamentary or administrative chief the nature of your interest and stand aside while the transaction is going through. [HON. MEMBERS: "Hear, hear."] I am glad to have got a general agreement on that matter. As I have said, I think that a most extravagant, and most hysterical standard is being set up in these days which would make the carrying on of the Government of this country by business men absolutely impossible. Therefore, some of these attempts to formulate a code of ethics of public men, at any rate of Ministers, in regard to pecuniary transactions, seem to me to be singularly inept and ill-advised.

But there are certain principles, certain rules, I agree with the hon. and learned Member opposite, which are rules not only of morality, but of common sense, and are beyond dispute. Let me enumerate one or two of them. The first, of course, and the most obvious is that Ministers ought not to enter into any transaction whereby their private pecuniary interests might, even conceivably, come into conflict with their public duty. There is no dispute about that. Again, no Minister is justified under any circumstances in using official information, information that has come to him as a Minister, for his own private profit or for that of his friends. Further, no Minister ought to allow or to put himself in a position to be tempted to use his official influence in support of any scheme or in furtherance of any contract in regard to which he has an undisclosed private interest. That again is beyond dispute. Again, no Minister ought to accept from persons who are in negotiation with or seeking to enter into contractual or proprietary or pecuniary relations with the State any kind of favour. That, I think, is also beyond dispute. I will add a further proposition, which I am not sure has been completely formulated, though it has no doubt been adumbrated in the course of these Debates, and that is that Ministers should scrupulously avoid speculative investments in securities as to which, from their position and their special means of early or confidential information, they have or may have an advantage over other people in anticipating market changes

I do not say that that is an exhaustive code by any means, but I think that it does contain propositions of indisputable truth and of easy application, and that it covers if not the whole, at any rate, by far the larger part of what you may call debateable area in Ministerial transactions.

Those, in my opinion, are rules of positive obligation, and I venture to say to the House—I am not going to enter into all the questions of facts in this case so largely entered upon yesterday—which is in full possession now of all the facts, that none of those rules of positive obligation has been violated, certainly none of them has been consciously violated by any Minister in this case. I go a step further, and I say I think that in addition to those rules, which I have described as rules of obligation—because it seems to me that they have an ethical value and sanction, as well as being based on grounds of expediency and policy—there are, or there certainly ought to be, rules of prudence specially applicable to Ministers and to persons in positions of official responsibility, rules which perhaps never have been formulated and which it would be very difficult to formulate in precise or universal terms. One of those rules is that in these matters such persons should carefully avoid all transactions which can give colour or countenance to the belief that they are doing anything which the rules of obligations forbid. It was that rule, which I call a rule of prudence, which in my opinion, and in the opinion of my right hon. Friends and colleagues, was not fully observed, though with complete innocence of intention, in this case. It has always been my opinion, and it is their opinion, as they told the House quite frankly, in the fullest and most manly way. The right hon. Gentleman, who spoke just now in what I thought, I confess, a somewhat censorious and ungenerous spirit—[HON. MEMBERS: "No."]—I am sorry to have to say it, a, very different spirit from that of the hon. and learned Member for Kingston—the right hon. Gentleman commented with severity on what he called the "carelessness" of the Chancellor of the Exchequer in relation to these transactions. Yes, but what did my right hon. Friend himself say yesterday "I admit that I was heedless. I admit that, absorbed in very many and very important affairs, undoubtedly I did not display the diligence and assiduity which a man whose mind is mainly concentrated on his own business certainly would display in regard: to these transactions." If he had done so, on the facts he disclosed to us yesterday, it is perfectly clear that he would not have been found **borrowing money as we are told that he did from his broker at 5 per cent., or 7 per cent.** It was perfectly easy for him to pay for these shares. This was not a speculative transaction, in the sense of carrying over from account to account, but it was a transaction in which the shares were taken up, and were always intended to be taken up, and in which from that time to this they **remained in his possession, or that of his agents, as his own property.**

[Share](#)**Mr. STANLEY WILSON**

Do you approve of carelessness?

[Share](#)**The PRIME MINISTER**

No, I do not approve of carelessness; who does? But I would say to the hon. Gentlemen who asked that question, let him search his own conscience, let that conscience review the entire transactions of his past life, and perhaps—I know nothing about them—even his pecuniary transactions, and if the hon. Gentleman can stand up here on the floor of the House, raise his hand and take an oath, and say that he has never shown anything approaching carelessness in pecuniary matters he should certainly have a prize, and we should all regard him as deserving, not of whitewash—there is not any question of whitewash—but as deserving of a stained glass window. Carelessness there was. The charge which the hon. Gentleman means to press the Chancellor of the Exchequer frankly and freely admitted. "I was careless; I did not pay the attention which a man of business would have paid, and, perhaps, ought to have paid to this, but I was not dishonest. I always intended to take up these shares. I did take them up. They are my property, and in that sense it was not a gambling transaction."

[Share](#)**Mr. BUTCHER**

The shares in question are pledged at this moment to secure a loan.

[Share](#)**The PRIME MINISTER**

All who followed the Chancellor of the Exchequer's statement know that the shares are his property. For all I know, he has paid off the loan. He certainly is in a position to pay it off. Everybody will accept his word in a matter of that kind. He went through an ordeal which I do not know whether the hon. Gentleman who is so severe in his censure of carelessness would

attempt to do. He exposed his books and a complete list of his securities—[An HON. MEMBER: "And his wife's!"]—and we may take it that that is conclusive evidence that his statement was true. Now, how does the matter stand? I agree that there was a failure to observe what I have described as a rule of prudence. There was no failure from first to last in these transactions to observe the rules of honesty and public duty.

Both my right hon. Friends told the House that they now realise that it would have been better for them not to have done what they did, and that if the same or similar circumstances were to recur they would avoid such transactions. They have suffered for an error of judgment, a penalty almost, if not quite as heavy as any such error has ever incurred. They have on the floor of this House, with perfect manliness, expressed their regret. My hon. and learned Friend, in the Amendment which he has proposed, asks the House to accept the statements which they made yesterday, including the admission of their error and an expression of their regret. That is the Amendment before the House. [An HON. MEMBER: "No!"] Yes; to accept their statements, are the exact terms of the Amendment. In these circumstances I would ask the House of Commons not to be generous—I am not appealing for generosity—but to consider whether it is wise or just to persist in this Motion which is down in the name of the hon. and learned Member for Kingston (Mr. Cave). There is no question, be it observed, as the hon. and learned Gentleman seemed to suppose, and as perhaps he was fairly entitled to presume before the explanations given by my right hon. Friends, of setting up or sanctioning a precedent. Both my right hon. Friends have said that they do not desire that what they did on this occasion should be taken as a precedent, because both admitted that if the circumstances recurred they would not pursue a similar course. I think, therefore, that to pursue the Motion which has been put forward, without reference to the Amendment, in these circumstances is not really worthy of the House of Commons. Do not let it be supposed that I am making an appeal *ad misericordiam*. Nothing of the kind. I have been as frank as my right hon. Friends were frank in acknowledging what both they and I think was a mistake in judgment. But their honour, both their private and their public honour, is at this moment absolutely unstained. They have, as this Committee has shown by its unanimous verdict, abused no public trust. They retain, I can say this with full assurance, the complete confidence of their colleagues and of their political associates. We ask the House, in view of what they said yesterday, and of the considerations which I have endeavoured to

summarise to-day, to say in the language of the Amendment of my hon. and learned Friend, first, that it reprobates the infamous calumnies—that has been conclusively disproved—by which the characters of these Ministers have been assailed, and that having heard their statements with regard to this particular transaction in which their honour is not involved, though their judgment may be impeached, the House accepts those statements, and desires to put that acceptance on its Records.

Share

Mr. BALFOUR

This has been to me a very painful subject, and any Debate dealing with it must of necessity be a **very painful Debate**. I listened, not indeed with agreement, but with sympathy to the defence which the Prime Minister has just given of his colleagues. I think he had a very difficult task; I mean the position was a difficult one for him, as it would be for anybody who is Leader of the House and head of the Government. I think, if I may say so, that he discharged that duty with great dignity and with great power of expression. He made what was, from his point of view, at all events, the very best case that could be made for the advice he has just given to the House. He began by an attack upon the Opposition for what he considered their want of generosity in not embodying in the Resolution, which was moved by my hon. and learned Friend the Member for Kingston, any formal condemnation of the calumnious charges of corruption which mere at one time in a small section of the Press directed against the Chancellor of the Exchequer and the Attorney-General. [An HON. MEMBER: "And the Postmaster-General."] It is quite true that no such protest appears in the terms of the Resolution, but, speaking for myself at all events, I can most truly say that it never even occurred to me that in this House any such protest was necessary. I have spoken, as everybody in this House has spoken, on countless occasions with Members of the House, and with persons of repute and credit outside the House—indeed this wretched subject could not be avoided wherever one went, unless one buried oneself in the heart of the desert of Sahara—arid in not one of those conversations from any man that I came across in personal intercourse in this House, or out of this House, did I ever yet hear the suggestion that either the Chancellor of the Exchequer or the Attorney-General had been guilty of personal corruption. [HON. MEMBERS: "Oh, oh!"] It may be that I have been more fortunate in

the company I keep than hon. Gentlemen opposite. I can most sincerely assure the House that is an absolute fact. When, in addition to that fact, you have three Reports, the Report of the Majority of the Select Committee, the Report of the Minority of the Select Committee, and the rejected Report of the Chairman of the Select Committee, all unanimous and explicit, all using the most unmistakable language on this point, certainly it seems to me that if the House were to direct its attention to protesting against accusations which no man of credit accepts at all, it would be diverting its attention to that which no man believes, and which raises no question of difficulty, from other points which it is quite evident are matters of great difficulty and of great moment to the public life of this country. The right hon. Gentleman—it is, perhaps, a small matter—is really under a misapprehension, I believe, when he told us that the whole object of this Committee was to look into charges of corruption against those Ministers. It really is not so. The main object of the Committee was to look into the contract of the Postmaster-General. Without doubt the subject of the connection of Ministers with this matter was also in question. I do not doubt that, but when the right hon. Gentleman proceeds to say that the Committee pursued its investigation cruelly and relentlessly—

Share

The PRIME MINISTER

I did not say "cruelly."

Share

Mr. BALFOUR

Relentlessly, and when he implies that that relentlessness had behind it unjustifiable animosity, I think he really forgets the conditions under which that unfortunate Committee had to do its work. I do not think any member of the Committee set about the work which it had to do in the belief that its investigations could or would produce the smallest justification of the charge of corruption against anybody. After all, neither the Committee nor this House approaches this sort of questions, or ought to approach them, as I suppose such questions might be approached in a Police Court or in a Criminal Court. Why do I say that? I say that we do not judge each other on that principle—we use far wider and more generous principles than must be used in a Court

of Law. We do not go about saying, "So-and-so is innocent, I believe, because he is not proved guilty." That is not the way in which we judge each others character. It never occurred to me to trouble my head about the truth of these accusations against the Attorney-General, and the Chancellor of the Exchequer, not because I examined the evidence; I have not examined the evidence; I do, not know that even that I would take the trouble to examine the evidence on that particular aspect of the question, because I think the thing is absurd on the face of it.

Remember, I have sat opposite these Gentlemen through their whole Parliamentary career. I have been able to judge them as we all judge each other. There is not a Member of this House who has taken any active part in our Debates, and who is known, who has not got his character well established in essentials in the judgment of any of those, be they his friends or enemies, with, whom he has ever come in contact, and I would no more believe, with or without evidence, that the Chancellor of the Exchequer and the Attorney-General had been guilty of putting their hands into the till, or that they had done a thing which no man of honour could do, or that they had done things for which men should be hounded from private and public life—I would no more believe that, with or without evidence, than I would believe a, similar charge against my own nearest relation. That is not the way in which we ought to judge each other. I regard all this charge of corruption as perfectly futile and absurd from the beginning, and unworthy of the consideration of this House. If the Government think, after what has occurred, that really this particular certificate of character should be given to their colleagues, if they think it in any way desirable from their point of view, I for my part am perfectly ready to endorse it, and I do not believe there is a man on this side of the House, not the severest critic of the conduct of these two right hon. Gentlemen, who would not be delighted to say, if thought necessary, not only that they had not been proved to be guilty of corruption, but, much further than that, that the idea of corruption was utterly out of the question, and that it was not before us at all. I believe it is in that spirit that the Committee met, and that is the method by which we judge each other, broadly speaking.

Then how about this unfortunate Committee, who are accused of relentlessly pursuing their investigations? What happened? They met, and they told the world, including the Ministers, they would be glad to have evidence upon the whole subject of the Marconi Contract. They had not the least idea of any of the things which have since come to light. Two of them were

subsequently informed, but even that was subsequent to the meeting of the Committee, and when the Committee met they knew nothing of these things. The only people who knew anything about them—important things, which should have been examined—were the three Ministers of the Crown, who were directly concerned in the transaction, and the Prime Minister, who had been very imperfectly informed and at long intervals, of what occurred, and the Postmaster-General, who appears, if I rightly interpret the speech he made last night, to have first heard it when he was discussing with the Master of Elibank what the real reason was why there was **no hope of getting his contract before the House rose on 7th August, 1912. Those Gentlemen knew of it—nobody else knew it.** The Committee did not know it. If the Committee had known it, I presume they would have asked Ministers to appear before them. They did not know it, or, of course, they would have asked the Ministers. Then through one accident after another, or, rather, through one transaction after the other, for which the Committee were not responsible, and through a quite irrelevant, as it seems to me, disclosure in the Law Courts, and through the fact that a **broker became bankrupt**—through this **accident** and that **accident**, first one set of transactions, then another set of transactions, and then a third set of transactions **came to light**, all bearing upon the subject of the inquiry, all of which **were known to Ministers, and not one of which was laid before the Committee.**

I put it to the House whether it is fair to accuse the Committee of relentlessly pursuing its investigations when it is treated in this kind of way by the very men who have appointed it? The right hon. Gentleman is very indignant at the idea that there was any want of frankness shown on the part of the Ministers whose conduct was concerned. I think I understand the sort of thing that occurred, though I admit that the explanations given yesterday to me do not seem to throw much light on it. What I believe happened was this, that the Attorney-General and his colleagues, conscious that they were perfectly innocent of any corrupt motive or any corrupt proceeding, **began to be uneasy, in face of those rumours, about their connection with the American Marconi Company, and they did consider, and they must have considered, whether they ought or ought not to give all their information openly to the House on the 11th October.** They must have thought about that. I think they said so, but whether they said so or not, the thing is obvious. I suppose they decided, that is in their view at that time, there was no connection between the company—an erroneous view—and they based upon that in their own

minds and consciences the conclusion that the House had really no right to know about their private investments, and unless those private investments touched upon the public case that they were not travelling beyond their duty when they maintained this most unfortunate and most unhappy reticence. We are all apt, in such cases, when our own conduct is in question, to take the wrong course; we are all apt to err, or there is a certain inclination to err, on the side of want of frankness. **They did err on the side of want of frankness**, and there has been no defence really put forward on this point. How, for example, is this simple question going to be answered? The Attorney-General told us yesterday he did think that the Committee ought to be told all about it, but he did not think the House of Commons ought to be told. I think that is the right phrase, and as these two Gentlemen are not here I shall welcome any interruption from the benches opposite if I make the smallest error of statement with regard to what they said. The Attorney-General, as I understood, said it was not proper to tell all to the House of Commons, but it was proper to tell it to the Committee.

Share

Mr. BOOTH

To the Committee first.

Share

Mr. BALFOUR

To the Committee first—that it was not proper to tell the House of Commons on the 11th October, but that it was proper to tell it to the Committee after the Committee met. Honestly, I do not see the point of that, and he gave no explanation or reason that I remember for it. But let us grant that there was a reason for taking the Committee of the House into the confidence of the Ministers before they took the House itself, grant that, and would not the very first thing that would have occurred to anybody be that they would write to the Chairman of the Committee and say to him, "There are things that we did not think it appropriate or in order or relevant to say on the 11th October before the House, but which we think you, who are investigating this matter, ought to know. Will you call us, and we will tell you all about it?" The Ministers, and I think some Gentlemen opposite, appear to think it was the business of the Committee to know

about this and to invite Ministers at once, but as the Committee were unanimous in their personal view that there was no corruption, and as they had no notion that there had been these various transactions in the American Marconi Company, why should they press Ministers to come before that Committee when they were sending for witnesses? There was no ground for it. But if the Ministers themselves had given to anybody except the two Gentlemen who were their confidantes, if they had given to the Chairman, or to the Committee generally, the smallest hint that they had something to say which ought to be said, they would have been the first witnesses to be called, and the whole of this difficulty would have been avoided, and the whole of this gradual and almost dramatic discovery of one crisis after another would have been avoided. The whole matter would have been frankly put before the Committee and the public, instead of coming out this in one way and then in another way, a Law Court here, a stockbroker there, and all the various accidents through which the Committee at last arrived to the full knowledge of the facts. That is the reason why I am quite unable to accept the statement of the Prime Minister that this House, or the Committee representing this House, has been treated with anything deserving to be called frankness.

5.0 P.M.

You have only got to hear what the Prime Minister said himself to-day about himself to see that he has not been treated with frankness, and a most unhappy thing has it been for the Ministers themselves, for the Committee, for the House, and for the country that the Prime Minister was not made acquainted with and asked himself to look into the whole of these circumstances. Had that been done he would have, of course, told his colleagues to make a clean breast of it on 11th October, and all these painful incidents might have been avoided. That deals, I hope not inadequately, with the first part of the Prime Minister's speech, that winch was concerned with attacking us, most unjustifiably, with want of generosity and defending his own Friends against the charge of want of frankness. I follow the Prime Minister's order of discussion, and come to the transaction itself. I do not think, even now, the Prime Minister quite understands exactly what did take place, because he seems to think—I gather that is his opinion—that the contract was concluded with the Government when the shares were bought, and that the American Marconi Company had no connection with the British. I rather gather that he thought there was no effective communication or any sort of connection between the two at the time when the

Attorney-General bought his shares, which should have prevented the transaction. [The PRIME MINISTER made an observation which was inaudible.] Do let us again consider this point. I think I told the House I thought I understood what had really passed in the minds of Ministers when they refused to take the House into their confidence on 11th October. May I say now what I think passed in the minds of the Attorney-General and of the Chancellor of the Exchequer and of Lord Murray when they bought the shares? The Majority of the Committee with that, I was going to say partisan ineptitude, at any rate with great ineptitude, said in their Report, and there are leaders of the Majority opposite, that the Attorney-General, after "carefully consiering"—is not that the phrase?— came to the conclusion that the transaction was perfectly proper. If the Attorney-General had carefully considered it, or had really considered it, he never could have come to the conclusion that it was a proper transaction. The real fact is he never did consider it. That is the naked truth of the matter. If the Attorney-General had been consulted, let us say, as a man of great legal experience, what would have happened? [A copy of the Report was handed to the right hon. Gentleman.] I find, now that I have the words, they are stronger than those I used to the House. The Majority say:—

““They find that before any purchase was entered into by the Attorney-General he made special inquiry, and was satisfied that the American company had no interest in the agreement.””

I say that if the Attorney-General really made special inquiry, as this unhappy Majority assert, his case would be absolutely indefensible, and not all the advocacy of that Front Bench could justify the course which he pursued. But, of course, he made no inquiry, no special inquiry, at all. He merely asked his brother, I suppose, such questions as whether, if the British company made large dividends, the American company would share, or whether any direct profit would come to the American company from the success of the British Company; and, of course, his brother, who is a financier and not a statesman, said quite truly that the mere addition of dividends to the British company would not affect the American company. He never pointed out—why should he?—why should it occur to him?—that he was in the middle of contractual arrangements with the Government, that he was offering to his brother special terms, that he was offering special terms to a Member of the Government who might be brought into consultation on the matter

either at the moment or years afterwards, that that was not a proper position to put his brother into, and that the fortunes of the American company would be disastrously affected if the arrangement with the British company fell through at the time or at any subsequent period during the continuation of the arrangement between the English Marconi Company and the English Government. If the Attorney-General had made special inquiry, he must have known that all these things were true. If he had known that all these things were true he could not, as a man of honour, have taken the shares. Of course he could not. But he did not make special inquiry; it never occurred to him. He rushed, most unfortunately, into the matter, and, as he went in, I admit that I am not at all surprised, nor do I blame the Chancellor of the Exchequer and the Patronage Secretary for thinking that where the head of the English Bar, accustomed to these commercial matters, thought he might safely tread, they might safely follow. I have no doubt that that is the real account of what occurred. But is that a justification, is that a reason for this House not expressing regret that such a course should have been pursued? I think not.

When we come to the Chancellor of the Exchequer's part, I have just told the House that I think it very natural that he should think that any transaction which the Attorney-General told him was safe, was indeed safe. But did he give any explanation, any beginning of an explanation, of this speculative transaction? He was very angry, I think, with my Noble Friend, for suggesting that it was not an investment. Whatever may have been the case with the second purchase of shares in May by the Chancellor of the Exchequer, a transaction which, I think, was only heard of in the January following, it is really ludicrous to describe the first purchase as an investment in any sense of the word. When you buy for investment, you do not sell within three or four days—I think it was three days—[An HON. MEMBER: "Two days "]—in two days five-sixths of your stock at a profit. No explanation can get over that. The second purchase, for anything I know to the contrary, may have been a genuine investment. It may have been bought, it was an unfortunate kind of investment—for investment purposes. But it is absurd to describe the first transaction as anything whatever but a speculation. Are we to pass wholly by the Chancellor of the Exchequer of this country's indulging in what is undoubtedly speculation in a most speculative stock—a stock which, if I am not mistaken—his own broker pointed out was of a peculiarly speculative kind? I really do not know what Mr. Gladstone would have said if he had been told of such a transaction. Mark you, there is no question here of honour. There is no question of dishonesty,

not the least. But there is a question surely of the gravest indiscretion—the very gravest indiscretion. Whether it is proper or improper for the Attorney-General to have what I am told is called a "flutter," I do not say. That may be a matter of doubt; I leave it to the casuists. But there can be no doubt whatever that no flutter should be indulged in by your Chancellor of the Exchequer.

And when the Chancellor of the Exchequer told us, as he did yesterday, that to a man in high and difficult office the time was hardly enough to look after his own affairs and to manage his own investments, all of us who have held office, either in the past or at the present, felt sympathy with him. It is very difficult to find the time. **But to buy speculative stock is not the way to obtain leisure.** And when in another part of his speech, dealing with a different part of the subject, the Chancellor of the Exchequer drew a picture of himself telegraphing and telephoning in his own name—openly as he called it; at all events in his own name—to his broker, was that a picture of an overworked official? The real truth is again that while the Prime Minister told us throughout his speech that the Ministers with whose conduct we are concerned at the moment had expressed regret, the word "regret" appeared very seldom, if at all, in the course of their speeches. If it appeared, it was regret that such difficulties had arisen subsequent to their operations, and in consequence of events for which I am bound to say they were not themselves responsible. I do not remember any regret being expressed. I may be wrong; I hope I am wrong; but I do not remember the Attorney-General saying that he greatly regretted that he had not looked carefully into the character of the stock which he purchased, and I do not recollect the Chancellor of the Exchequer saying that he greatly regretted having, when he purchased that stock, used it for speculative purposes. They gave explanations which did not explain either of these things. Nor can they be explained. They are the blunders which honest men may fall into; which honest men in this case have fallen into, and whenever they are fallen into, the best that those concerned can do is, without any attempted explanation, simply to say that they made a profound mistake and are very sorry for it.

I do not wish longer to detain the House upon the merits of this unfortunate controversy, but may I put this question to the Leader of House? When he got up, he said that he had hoped that we might come to a unanimous conclusion in this Debate. There are two proposals before us, one contained in my learned Friend's Resolution, and the other contained in the Amendment

moved by the learned Gentleman opposite. We entirely agree with the substance of the Amendment moved by the learned Gentleman opposite. Do hon. Gentlemen opposite agree with the substance of our Amendment? If that is so, by the mere process of running the Resolution and the Amendment together you may obtain complete unanimity. I am sorry to say that I was forced to the conclusion by something which fell from the Prime Minister that he would not be prepared to accept his part in that transaction. Apparently his reason for not doing so is that it would be a **Vote of Censure upon the Ministers**. I do not in the least care about censuring Ministers. I have no wish to do it one way or the other. What I do wish the House to do is to leave on record something which indicates its regret at what has taken place. Now, mark you, that regret is universal. It is not a monopoly of Gentlemen on this side of the House any more than the desire to free Ministers from the charge of corruption is a monopoly on that side of the House. I believe that the House is absolutely agreed in its heart upon both the Resolution and the Amendment. The only difference is that we are prepared to accept publicly both the Amendment and the Resolution. You agree with the Resolution, but you will only accept, or I gather from the Prime Minister that you will only accept, the Amendment. I believe that I represent my right hon. Friend and my Friends behind me accurately. If the Prime Minister can find a form of words which will express the regret which we all feel, and put it on the Journal of the House, so that it may be there for all time, he will find no enemies amongst us. If you do not do that, if you refuse either to accept a moderately phrased expression of regret, or to produce some alternative of your own, in what position is this House going to be? The one document really dealing with these transactions which will remain on public record will be the Majority Report of the Committee upstairs, a Report which not only does not express regret, but rejoices in the whole performance.

Share

Mr. BOOTH

No.

Share

Mr. BALFOUR

Very well, you have cut out the very moderate expression of regret put in by your Chairman. If that is so, can hon. Members, can the Government, reconcile it with their sense of public duty to leave nothing on record as a result of this painful discussion, except a perfectly unnecessary—if you like—statement that Ministers are not corrupt, and the Report of the Committee appointed by the majority of this House, which practically says there has been nothing blameworthy or unfortunate done at all? I believe that will be a disaster to the public life of this country. I can myself truly assure the House that I am in this matter animated by no personal grudge against the Ministry or any desire to squeeze out of this thing any party advantage; in fact, I believe from the point of view of party advantage it would be far better that the Debate and Division should take place upon the lines indicated by the Prime Minister. And it is on these that I have ventured respectfully to suggest that if the Division takes place, and a party majority rejects our half of the joint Resolution which I have adumbrated, many a Liberal Member will leave this House to-night knowing that he has voted against his convictions; what is more, he will have to go to the country and confess that, after having talked so much about public purity and honour, we could not, when it came to the stress, find any form of words which would even indicate the smallest regret on the part of the House of Commons that two of its greatest ornaments, the leader of the Bar and the Chancellor of the Exchequer—I say nothing of Lord Murray who is no longer in this House—that these two great officials, men who, however we may differ from them, and however we may quarrel with them in political matters, we all know to be men of honour—have so rashly embarked upon an undertaking which they ought to have left most severely alone, and have not only embarked in it, but embarked in it for speculative purposes. That, surely, would be a most unhappy result of these two days' Debate. Though I ask no immediate reply, either from the Prime Minister or from any of his colleagues who may follow me, I do beg of him to think before the Division comes, whether they cannot find some course more consistent with the credit of this Assembly, and more likely to maintain the purity of the public service.

Share

Sir ARTHUR MARKHAM

I am going to tell the House what I think of this transaction. First I want to bring to the attention of the House the circumstances under which the Committee was appointed, and what the object of the House was in setting up this Committee. That object was to arrive at the truth. From the commencement of the proceedings of this Committee the Committee divided itself into two parties; the Members on both sides of the House ranging themselves into hostile camps. As a Member of this House I resent the insult that has been placed upon the House by the majority—

Share

Mr. DUKE

May I call your attention, Mr. Speaker, to the fact that Members sitting here find it impossible to hear the hon. Member by reason of the discussion that is going on?

Share

Mr. SPEAKER

Very often at the conclusion of a speech a little diversion takes place, but the House will settle down directly

Share

Sir A. MARKHAM

I was saying that as a Member of this House I resent in the strongest possible way the insult, as I consider it, that has been placed upon the House by the Majority Report. That Report is a purely partisan one, and in that respect I am sorry to say the Report of the Noble Lord opposite (Lord Robert Cecil) is somewhat similar. Having attended many meetings of the Committee, and having read the whole of the proceedings—which very few Members have done—so far as the part played by the Noble Lord in Committee is concerned, I do not think there was one question that he asked a single witness which was not a dignified question. There was not one question which the Noble Lord asked any witness, although he protested that he was in duty bound to arrive at the facts, to which, in my opinion, exception could be taken, or to the part that he played in the Committee itself. But I do say in respect to the Report that he has drafted, and which is now before the House, that I fear it is not his own work, or not all. I fear that it has been

drafted in consultation with those who have either party animus, or party desire to serve, and I cannot think that after the part the Noble Lord so well and so properly played upstairs that he can really believe that the recommendations that he has made to the House are those that he honestly and conscientiously believes.

Share

Lord ROBERT CECIL

I cannot allow a statement of that kind to pass. I am entirely responsible for every word in the Report. I believe it is absolutely honest and straightforward. I adhere to every single syllable of it, and I am prepared to defend every 'syllable of it before any tribunal or assembly.

Share

Sir A. MARKHAM

The Noble Lord states in his Report, for example, "That the Committee was not seized with the information as to the accounts of the Chancellor of the Exchequer, because the Members of the Committee had not had access to the private pass books of the wives of the Chancellor of the Exchequer and the Attorney-General." Surely, that is not taking that generous course which we could expect from him.

Share

Lord ROBERT CECIL

What did I say? [HON. MEMBERS: "Read it."]

Share

Sir A. MARKHAM

Then the Noble Lord says:—

““We feel that this apparent shrinking from a full disclosure of the whole of the transactions by Ministers in American Marconi shares is largely responsible for an uneasy impression that perhaps even now the whole truth is not known, and this impression has been strengthened by the acceptance on the part of Ministers of an arrangement proposed to them by the majority of the Committee by which only the Chairman and an expert were allowed to see the pass books which Ministers had originally tendered for the inspection of the Committee, and by the very regrettable failure of Lord Murray to present himself for examination. ...””

Clearly there is an innuendo.

Share

Lord ROBERT CECIL

assented.

Share

Sir A. MARKHAM

The Noble Lord admits it. If these pass books had been subjected to scrutiny, perhaps other transactions would have been found out! That, I think, is regrettable on the part of the Noble Lord. Then, I think, there is the further opinion expressed by him, "That the Attorney-General only casually dropped out these transactions on the first day." I was in the Committee, and remained there within a few feet of the Noble Lord, and it is quite clear that the Attorney-General had intended, and did intend, at that time, to make a frank admission of the whole of the circumstances, but, in my opinion, he had no opportunity. He meant to have told the Committee the whole of the transactions. I regard this Report of the Noble Lord as strained as to the attitude of Ministers. Having said that, I do think that there never has been a Majority Report which reflects so little credit on the party, as a party, than does this Majority Report. No man could have done more disservice to the Chancellor of the Exchequer and the Attorney-General than the majority of the members of that Committee. The object of the Committee, and the object of the House in appointing it, was to arrive at the truth. I think no one who has read the evidence can deny the fact that there was, time after time, attempts made in Committee to

prevent the elucidation of facts which ought to have been before the Committee, and it was only by a party majority on one occasion that, certain of these transactions were not disclosed. Mr. Lawson was subjected to a long cross-examination by, we were told in the Press, a brilliant cross-examiner, a man of great reputation, the hon. Member for Forfar. This cross-examination was in relation to these rumours relating to the purchase of Marconi shares, the rumours that followed from that unfortunate investment, and Mr. Lawson was subjected day by day to the most severe cross-examination, and the man who was cross-examining knew all the time that these shares had been bought. If what I am saying is disputed, I have the evidence here, and will give it to the House.

Share

Mr. FALCONER

Will the hon. Member kindly give me the reference?

Share

Sir A. MARKHAM

The hon. Member was most careful at this stage; more so than his colleague the hon. Member for Pontefract (Mr. Booth), who has not the great ability of the hon. Member, and is more rash in his statements. I regret very much that I have not got the reference, but the hon. Member was cross-examining Mr. Lawson with regard to the American Marconi shares. He was interrupted by the hon. Member for Clapham (Mr. Faber), and the hon. Member for Pontefract (Mr. Booth) made the comment that he was trying to help the lame dog over the stile, a kind of thing which the hon. Member says from time to time. At that particular time Mr. Lawson was cross-examined by the hon. Member (Mr. Falconer) as to the rumours that originated about the American Marconi shares. I am sure that statement that I am making is in the evidence. I had the evidence prepared for me this morning, but I apologise for not being able to put my hand on the quotation. I am not a party man and never have been a party man, but, I ask, are we not to arrive at the truth? I have here question No. 16193. I am afraid it is not the particular question I wanted. That question is:—

"We have had every word of this already, and I am afraid I have spent more time than I ought to have spent on this matter. Let us assume that Mr. Isaacs or Mr. Marconi, whoever it was, went to America and made an excellent bargain in the purchase of the undertaking of the United Wireless Company""

I greatly regret I have not got the particular quotation, but I say it is on record that during the time Mr. Lawson was under cross-examination the fact was referred to and emphasised by the hon. Member for Clapham, that he had been referring to the purchase of American Marconi shares in his evidence, and to the rumours arising out of them.

Share

Mr. H. TERRELL

Question 16187.

Share

Sir A. MARKHAM

If the hon. Member for Forfarshire says I am wrong, I accept his statement subject to what the Official Report of the evidence will show later. I am sorry to have been diverted, but I am quite clear in my own mind, though perhaps I may have overstated the case in one sense, as to the actual thing, but generally I say it was an impossible position when this House had appointed a Committee that two members of that Committee should have kept from their colleagues facts that should have been disclosed to the Chairman and to the other members of the Committee. I say that on all sides public opinion of this country feels that in regard to this Committee that we in this House are unfit at any time to judge any question that requires judicial and impartial treatment. We have made a Select Committee of the House of Commons a by-word as a partisan body unable to arrive at any judicial findings on matters submitted to it. I agree with the hon. Member for Durham that it is perfectly possible from among our Members to appoint a Select Committee as honourable and fair-minded as any tribunal could be, but when men for party purposes go into a discussion with the object and intention of taking a partisan attitude,

and when we get a Report which even the Chancellor of the Exchequer and the Attorney-General gladly threw over yesterday, and I think probably no one resents this Report more than they do, we make such proceedings a by-word.

I now pass to another question not mentioned in this Debate at all, and that is a question I have many times raised in this House, namely, the question of party funds and how the funds are controlled and administered. These funds in the main are derived by the sale of honours, they have largely been contributed to by both parties for this particular purpose by the sale of honours, and sums amounting to half a million sterling in some cases are vested in one man who has the power of secretly administering these funds, and who has to give an account to no one as to how the funds are administered. We see in this very unfortunate transaction of Lord Murray the great danger to the State of these large funds being in the hands of one Member. Both political parties are in the same position. [An HON. MEMBER: "No."] The hon. Member says "No," but he knows perfectly well that Members on both sides are paid from the party funds for their election expenses, and that without such fund from which election expenses could be paid it would be impossible for many Members to be here to-day. For that reason I always thought that it would be much better, in the interests of the purity of our public life, if all election expenses were paid directly by the State. The public do not believe for a moment that either party consents to the sale of honours to create these large funds, and if these funds are to be continued in the future I hope both political parties will take this to heart, and see that in the future these funds must be invested in trust securities, preferably in Consols, and that they are controlled and administered by a Committee of the party to which they belong. Some hon. Members laugh, but they must remember that in the case of Lord Murray we have a man whose honour and integrity stood for everything that was fair—and there is no charge directly or indirectly so far as Lord Murray is concerned, either against his good name or his honour in any shape or kind—but you must remember that in such cases we may not always be so fortunate as to have men of honour such as Lord Murray is. We may well have a manager of party funds using them for purposes of his own personal ends. That is what happened in the case of Whittaker Wright, who had the management of public funds without any control by anybody else.

Share

Mr. WILLIAM REDMOND

What about Hooley?

Share

Sir A. MARKHAM

The hon. Gentleman asks, what about Hooley? Mr. Hooley has found his place in prison.

Share

Mr. W. REDMOND

What party did he support in his time?

Share

Sir A. MARKHAM

I am not referring to the funds of either political party; both political parties are in exactly the same position, as the hon. Member well knows. I see no more objection to Mr. Hooley sending £30,000 to the Conservative party to return him than to people buying honour for larger sums. [HON. MEMBERS: "Oh, oh!"] Hon. Members know it is perfectly true. An hon. Member asks did I get my Baronetcy for nothing.

Share

Mr. SPEAKER

I hope the hon. Member will not allow himself to be led away into these matters.

Share

Sir A. MARKHAM

Perhaps I may be allowed without pursuing the matter further to say that never in my life did I pay a halfpenny to the Liberal party or association, and that the only payment I ever made was to my own association and the association with which I am connected. I want to address myself

to the question more particularly before the House. I have thought it right in the first place to call attention at some length to the action of the Committee, because I think it has created an attitude of suspicion in the country, and has done more to injure the House of Commons as an institution than anything which has been done in recent years. Let me put a general case before the House. We are meeting and discussing this question to-day in an atmosphere of corruption. The right hon. Gentleman the late Leader of the Opposition (Mr. Balfour) has dealt very ably and astutely with this attitude and atmosphere of corruption, and has, on behalf of the party opposite, disclaimed any intention or idea whatsoever of his party being associated with those graver charges against Members. I sent the hon. Member for North Huntingdon notice this morning that I intended to refer to him in the course of the discussion to-day. I do not know the hon. Member, and have never spoken to him in my life. The right hon. Gentleman the Member for the City of London (Mr. Balfour) has, on behalf of the party opposite, and of every Member of it, repudiated every charge of corruption against the honour of the Chancellor of the Exchequer and the Attorney General.

Share

Mr. BALFOUR

Hear, hear.

Share

Sir A. MARKHAM

I ask the right hon. Gentleman does he know that a Member of his own party has gone down into the City collecting subscriptions on behalf of Mr. Chesterton, and that he has bought an ordinary share in the English Marconi Company and one preference share on behalf of himself and other shareholders. For what purpose? Not that he himself had any interest in buying this one share, but merely for the purpose of making party capital out of this.

Share

Major ARCHER-SHEE

For the purpose of showing up a swindle.

Share

Sir A. MARKHAM

The hon. and gallant Gentleman says it is a swindle, although the right hon. Gentleman the Member for the City, on behalf of the whole of his party, repudiated any such thing. Who are we to believe?

Share

Major ARCHER-SHEE

May I interrupt? What I say about a share in the Marconi Company is this. My hon. Friend has bought that share for the purpose of showing up a swindle, which has nothing to do with this case at all. It has to do with the question of American Marconi shares belonging to the English company being placed with another gentleman, and profits going to him instead of, as I believe, to the proper owners.

Share

Sir A. MARKHAM

That is not point I was dealing with My point is, and I invite the hon. Member to deny it if he can, that during the course of these negotiations he had Mr. Chesterton down at this House discussing this question with him. This is the man who meets the hon. Gentleman opposite in a Committee Room upstairs. This is the Gentleman whom the right hon. Gentleman opposite repudiates and declares that his party are of opinion that no charge of corruption lies against my right hon. Friends. When the hon. Member for North Huntingdon knows perfectly well that Mr. Chesterton charged my right hon. Friends with wrongdoing, why has he been soliciting subscriptions to defend Mr. Chesterton? After criminal proceedings had been started, is it not very strange that the hon. Member opposite should then announce, through some of the people with whom he is associated, that he had purchased one share in the American Marconi Company, and that he was going to test the legality of this matter and find out whether Mr. Godfrey Isaacs was an honest man or not. That was on the morning of the criminal trial; that was the time the hon. Gentleman intimated that fact through the usual Press channels to the

general public. I say that is not playing the game. You have now got to stand up here and say that there has been corruption, or else you have to remain silent. I believe the overwhelming majority of hon. Members of this House do not desire to make any charge whatever of corruption against my right hon. Friends. It is all very well for the **Noble Lord the Member for Hitchin (Lord R. Cecil)** to say that a Government contractor was giving an advantage to a public servant, but after all, is there to be between brothers no relationship of a private character when it is impossible to have such relationship between contractors and public servants. I would like to remind the House that in May, 1900, the Lord Advocate stated in this House, upon a Motion made by the hon. Member for Donegal in connection with Ministers holding directorships:—

“It is perfectly impossible to avoid a theoretical conflict of interests. After all, what do we deal with in the House of Commons? We deal with the whole range of human affairs, and it is perfectly impossible to say in what we deal with that it would not be possible for interests to conflict. **The only thing we can do is to have trust in a man's character.**”

The Lord Advocate went on to say that this was a case of mock purity. In this case I ask the House to take the view that the purchase of these shares by the Attorney-General and the Chancellor of the Exchequer may have in the light of what has transpired, been an unfortunate mistake but if every hon. Member is to be called to account because he does not weigh in his mind at the time all the circumstances which might attach to an investment which may afterwards be the subject of a scandal, it will be extremely difficult for any hon. Member to do what is right even in his own life. What is the position? Here these brothers had been living on terms of intimacy, and for party purposes this attack was made and persisted in, not because the Chancellor of the Exchequer and the Attorney-General bought these shares—I believe if the Chancellor of the Exchequer had not been associated with this transaction there would never have been any inquiry—this was merely an attempt through the Attorney-General to stab a man for what he has done in the past in the way of putting his hands into the pockets of certain people who do not like it. Party feeling is so strong in this country that when the opportunity came the party opposite were not able to take that view which on reflection they have taken in

regard to the position of the Attorney-General and the Chancellor of the Exchequer. Probably hon. Members under similar circumstances would have made very much the same mistake.

Was the Attorney-General likely to weigh in his mind whether wireless stations were going to be erected in Uganda or Egypt, by which indirectly some profit might conceivably come to the English company through this contract? You have to judge a man by what was present in his mind at the time he made his investment. I believe the Leader of the Opposition very truly said that the Chancellor of the Exchequer did not do what the Majority Report said he did in regard to making careful inquiries before he made his investment. The Chancellor of the Exchequer's investment has turned out an unfortunate one in many respects, because it has given the civilised world the impression that our Ministers in this country have been guilty of corruption, and whatever happens in this House, and if any vote is taken, it will still go forth to the civilised world that we are not voting specially whether contractual relations existed or not, or whether there may have been some financial advantage to the Marconi Company, but we shall be giving in this House to-night, if we go to a Division, the impression to the civilised world that there are a large number of men in the House of Commons who believe that their Ministers have been guilty of corruption. That is all the more unfortunate, because for many years this House can take credit for saying that its Members have not been corrupt. I told my Constituents that I considered a grave error of judgment had been committed on the part of the Chancellor of the Exchequer and the Attorney-General in not telling the House of Commons the whole of the facts at the time. There was nothing in the purchase of the American shares having regard to what had then transpired to show that the transaction was not a proper one.

If the Resolution which the hon. and learned Member has proposed is accepted, it would mean in a Parliamentary sense that you are going to drive these men out of public life. Do hon. Members desire that? They must know that if this Resolution is carried, it will mean the driving out of public life of two men whom they have admitted through their late Leader nothing is to be said against as to their personal honesty for an indiscretion which they have frankly and manfully told the House they regret. The House would be unjust and unfair to pass such a Resolution which could only have one effect, namely, the retirement of these men from public life. The punishment has already been greater than the offence. If hon. Members had been in the place of the Chancellor of the Exchequer, with all these charges of corruption made against

them, they would not have been any the less anxious to come into close conflict with those who made the charges. I regret that the Chancellor of the Exchequer referred to those rumours of yesterday, because I thought we might have got a Resolution which would have been unanimously accepted by the House, but when a man has been for months and months lying under the ban of these foul charges, we cannot blame him for taking advantage of the first opportunity that occurs and using it to the best of his ability. Having regard to all the circumstances of this case, and having regard to the frank and manly speech of the Attorney-General and the frank admittance of the error made by him and the Chancellor of the Exchequer, I feel sure that the House of Commons, which is always generous to men who have admitted their mistakes, will not drive these men from public life, but will allow them an opportunity of continuing what they have been doing for the good of their fellow men.

Share

6.0 p.m.

Mr. FALCONER

I rise for the purpose of stating, as a member of the Committee, the reasons why the terms of the Majority Report commend themselves to me and why I supported them on the Committee. Before I deal with that point I think it right that I should deal with a matter that has been referred to more than once in the House and in the Press with regard to my own somewhat peculiar position. The right hon. Gentleman the Member for the City of London was quite correct so far as I am concerned, and, I believe, so far as every Member of the Committee is concerned, in the view he expressed that when the Committee sat for the first time and for months afterwards, it never entered the heads of any of us that there had been these transactions in the shares of the American Marconi Company. That, I admit, was my view, and for that reason I concur in the course which was adopted with regard to the procedure of the Committee. It seemed to me that the first thing for the Committee to do was to understand the subject of the agreement with which we have to deal. The next thing seemed to me to be this, that we should issue an open invitation to anyone and everyone to furnish to the Committee any information which they might have dealing with the charges which had been made against the Ministers with reference to corruption in connection with the negotiation of the agreement. I took that

course from an ordinary sense of fairplay and justice, and from the point of view that if a man is to meet charges of that nature he is entitled, in the first place, to know who is making them and upon what ground they are made, so that he may be in a position to meet them in every possible detail; and in taking that course I should like the House to realise how difficult a tribunal a Committee such as this is for any person placed in the position in which these men have been placed.

In the ordinary Law Courts a man who is defending his honour is entitled to have specified in distinct pleadings the charges which are made against him, and the grounds, in fact, on which those charges are supported. He is also entitled to be represented by counsel, instructed by solicitors, whose business it is to ascertain every fact that can be got at in connection with the question, so that he shall not be taken by surprise by any unprincipled or unwary attempt to introduce statements of fact which will not stand the test of examination. I say, also—I desire to express my whole mind upon this question, whatever the judgment may be—that he has this disadvantage, that he does not have an absolutely impartial tribunal to consider the various facts that are placed before them, but that he has a Committee necessarily more or less charged with sympathy or with hostility, and, therefore, he cannot rely upon the judge intervening to prevent unfair questions or to shelter him from being exposed to unjust suspicions which are not founded upon fact. For these reasons, it seemed to me that it was right that the Ministers should know what they were charged with as distinctly as could be ascertained, and should have an opportunity of meeting what was said against them with full knowledge. In that course the Noble Lord the Member for Hitchin (Lord Robert Cecil) entirely agreed, and for these reasons the settled policy of the Committee in carrying out its functions was, firstly, to understand about the agreement; secondly, to hear those who made the charges; and, thirdly, to hear the Ministers in answer to the charges that were made. We pursued that course, I think, until it came just to the time when we were first to hear the journalists who were responsible for making the charges, the first of them being Mr. Lawson, who has been referred to in the House more than once.

I cannot remember the exact date, because I made no note of it, and I did not charge myself with it, but it was some time towards the end of January, or about that date, that the Attorney-General asked me to see him with regard to this Committee. I went to his room—I think I was

there at the outside ten minutes—and, in the course of my interview with him, he told me that he had asked me to see him because he thought it right to inform me, as he understood I was cross-examining or examining, whichever is the proper term, some of the witnesses, that when he came before the Committee he would have to tell them that he had made certain purchases of American Marconi shares, and that a part of that purchase had been taken by the Chancellor of the Exchequer and the Master of Elibank, now Lord Murray. I think he mentioned something about dates and something about prices, but, as a matter of fact, so little had my mind been turning in the direction of questions of that kind, that I made no accurate note of it in my own mind, and if I had been asked a couple of days afterwards to repeat what had been told me by the Attorney-General—I am bound to say I realised the gravity of the information that had been given to me, and I am not suggesting that I treated it lightly at all—I should not have been able to tell what was the exact statement made to me by him. I will tell the House why. I think I said to him: "Of course, this will all come out in full detail before the Committee, and it is therefore unnecessary for me to go into it." I have to say that the meeting was understood by him and by me to be private. I think that was made quite clear between us, and I informed him that that was the understanding with which I left him.

In order that the House may understand exactly how it was that I saw him and what my mind was turning upon, let me say that on account of the reasons which I have already discussed with regard to the difficulty of doing justice through such a tribunal the question was raised very early, just I think a few days after we first sat, as to what was the duty of Members on such a Committee with regard to getting information from outside sources. It arose through the fact that one of the members had been in communication, through his solicitors, with some party interested, and the correspondence had turned up in Committee. That raised the question, and we considered in private, what was the proper course for us to adopt, so as to enable us to discharge our duty properly, and we were all agreed, the Noble Lord the Member for Hitchin, myself, and every Member of the Committee, that it would be impossible to discharge our duty towards the House and inquire thoroughly into the matters which had been referred to us unless every member was to be at liberty to hold communication with anyone who might come to him with information or from whom he might desire to get information. Let the House thoroughly understand that. Let me also say this, that having some experience—though I cannot pretend

to be experienced in matters of that kind, because this is the first Committee upon which I have ever sat—I am satisfied that there is no other way in which a Select Committee can possibly deal effectively with a question such as was referred to this one. That is common ground, I think, with every member of the Committee, although it does not seem to be quite well understood outside.

It was for that reason I met the Attorney-General. If I had been placed in the position of a judge, I should not have thought it right to discuss with anyone what was taking place, but a member of a Committee of that kind has not only the duty put upon him of judging, but he also has put upon him the duty of inquiring and ascertaining the facts and seeing that they are brought before the tribunal in a proper kind of way. When the Attorney-General informed me of his position, that he had those shares, my clear view of my duty was that it was my duty to see that that transaction in all its details, whatever bearing it might have on the matters referred to us, should be fully disclosed to the Committee at the proper time; but it did not occur to me, and I am bound to say that it does not occur to me now, that I was at liberty to communicate to other members of the Committee the information which I had received, and was entitled to receive, at a private interview with the Attorney-General. I am bound to say that every member of this Committee has had more than one private interview with persons more or less concerned, some of them with journalists who were making the charges, and some of them with persons who have special knowledge of particular dealing. May I ask this: Is it to be said that the only person who is to be denied the opportunity of putting information in the hands of a member of the Committee for the purpose of enabling him to see if a false statement is made in regard to a charge against him or a dubious statement, or one that requires to be modified, is the man against whom the gravest charges are made, and who is entitled in all fairness to the most generous treatment at the hands of every member of the Committee and of this House? That may or may not be sound, but that was the view I took of my duty, and I am bound to say, standing here in the full light of this House, that seems to me to be my duty—to act fairly towards the Attorney-General in the circumstances in which I was placed and in which he was placed.

Just let me see what would have happened supposing I had made communication to the Chairman or to the members of the Committee, as has been suggested. Supposing I had gone to

the Chairman, it would have been the duty of the Chairman to disclose to all the other fourteen members of that Committee the information. [HON. MEMBERS: "Hear, hear."] Yes, I quite agree; I am not disputing that. That would have been his duty. What would have been the effect? It would have been in, the Press on the following day. The journalists would have been informed. The complaint has been made that it was not fair to the journalists to withhold from them this information. Just think of that for a moment. The only question I asked the journalists, and Mr. Lawson in particular, was, "What was your knowledge at the time you made those charges?" That is the true question. Any knowledge acquired subsequently must be got from those from whom it was acquired. That was the question I wanted to know. The answer I got was, "I tested these rumours, but I could find no definite ground for them" Supposing the witness had been informed of this American transaction, what would have been the temptation for him to evade the truth upon that crucial question? It is quite possible that you might have had the whole course of justice and truth diverted and upset by putting these people, who were making the charges, and, remember, making them without stating any definite ground for them, in a position to justify a course of slander so vile, that instead of being fulsome in condemnation of it, as the hon. Member for Kingston (Mr. Cave) said the Report is, I cannot find words which are suitable to express my indignation at language like that used—and I appeal to Gentlemen sitting on the Front Opposition Bench—with regard to Leaders whom I respect and whose work I am here to support.

These were the reasons for which I did not think I was at liberty or, if I had been at liberty, I did not think I would have been serving the cause of truth and justice in this inquiry if I had communicated this information to the Committee, and, through the Committee, to the public and to the journalists. I do not want to make a reflection unnecessarily, but it is a fact that time and again we had to complain of statements in the Press, usually quite inaccurate, but quite obviously emanating from some one inside the Committee talking. I dare say it is difficult to prevent one or other of fifteen men from talking outside, and it would have been quite impossible to have repeated this conversation, and to have retained it in the Committee. Before I close with this, the hon. **Baronet the Member for Mansfield (Sir A. Markham)**, as I understand—I do not know whether he referred to myself or to the hon. **Member for Pontefract (Mr. Booth)**—suggested that, in the examination of the witnesses, and particularly of Mr. Lawson, some

advantage was taken of some kind or other which ought not to have been taken through the possession of this information. His object, as he declared, was the ascertainment of the truth. I will ask him to look at every question put to Mr. Lawson from beginning to end, and say if he can point out a single question improperly put either from the point of view of the individual or of the Committee. I confined my examination of Mr. Lawson, so far as the rumours were concerned with, in a very small compass. My whole examination, and the Noble Lord the Member for Hitchin (Lord Robert Cecil) will bear me out, was for the purpose of ascertaining whether, under the terms of the agreement, there had been an improvident bargain made, or if it was open to objections from a business point of view, or if there had been undue favouritism, as suggested in a great variety of phrases by Mr. Lawson in his evidence in chief. So far as the statements in the journals were concerned, I think I had arranged with the Noble Lord, before I got this information from the Attorney-General, that the Noble Lord himself should undertake the examination of Mr. Lawson, so as to give an assurance to the public that there was nothing partisan in it, and to make sure that every particle of evidence against Ministers on this side of the House was brought out for the information of the Committee. The witness was taken through those matters very carefully by the Noble Lord, and, therefore, it is impossible to suggest any unfairness to witnesses, as I think the hon. Baronet, when he comes to examine the evidence and consider it in the light in which I have explained it, will admit. He will also see that he has made a mistake in suggesting that there was any unfairness or anything which would interfere with the cause of truth, or that any action which was improper in any sense has taken place so far as that particular matter is concerned.

Share

Sir A. MARKHAM

The charge I made was this. The hon. Member, while he was cross-examining Mr. Lawson in connection with rumours which had arisen out of this business, knew, at the time he was so examining, that Mr. Lawson had in his mind and had stated in his paper that some rumours had arisen out of the purchase of American Marconi shares. He stated that before the Committee.

Share

Mr. FALCONER

If I rightly understand the statement of the hon. Baronet he is under an entire misapprehension. Mr. Lawson's whole case was that the rumours had been in existence for months, I think he said "many months," and if the hon. Baronet will only consider he will find that that carries him to a period considerably anterior to any issue of American Marconi shares and to the purchase of them. However, I do not want to wrangle about a matter which can only be disposed of by reference to the actual questions. I repeat that if the hon. Baronet can point to any question which is open to objection from the point of view I have stated I will ask the House to allow me an opportunity of dealing with it. It is a personal matter, and I trust the House will not accept a general statement of that kind without making sure there is some foundation for it. Let me say this also, and it is important, the Attorney-General was entitled to state this American transaction accurately, fully, and in his own way to the Committee. I was not entitled, and it would have been the worst possible way of bringing this thing before the tribunal which was to examine it, to make a mere casual reference to it as the result of a ten minutes' conversation. Whether the Attorney-General was wise or unwise in deciding to await a summons from the Committee before he gave his evidence on the subject is a matter on which there may be some question, but he himself and the Chancellor of the Exchequer now appear to think that they would have been better advised if they had at once asked the Committee to hear them. My view about that is this: I have never seen a sight so painful as the sight of these two men before that Committee in the position in which they were placed—shot at from the dark, no man with the courage to come forward and make a single definite charge against them, and the Press persistent in their charges. All my instincts of fairness led me to sympathise with them, and I am bound to say I should say to them, "I will leave you to take your own course with regard to the vindication of your character, so far as considering whether you will make your statement to the Committee before your accusers are heard, or whether you will make it after the accusation has been made against you."

I should not judge a man in a case like that. It is a perilous thing to disclose your case before your accuser states his. I doubt whether there is any learned Member on either side of the House who has ever advised a client to do anything of the kind. I am not suggesting for a moment that

the procedure of this House and of its Committees is the same as the procedure in a Court of Justice. I have not tried it by that standard, but I do say that the House of Commons and its Committees should be fairer to men accused like that even than a Court of Justice. Do not let us have a lower standard of fairness when we find our public men, who have given their lives to the public service, in a position of that kind. My judgment is that, so far as I am concerned, I would let them take their own time and way of making out their case, subject only to one condition that, sooner or later, before the tribunal which has to consider their case, the whole facts shall be fully and fairly disclosed. I will only add this: I have not had, at any time, any information on any subject which was relevant to the matter before the Committee which was not put before it as fully, and even more fully, than it came before me. Several people have come to me with information—some important and some having more or less bearing upon the work of the Committee—and to one and all I have said, "I shall receive no information which I am not at full liberty to insist on your giving the Committee." That, I believe, is only fair, and if, in the end, every member of the Committee of Inquiry can say he has faithfully done that then it seems to me there is no ground for complaint that information has been received and that the member of the Committee to whom it has been given has not done his duty simply because he did not retail it himself to the Committee. No one else throughout the whole of this inquiry communicated any evidence so far as I know. On various occasions when a member had doubt as to whether certain evidence should be taken or whether it was worth 'while calling some person he has said, "I have received a communication; is there anything in it?" If there was nothing in it, then the matter has not been pressed. Therefore, I think I am right in saying that no communication of any consequence which came to any member was submitted to the Committee, and I do not believe myself that there is any member of the Committee who has any information pertinent to the inquiry which has not been put fully before it.

I now pass to the main purpose with which I rose to address the House. I will proceed to deal with what is called the Majority Report. The hon. Baronet seems to have spent a great deal of time in studying the proceedings of this Committee, both upstairs and in the evidence and Reports, but he seems to me to have omitted to do one thing which I would have suggested should have been the first thing to do, and that is to read the terms of reference and see what the Committee was appointed to inquire into. If the right hon. Gentleman the Member for the

City of London will allow me to say so, I think if he had considered carefully the task which was set to the Committee he would have been better able to understand the limits within which their Report is restricted. I will read the terms of reference; they are very short:—

“To investigate the circumstances connected with the negotiation and completion of the agreement between Marconi's Wireless Telegraph Company, Limited, and the Postmaster-General with regard to the establishment of a chain of Imperial wireless stations and to report thereon, and whether tile agreement is desirable and should he approved.”

Share

Mr. BALFOUR

Does the hon. Gentleman think there is anything inconsistent with that in what I said? It was the Prime Minister who said that the Committee was appointed to look into the question of corruption.

Share

Mr. FALCONER

I will, if I may, make my meaning quite clear. There is no complaint that the Committee did not completely and in a manner satisfactory to the House and the country generally, deal with the contract, and the question whether there was corrupt dealing by the men engaged in negotiating the agreement in the shares of the company concerned with the agreement during its progress, undoubtedly was pertinent to the inquiry and came under our terms of reference. We did inquire to that extent, and on that point there is no question about our Report. I will deal with that later on, but the point I wish to draw attention to now is this. It is said that no condemnation has been passed on Ministers by the Committee with regard to a certain aspect of their transactions which had absolutely nothing to do with the agreement or the circumstances connected with the agreement. I can only deal with that by going through the Report itself. Rightly or wrongly, that is the view we took. I believe we should have made a great mistake if we had constituted ourselves judges of the conduct of Ministers in regard to matters about which we were never appointed, and about which we should have been the most

unsuitable tribunal that could have been appointed. Let me deal, first of all, with Part I. of the Report. I will do so very briefly. Part I. of the Report is generally accepted, but I think it is desirable that the House should thoroughly understand—I am not quite sure that they do—what was the sequence of events that occurred. It was proved that in January or February, 1912, rumours were rife in the City against Ministers, I do not say long before, but certainly before the date when the American transaction took place. The evidence given with regard to that was given by Mr. Harry Isaacs, Mr. Schiff, and others. I think the Noble Lord the Member for Hitchin, himself, in one or two questions, suggested that such was his view. I think that in Questions 6575–7 and Question 4500, he will find that was put to one of the witnesses.

Share

Lord ROBERT CECIL

In which series of evidence?

Share

Mr. FALCONER

I think they are both in the second volume, although I am not quite sure. I do not think it can be doubted that these rumours were in existence before the American transaction took place. The first publication of the rumours took place on the 20th July, in the "Outlook." I do not know whether that is contested, because I did not quite follow the point made by the hon. Member for Bury St. Edmunds (Mr. Walter Guinness) yesterday, and I do not want to do him any injustice. I do not know whether it is contested that the articles written by Mr. Lawson were based upon these rumours. If it is contested, if he will take the trouble to read the evidence of Mr. Lawson himself, he will find he repeatedly justified himself for the article of 20th July and subsequent articles upon the ground that these rumours had been in existence for many months before the date when he first began to write upon them.

Share

Mr. WALTER GUINNESS

Perhaps I may be allowed to say that in the article of 20th July there is no reference to rumours. There is a very strong attack upon the agreement and upon the conduct of the negotiations, and what Mr. Lawson said originally—I do not know what he may have said after seven days' cross examination—was that the reason that led him to take up the matter, not the reason which led him to publish rumours, but the reason which made him study the matter, was the fact of the prevalence of these rumours. He did not allude to these rumours in the article of 20th July in any shape or form, and he only mentioned the rumours for the first time after they had been referred to on the 11th October very fully in the Debate in the House.

Share

Sir A. MARKHAM

May I now give the hon. Member the quotations. He will find them in questions 15,432–15,438, on page 104. [HON. MEMBERS: "Read them."] It is a long series.

Share

Mr. SPEAKER

That deals with a wholly different matter from that with which the hon. Member is now dealing.

Share

Mr. FALCONER

With regard to the answer of the hon. Member (Mr. Walter Guinness), I think that if he will look at Mr. Lawson's evidence—this was not extorted from him by me, for he said this under the kindly influence of the Noble Lord the Member for Hitchin, when he was putting to him various references to the conduct of Ministers made in his articles—he will see that Mr. Lawson justified these statements because of the rumours. They were based upon the rumours, and the only justification for them was the rumours. I admit I am not quite sure when he first said in the articles that there were rumours.

Share

Mr. WALTER GUINNESS

After 20th July.

Share

Mr. FALCONER

I am not dealing with that. The important point is that the rumours were the sole and only basis upon which the references to the conduct of Ministers in the "Outlook" were founded and justified by Mr. Lawson. It is important that that should be understood, because upon Mr. Lawson's foundation, so laid, there was built up a pile of slanders which, I think, has done great harm not only to Ministers, but also great harm to the country at home and also in foreign parts, so far as I have been able to see. None of the others who magnified and enlarged upon these rumours had any other justification. We have had it from the "National Review." we have had it from the "Spectator," who referred to them, and we have had Mr. Lawson quoted as the foundation of these rumours.

Share

Mr. WALTER GUINNESS

May I remind the hon. Member that the then Member for Bow and Bromley referred to these rumours in this House before the "Outlook" had ever mentioned them?

Share

Mr. FALCONER

I am sorry that that has nothing whatever to do with the point I am making. There were references to the conduct of Ministers in the "Outlook," and there were articles of Mr. Lawson which were the basis of charges subsequently enlarged upon and magnified in other journals. That is as clearly proved from the evidence as anything can be proved. I could give the references to the passages, but I am sure that will not be seriously disputed by anybody who will read Mr. Lawson's own evidence. What followed? Mr. Lawson was asked whether the editor of the "Outlook" ever asked him whether he had any ground for the references which he made to Ministers, and we were told that he never asked the question of Mr. Lawson at all. The same Mr.

Lawson contributed to the "National Review." These rumours were again used and references to Ministers based upon them, and the editor of the "National Review" never took the trouble to ask him whether there was any foundation for them. So also in the case of the "Spectator" references were made to Mr. Lawson, who was quoted as a high authority upon these matters, but the editor never took the trouble to ask Mr. Lawson whether he had any foundation for the statements which were made affecting the character of Ministers. I say that is a state of matters of which this House ought to take note. I do not think it is a healthy state of public opinion that editors of papers should consider themselves justified in publishing statements of a calumnious character against Ministers without even taking the trouble to ask their informants what foundation there is for them.

Share

Mr. WALTER GUINNESS

May I ask for the calumny from the columns of the "Outlook," not the calumnies which were extracted from Mr. Lawson by the process of cross-examination.

Share

Mr. FALCONER

I have already explained that I am not guilty of extracting any of these things. If there is anybody responsible for it, it is the Noble Lord the Member for Hitchin, whose fairness has been universally approved from that side of the House. I do not think that there was any process of extraction at all. What is more about these statements, they were deliberately framed so as not to expose the journal to an action at law. The editor of the "Outlook" stated that he was careful not to run that risk, and the owner of the "Outlook", admitted that they did not expose the paper to an action at law.

Share

Mr. WALTER GUINNESS

Does the hon. Member blame me because I said that I did not desire to make personal charges? I said that I would have strongly regretted if any personal charge had been made. When I was asked whether there was any ground for libel, I said I should have very much regretted it upon that ground.

Share

Mr. FALCONER

I am not concerned. The hon. Member really confirms all I said, that the paper was careful, in dealing with these charges to frame them so that no Minister should be in a position to take an action at law. [HON. MEMBERS: "He did not say that."] I will do the hon. Member the justice, and it is right that it should be known, that he was absent from the country at the time. I am not charging him, and I never have charged him, with having been a party to framing these charges. He explained to the Committee that he had either been unwell or absent at the time. I am not making any personal charge against him. What I want to point out is that it is not a healthy state of public opinion, and ought to be condemned as severely as it can be condemned, that charges should be levelled against public men, without any attempt on the part of the newspaper to test whether or not there is foundation and ground for them, and that they should be deliberately framed so as to prevent the persons charged from defending their honour in a Court of Law is an added meanness.

Share

Major ARCHER-SHEE

Say that to the "Daily News."

Share

Mr. FALCONER

Yes, I will say it anyone.

Share

Major ARCHER-SHEE

And the. "Star."

Share

Mr. FALCONER

I will say it to any and every paper if necessary. My reason for referring to it just now is that I think it is important that notice should be taken of these charges in the Report, that condemnation should appear in the Report presented to this House by the Committee, and that this House should take note of it in dealing with the Report. The hon. and learned Member for Kingston (Mr. Cave) made reference to Part I. of the Report. He, of course, began, as everybody has begun, by disclaiming any association with the charge of corruption. His comment upon this part of the Report was that while he approved of the Report of the Chairman, he thought the language of our Report was fulsome. My reason for referring to that is that all the language which is contained in it with reference to this particular side of the transaction is the language of the Chairman. We have set out rather more fully what was the sequence of events with regard to the newspapers, and we have added at the end two paragraphs which I will read:—

“Your Committee further find and report that the charges made against Sir Rufus Isaacs, Mr. Lloyd George, and Mr. Herbert Samuel are absolutely untrue, and that the persons who are responsible for their publication had no reason to believe them to be true.”

If that was our view, as it is my view, is not that a matter which the House should take notice of? This is the further paragraph.

“The Committee cannot too strongly condemn the publication in such a way of unfounded charges against the honour and integrity of public men. The combined and persistent action of the journals named has given widespread currency to a slander of a particularly vile character on the Ministers against whom it was immediately directed and on the whole public life of the nation.”

Is not that true? Is that fulsome? I am inclined to think that is the whole criticism of the hon. and learned Gentleman (Mr. Cave). I wonder why he introduced that word fulsome. Was he trying to use a little of the whitewash which he is so fond of referring to? Was this something thrown to these editors who had been doing work which is disclaimed, but were going to be sheltered and guarded from any criticisms or comment? I am not afraid of references to whitewash, but any word used in this House for the purpose of protecting and sheltering, if not even encouraging those who have been doing this class of work is unworthy of him. If I thought there was any lingering sympathy with work of that kind, I should say that anything that has been done by the Ministers is nothing at all compared with the spirit which is displayed by any attempt to shelter the authors of such work.

I now come to Part II. I ask the House to bear in mind the terms of the reference to the Committee, and I also ask the House to bear in mind my view with regard to the Committee, and it is this, that it should scrupulously regard the limits of its power and jurisdiction. I think every man of experience will agree with that, and particularly in regard to personal matters. What is the criticism which the hon. and learned Gentleman 'passes upon the Report? It is, first, that we omitted to find the facts. I do not think he really can have read the Report. One of the reasons for which I desired to have a material alteration upon this Report, as compared with that of the Chairman, was that I desired to have definite findings with regard to all the material facts. A mere narrative of the evidence which has been given, without point or finding, does not help the House to arrive at a conclusion. The House is entitled to have a definite finding from the Committee. I wish the hon. and learned Gentleman had been here, I would have invited him to point to any relevant and material fact upon which there is not a definite finding in this Report. Whether he agrees with it or whether he does not is another point. More than that, if he will compare it with the draft Report of the Chairman, he will find that on some of the facts which are relevant and material to his arguments there is no definite finding in the Chairman's report, and there are definite findings in the Report of the Committee. I will invite any hon. Member to specify the material and relevant facts which are omitted. Until I receive that I shall pass by the criticism of the hon. and learned Gentleman. Let me come now to the substance of the Report, and I will take it paragraph by paragraph. The first paragraph is a mere narrative of the purchase of the American shares:—

““The Committee find that in these transactions there is no ground for any charge of corruption or unfaithfulness to public duty, or for any reflection on the honour of any of the Ministers concerned.””

That, I understand, is ground agreed. The language is the language used by Sir Edward Clarke, one of the most independent advocates, I suppose, in the history of the Bar. The next paragraph is as follows:—

““In purchasing shares in the American company, Sir Rufus Isaacs acted in perfect good faith, and with a sincere conviction that his personal interests conflicted in no wise with his public duty.””

That is the language of the Chairman which received the approval, as I understand, of the hon. and learned Gentleman with very slight modification, which is wholly immaterial. The same with regard to Mr. Lloyd George and Lord Murray, that they acted in good faith. That also is the language of the Chairman. The next paragraph is:— ”

“The first purchase of shares in the American company took place on the 17th April, 1912, more than five weeks after the tender of the English company had been accepted by the Postmaster-General and its acceptance had been published, and the second purchase took place nearly ten weeks after. Neither of these purchases could therefore have any connection with the negotiations prior to the acceptance of the tender or with the origin of the rumours before referred to, which commenced in December, 1911, or January, 1912, and related to dealings in English Marconi shares during the negotiations.””

That, also, is the view of the Chairman. If you refer to his Report, on page 28, paragraph 2, you will find that he agreed. The next paragraphs, I think, do not raise any material question. Now I come to what is a substantial question. The first paragraph on the top of page 6 says:—

““The Committee have examined the two agreements between the two companies, and they are satisfied that the American company would not have any interest in the agreement. They are not parties to it, and could have no interest in the construction of the stations to be erected.””

What I want to know is this: What is the foundation upon which it is suggested that the American company had an interest in this agreement? Pecuniary interest obviously they had none. They were not parties to the agreement. They had no right to any share of any profit that might be made out of erecting the stations. They had no right to any profit which might be made out of the royalties to be received in respect of the stations. What is the ground upon which it is said they have an interest in the agreement? I am not dealing with the company. The only relevant question is whether they are interested in the agreement. It is suggested that by entering into this agreement the prestige of the Marconi system throughout the world would be so exalted that it would put more money into the pockets of the American company. What are the facts with regard to the American company as stated by us on the evidence, and it is by the evidence that we must go. The American company carries on the business of transmitting messages throughout America and elsewhere, not by way of concession, but by way of open competition, and the profits of the American company depend solely upon the revenue which they derive from the messages which they transmit so far as this agreement is concerned. How are the profits of the American company going to be increased by anything which may happen under this agreement? The prestige of the Marconi system may be as high or as low as you like. They will receive and transmit messages and will be paid for doing so, and their profits will depend upon the volume of the business which they do. Undoubtedly they will have the business of manufacturing instruments and supplying them to ships, but that has nothing to do with the agreement, because the agreement only relates to wireless telegraphy over long distances. It is possible that they might be employed to erect a station somewhere in America, but that is not their main business. Their business is to erect their own stations and work them, and how is that going to be affected, supposing the agreement were torn up to-morrow, or supposing it, were ratified to-morrow? That is a case which has never been met. The hon. and learned Gentleman never endeavoured to meet it he never came within one hundred miles of it.

Share

Mr. WATSON RUTHERFORD

The price of the shares.

Share

7.0 P.M.

Mr. FALCONER

How is the price of the shares affected unless the profits and dividends of the company are affected? The American people and the shareholders in the American company buy and sell their shares according to the prospect of business of the company. If it is the true view of this American business, it is a matter of utter indifference to the American company whether this agreement is ratified or not. I believe that is the sound business view, with the possible exception, I will admit, that the American company might get some advertisement which would enable them to get a contract for the construction of some stations somewhere, but there is not a scrap of evidence to show that there is any such business which would be affected in any way, and when we are considering a question affecting the honour of Ministers you are entitled to something more than mere generalisation. You are entitled to have at least some evidence, and there is absolutely none in the documents before us to support the suggestion that the American company is interested in the fate of this British Agreement. I do not know whether there is any controversy with regard to finding one on page 6. The only point that has been raised upon it is whether the Attorney-General made special inquiry when he purchased these shares. The evidence of the Attorney-General was that he made special inquiry, and he also made that statement yesterday. What he said was that he did not examine the agreement; but surely, when one makes an investment of this nature, he is not expected to get and examine all the agreements of the company! He specially asked a question on the subject, and got a complete answer from his brother, which to him was satisfactory. Had he made a complete inquiry as to the agreement, he would still have found that the American company had no tangible interest in

the agreement. Anything of the kind that might he suggested is of a shadowy nature, incapable of being stated, and no attempt has been made to state it by the hon. and learned Member for Kingston. [An HON. MEMBER: "Over and over again."] Let us come to the third finding:—

“That the American company is a company formed and registered in New York; that its organisation and operations are confined to the United States of America; that it has no interest, direct or indirect, in the proposed agreement with the British Government; and no interest, direct or indirect, in any profits which might be derived therefrom.”

Unless my argument is unsound, that finding is absolutely sound, and unchallenged until someone gets up and does not talk generalities when charging Ministers, you are bound to come down to a definite statement which will stand the test of examination. Take the next finding:—

“That neither the English company nor its managing director, Mr. Godfrey Isaacs, was a party to any of the transactions in question, or in any way, directly or indirectly, interested in them.”

Of all the proceedings in the Committee which, I think, have done most to obscure the real nature of this transaction it has been the elaborate, and to my mind absolutely irrelevant and useless, hunt after something, right or wrong, in connection with the flotation of these shares in this market. As a matter of fact, so far as I have been able to judge—although on that matter I did not think myself bound to form an opinion to present to the House—I have not been able to see any trace of improper payment, improper commission, or improper transaction of any kind. What I wish to point out is what was the actual transaction by the Minister who was concerned. On 17th April the Attorney-General bought, from his brother, Harry Isaacs, shares at £2 a share. These were shares in the American company. At that time the English company had no interest in them—not the slightest—and had no right to be consulted, and were not consulted. Mr. Godfrey Isaacs had no interest in them, he was not consulted, and he did not even know of the transaction. The purchase was purely and simply a purchase of American shares by the Attorney-General from his brother Harry, and it is altogether beside the mark to say that there

was any interest in them except as between the Attorney-General and his brother Harry. The evidence on that point of Harry and Godfrey Isaacs is as conclusive as evidence can be, and the evidence of the other witnesses with regard to the matter, including that of Mr. Campbell and the brokers, is to the same effect. If it be suggested that Godfrey Isaacs and the English company had any interest in that transaction, then I should like to know upon what ground it is suggested. None has been put forward. Now I come to what I think has been the main burden of the complaint with regard to the Attorney-General. The fifth finding says:—

““That in connection with the transaction between the Attorney-General and Mr. Harry Isaacs, neither the Attorney-General, nor the Chancellor of the Exchequer, nor Lord Murray, received any favour, advantage or consideration of any kind, either from the English company or from Mr. Godfrey Isaacs.””

I start with this—that the sale was a sale by Harry Isaacs to the Attorney-General, that nobody had anything to do with it except these two, and that neither Godfrey Isaacs nor the English company had anything to do with it. How are they brought in? If this were some favour given by Godfrey Isaacs or the English company, how is it that they did not even know of the transaction? What is the suggestion? The suggestion is that this was a bribe to the Attorney-General not to discharge his duty, or to use his influence in some way for this company against the Government. Where is there a scrap of evidence to support that in appearance or in fact? There is nothing of the kind. The price of the shares was the market price as fixed between the two brothers on that particular day without any reference to Mr. Godfrey Isaacs or the English company, or anybody else. If hon. Members will read the evidence, they will find that on that day there were some transactions slightly below that price, and some transactions later in the evening, after the American telegrams came over, somewhat above the price, but the material fact is that the two brothers made the market price as they believed it. Is that evidence of giving any favour by Harry Isaacs to the Attorney-General? If the brother was paying in full what the other brother believed was the market price, where was the corruption or advantage? Another suggestion is that this purchase was made on the advice and information of Mr. Godfrey Isaacs. That, I presume, referred to the meeting on the 9th April. Let me point out that Mr. Godfrey Isaacs never gave any advice as to the particular transaction. His advice on 9th April was that

the shares would go to 25s. or 30s. Is that advice to his brother to buy at £2? If that was the view expressed by Mr. Godfrey Isaacs as to the value on 9th April, how is it to be translated into advice with regard to the transaction upon 17th April to purchase shares at £2, which, in his opinion, as expressed a few days before, might go to 25s. or 30s. If you examine the transaction, not with the desire to find something which can be distorted into a presumption against a man, but with the desire, fairly and frankly, to understand what took place between the brothers, any fair-minded man will say that this was a fair transaction between them, that it had no connection with the English company, and that no favour was got.

That was the view of the members of the Committee who approved of the Majority Report. That is my view still. I have heard nothing to displace it, and indeed I have heard nothing worthy of consideration bearing upon it. The old legal principle as to constructive corruption or fraud is not now acted upon in legal tribunals. Nowadays, I understand, the real question before the Courts is whether the transaction is clean, straightforward, and honest, and they say, "We shall allow no presumptions to cast aspersions upon the honesty of a man." That is the practice which prevails now in the Courts, and I think the House of Commons should not be less scrupulous and fair in dealing with questions of this kind with respect to men who have given distinguished public services. No attempt has been made, so far as I know, to suggest that there was any syndicate in which these people were concerned, and I dismiss that. The question was raised in the Committee. I have dealt with all the findings of fact except the last, and I want to ask the attention of the House to it very particularly, for it is one which, I think, Members have failed to read, or, at any rate, failed to understand. It says:—

“On the whole matters relating to the conduct of Ministers which have come before the Committee, the Committee find that all the Ministers concerned have acted throughout in the sincere belief that there was nothing in their action which would in any way conflict with their duty as Ministers of the Crown.”

Does anyone doubt that? I have listened throughout the whole of this Debate, and I have not heard a single word to suggest that these. men acted with anything but the sincere belief that there was nothing in their conduct inconsistent with their duty as Ministers of the Crown. What is

the comment of the hon. and learned Member for Kingston? In his speech yesterday he used these words in regard to the Committee:—

““They concluded by using a very liberal supply of that pigment of which we have heard a good deal in the last few days, a pigment which does indeed produce a white surface, but does it not by any process of cleaning up, but by covering up.”—[OFFICIAL REPORT, 18th June, 1913, col. 404.]”

The Committee was appointed by this House, it has carefully considered every relevant fact, and it has produced a Report. I do not think any Member of this House is entitled to use, with regard to his fellow Members, language of that kind without giving some support for it. Where is the touch of the whitewashing brush? I am sorry that the hon. and learned Member is not here. I will invite any Member of the House to tell me what is the passage in that Report for the whitewashing of Ministers, to which he takes exception.

Share

Mr. DUKE

The hon. Member's last passage, in which he finds upon a matter which was not in question, and does not find upon the matter which is now engaging the attention of the House, and which it is said is the subject of expressions of regret, is one which can be pointed out.

Share

Mr. FALCONER

I thought that would probably be the answer. The hon. and learned Member is now saying something which the hon. and learned Member for Kingston never suggested. His suggestion was that there had been a process of whitewashing, and a liberal using of a pigment which I thought would be found in the Report. I will deal with the suggestion made. The suggestion now made is that this Committee ought to have dealt with the conduct of Ministers in regard to matters which, to my mind, are absolutely outside the reference to them. We have found that these transactions—I do not think anybody can dispute it—had absolutely nothing to do with the negotiations for the agreement. The suggestion is that this Committee, appointed for

dealing with these questions, should have entered upon those other questions which have been occupying the time of the House yesterday and to-day, and should have expressed an opinion upon the conduct of Ministers with regard to these matters. If the Committee had undertaken any such task they would have been travelling entirely outside the bounds of what was committed to them to be dealt with, and I think would have been doing something very unwise and very improper. I will tell the House exactly what passed through my mind in drafting that last clause. I was perfectly well aware that matters had come before the Committee which were outside the scope of its remit, and I considered very anxiously whether there was any passage which I could put in with propriety, which would deal with those matters without doing injustice either to the House or to Ministers; and when I came to consider that I was going to reflect upon the conduct of men—I will not say in the position of these men, for I believe that I should have felt the same if they had been the humblest Members in the House—I had to put to myself: What is the standard which is expected by which I was to judge them, and where was I to find it? False weights are an abomination. If you are going to have any false standard, by which to try the lives and characters of Members in this House, then you would be doing an evil which you would never be able to undo, because you would be casting a stain upon these men which you could not remove.

I searched through the Debates which have taken place in previous cases. I am a comparatively young Member of this House, but I was doing my best to ascertain whether I could find in those Debates any rules or canons laid down which I might say were generally accepted, and were applicable to this case. I failed completely, and I think that the Debate which has taken place here has shown that, judging by the old canons so far as they have been generally accepted, it would be impossible for me to find that these Ministers had infringed them, and the conclusion I came to was—and I believe this was the view of the other members of the Committee who support this Report—that the old canons would no longer hold good, having regard to present day requirements. If you talk to me about being interested in transactions which might conflict with your duties, I say that in the very first case I opened up I found Cabinet Ministers of the Crown directors of companies which engaged in transactions of magnitude with the Government. I am not wanting to cast reflection on people. This is not for the purpose of angry controversy, for that has been excluded from this Debate, but I want Members who have been so

ready to find fault, I think without consideration, to understand the difficulties they would have to face if placed in my position. I find that the Prime Minister to-day suggested an illustration where a Minister might be concerned in a transaction of the Crown. and everybody who knows anything of business knows that that may be the case any day. I found a transaction of this kind. I also found another case where it was laid down that a Minister should not be interested in a company or a director of a company whose profits or dividends were dependent upon contracts with the Government.

That, to my mind, does not apply to this case at all. The fact is that the standard of public opinion has been advancing upon this question, and this is a question not for any Committee to settle upon old rules and debates, for there have been no absolute rules, but merely such as were gathered from expressions of opinion on one side or the other, but a thing for the House to take into cognisance and deal with according to rules which it sees fit either to lay down or to apply. That was the reason why I felt myself unable to join in any Report which would express either condemnation or approval of Ministers with regard to these matters outside the remit which was made to this Committee. Our Committee, in its course, travelled so far and so widely, and so completely lost sight of the terms of the remit that I dare say people have got to imagine that they are entitled to do anything and everything. As the hon. Member for Mansfield says, what he wanted was the truth—I suppose the universal truth about anything or everything which they might see fit to express themselves upon. That may be so, but I shall stand judged by this House upon that question and that question alone. It was not for us to enter upon matters which were not referred to us, and particularly matters which laid down principles of vast importance not only to the men concerned, but to all Ministers and all Members of this House for the future. This Committee of ours was not the Committee which would have been appointed for that purpose. You would not have had a Committee composed as ours was composed. You would have had men who had been leaders of this House on both sides, high authorities whose judgment upon such questions would take account of all past, experience and take account of all possible necessities which Ministers in their Departments alone can fully know.

Suppose we said, "We have judged this case by following rules which we have laid down," laughter and scorn would have been poured upon us if we had taken upon ourselves such a duty. Reference has been made to the proceedings of the Committee. I am very unwilling to

enter upon them. I will content myself with saying that from beginning to end of this Committee it has been my endeavour to ascertain the truth with regard to the facts remitted to it. I made this offer to the hon. Baronet the Member for Mansfield, and I make the offer to anybody else: If anyone says of my conduct with regard to the examination of any witnesses that he has any fault to find: I would invite him to put the question which I put and to which he takes objection. It was my duty—I could not help it—to examine Mr. Lawson at considerable length; but he had given evidence at great length, he was protected by counsel. So far as I remember, his counsel was there all the time, and he never objected to a single question, except one, which was on the ground that he did not have the material with which to answer at the moment, and it was agreed that he should have time to get it. I defy anyone to find a rude or personal remark or reflection upon Mr. Lawson from beginning to end of that transaction. I will do more: I defy anyone to find a question as to which he will say that it was not put with an honest desire to obtain what I expected to be the truth with regard to the particular matter to which I was inquiring.

If I remember rightly, the only complaint Mr. Lawson made was that one day he complained about some particular question, and when it was gone into it turned out that he thought that I had asked the question which had been put by his own counsel and the complaint which he made dropped to the ground. Personally, I do not like all these things, but I know perfectly well the kind of thing that has been said and I want the House to know, if I am going to remain in it, the reasons for which I have taken a particular line upon a particular question which interests and concerns the House; and if any Member considers that in any question which I have put there are any grounds of complaint, if he will point them out to me, I will be glad to deal with them. But whatever may be said with regard to that, it must undoubtedly be admitted that that Committee of ours was not a Committee that was appropriate for the purpose with regard to which this Debate has proceeded. I must apologise for the time that I have taken up. I am sorry for having to do it, but personal questions mixed up with business questions have made it necessary to make myself perfectly clear. I have stated fully and frankly the spirit which inspired me, and I believe all the other members of this Committee who sit on this side, and I leave it to the judgment of the House whether the Report which we have brought in, if rightly looked at and

restricted to the matters which were properly referred to us, is not a true and just finding upon the questions with which we had to deal.

Share

Mr. DUKE

I am sure, that the House will not grudge the hon. Member who has just sat down the demand upon its time which he has made for his careful examination of the Report for which he and one of his colleagues in this House now are held mainly responsible.

Share

Mr. FALCONER

If the hon. Member will allow me, the responsibility for the Report is mine. I moved those Amendments. I had discussions I think with all the Members, just as the Noble Lord the Member for Hitchin spent hours in discussing, but the responsibility for the Amendments is mine.

Share

Mr. DUKE

That emphasises the observation I was making, that the House would not grudge the hon. Member the time he has given in dealing with this Report, for the vital portion of which, the hon. Member says, he is directly responsible. The hon. Member is upon his defence. I am dealing with the matter with which the hon. Member has been dealing. I do not propose to be diverted from the observations, in which I expect not to make a great demand on the time of the House, by casual observations thrown in for the mere purpose of interruption. We all of us watched with the closest care the performance of those duties which the hon. Member was performing during the taking of evidence before the Committee, and as one who has known the hon. Member for many years and respects his ability, and for many years has been engaged in the conduct of litigation and the taking of evidence, I frankly admired the attention and the grasp which the hon. Member displayed in those difficult cross-examinations which he conducted. For my part, with a great deal of care and some examination of the proceedings at the Committee stage, I think that the hon. Member is justified in saying that persons who take a broad view of these

matters ought not to complain of the course which he took at that stage on the Committee, but when I came last Friday evening to read the Report of the hon. Member it gave me one of the most painful personal shocks I have ever received in this House, and the country has been devoting attention, since at any rate our present knowledge of the facts was acquired, to recent facts which brought two Ministers of the Crown yesterday, two Ministers of admired ability, who enjoy the confidence of their own Friends and have enjoyed the confidence of their opponents personally brought those two Ministers into a most humiliating position; and the hon. Member and his colleagues presented a Report to the House which sought to give the go-by in the face of the country to that mass of facts which has engaged this House now for two nights in one of the most painful inquiries it has had to make in recent times.

I can only say that the House derives no assistance from, and the country is likely to be misled by, the course that the Members responsible—I am sorry to hear, after careful consideration, of what they would do—have taken in the second part of their Report, to which the hon. Member has devoted so much of his time. I thought at first that the view of the hon. Member was that those matters were outside the scope of the inquiry. Why did they report upon them? Why did they not say to the country, "Matters have arisen which may be of public moment, but they are not within the scope of the inquiry?" But they proceeded, in terms of exultation, of vindication, and almost of glorification in regard to the right hon. Gentlemen whose conduct is to be decided upon, not by a passionate verdict of the House, not by a partisan verdict of the House, but by a verdict which shall be in the permanent interests of the country, in respect of matters upon which the men in this country feel a more tender consideration than they do about almost any other matter in public life. For my part, I regard the second part of this Report as a contempt of the House of Commons and an affront to the intelligence of its Members. I do not propose to take the numerous paragraphs of this Report, but I will take two of them. I will take the paragraph on which I was challenged by the hon. Member, and I will take another paragraph in which there is an economy of truth, the most stringent I have ever seen. I take the paragraph on which the hon. Member challenged me.

Does he see that in it he vindicates the Ministers whom he heard, and the Minister who did not think fit to come back from Bogota or Quito, or some equatorial district, in order to maintain the honour of his party, his office, and his country. Does the hon. Member see, or will he see when it

is pointed out to him, that the House and the country have not yet a word from Lord Murray as to the extent of his dealings in these matters, and that that has done an injury to the party opposite which they do not deserve, and has done an injury to the public life of this country which it does not deserve. Do hon. Members opposite think that they have a monopoly of pride in our reputation for political purity? Do they think it is any gratification to be met by critics in Paris and Berlin with the observation, "This is your Panama?" When the hon. Member founds himself upon this Report and this certificate to Lord Murray, when he has not heard him, it is a great encroachment upon the forbearance of this Assembly. I pass to another matter, which I think, upon consideration, will be seen to be one of the vital facts in this inquiry. That is, what was the time at which the contract was concluded, during the negotiations of which it is alleged that Ministers of the Crown acquired a personal interest in the fortunes of the other contracting party. What was the point of time? We know now that contract is not yet concluded. We know now that it cannot be concluded until this House has passed its decision upon it, and we know that the decision of the House is lamentably complicated by these transactions, these personal interests, which have engrossed the attention of the country, which have disabled the Attorney-General from advising the Government upon that contract, and which, it seems to me, have done injustice to the other contracting party, and very possibly to the great interests of the State in the matter of national security and Imperial Defence. If I speak with a little warmth I do not speak with any personal feeling. The warmth is wrung from me by some of the incidents that have occurred. What was the position of the negotiations? In the fourth paragraph of the second Part of the Report this is the manner in which the hon. Member who sat on a Committee to ascertain the truth and the relevant facts, disclosed to the country so much of the truth as he thought essential to disclose on that matter. The Report says:—

"The first purchase of the shares in the American company took place on 17th April, 1912."

Then it deals with the point of time at which this transaction began, and goes on to say:—

"More than five weeks after the tender of the English company had been accepted by the Postmaster-General and its acceptance had been published."

In the popular sense that is true. [HON. MEMBERS: "Hear, hear."] I know that hon. Members would not have put that into the Report if it would not bear that test, but **the question is whether it is the part of the truth that matters.** The part of the truth which matters is that the tender which was accepted provided by a definite clause that the agreement which would ultimately be made should contain not merely **undertakings and conditions specified in the tender,** but such further conditions as might be thought necessary or desirable. Then the hon. Members, one of them a member of the legal profession, stated to the public the fact of the tender and acceptance, the only inference from which—when they withheld that fact—was that the tender and acceptance made a contract. That is very clever, but it is not fair play to the country.

Share

Mr. FALCONER

My view of the matter has always been clearly stated, that it was an **acceptance of the tender conditional upon the execution of the agreement.** I am still of the same opinion. So far as this particular clause was concerned it is not material to the question when the terms of the agreement were published so as to affect dealings on the Stock Exchange.

Share

Mr. DUKE

There is no agreement. The hon. Member is a lawyer and he will not venture to say here publicly that he believes there is an agreement.

Share

Mr. FALCONER

I said that I thought there was not a final agreement, that there was not a. concluded agreement, and that view I have consistently maintained. The views of hon. Members on that side have varied according to the necessities of their case.

Share

Mr. DUKE

I will not be drawn aside to exchange irrelevant political personalities. The hon. Member did not believe that there was an agreement. What did he tell the country about it? For what purpose did he tell it to the country? What was his purpose in regard to his political opponents, and what was his purpose with regard to his political leaders? There not only was no agreement, but it was notorious that there was, no agreement. The hon. Member saw the terms of the acceptance of the tender, which made it clear that there was no agreement. The hon. Member had heard from the Postmaster-General a series of answers to questions which the Postmaster-General gave before the Committee, and the Postmaster-General had stated in this House over and over again that there was not a concluded agreement. The Postmaster-General said that it was only the final agreement, the completed transaction, which could be submitted to this House for its consideration so recently as three or four days before the date when the signatures were exchanged, and there was an agreement subject to ratification by this House. I do not intend to waste more words upon that transaction. I can only say that I am not amazed, bearing in mind the painful process and progress of the disclosures in this case, that plain men, when told what the facts are about this alleged agreement, can see, as an hon. Member stated last night, that the Committee "felt its party responsibilities." It is a misfortune.

Many things have happened in the course of the last few years that many of us deplore to the bottom of our hearts, because if there has been a legitimate cause of pride on the part of any Englishman, it is centred in public matters in this Assembly. I trust, as there cannot be any judgment of this House upon the temper and conditions of the Committee, that before this Debate closes we may have some expression of regret that the hon. Members should have thought fit, in a matter of this grave public interest, as well as of party interest, to present to the House of Commons a Report which departed from the truth, and which concealed the facts. I should have been content to vote for the Report of the Chairman of the Committee, who has shown some regard for the conditions of public life and for the security of the public honour. He has not shut his eyes and deafened his ears to these matters in regard to which the inquiry was held. There are some aspects of this matter which are as painful to me as any matters which my own family life could be, and I should have been glad to close this discussion by accepting

frankly the moderate, the generous, and at the same time candid and honest Report of the Chairman of the Committee. If it is not an impertinence on my part, I venture to say that there are many in this House, and many in the country, who differ from him in point of politics who are grateful to him because of the stand he made when the party bell was rung in that Committee and declined to be a party to this transaction, with which now I have done.

I must say a few words about the real questions in this case. The question of time was the question, When had the negotiations of the contract ceased? They had not ceased till July. The point of fact is when did the Members of the Government acquire the interest which they did acquire in the fortunes of the contracting party other than the Government? With regard to the point of time, it is impossible to shut one's eyes to the series of events in this case. You take, first of all, the flotation of this company, **the flotation by the British Marconi Company of the American Marconi Company.** The assets of the company, so far as they were tangible, had been bought for £160,000. The company was floated with a capital which exceeded a million of money, and all that there was, except the tangible assets, between the parties on the flotation was an arrangement with another telegraph company in America, which might turn out well and which might turn out ill. One of the observations of the Attorney-General with regard to his original refusal to embark in that undertaking was an observation upon the very large amount of the capital which it was proposed to call up from the public—that is, as to substance. What was it was done with it? It was a company placed by the general manager of the British Marconi Company and in the course of it he placed 100,000 shares which were left to him. He approached his brother, the Attorney-General. I am not going to remark upon that fact, except to express my satisfaction that the Attorney-General at that time acted upon a sound instinct, that sound instinct to which the country owes it that we do not have even once in a lifetime such a Debate as it has become a painful necessity to have here on this occasion. It was the magnitude of the capital—what was going to be done with it? It was going to be floated in upon the Stock Exchange in the greatest gamble of modern times. There were a group of companies, associated companies, and the shares of one of them had run up from £1 to £9. They had increased in Stock Exchange value, in their attractiveness and danger as a speculative counter, by 900 per cent. upon their face value.

Share

Mr. FALCONER

The hon. Member is entirely mistaken. The figures he gives have no bearing whatever on the American company.

Share

Mr. DUKE

I was not talking about American companies. I was speaking of this body of speculation on the Stock Exchange which the American company was destined to join, and for the purpose of which, in part at least, this gigantic flotation, I think £1,200,000, in face of the assets and of the contract, was arranged for. I was speaking of that body of speculation.

Share

Mr. FALCONER

That is American capital.

Share

Mr. DUKE

There were several of these companies. They all took part in the same set of fluctuations on the Stock Exchange. The Attorney-General in the course of his examination made two illuminating statements about that. He said that they varied in their prices together—that is, that they rose and fell together almost always. [An HON. MEMBER: "No."] Really, it is hardly decorous that Gentlemen should interpose observations of that kind without knowing whether they are correcting truly or correcting inaccurately. I have got the statement of the learned Attorney-General here on that subject, and on page 22 of the first section the hon. Member who thought fit to contradict what I have said will find this: The question was:—

“"They moved sympathetically."”

And the answer was:—

““Almost always.””

That is this large body of companies into which the American speculation was introduced. That is the grave side of this matter. The Attorney-General added this, and it is on the same page:—

““There was a large over-speculation in all of them.””

That is the state of things with which Ministers of the Crown come to deal. There is the picture which one has drawn of the occupations of Ministers in their busy times and in their spare times. I notice that some of these transactions coincide in date with the vital date in the fortunes of the Welsh Church Bill. Hon. Members may perhaps doubt that, but I took the trouble to see what the House of Commons was doing on the various dates when those speculative bargains were made, and it is not irrelevant to this inquiry. Ministers of State are the servants of the public, and if in a time of catastrophe such as that which followed the "Titanic" disaster, and the first of these transactions was within two days of it, or a time of conflict such as that of the Welsh Church Bill [Laughter.] That levity well becomes some Gentlemen who propose to deal with the Church in Wales. In such a time of conflict as that, Ministers of the Crown are found using their telephones and their secretaries and their telegraph service for the purpose of engaging in a wild speculation in what became a wild speculation on the Stock Exchange, and they cannot wonder if there is comment about it.

That speculation at the time of these transactions had not become a matter of investigation at all. There is a statement of Mr. Godfrey Isaacs with regard to the period when he returned from America in which he says that he had then been informed of a combination of opponents of the Marconi Company with whom were connected, he said, people of position in the world at large, and even Members of this House, who were bent on preventing the ratification of the contract. Here were shares which were not actually issued at the time, and which had run up from £1 to £4 to in a body of speculation in which this company and others were engaged. It was nothing but speculation at that time. Then during that time in that wild speculation, and in the crisis which had begun in the fortunes of this company, the American company and of the Marconi

Company, because the refusal of consent to this agreement in the House cannot but be a crisis in the fortunes of the Marconi undertakings as a whole, it was at that period that hon. Members bought their shares. They have been treated as if the purchase were a slight purchase. There were 16,000 shares which were not bought for less than £32,000, and which ran up in speculative value to £64,000, and if they shared the fate of the Marconi shares, the shares of the parent company, they might very well have run up to £160,000. That is not a slight matter. It was at that time, we were challenged with the suggestion, that we showed no relation, no real relation, between the American Marconi Company and the English Marconi Company. There was that Stock Exchange relation about which there cannot be the least question. It was one common speculation in which the various counters improved or began to depress together. As to the real relation, the English company, or the parent company, at the time of this purchase was engaged in completing the subsidiary companies. They were to work one common set of patterns, and when the Attorney-General was asked in the House whether the rejection of the Marconi Agreement might have prejudicially affected the interests of the American company, the right hon. Gentleman replied that it might. It does not seem to me after that it is necessary to cite or to examine the details of the transaction to see whether the right hon. Gentleman was right. The right hon. Gentleman said it might have prejudicially affected the fortunes of the American company. At that time, when the fortunes of the American company might have been affected, these purchases were made. The right hon. Gentleman said something more. He said with regard to the dealings of himself and his colleagues in those shares yesterday, in the hearing of us all, if those dealings had not been disclosed to Parliament before the ratification of that contract, Members of the House of Commons might well have complained. What steps did Ministers take to disclose them? If this House had been led to accept that contract, the contract would now have been one of the obligations of the country, perhaps for its good, perhaps for the betterment of its defences, but I venture to say we never should have known of this indiscretion of three Members of the administration.

8.0 P.M.

That is the seriousness of that statement, that it must be that the thing should be disclosed. We were told of it last night, but has there been anything in the history of this House or of its Committees, or its dealings with its Members, which in recent times Members have regretted,

much more than they have regretted, that two men whom everyone of us admire, and whom none of us think to be capable of corruption—[A laugh.] Somebody, apparently one of the Irish Friends of the right hon. Gentlemen, wonders that that should be so. I said that it was a painful incident in the history of this House that, take it if you will, as the result of a chapter of accidents, the House never knew the facts as we know them now till a stockbroker became bankrupt. Ministers made themselves the judges of what degree of disclosure there should be to those who represent their masters. They had not the wisdom to disclose to the Leader of their Administration, the Leader of the House, the Prime Minister of the country, these facts which may be made to bear a most ugly aspect, and as to which they knew, and he knew, and I believe upon their assurance and his assurance everybody except vehement and violent partisans would have believed, as everybody except those persons believed now, that there was no tinge of corruption, that there was nothing more than the most absolute unwisdom and carelessness. I pause for a word on that subject. If I thought that they were corrupt dealings, I hope that I would not hesitate to say so in this House? But it is a great satisfaction to me to feel now, having heard the rumours and seen what has been printed, that with a very long knowledge of the Attorney-General, and from political conflict with the Chancellor of the Exchequer, I find my mind impregnable against the suggestion that there was any corrupt intention on the part of either of those Ministers. That is my position. I could not believe it, if I tried to do so, because of what I know of the men?

But that does not make this transaction a transaction proper to escape from just observation in this House. This thing has been, I will not say stifled, in the Report of a Committee of this House. The facts have been ascertained, and they are before the House. The facts have been in substance admitted by two Ministers. The question here is whether the House should take note of their explanations. I confess that I did not hear very clearly those expressions of regret to which reference has been made this afternoon. But taking it that there is regret, this House is never ungenerous in a particular of that kind. The question is whether the House should take note of these expressions and pass on to its other business, or whether in this case it is bound, as the guardian of the public honour and of the public interest, to place upon record somewhere, some expression of its own view upon a set of facts indisputable and indisputably wrong, and as to which a Committee of this House has sought to blind the knowledge, and to

defeat the judgment of the country. I would be glad for myself, personally, if I could consent to some course which made a happy end of this matter. Certainly, the proposal of my right hon. Friend, of whom one has been proud so long as Leader, that there should be an accommodation, that we should join our forces and agree upon a conclusion in which not only we, but the country, will agree, seemed to me to be a statesmanlike proposal. But the responsibility rests with Gentlemen on the other side of the House. If they think fit to endorse the Report of this Committee, such as it is, and to make themselves parties with that Committee in refusing to recognise the character of these foolish transactions, then, as my right hon. Friend said, it is not we who will suffer by such a course. But for my part I desire no such gain. The heart of any man who has been accustomed to the struggles of professional or public life must have been wrung by the position in which two of our colleagues in this House were placed last night. They passed out of this House amid the enthusiastic plaudits of their Friends on those benches. What the country will want to know is whether their party Friends were applauding their political leaders, or condoning the personal indiscretion to which they had confessed.

Share

Mr. ATHERLEY-JONES

During the many years that I have been a Member of this House, I have seldom listened with greater pleasure than I did this afternoon to the speech of the right hon. Gentleman the Member for the City of London (Mr. Balfour). It was a speech which was generous as well as just. The right hon. Gentleman reduced to their proper proportions the elements in this unhappy controversy. I do not rise for the purpose of discussing again the merits or demerits of the transaction, which have been so fully dealt with by previous speakers. My only claim to appeal to the House is the length of my membership. It is not only a question of the reputation of Ministers of the Crown and servants of the king in the eyes of this country, and in the view of most civilised nations, but the hurt which is inflicted upon this House is a wound inflicted upon ourselves. It is an injury to this great institution, and to the principle of constitutional Government that it should go forth to the world that Ministers of the Crown are arraigned for improper conduct in relation to commercial transactions. That nice discrimination which we in this House are able to apply to the particular merits and details of matters under consideration

cannot be applied by the public at large. If the censure of the House is passed upon a Minister of the Crown, I think all hon. Members will agree that it is the most terrible engine that can be employed against a Minister. The censure of this House, as everybody must recognise, does and must involve discredit to English Ministers, and their removal from the position which they hold. Much as I agree, and I do agree in general terms, with the view expressed by the Resolution of my hon. Friend opposite, in substance it must be obvious to every man on that side of the House, as indeed it was to the right hon. Gentleman the Member for the City of London, that the adoption of that Resolution, however much you may tone it down, prune it, or try to temper its language, would be a censure upon Ministers of the Crown. I hope it is not beyond the powers of the Prime Minister and the resources of the Leader of the Opposition to find a form of words—it is not for me to presume to suggest one—which will be acceptable to both sides of the House. The right hon. Gentleman the Member for the City of London clearly demonstrated that the whole charge of nefarious conduct, the charge of corruption, disappears. All that remains is error of judgment. Is it a reasonable thing to visit with the censure of this House an error of judgment? It is, I understand, conceded by the Noble Lord the Member for Hitchin (Lord Robert Cecil) that there is no charge whatever of misconduct in its grosser form against either of my right hon. Friends.

All that remains is indiscretion, error of judgment, want of thought, folly, or what not. All that remains is a lack of due judgment in what they did. It is perfectly true that the allegation of want of frankness was also made. I do not shrink from that. I am not a servile follower of my party, and I would endeavour, if I could, to admit frankly and freely any allegation whatever which I thought was established. Was that reticence a deliberate reticence? Yes. The Attorney-General told us that it was a deliberate reticence. But we know that it was a reticence intended in view of the fact that they were shortly to give evidence before the Committee. Even if that were not so, was it not extremely natural that when all these hideous rumours were flying about the Attorney-General and the Chancellor of the Exchequer should shrink from adding fresh fuel to the flames before the opportunity was afforded of a full and free investigation by the Committee? I welcome very much the concluding words of the speech of my hon. and learned Friend opposite (Mr. Duke). I know that hon. Members opposite are as much concerned for the honour and dignity of our public institutions as we on this side are. I appeal to them not to

discourage or hamper any effort which may now be made for the purpose of bringing about a peaceful settlement of this unhappy controversy. They may be too hard upon Ministers. I quite agree that it was a very melancholy passage in Parliamentary history that two Ministers of the Crown of high degree should have had to stand on the floor of the House and plead their cause. That is a spectacle which I hope I may never see repeated during what remains to me of my Parliamentary career. It is the first time I have seen such a thing, and I hope it will be the last. You may call it an ordeal, or experience, or whatever term you like, but the experience or ordeal through which these right hon. Gentlemen have passed during the last few weeks, or, you might say, months, has been unparalleled in the history of the Parliamentary institutions of this country. Is it reasonable for hon. Gentlemen opposite to add further to the indignities which have already been imposed upon them? I, therefore, appeal to hon. Gentlemen opposite—and I have only risen for that purpose—that if their Leaders, as I hope they are, are now endeavouring to arrive at terms which are mutually acceptable to both sides of the House, and which will be congenial, or, at all events, not an outrage on the feelings of those principally concerned, to lend their assistance to the solution of what is not merely a personal but a national question. In these rapid days, as a really old Member of the House, may I appeal to both sides, and to all parties in the House, to strengthen the hands of the Leaders in endeavouring to provide a solution of this question, so that these two right hon. Gentlemen may return to this House with no greater reflection upon the high character which they have admittedly enjoyed during the time they have been in this House than they have had, seeing that they have passed through an experience which I trust may never befall any Minister in the future?

Share

Mr. OLIVER LOCKER-LAMPSON

Some remarks were made about me some time ago by the hon. Baronet the Member for Mansfield (Sir A. Markham). I feel that I should like to reply to them, although their bearing on the question under discussion may be considered to be rather remote. The hon. Member for Mansfield, first of all, attacked me in regard to certain facts connected with an action I am

bringing. I have always believed that it was a rule, or, if not a rule, at all events a custom, of this House not to discuss an action *pendente lite*. In this case my rights in the action stand to be jeopardised—

Share

Sir A. MARKHAM

You have only £1 in the company.

Share

Mr. O. LOCKER-LAMPSON

That is absolutely untrue.

Share

Sir A. MARKHAM

You have bought ten shares since.

Share

Mr. O. LOCKER-LAMPSON

That is an absolutely false statement. In any case the discussion of this case here is likely to do me damage in a Court of Law, and the hon. Member has absolutely no right to make that sort of statement. If he made it outside it would be possible for me to deal with it. He says that I bought shares under these conditions, and that I issued my writ during the Chesterton trial. Both statements are absolutely false. Then the hon. Baronet went on to state or to suggest that my action in itself is frivolous. In reply to that I would point out that in the judgment of Mr. Justice Phillimore in the Chesterton case, the judge indicated that an action exactly similar to mine would lie. I refuse to discuss any further the matter, and I regret that the hon. Baronet should have been prompted by an hon. Member, who is a barrister, and who has just come in, but who had not the courage to get up and himself discuss a matter which is *sub judice*, and which he has no right whatever to discuss at all. That is the first point. The hon. Baronet challenged me, and quite rightly, on the fact that I had assisted Mr. Chesterton in his trial. I

suppose he thinks that there is something rather disgraceful in having assisted Mr. Chesterton. There is not only nothing disgraceful in having assisted him, but I am particularly proud of the fact that I did. I should like to explain the circumstances under which I did assist Mr. Chesterton. I am willing to assist him again, and hope to do so in the future. There were various libellous statements made against Ministers.

Share

Sir A. MARKHAM

Yes, thieves and swindlers.

Share

Mr. O. LOCKER-LAMPSON

Who said that?

Share

Sir A. MARKHAM

Chesterton and his crowd.

Share

Mr. OLIVER LOCKER-LAMPSON

He may have said it. There were other libels made as well. There were statements of a rather strong character in the "National Review," and in the "Outlook." Those statements were made, and no action was brought against those two papers.

Share

Mr. HEMMERDE

It would not lie. No action would lie against Mr. Maxse.

Share

Mr. O. LOCKER-LAMPSON

Why not? Why would no action lie against the "Outlook"?

Share

An HON. MEMBER

Have you seen the "Outlook."?

Share

Mr. HEMMERDE

In answer to the hon. Gentleman, let me say I have never seen the "Outlook" in my life.

Share

Mr. O. LOCKER-LAMPSON

I am told that statements were made elsewhere.

Share

Mr. HEMMERDE

The hon. Member for Bury St. Edmunds said himself that no action would lie. I do not think, as a matter of fact, that an action would lie against either of these two defendants. I did not catch the hon. Member's remark about myself as I came in. Perhaps he will tell me what he said.

Share

Mr. O. LOCKER-LAMPSON

I shall be very pleased to tell the hon. Member. What I was saying was that the hon. Member prompted the hon. Baronet in regard to my action, and I said it was a great pity that the hon. Member had not himself the courage to speak about my action, which being *sub judice*, and he, as a barrister, knows should not be discussed at all.

Share

Mr. HEMMERDE

The hon. Member appeals to me as a barrister, and I can only say that perhaps I ought to know more about the matter than a layman. As a matter of fact, I just prompted my hon. Friend the Member for Mansfield, because he seemed to have forgotten a certain fact. In this matter, or in any matter that is *sub judice*, I am perfectly at liberty to speak in this House upon the question. This House cannot possibly be shut out because an hon. Member thinks he has got some action which is *sub judice*, or merely because of there being some rule of the House. I am perfectly willing to permit any Member of this House to say anything, whatever there may be in the Courts.

Share

Mr. O. LOCKER-LAMPSON

I am much obliged to the hon. Member for his observations. He says that there is no rule in this House that an hon. Member must not discuss an action which is *sub judice*. That is perfectly true, but there are some hon. Members who are honourable and just, and who have a nice sense of duty in a matter of this kind, in which the disparagement of a Member of this House is concerned. I myself have deliberately, on an occasion when I had the opportunity of discussing such a matter, refrained from doing so, except — —

Share

Mr. HEMMERDE rose — —

Mr. DEPUTY-SPEAKER (Mr. Whitley)

The hon. Member must really wait until the opportunity arises. He cannot take up half the time of another hon. Member.

Share

Mr. HEMMERDE

On a point of Order, Mr. Deputy-Speaker. I simply rose because the hon. Member who is speaking blamed me for not having got up in my place and spoken before in the Debate. I have not had any opportunity.

Share

Mr. DEPUTY-SPEAKER

The hon. and learned Gentleman has been up several times interrupting. He had better wait..

Share

Mr. O. LOCKER-LAMPSON

:I said, and I repeat, that the hon. Member for North-West Norfolk has not had the courage himself to speak upon the matter which is *sub judice*.

Share

Mr. HEMMERDE

I say that is absolutely untrue, and nobody knows it better than you.

Share

Mr. O. LOCKER-LAMPSON

I think it is a great mistake on the part of the hon. Member who holds a position at the Bar. Now, coming to the question with regard to the trial of Mr. Chesterton on which the hon. Baronet challenged me. Mr. Chesterton is not a Unionist and not a Liberal; he is a Socialist; he is supported by no party and by few people. He made certain statements which not only I regretted, but which I told him I thought were indefensible in the extreme. Mr. Chesterton attacked Ministers in a way anybody must regret. He went beyond the legitimate limits of controversy. I was approached by friends of his in order to assist him. On the one side there was Mr. Chesterton, a solitary journalist belonging to no party, to no section, to no faction. Pitted against him were the millions of the Marconi Company and the huge influence of the Liberal party. I was asked to give some assistance to Mr. Chesterton. I did my best to get him to apologise. I said I felt he had no right to make the statements he did about Ministers of the

Crown holding office at the present moment. I did my best to get him to apologise for statements which contravened what was right in regard to them. He absolutely refused. I then saw his father, and he explained that if he had to fight a case of this sort on behalf of his son it would mean the sale by him of the only property he had got. After that I did my best to help Mr. Chesterton and to enable him to put up a fight in the Courts, and not be compelled to stand up unaided against trained counsel at the Bar and be smashed to atoms. I not only am not ashamed of that action, but I am proud of it. I would do it again. I did it without any political motive whatever. I did it in the interest of what I believed to be right, because I believed no harm could come from threshing out these matters in the Law Courts as in the House. And in this connection I picked up a book in the Library— "Nicholas Nickleby." I think this passage explains my position generally, and I read it in explanation of the attitude I have adopted and shall continue to adopt:—

“Speculation is a round game; the players see little or nothing of their cards at first starting; gains may be great—and so may losses. The run of luck went against Mr. Nickleby; a mania prevailed, a bubble burst; four stockbrokers took villa residences at Florence, four hundred nobodies were ruined and among them Mr. Nickleby.”

I took my stand with the nobodies. I intend to take my stand on their behalf in the future. I took my stand by Mr. Chesterton because I believe it is right to give every citizen equal rights and chances in the Law Courts, however wrong he may be. When I am accused of having done so for political motives, may I remind the hon. Gentleman who makes the accusation that the two most distinguished men at the Bar, both of them Tories, conducted the case on the other side? They did it, in my opinion, quite rightly in the interests of their profession. They did it quite rightly, in my opinion, although it might have damaged their party, and I happened to take the other side not because I was a Tory, but because I was a friend of the man in the dock. I fought for Mr. Chesterton then and I will fight for him in the future. I shall continue in my action despite any attempt to stop me by hon. Members opposite, and I only hope that I can do something to drag out into the light the true facts in transactions which can only escape contempt when they escape observation.

[Share](#)

Mr. HEMMERDE

I did not want to intervene in this Debate, but I take this the first opportunity I have to say something in reference to what fell from the hon. Member who has just spoken. When the hon. Baronet the Member for Mansfield (Sir A. Markham) was on his feet he made allusion to the part the hon. Member opposite had taken in the Chesterton trial. I ventured to remind him at the time—I had no opportunity of getting up myself and speaking—of the most scandalous incident I ever remember during my career at the Bar. On the morning of the Chesterton trial—and a very important matter was the effect the verdict would have in the public estimation with regard to my right hon. Friend the Attorney-General and others who had been very much before the public—on going to the Courts, one found enormous placards put out by two of the most scurrilous papers in this country, the "Pall Mall Gazette" and the "Globe" newspapers, with the announcement of some new sensation in the Marconi case. One bought the papers to see what it was and one found that a writ had been issued claiming some enormous damages, and the writ had been issued at the instance, I think, of shareholders in the Marconi Company, of whom, if I am not mistaken, the hon. Member (Mr. O. Locker-Lampson) was one. I do not mean to say that he issued it. I believe it was issued ten days before, but by a curious coincidence it happened to come out on the morning of the Chesterton trial, obviously to impress the jury with some sort of idea that there had been some gross fraud on foot.

[Share](#)

Mr. O. LOCKER-LAMPSON

The hon. and learned Member is virtually accusing me of bringing an action and issuing a writ at the very moment another action was pending in order to damage parties in that action. Now what are the facts in that case? I was going to bring an action quite apart from Mr. Chesterton, and I was very anxious not to issue the writ until many months after Mr. Chesterton's case.

[Share](#)

Sir A. MARKHAM

You had not bought the share then.

Share

Mr. O. LOCKER-LAMPSON

The hon. Baronet is not right. I said I had no intention of bringing the action into Court until later.

Share

Sir A. MARKHAM

Because you could not. You had not got the share. You had no *locus standi*

Share

Mr. O. LOCKER-LAMPSON

That is not true. Even if it was, I could have issued my writ later. I intended to do so later. I was advised, for reasons that had nothing to do with the Chesterton case, to issue it at once. It was issued two days before the Chesterton action, but the fact that it got into the newspapers then had nothing to do with me. It is quite obvious that if I wanted to influence the Chesterton action I should not issue it at the commencement of the trial, but at the end of the trial, and I think the hon. Member ought not to have accused me of that, and ought to withdraw it.

Share

Mr. HEMMERDE

I need hardly say that of course I accept the hon. Member's statement. My complaint is not against him, and I am very glad that my statement gave him an opening for saying what he has said, and showing that there ought not to be any possible misconception in the matter. But at any rate that does not get away from the point I was making, not against him, but against certain newspapers. I am really not concerned whether there was any action on that occasion, but to point to one of the most scandalous things that ever happened in this country. I only rose for the purpose of saying this. I do not intend to intervene in the Debate when the whole matters

are threshed out so thoroughly and a good many Members still wish to speak, but I thought that point might be missed. I feel most strongly upon this question, because the verdict of the Chesterton case was of very great importance. I do not want to raise any angry feelings in the matter, but I would point out to the hon. Member that upon this question of being a friend of Mr. Chesterton's, and feeling it is his duty to do his best to support him, there is a difference between the claims of friendship and going round after the action is decided and after the prosecution is ended to find money for a man who has been mulcted simply and solely because he intended to justify most scandalous charges.

Share

Mr. O. LOCKER-LAMPSON

I never did anything of the sort. The hon. and learned Member suggests that I am raising money for paying the costs of the other side. That is absolutely untrue.

Share

Mr. HEMMERDE

The statement was made by the hon. Baronet, and it was not denied.

Share

Sir ARTHUR MARKHAM

I did not say that.

Share

Mr. HEMMERDE

I do not, however, think that there is anything between us. I would, however, seem undesirable that when a judge has imposed a fine and costs upon a man for an offence like this that there should be any attempt by the other political party to pay those costs. If the Lon. Gentleman says he did not do that, I accept his statement.

Share

Colonel WILLIAMS

I hope we shall now get away from personal recriminations which have nothing whatever to do with the matter before the House. I am sorry that the hon. Member who made criticisms about the Majority Report is not present. It seems a somewhat strange and new doctrine that when a member of a Committee has some information he thinks he ought not to mention it to the Chairman of his Committee, because, if he did, the Chairman would have been bound to tell the other members of the Committee. Surely if the Chairman was bound to tell the other members of the Committee, I should have thought the hon. Member would have deemed it his duty to tell them. The Chairman was the first person the hon. Member ought to have gone to with his information, and he should have allowed the Chairman to decide whether the information should have been disclosed or not. I want to get the House back to a consideration of the question which is before us. The Report of the Committee is not the question before us. We have before us a Resolution and an Amendment. It is rather strange to me, when the conduct of two Members of the Cabinet is under discussion, that no other Member of the Cabinet takes the trouble to sacrifice his dinner hour in order to be present, and the charge of the Debate is left to an hon. Gentleman who is not a Member of the Cabinet, and who is not a Member of the English Administration. That is the way in which we are very often treated now-a-days by the present Cabinet, and it is not in accordance with old traditions or with the traditions I have known during the seventeen years I have been in this House.

The charges of corruption are entirely gone. If that is so, why should we pass any Resolution about them? What is in dispute is that two Ministers had dealings on the Stock Exchange, or, rather, had dealings which they ought not to have touched with a pair of tongs. I believe ninety-nine out of every hundred people outside the House would say the same thing, that they ought not to have touched those things upon any pretence whatever. The Attorney-General's first thoughts were right. That is the gravamen of the charge. That is the point of honour of the House of Commons which we feel: so much, and which I believe is felt on that side of the House as well. What happened yesterday? We listened with attention to a very able and touching defence by the Attorney-General, and we listened to a heartfelt and most characteristic speech from the Chancellor of the Exchequer. What did both right hon. Gentlemen say? They both said

that, in view of what has happened since, they were sorry, and if they had known, they would not have done what they did. But neither of them apologised to the House. There was not a word of apology or regret to the House except that they would not have done this if they had known the consequences. We know they would not have done it if they had known the consequences, but what we want is a political honour that refuses to do the thing at the beginning. That is what I complain of. What was my great regret in the Prime Minister's speech? It was that he did not see that point. The right hon. Gentleman is, going to adopt an Amendment which does not deal with this point in any way whatever, but it deals with a matter which is not before the House at all. The charge of corruption is not before the House, and yet the Prime Minister recommends his party and the House to adopt a Resolution which whitewashes the Ministers of corruption, a charge which no Member of the House has made against them. [HON. MEMBERS "Yes."] There has been no charge made in this House of personal corruption. We have had a discussion as to what happened in the Committee not in the Law Courts; and those two right hon. Gentlemen exonerated their characters in the Law Courts, which is the right place for them to do it.

Some of us think the Committee went far beyond the terms of their reference in the discussions into which they allowed themselves to be dragged. There has hardly been a word said on the other side or by the Prime Minister of regret that these two right hon. Gentlemen touched this thing at all. An hon. Member opposite has asked us not to be too hard upon the right hon. Gentlemen, and we have been asked not to punish them because it might drive them out of public life. It is not the fault of this House if such a future has to come about, but it is the fault of the right hon. Gentlemen who committed the fault first of all; and it is not for them to come down here and say, "We were wrong in what we did, but please do not punish us." That is not a strong or a manly attitude to take up. A right hon. Gentleman in the position of the Chancellor of the Exchequer who could speak to us yesterday about these transactions, and confess, when he was asked to do these things, that he never thought anything about them, is condemned out of his own mouth. If that is the way the finances of the country are being dealt with, I say that the right hon. Gentleman stands condemned out of his own mouth. No condemnation this House can pass can be at all stronger than that which has come out of his own mouth. I earnestly hope that one of two courses will be taken; either that some words may be found for which both sides may vote, or, better still, which the House may adopt unanimously; but otherwise it will be far

better for the honour and credit of this House to drop them both and say nothing at all. After what has been done, after those speeches of the right hon. Gentlemen, after they have confessed what they have done, for the House to do anything which seems to palliate it, for the House to say, "We are asked to express our condemnation and to say that these right hon. Gentlemen ought not to have done it, but we refuse to say it," would be a great blot upon the character of the House of Commons. These right hon. Gentlemen did it in all honesty and in all sincerity, but they ought not to have touched it with a pair of tongs a mile long. Of course they ought not. They know it, the House knows it, and the whole country knows it. They ought not to have done it, because they are Ministers, and the Chancellor of the Exchequer above all ought not to have done it. That is the plain opinion of the country, and is the House of Commons, when they are asked to express some condemnation in order to let the Ministers know that the House thinks they were wrong, deliberately going to say that they are not going to pass any condemnation, however slightly worded? It will be a bad day for the House of Commons, it will be a bad day for the credit of the Liberal party—no, not of the Liberal party, but of every man in this House—if the House allows it to go out that two of its respected Ministers can indulge in conduct of that sort—without any misfeasance of any sort or kind—and be so oblivious of the nice honour of the position in which the country places them as to commit what is not an actual offence against any moral code, but what is an offence against the high scrupulousness, or squeamishness, if you like to put it so, of action which ought to, and which we all thought did, dominate the action of every Minister of the Crown in regard to every proposition put before him.

Share

Sir RYLAND ADKINS

I regret that I did not hear the whole speech of the hon. and gallant Gentleman who spoke last, but from what I did hear it seemed to me that he hardly did full justice to what was said either by the Chancellor of the Exchequer or the Attorney-General yesterday. It is not the case that in the Amendment to the Resolution before the House the error of judgment which they have admitted is ignored. That Amendment does not ignore that fact, and the statement made by the

hon. and gallant Member is incomplete, and gives, I submit, a somewhat false impression. If it is suggested that it is necessary for the House of Commons to pass a Vote of Censure in the terms which are now upon the Paper— —

Share

Colonel WILLIAMS

No, I beg your pardon. What I said was that a Vote of Censure having been moved, it would be a great pity if some expression of censure did not pass. I particularly did not say in what terms.

Share

Sir RYLAND ADKINS

Then we only differ to this extent. When a person has made an error of judgment and acknowledges it and expresses regret, surely what is required from a body like this, of which such a person is a distinguished Member, are not words of censure upon him so much as words of recognition of what he has done to express his own regret, and to admit that what he did had better not have been done. Therefore, it occurred to me, and I make the suggestion now, at the earliest possible moment, that if that is the view of the hon. and gallant Gentleman and of Members sitting in various parts of the House, possibly a very slight modification of the Amendment might meet the case, and what I would venture respectfully to suggest is that instead of the words of my hon. and learned Friend (Mr. Buck-master) the Amendment should run in this way: "That this House, after hearing the statements of the Attorney-General and the Chancellor of the Exchequer in reference to their purchases of shares in the Marconi Company in America, accepts their expression of regret that such purchases were made, and that they were not mentioned in the Debate of 11th October last, acquits them of acting otherwise than in good faith, and reprobates the charges of corruption brought against Ministers which have been proved to be wholly false." I do not know whether my hon and learned Friend would accept those words in order to meet the view expressed by the hon. and gallant Member.

Share

Mr. BUCKMASTER

It does appear to me, from what has been said by the hon. and gallant Member and others on the opposite side of the House, that there is a desire for something in a different form from my Amendment. I am quite willing to withdraw my Amendment, and I beg leave to withdraw.

Share

Amendment, by leave, withdrawn.

Sir RYLAND ADKINS

I beg to stave as a further Amendment to leave out from the words "That this House," and to add instead thereof the words "after hearing the statement of the Attorney-General and the Chancellor of the Exchequer in reference to their purchases of shares in the Marconi Company in America, accepts their expression of regret that such purchases were made, and that they were not mentioned in the Debate of 11th October last, acquits them of acting otherwise than in good faith, and reprobates the charges of corruption brought against Ministers which have been proved to be wholly false."

I am glad to have the opportunity of saying one or two words in this House on a matter of this importance, and we are thankful to know on a matter of the rarest and most exceptional character. Those of us who have read the evidence, or much of the evidence taken before the Committee, who have read the different Reports, and who have heard the Debate yesterday and to-day, are, I hope, all of us, in whatever part of the House we sit, anxious to decide this matter, to give our votes and to use our voices, not according to party issues, but according to what is best for the greatest traditions of this House, and what is at once fairest to individuals and most in consonance with the welfare of our country. There have been three matters involved, no doubt, one with the other, and yet capable of distinct treatment, which have arisen over this inquiry and out of this Debate. There was, first of all, charges of corruption against Ministers. Those have been stated to be refuted in all the Reports that are before the House, and that they are untrue and unworthy to be credited for a moment has been said in speeches from all parts of the House, but everyone is not quite so fortunate as the right hon. Gentleman the Member for the City of London, who says that he has never heard such charges except as referred to incidentally in this Debate. Most of us know that these charges have been made and the Noble Lord the Member for Hitchin mentioned them in this House. Everybody knows that they have

been made. They have been made in many places and by many people. They have been made with a shamelessness of method and with an avoidance of any real statement of fact which make them at once more dangerous and more disgraceful than any similar charges which have been launched against public men in this country for a long while past. Surely it is a duty of the House not to ignore that aspect of the case, and it ought to put its united feelings on that aspect of the case in the clearest possible language in any Motion which will find its way on to the Journals of the House.

The next thing which has occurred to me is that it is surely the duty of the Committee, as well as the duty of the House, to pronounce its opinion upon that campaign of Press calumny in which these charges have been enshrined. It is not enough to say that it is proved that Ministers have not been corrupt. It is surely the duty of this House also to express its opinion with no little vigour upon those persons who have launched the charges and upon the methods by which they have been disseminated. The hon. and learned Gentleman the Member for Exeter (Mr. Duke), earlier in the Debate taunted my lion. Friend the Member for Forfarshire (Mr. Falconer) with the terms of the Majority Report, and, having put a very strained forensic interpretation of one particular clause, suggested that it was utterances like those in the Majority Report which led to foreigners talking of this affair as our "Panama." No, it is not anything contained in any of the three Reports which- has led to these gibes in the foreign Press. It is the way in which journals in this country—one of repute, and even now supposed to exercise real influence and support for the party opposite, have been launching these charges that has led to these foul slanders about our having a "Panama" or anything which indicates corruption as that word in that connection does. It seems to me that hon. and right hon. Gentlemen opposite who agree in pride in this House as much as those who sit in other parts of the House should have just as much pride for the honour of English journalism, and it is a matter of profound regret to many of us that in the Resolution which they brought before the House there is not the slightest reference to this aspect of the question which, in many ways, is the gravest of all, because you can bring individuals to book if they are Members of this House, or if they are Ministers, but the atmosphere—the poisonous miasma, created by this campaign will have such an effect upon Parliament and upon our national life as to require constant reprobation, first of all in the

Report and again when this House is called upon to pronounce on the Marconi Report and the Marconi affair. That reprobation, at any rate, has been expressed in the Majority Report.

9.0 P.M.

I wish it had been expressed with greater precision and with greater strength of feeling in the Minority Report, which is properly associated with the name of the Noble Lord the Member for Hitchin. There, while the errors of Ministers are set out with the greatest and most elaborate art, while the hypothetical possibilities to which those errors may lead are so dexterously described as to lead the unwary reader to think that they are not possibilities but are all actualities, while a prepared and selected statement is devoted to that side of the case, the only mention of this Press campaign that I can find is a sentence which reprobates the recklessness of their statements. It would be a grave misfortune if that Press campaign were described merely as recklessness. Recklessness is excessiveness of method in a good or bad cause. It was recklessness years ago in this House when Mr. Plimsoll broke the rules and had to be removed from the House when fighting for a cause which all England knew to be good. Recklessness is a term appropriately applied to, excess of rhetoric in all parts in this House, but the real gravamen of this complaint here is not recklessness of statement but malignity of innuendo, and it is of the highest importance that that should be expressed in some way or other. It is expressed in the Amendment I am moving, and it is a very great pity that the Noble Lord in his Report, so able in many ways, should not have touched that at all. This is not the case of an anonymous print without any circulation, expressing and saying evil things for the sake of its financial interests. These things have been said in paper after paper. They have received a curious and doubtful blessing from that weekly journal called the "Spectator," which is supposed to provide intellectual pabulum for country rectors and intellectual reading for suburbanites. The shield of that great organ of self-righteousness has been thrown over these methods and these suggestions, and when you find matters of this kind taken up by persons like the editor and proprietor, the modern Caiaphas, the greatest Pharisee of these later days, it becomes no longer a matter for the law; it becomes a matter to be pointed out and reprobated in the strongest terms. This is the only criticism I desire to pass on the Minority Report of the Noble Lord, which is really the basis of the Motion before the House, and which the hon. and learned Member for Kingston said that he approved of and agreed with. That Report was the Report of a

man distinguished as much by sincerity as ability. The fault of the Noble Lord's Report was not a fault of will, and certainly not a fault of intellect; it was a fault of temperament. He is one of those sombre and suspicious men who, when discussing the affairs of opponents, quite honestly and sincerely feels confident that the worst interpretation is most likely to be true. [Hon. MEMBERS:" Oh, oh!"] That is only an attack on temperament; it is not an attack on the Noble Lord's *bona fides* or sincerity. If I might say so, it is a true description. His temperament is such that he sees the evil, actual or possible, more strongly than he can see the circumstances which reveal what is good in a series of matters. [Hon. MEMBERS:" Oh, oh!"] It is a compliment surely, and it may be said of him, as was said in the famous poem by Lord Byron of a supernatural personage with whom otherwise I would never think of comparing the Noble Lord:—

““Where'er he look'd, a gloom pervaded space.””

When we turn from that temperamental gloom which investigated the actual facts of this case and produced that Report to the expression in the Minority Report, what is it we see? There have been charges of corruption universally agreed to be untrue. There has been a Press campaign such as would injure our public life unless it is stopped, and there have been errors of judgment on the part of two distinguished Ministers, which have been frankly owned to in this House, and which, having been owned to, surely this House ought to accept when it has noted their record. Therefore is it that I move this Amendment. The hon. and learned Member for Exeter asked us why we cheered these two Ministers yesterday alter they had given their explanations and were leaving the House. We were asked whether that was intended to condone their errors or to make light of any mistakes that had occurred. It was nothing of the kind. It was this: That when two Gentlemen, high in the confidence of the public, and of those who agree with them in the principles of public administration and legislation, who have been subject to unmeasured and unprincipled abuse extending over months have in this House frankly and openly expressed and made clear their error of judgment upon one detail of the matter, every consideration, not only of loyalty and chivalry, but of fair play, should lead us to cheer such men in such circumstances. If there be added to that the unfortunate fact that the Motion made from the other side of the House condemning their error of judgment contains not one word of the charges disproved, and has no syllable of condemnation for that which they have suffered, it makes it all the more

imperative upon us not only to support them, but, by means of art Amendment like this, to give the House an opportunity of recording its view accepting their regret for an error of judgment, and recording at the same time our detestation alike of the charges that have been made and of the calumnies by-which they have been supported. I beg to move.

Share

Mr. LEIF JONES

I rise with the utmost satisfaction to second the Amendment last proposed. I will confide to the House that this is the first moment of satisfaction I have felt during these two days. That is not because at this moment I am addressing the House myself instead of listening to other Members' speeches, but because I believe that the House has at last reached a solution of the difficulties in which we' have found ourselves during this two days' Debate. In listening to the Debate there has been no moment in which, as a Member of this House, I could really feel happy. It was not pleasant for us to sit here listening to the weighty reproof which the hon. and learned Member for Kingston (Mr. Cave) was addressing to two of our most honoured leaders. It was not pleasant for any Member of this House to hear Ministers of the Crown standing up to express regret for actions which they had taken. But, also, we could not feel that in any of the Reports presented by the Committee there was to be found a summing up of the general sense of the House in regard to these transactions. I believe that was a common state of things among the majority of Members on both sides of the House. Neither of the Reports which were voted for by a party majority upon one side or the other expressed the common opinion of the House, which I believe we want to reach in regard to these transactions. I therefore second this Amendment, because I think it does express what ought to be and what is, the general feeling of the House about this whole matter. What was the common feeling on both sides of the House in regard to this affair? I think we regretted the transactions in which Ministers had engaged. I think all of us who knew the Ministers, and have known them for many years in this House, wherever we sit, believe the Ministers had acted in good faith.

Speaking for myself, I believe that most Members of the House loathe the reckless calumnies which were directed against honoured servants of the public and of the State in the Press campaign in connection with this Marconi business. That was the situation when we entered

upon the Debate. We heard the Debate and we listened to the Ministers. Is there any one who, having listened to those speeches yesterday, doubts the good faith in which those Ministers entered into the transactions? I think not. Therefore it seems to me that while the House expresses its views that it accepts the expression of regret to which Ministers gave utterance, we ought to add the words which are in the Amendment,

“acquits Ministers of acting otherwise than in good faith.”

I think the House is bound to go further. I think it has already been recognised by the right hon. Gentleman the Member for the City of London (Mr. Balfour), and others, that it was an error of omission on the part of those who framed the Motion, moved by the hon. and learned Member for Kingston, that no word was put into that Motion reprobating the charges of corruption which had been made without foundation against the Ministers. It is for these reasons, believing that the form of words which I am supporting is one which expresses the general sense of the House, which receives the expression of regret to which Ministers themselves gave utterance, which acquits them of acting otherwise than in good faith in the transaction, and which repudiates with indignation the charges of corruption made against them, because these are the common feelings of Members on both sides if they look at the matter not as partisans, not as Members of a party, but as Members of the House of Commons desiring to maintain the high standard of purity in our public life, and because the Amendment expresses the common feeling, I heartily support it.

Share

Major ARCHER-SHEE

I rise to oppose the Amendment because it goes nothing like far enough in expressing the grave disapproval which is undoubtedly felt throughout the country with regard to the action of Ministers in this matter. The last speaker told us that his party loathed the reckless calumnies that had been spread about concerning Ministers. I say that those reckless rumours and calumnies were the direct result of the action of the Ministers themselves.

Share

Mr. LEIF JONES

Will the hon. and gallant Member explain how the reckless rumours could be the outcome of the action of Ministers?

Share

Major ARCHER-SHEE

The rumours are those we had from many witnesses who appeared before the Committee. The vast majority of the witnesses said that these rumours arose in April. There was only one witness, Mr. Harry Isaacs, who said that the rumours had arisen earlier in the year. Hon. Members opposite seem to think that when no less than eight different transactions in American Marconi shares took place on behalf of Ministers, involving a total of over £50,000, that those transactions could not possibly be the cause of any rumours arising in the City. I do not know whether the hon. Member has ever been on a racecourse and heard of a stable backing a horse, and the way in which people at once put their money on that horse. The same thing took place upon the Stock Exchange. These Ministers were investing, if you like to use that term, although speculating is what most of us consider it to be, in American Marconi shares, and of course the rumours spread all round the City that Ministers were investing in Marconis. As rumour spreads it is not likely to increase in accuracy, and that is how I believe this rumour that they had gambled in English Marconis, which is the rumour objected to, arose, and I do not think there can be any other explanation possible. But Ministers are not the only people who have been calumniated in this matter. Because I put down a Motion against this agreement, purely on its merits to begin with, I was subjected to the most gross and scurrilous attacks on the part of the Press, which supports the party opposite. The hon. Member (Mr. T. P. O'Connor) after the Debate of 11th October, wrote a most scurrilous article in the "Star" newspaper in which he attempted to father upon me the whole of these rumours which have arisen in the City, and for which I have no responsibility whatever. That was not the only occasion. Again, when before the Committee an absolutely false and mendacious charge was made by Mr. Godfrey Isaacs without a tittle of proof of any sort against me, what did the Press of the party opposite do? There were huge headlines and placards all over the country, and the country was led to believe, and no doubt many Radical opponents in my own Constituency will believe these

articles written in the "Daily News" and "Daily Chronicle." When these mendacities were proved to be what they were before the Committee, was there any sort of apology from the Press of the party opposite? As far as the rumours were concerned, they not only hit Ministers but other people as well. As for the charge which was made of my having had some collusion with the hon. Member (Mr. Norton-Griffiths), I have hardly ever spoken to him except when we were sitting in the House together. I do not know him outside the House, and I have never exchanged a single syllable with him upon the subject.

As regards the question immediately before the House, we have had practically no apology whatever from Ministers for what is really the gravest matter, which is the fact that they received a valuable consideration from the managing director of the Marconi Company, unwittingly certainly, as they had explained, and not realising that it was valuable consideration, but how can anyone doubt that it was in view of the evidence which was brought before the Committee? We are asked to believe that these American shares were given to these Ministers with no advantage over the ordinary public. Yet we have the evidence of Mr. Rice, the Chancellor of the Exchequer's own broker, who, when asked his opinion of the flotation of these American shares, said that his objection to the method of flotation was that the shares were placed privately. If they were placed privately, how did the public have the same chance of getting them that Ministers had, and if they did not have the same chance, did not these Ministers have a valuable consideration indirectly from the managing director of the Marconi Company? Then we have the fact that is given in evidence also that this same broker, Mr. Rice, told the Chancellor of the Exchequer on 19th April that he was sorry that he had invested in these American Marconis, and he told him that he regarded the flotation of this company as akin to that of the Barnato Bank flotation, one of the biggest swindles that there has been in this country for a good many years, and if that was a swindle, what is this flotation, in the opinion, at any rate, of the Chancellor of the Exchequer's broker? What action did the Chancellor of the Exchequer take upon that advice from his own broker? On his own admission he bought some more shares later on.

Then, of course, we have the other matter of the investment of party funds in the American Marconi Company, which would never have come to light at all but for a pure accident. It was another of those mental reservations which I have alluded to in this House, and I have also been attacked by the Members of the party opposite because I have dared to suggest that there is a

mental reservation in one or two matters. The whole history of this case is one long series of mental reservations. When the agreement was first brought before the House, the Postmaster-General and the Prime Minister both knew of these investments in American Marconis by the Ministers concerned. Again, on 11th October, we had what has now been admitted to be a mistake. It was a mental reservation, a very serious one, and one which the country will not forget in a great hurry. Then we had all through November, December, January, and up till a certain part of February, no mention at all of these American Marconi shares, although the hon. Member (Mr. Booth) and the hon. Member (Mr. Falconer) were both well aware of it at the time. Again, that is a thing which the country will not forget. How was it that it came out eventually? It came out in a libel action. We are asked to believe that it was impossible to bring an action for libel against any other newspaper. Yet, as a matter of fact, an action for libel has lain, and has been decided in the Law Courts since against the "Eye Witness." Why was it necessary to go to a French newspaper? I believe myself the object of bringing that action was purely for the purpose of bringing out this fact that American Marconi investments had been made. Are we seriously to believe that Ministers could not have gone before the Marconi Committee and stated that they had American Marconi shares at any time during these four months? When any other person's character or motive was impugned, they wrote a note to the Chairman or to the Clerk of the Committee and at once got a courteous reply asking them to come before the Committee and explain what they wished to say. Surely, any Minister could have done that, and I am quite certain, if they had asked to be heard, the Committee would have postponed the evidence of any other witness in order to hear the evidence of any Minister concerned. Yet they preferred to keep that absolutely quiet until the time of the "Matin" disclosure.

The "Matin" disclosures were in February. The writ was issued on 27th February. At that time it was known that the Chesterton case was going to be fought, that Ministers would have to go into the witness box, and to give evidence on Oath, that they would be cross-examined, that the American registers would be searched for the names, and perhaps no doubt other evidence might be brought. When this was known the "Matin" libel case was brought, but if the Chesterton case had not been fought, if the "Matin" had not published that libel, I doubt if the fact of Ministers having had American Marconis would have been made public at all. For over four months, while the Committee was sitting, they took no opportunity of saying that they had

those Marconi shares in their possession, and if no evidence had been brought forward against Ministers as having held American Marconi shares, does the House suppose that Ministers would have been called before the Committee? I believe the Committee would have said there were no charges against Ministers, and they would never have been asked to give any evidence at all. It was owing to the fact that four and a half months afterwards, when the Chesterton case was coming on, and when they knew that they were going into the witness-box and would be cross-examined in the libel action, this disclosure of their transactions in American Marconi shares was eventually made. The last mental reservation made was made on behalf of Lord Murray. The way the investment of Liberal party funds at the price of 3¼ was made was never disclosed to the Committee. If that investment had been made in English Marconi funds it would have been one of the grossest acts of corruption to which any political party had ever been a party. The investment was not made in shares of the English company, but it was made in the shares of a company most closely and intimately allied with the English company. To say that the American company had no association with the English company seems to me to be utterly absurd. To begin with, the English company held a controlling interest—56 per cent. of the shares of the other company. They were in the position of being able to elect the directors of the American company. Not only was that so, but they had to rely for their main profit, both the American company and the English company, on their mutual trade across the Atlantic. I have here the Report issued yesterday. What do they say about the trade? I may mention that the figures give a profit of £22,000, which is not much on a capital of £2,000,000. The Report of the American Marconi Company says:—

“Gratifying as these figures are, they are only a small thing compared with the results that must follow when direct communication is established between the United States and Great Britain. We are assured by our engineers and contractors that the co-operating stations in New Jersey and Wales will be completed by next November.”

That is to say, they will be interested in every message with the other side of the Atlantic, so that their interests are practically identical. If this contract had gone through, the Imperial wireless scheme would have been the channel by which every wireless message between India, Australia, and the East generally, and this country and America, would have passed. Does

anyone suppose that when messages reached the English Imperial station they would be sent on by cable? They would be sent on to America by the Marconi Company, and therefore the profits of the American company would be enormously increased by the English company having a contract with the British Government. I say they could not have chosen to put party funds where the transaction could be more subject to suspicion. If there have been calumnies, as there have been; if there have been scandalous rumours about Ministers, they have really themselves to thank, and hon. Members opposite have no right to say that the Opposition are responsible for these rumours in any way Ministers themselves have chosen to go and do things which are wrong from the public point of view, although we know that there is no corrupt motive. At the same time, if they will do these things, they must expect to have these rumours arising and they must expect such trouble as they have had. [An HON MEMBER: "When did you hear the rumours?"] The first rumour I heard was about the end of July. We know that, though Ministers did not do anything corrupt, they did a very wrong thing, and if it is to go to the country that people are to be allowed to take a consideration from a contractor, and that all they have to prove afterwards is that they had no corrupt motive, I say that is a dangerous precedent to set. What about the borough councils and the county councils all over the country? All that a man would have to say afterwards was, "Oh, I did it from fraternal affection." We cannot be too strict as regards public bodies in this country and throughout the Empire in laying down a proper standard, and if you pass the amended Resolution by your mechanical majority, all that can be said is that, while you can do that, the Government will not receive the support of the people of the country. You will be discredited because you have condoned that which is inexcusable, and defended that which is absolutely indefensible, and, if you do it, it will be against the sentiment and the spirit of the people of this country and of the whole British Empire.

Share

Mr. NEIL PRIMROSE

I should not have intervened in this Debate except for the very bitter and carping speech to which we have just listened. The Amendment which my hon. Friend proposed seems to me one which would meet the views of every Member of this House; it accepts the expressions of regret

which have fallen from the Ministers concerned. It expresses regret that certain facts were not announced in October last, and I would like to put it to the House—what more can they expect? I am not going into the facts of the case, but I do not think that this House will already have forgotten the manly and candid speeches which we listened to yesterday from my two right hon. Friends. They were speeches which required courage to deliver, and I expected that when my two right hon. Friends sat down some responsible Member on the benches opposite would have got up and said that they were satisfied with them. I feel sure that the majority of Members opposite are actuated in this affair by no party motives. We have heard a great deal about the party spirit which was supposed to animate the Committee. On that subject I mean to say nothing, but I do wish to say that if it was important and vital that the Select Committee which was set up in this House should show no party spirit, how much more vital is it that party spirit should not be felt now? It does not require very much experience of politics to know that in some cases no mercy has been shown. We have seen instances of men who, when they have ceased to be considered as an asset of their party, were flung on one side and on to the scrap heap without any word of sympathy. But this is no occasion of that kind, because this House is not settling a mere question as between members of a party, but for the moment it has laid on one side its normal function of legislation, and constituted itself a Supreme Court of Appeal. It is asked to pronounce sentence, not only on the past of these Ministers, but on their whole political future. It is idle to conceal from ourselves that if the Motion of the hon. and learned Gentleman opposite be passed, the political careers of these two Ministers are closed for ever. I do make an appeal to the right hon. Gentleman opposite. Does he think in view of the facts as we know them, in view of those speeches which we heard yesterday afternoon, that he feels compelled to proceed with the Motion moved by the hon. Member for Kingston, which deliberately asks the House to decide that these Ministers should be hounded out of public life.

Share

Mr. BONAR LAW

It is better to say at once that the right hon. Gentleman opposite sent to me the form of Amendment which has been moved by the hon. Gentleman below the Gangway, and after consideration with my colleagues I was unable to accept it, but to every word which was said by

my right hon. Friend the Member for the City this afternoon, both in the letter and the spirit, I adhere; and in order to show that that was our feeling we offered to accept this Motion if it were agreeable to the right hon. Gentlemen opposite and to the House. This is the form in which we proposed to put it:—

“That this House, having heard the statements made by the Attorney-General and the Chancellor of the Exchequer, **acquits** them of acting otherwise than in good faith and reprobates the charges of corruption which have been proved to be wholly false, but **regrets** their transactions in shares of the Marconi Company of America and the want of frankness displayed by them in their communications with the House.”

I do not know that it is necessary for me or for the right hon. Gentleman who follows me to explain why it is that there is this, as it has proved, irreconcilable difference between the two Motions which seem to be very similar. I am quite ready to say at once why we could not accept it in the form in which it was presented to us. That form asks the House of Commons to accept as adequate the explanation which was given by the two Ministers in the House of Commons yesterday. Well, Sir, we cannot accept it as adequate. I know thoroughly the difficulty in which these Ministers were placed. They had maintained up to the last moment that they had done nothing which they would not be entitled to do again to-morrow. It was therefore very difficult for them to come down and say something entirely the reverse, but I listened to every word which they said with the intention, after consultation with my colleagues, of changing what we had intended to be the order of the Debate and getting up and speaking then and giving our views, if these Ministers had said what we thought they ought to have said, that they had done things which they ought not to have done, that they were sorry apart from what happened afterwards, apart from all controversy that they had done it. That is our reason for not accepting the form of words which was submitted. The hon. Member who has just sat clown put pointedly to us a question which perhaps if I were more experienced I would not answer. He said, "Do you wish to drive these men out of public life?" I do not. It is not for me to judge what action it may be necessary for them to take—[An HON. MEMBER:" Frankness."]—and if they possess, as the Prime Minister told us to-day they did, the confidence of all their colleagues and of all their party, then I do not see that the fact that the House of Commons expresses in a

Motion what I believe is the real feeling of every Member of the House of Commons, makes any difference to them. That is all that I have got to say on that subject. The hon. Gentleman who has just spoken, and others, have suggested that the Opposition have put this forward vindictively. That is a charge which I think cannot be justly made.

Share

Mr. PRIMROSE

I never said it.

Share

Mr. BONAR LAW

The hon. Member spoke about people being relentlessly driven from public life, and I thought that that was what he meant. At all events, the suggestion has been made. I do not think that it is a suggestion that can be truly made, and least of all by the Chancellor of the Exchequer. We all remember what he felt it his duty to say twelve years ago. I have some of his extracts here now, but I am not going to read them. I do not wish to add unnecessary bitterness to the controversy, and all that I am going to say on that point is this: that not one of my colleagues on this bench, and, so far as I believe, not one of the party of which I am Leader in this House, has ever in this House or out of it charged either of these Ministers with personal corruption, and, so far as I am personally concerned, really, if the House will allow me to say so, I feel that this kind of personal attack is more serious to a man's character than any ordinary political attack, and I should be very sorry—I do not know whether I shall live up to what I wish or not—to say anything of a kind that later on I could look back upon as unfair to the Ministers who are the subject of the Motion now before the House. I explicitly not only did not take part in these rumours, but I explicitly dissociated myself from them. I did not hear, but I read the speeches of Ministers and the interruption of the Chancellor of the Exchequer in October. I accepted those speeches not only in the letter, but in the spirit, and when these rumours were going about deliberately, and with no necessity whatever for doing it in Debate, towards the end of last Session in this House, I specially said that not only did I not join in any accusation of corruption, but that I thought any such accusation on the part of any Member absolutely absurd. I think,

therefore, that we have not a bad record as party politics go in regard to our action in this matter. The Chancellor of the Exchequer yesterday said that admitting all the facts they had been exaggerated in a way that was very unfair to him. I am not sure that there is not some truth in that but who is to blame for that? I think that they are themselves to blame. The whole country took precisely the same view of the speeches in October which I did and when they found that after these speeches **there had been dealings in American Marconi Company shares on the Part of the Ministers who made them they were not only astonished but I think they were angry.** This was said the other day, perfectly sincerely, by "The Nation," a newspaper which generally supports the party opposite. Like every other partisan, I am not very fond of my own papers that turn against me, and I suppose that is the feeling of hon. Gentlemen opposite. This is what "The Nation" said, and I think it is true:—

“All these personalities and forces have suffered the common wrong of a bit by bit revelation of facts, of which they should long ago have been made completely cognisant. Whether all that should be known is known is more than we now dare affirm.”

To-day, a well-known writer, Mr. Wells—who says he is a Liberal, I did not know he was—said this, and I think it represents a very general view:—

“What has gripped our imagination is not Mr. Lloyd George trying, as most of us would be quite ready to try, to improve a modest and justifiable little income in investment by a favourable purchase, but Mr. Booth and Mr. Falconer interrupting questions: that is the real scandal. What was at the back of the minds of these portentous gentlemen? NO doubt there was nothing to hide; but what did they think they were hiding?”

That is one reason. I think there is another. The party opposite have always made a claim to special virtue in these matters. The Attorney-General, yesterday evening, said that your standard was higher than ours. I was sorry to hear him say it, for, under the circumstances, I thought it inappropriate. But it is in their blood, and they cannot help it. What happens? Whenever any man sets up a special claim for virtue, and a specially high standard, and falls, he is judged more harshly than other men. There is a reaction. And that is what happened here.

They have found that their ideal has a foot of clay, and they are disgusted. They would not be surprised to find a foot of clay in us, but they are surprised here, and that is another reason why there is so much resentment about the whole thing. I am not going to repeat again that we made no charge of corruption; we never have made it. I should like to add something to what was said by my right hon. Friend this afternoon in regard to the suggestion of the Prime Minister that we had been ungenerous in the Motion. As a matter of fact, in the draft I prepared of the Motion, I had a Clause acquitting the Ministers of corruption; but one of my hon. Friends pointed out that it was not a charge on which he ought to be acquitted, because we have never made any such charge. That is the fact. Certainly, therefore, it was from no feeling of unreadiness to make that admission that we did not put it in our Motion. I am going to say explicitly and clearly what the charge is that we do make against those Ministers, and it is a very serious charge. We say that they have done things which in their position—remember that is the key of the whole matter—they ought not to have done, and that they have shown a want of moral courage in their attempt to conceal from the House what they have concealed. I say they have done things which they ought not to have done. I shall try to be brief about this, for it has been put in a way which, among others, it is impossible to praise too highly, both from the point of view of ability and fairness, by my hon. and learned Friend who moved the Motion. We say that they have engaged in Stock Exchange speculation, and that no Minister of the Crown, and least of all the Chancellor of the Exchequer, ought to engage in speculation.

I quite agree with what was said by the Prime Minister to-day that it is very difficult to draw a hard and fast line in these matters. A Cabinet Minister must have investment if he has got any money, and it is difficult to find anything which at some time or another may not be affected by political considerations. I admit that, but for that reason I think those who are clamouring for new Rules are attempting to deal with the situation in a way in which it cannot be dealt with. It can only be dealt with by a general sense of propriety in these matters. The Chancellor of the Exchequer has told us that this was not a speculation but an investment. It is difficult to draw the line between speculation and investment, too, but I do not think it is difficult to draw the line here. I leave out of account what was said by my right hon. Friend about selling the shares two or three days after he had got them. Whether or not the purchase depends, technically depends on the nature of the security which you buy more than anything else. [An HON.MEMBER: "No."] I

think that is so. As to this point of speculation this was put to the Chancellor of the Exchequer in Committee by one of my hon. Friends. He said:—

““Suppose I buy railway stock intending to keep it as an investment, and it goes up immediately or two days afterwards far more than I expected, and I sell it, is that speculation?—Of course it is not.””

But the answer ought to have been that it is very obvious that investment stocks do not rise or fall 200 per cent. or 300 per cent. in two or three days, and the fact that there is this fluctuation in them is in itself the clearest proof that the investment is speculative, and is not a real investment in the ordinary sense. I think there is something far more than that to be said about this transaction—something far stronger than that. It is not only a speculation, but it is a speculation in a kind of security which no one in his position should have touched under any circumstances. This House has passed Company Acts. One of the chief objects of those Acts is to protect the public. We have laid it down that prospectuses must contain the fullest particulars for the protection of the public, and the Chancellor of the Exchequer was himself responsible for an Amendment of the Companies Acts to protect the public. But at the time the Companies Acts were going through it was pointed out by Members who were then in Opposition, Members of the party opposite, that there was another door which was left open. The late Sir Lawson Walton said this:—

““There is a large number of companies that issue no prospectus because it is inconvenient, and the promoters may be able to place the capital by some other means. The syndicate which forms the company manages by means of personal recommendations to place its original capital, and having placed its original capital, it is then enabled to create a market for the shares, and the mere transactions on the market and the quotations of the shares advertise the company, and the public are drawn in without knowing anything about it except that the shares are being dealt in.””

That is what this House would have stopped if it could, but was not able to. What is thought of that kind of promotion was shown very clearly by the broker of the Chancellor of the Exchequer himself, who gave very clear straightforward evidence before the Committee. He is not a purist,

he is accustomed to deal in this sort of thing. He knows the ordinary standard and this is what he said. He was asked by the hon. Gentleman (Mr. N. Primrose) who spoke last:—

“I am quite ignorant of these things, but is it usual when a lot of shares are to be placed to go to some of the leading brokers?—It is done sometimes.”

“It is usual?—No, not usual. Usually the shares are placed by public issue.”

“Lord Robert Cecil: With a prospectus?—Yes with prospectuses. Personally I do not like these private issues. I had in my mind a previous experience that I think I profited by, namely, the Barnato Bank. The business was done then in the same way and we burned our fingers pretty severely, or our clients did, and I wanted to spare my friends from a recurrence of that kind of thing as far as possible.”

“There is nothing unusual about it?—No, but I do not say it is very usual.”

“Nor anything discreditable about it?—The usual method is by public issue.”

But it can be shown in a way that Members of this House who are not business men can understand. What was the nature of that public issue? The Attorney-General in his evidence said that on the 9th April nobody would have thought the shares would go more than about 25s. or 30s.—that is the promoters. A fortnight or less elapsed and there was no change in the intrinsic value of those shares, none whatever. But the public were turning out to be more foolish even than the promoters expected, and they exploited the public pitilessly. What, in my opinion, makes that whole transaction more unpleasant is that what enabled them to 'exploit the public was the "Titanic" disaster, which was filling the whole country with sympathy and sorrow, and which was being used to fill the pockets of the men who were floating this company. Now it has been said in regard to this that there was nothing very far wrong. It has been said by our critics on this side what would men in the City think of that kind of transaction? But I want to put another question. What do the men who have bought those shares at £4. or nearly £4, and find

them now worth less than the Chancellor of the Exchequer paid for them, what do they think when they find that perhaps the Chancellor of the Exchequer was the man who made the profit out of their folly in dealing with the matter. [HON. MEMBERS: "Oh, oh!"] Is not all that true? [HON. MEMBERS: "No, no!"] I think it is, every word of it.

Share

Mr. LAMB

He never sold at more.

Share

10.0 P.M.

Mr. BONAR LAW

It was a little less. That is the value of the interruption, and shows to what extent I was exaggerating. I do not suggest for a moment that the Chancellor of the Exchequer thought of all these things—not for a moment. He did not realise them. If he did we would not have spoken of him as we have spoken of him to-day. He did not realise them, but that is not a defence. A man in his position has to be careful about all other men, and the fact that these things can be truly said of this transaction is the best proof that no one in his position should have touched them on any consideration and on any account. That is the thing that they ought not to have done. They did something else. They acted in the whole transaction on the advice of a contractor to His Majesty's Government. It was from him the information came which was the cause of their dealing in those shares. That is not denied. I am going to say this. It makes a very great difference—all the difference in the world from the point of view of the Attorney-General—that the contractor on whose advice he acted was his brother. I admit that fully. It makes all the difference in the world. You do not examine with the same suspicion something which comes from the brother and a brother whom, as the Attorney-General showed, he trusted. It makes all the difference in the world to me, that is from the point of view of the opinion which I form of the character of the Attorney-General, but it does not alter the position of his public actions as a public man. You can never truly make a distinction between a contractor who is a relation and who is not. That is impossible. You must judge of these things not by motives but by what people

do. Let me make that clear. The whole speeches from the benches opposite on this subject, including those of the two Ministers, have been claiming purity of motive. I do not deny that; I admit it, but the House of Commons cannot judge by what the motives of men are, but by what they do. Surely it is obvious. If you adopt any other principle, what does it come to? It means that you judge a man's actions by what you think of his character, so that one man whose character you do put high can do something which another man, whose character you do not put high, may not do. The moment you come to that there is an end of all hope of purity in public life. It must be a man's actions alone.

The best evidence of that is the case of Mr. Taylor which was referred to. What was his position? He had bought a few shares in the British Marconi Company, and from his position he knew what was going on with the negotiations. He said in evidence, and he made a statement, which on the face of it seemed probable and possible, that he had been thinking of buying those shares for eighteen months before, and, he said, and this is natural, having a little money he thought it was safer to invest in something which from his ordinary occupation he knew something about. That was why he put it in Marconi shares. The Postmaster-General himself expressly exonerated him from any corruption. If motives are to count, and if you really exonerated him on that ground, why did you degrade him? I think the Postmaster-General was bound to do it. I read the evidence, and it seemed to me so straightforward that if the gentleman had made the same impression personally as his evidence, and if I had been in a private company, I should not have punished him. The Postmaster-General was bound to do it. Why? Because you must judge by actions and you must not take motives into account at all. Now these Ministers acted on advice which came from a Government contractor; the advice was valuable; and in acting on, that advice they had information which was not open to the public. That is not denied. The Attorney-General himself admitted that he knew about this arrangement in America, which the public did not know. He said that that made no difference, because he, the buyer, knew about it, but the seller knew about it too. That is true to a certain extent. But you have to think not only of the man from whom you take the shares, but of the buyer, the man, whoever he may be, to whom eventually you may sell. Therefore, as a matter of fact, they not only acted on advice coming from the contractor, but they acted on information which it was not possible that the public outside could enjoy.

It is not merely that. They not only bought on that advice, although I think that is most important, but they bought indirectly from the Government contractor. There is no doubt about that. I am not going to argue whether or not they got any monetary consideration, because I think there is no doubt they did. I think there is no doubt in the mind of anyone who reads the evidence that although some exceptional set of people might have been able to buy the shares at that price, the ordinary public could not. That is conclusively proved, to my mind, in another way. Lord Murray bought his share of the securities on the evening of the 17th at £2. What he was told about the shares made him think that they were a good investment for a trust fund for which he was responsible. The next day he tried to buy them for that trust fund—the very next day. He paid 3¼ for them. Is there anyone who can doubt that on the 18th Lord Murray knew that he had received for himself the difference between the price which he paid and the price which it was necessary for him to pay when he bought the shares for the Liberal party fund? I think it is evident that he knew he was getting some valuable consideration. That is not all that is to be said. I know quite well that hon. Gentlemen may say there was a great change in the market. It was the difference between late on the night of the 17th and giving the order to buy on the 18th. I ask any Member to put it to himself whether it is not evident that anyone who bought these shares at 3¼ on the 18th knew that he had an advantage when he got them at 2 on the evening of the 17th? That is not the only thing to be said about the transaction from that point of view. Ministers not only broke the rule by dealing on advice given by the contractor, but they invested the money in a company which was certainly indirectly, and in my belief directly, interested in the company which was making a contract with the Government.

I listened to the very long speech made by the hon. Member for Forfar (Mr. Falconer), and I say—and I think a majority of Members will agree—that there was nothing in the Report from beginning to end which showed people so clearly what the nature of it was as the statement that the American company had no connection, direct or indirect, with the contract that was made by the British Government with the British Marconi Company. I really ask the House to consider this. You have to consider the connection from two quite distinct points of view, from the point of view of the flotation of the shares and of the market price immediately on flotation, and that is what was most important to the man who was buying. The hon. Member for Forfar said that people who buy shares are only influenced by the prospect of dividends and in the

making of money by the company. He must have a much smaller acquaintance with the Stock Exchange that even I have, or I thought he had, if that is his view. The price of shares, especially of speculative shares, goes up and down largely in accordance with what people think is going to happen to them. That does not depend on the ultimate market. Even the flotation in this country of the American company was absolutely dependent on the British company. It is in evidence that the American directors said, "We cannot float the company; it can only be done if you undertake to carry it through." It was the British company that was doing the whole thing. Suppose in the middle of that flotation the British company had suddenly failed. Does anyone suppose that any one of the American shares could possibly have been placed on the market, either in England or in America. That is the best proof of the connection between the two. But even taking the long run, in the question of ultimate success how can anyone say that there is not the closest permanent connection?

Share

Mr. FALCONER

I am very sorry to interrupt the right hon. Gentleman, but speaking for myself and the other members who are responsible for that Report, the Report says that there was no interest on the part of the American company in the British agreement.

Share

Mr. BONAR LAW

That is what I said.

Share

Mr. FALCONER

I beg pardon.

Share

Mr. BONAR LAW

That is exactly what I said.

Share

Mr. FALCONER

Not in the English company.

Share

Mr. BONAR LAW

I did not say that the Report said there was no connection with the British company, but that there was no connection with the contract which the British company was making I am not going to dwell upon this obvious fact. **The same patents are worked by both companies. The prestige of one depends upon the prestige of the other.** But apart from that, it is part of the agreement that there is to be a flow of business between the British company and the American, and the directors of the British company have themselves said that they expected their total business to be enormously increased by this contract. If their total business is increased, the business done with America will be increased also, and that business will be shared between the two companies, not only now, but for ever. **There will be a permanent interest between the two companies.** I say, without hesitation, that on these three grounds, in acting in this way these Members of the Government did break what has been universally understood to be a rule which should not be broken by anyone in their position. I said also that we charged them with a want of moral courage. Does anyone doubt that? We have had some new light on that. The Attorney-General, quite frankly, said that the question had been carefully considered: therefore, the not telling the House of Commons was deliberate. Remember that. It was not accidental. They considered whether or not they would do it, and they decided not. That is not all. Here is a curious thing. Neither the Attorney-General, nor the Chancellor of the Exchequer, nor the Prime Minister gave us any explanation as to why they did not at once ask to be called before the Committee, in order to make this explanation. They gave no explanation. Can anyone understand at all why they did not do that? No one who listened to the speeches of those two right hon. Gentlemen yesterday, and looked at them when they were speaking, could fail to have, as I had, great sympathy for them, or to feel what they must have suffered all these months by these charges lying over them. They suffered in that way. Surely, then, the first thing

they would have wanted to do was to say to themselves, "This has all got to come out, and the sooner it comes out the better: let us at once go to the Committee and make a clean breast of it. "There would have been no difficulty about it. They had only to go to the Chairman and tell him what they told the other two members of the Committee. They would have been instantly heard. The Report of the Chairman shows that. It says that the moment he got this information he realised that the whole character of the Committee must change. They would have been immediately asked to come. Why did not they go? Is it fair—I do not think it is—to say—I can quite imagine myself doing it—and I make no claim to virtue that I deny to them—is it unfair to say that their feeling was this: We do not think there is anything wrong in what we have done, but the public will probably take a different view — "the acrimonious public." Perhaps at the back of their minds was the feeling: "We may never have to tell it at all." Is it unfair to suggest that? At all events, I think that is the probable explanation. If you say it is not, if you say that these Ministers meant, at all costs, whatever happened in the Committee or in the inquiry, to go to the Committee and tell it—remember this: that that defence of those two right hon. Gentlemen is the condemnation of Lord Murray. It puts him on the black list by himself. He did not mean to go to the Committee and tell them. The Committee was sitting for a month or two before he went away. He went away in the belief that before he came back the Committee would have ceased to sit. He did not mean to tell them. He took care in regard to the party funds to do his best to prevent the matter coming to light. I welcome what the Prime Minister said to-day about Lord Murray. There is a French proverb: "Those that are absent are always in the wrong." I know Lord Murray very intimately, I mean for a political opponent, and I have really no reason to suppose that he is any less honourable than any of his colleagues. [HON. MEMBERS: "Oh!"]—or myself. He did not mean to tell the Committee and lie hoped that he would not have to do so. Is it not really probable that the reason the House of Commons and the country were not told was that the Ministers hoped that it might never be necessary to tell them?

Share

Captain MURRAY

Lord Murray has been mentioned. May I say that I attempted to make very clear in the evidence I gave the reasons Lord Murray did not disclose his transaction. Lord Murray took the view that any blame there was to be attached should be attached to himself alone. He had no sort of communication in regard to that particular transaction with either of his colleagues; therefore there is no connection between the two.

Share

Mr. BONAR LAW

I quite sympathise with the desire of the hon. Member to stand up for his brother. I agree with what he has said, but he has not followed my point. Lord Murray went away with the knowledge that the Committee would not be sitting when he came back, and that it was sitting when he went away. If he was determined to tell them, he was bound to tell them before he left. He did riot. That is my whole point. Remembering all these things together, you have to take the action of the Attorney-General in communicating with the hon. Members for Forfarshire and Pontefract. I was struck with the earnest desire of the Attorney-General to take all the blame to himself on this question. I do not believe, and I am sure the Chancellor of the Exchequer would not allow it to be supposed that that communication was made to those members of the Committee without his knowledge when both acted together, so that it applies to them both. What was the object of making that communication? What could it be? I can think of none except of having Members, not members of the Committee, but advocates on the Committee who would watch his interests, and when the inquiry was coming on to dangerous ground would steer it off that dangerous ground. I can think of no other reason, and I may point out again that this is riot party spite, awl that the "Nation" itself pointed out that that is the obvious construction of what took place. Why in the world was that done?

Share

Mr. FALCONER

In the absence of the Attorney-General I think it due to him to say that there is not the slightest foundation, in anything that passed between him and me, for the suggestion that his object was to prevent a full disclosure of the truth with regard to these facts.

Share

Mr. BONAR LAW

Again I am not judging motives—I am judging facts. The hon. Member spoke this afternoon for, I think, nearly two hours, and he did not give us the smallest explanation as to why that communication was made. But he did tell us that there was a kind of analogy with a Court of Law. I do not know as much about that as many of my Friends, but I am under the impression that if there was the analogy of a Court of Law, he was in the position of a jurymen, and I am under the impression that if anyone interested in a case were to have any communication of any kind with a member of the jury he would render himself liable to criminal procedure.

Share

Mr. FALCONER rose—

Mr. BONAR LAW

I have already allowed the hon. Member to interrupt, and I must bring my remarks to a close. I want to ask the House this: What do they think of this partial disclosure to two members of the Committee? We know what the hon. Members themselves thought of it by the determined and successful efforts they made to prevent it being known in the Committee after the communication was made. We know what the hon. Members thought of it, and we know what the Prime Minister thought of it. I listened to an answer to a question the other day with absolute amazement. The question was put to the Prime Minister: "Was it with his knowledge and consent that this communication was made?" "The answer," he said, "was in the negative." An hon. Friend of mine then rose and asked him: "Do you approve of it?" His answer was: "That is a question which I am not called upon to answer." But in giving that answer he did answer it, and the answer was listened to without protest by certainly one and probably both of his colleagues, an answer which in reality condemned something they had done in a vital matter, a

condemnation by the head of their own Government, and they accepted it in silence. I do think, without any question, the facts which I have put to the House, and which have been put before the House so often, do justify us, and more than justify us, in putting forward the Resolution which we ask the House of Commons to adopt. From the very beginning we were determined that we should not go one inch beyond what the facts justified. We do not, at least I do not, entertain any vindictive feelings against the right hon. Gentlemen. [HON. MEMBERS: "Oh, oh!"] Whether you believe it or not, it is true. [An HON. MEMBER: "We do not believe it."] I have no vindictive feelings against either of those two right hon. Gentlemen. I do not think anyone sitting on the Treasury Bench, including the two right hon. Gentlemen who are absent, would deny, if we think what has been done is wrong, that it is the duty of the Opposition to try and have their opinion registered by the House of Commons. That is all we ask. All we ask is that the House of Commons should express in the mildest terms you like its disapproval of what has been done, and in voting for the Motion which stands in the name of my hon. Friend to-night we shall, in my belief, be only expressing what is the almost universal feeling in the United Kingdom.

Share

The SECRETARY of STATE for FOREIGN AFFAIRS (Sir Edward Grey)

The right hon. Gentleman who has just sat down began his speech by stating that he did not accept the Amendment which is now before the House. That Amendment was moved after a speech from the right hon. Gentleman the Member for the City of London (Mr. Balfour), who made what I think was a perfectly fair comment, that things had been done which are admittedly a mistake, which has been admitted by those who had been a party to them to be a mistake, and that the decision of the House ought to embody some expression of regret. If I understood the right hon. Gentleman the Member for the City of London, he gave me to understand, at any rate what I gathered from his speech, that provided that was done and that point was secured, provided it was made clear that regret was expressed so that nobody upon referring in any future year or generation to the Journals of the House could say that what had taken place and has been under discussion was a precedent to be followed—provided that was

done it is not asked that the form of words should be such as would be a Vote of Censure which would make the position of the two Ministers attacked such that they could not hold a prominent position in the Government or perhaps in the House.

Share

Mr. BALFOUR

What I said was that we had no desire to pursue vindictiveness in any sense. All we required, if we can require anything, was that the House should express its regret at their action in the two things—(1) the purchasing of the shares, and (2) concealment of the purchase from the House. We were perfectly ready to add to that any declaration with regard to their absolute freedom from corrupt motives, and if those three things were done we were content, but less than those three things or less than the first two, at all events we could not accept.

Share

Sir E. GREY

There is before the House now an Amendment which does embody an expression of regret—
[HON. MEMBERS: "No"]—which does embody an expression of regret. [HON. MEMBERS: "No, read it."]

Share

Mr. CAVE

Not by the House.

Share

Sir E. GREY

(reading the Amendment): "This House, after hearing the statements of the Attorney-General and the Chancellor of the Exchequer in reference to their purchases of shares in the Marconi Company in America, accepts their expressions of regret that such purchases were made and

that they were not mentioned in the Debate of 11th October last, acquits them of acting otherwise than in good faith, and reprobates the charges of corruption brought against Ministers which have been proved to be wholly false."

Hon. and right hon. Gentlemen opposite are perfectly entitled, of course, to say that they were not committed to accept any such thing and that they do not regard the Amendment before the House as adequate. We are not questioning their right to take their own view as to the adequacy of the Amendment. What I do say is that in so far as the point that was made yesterday so frequently is concerned, that the House should make it clear that something occurred which is not to be regarded as, a precedent to be followed, but as a mistake to be avoided, the Amendment before the House does make that point clear. Now I will examine some of the points from our point of view. The right hon. Gentleman who has just sat down, said that he was not actuated by any vindictive motive. I entirely accept that. I do not believe that his motive was at all personal, but he made a speech which put, without imputing any corrupt motive, the harshest construction upon a great many points which have been under review in the transactions into which my right hon. Friend the Chancellor of the Exchequer and my right hon. Friend the Attorney-General engaged. I think that was a much harsher construction, even if it stopped short of imputing corruption, than the circumstances really warrant.

We could not accept the Amendment which the right hon. Gentleman read out. We could not accept it for this reason: I understand that on that side of the House there is a feeling that the expressions of "mistake" and "thoughtlessness," and so forth that were used by the Chancellor of the Exchequer and the Attorney-General yesterday were too ambiguous to be regarded by them as completely satisfying the necessities of the case. There is a phrase in the Amendment which the right hon. Gentleman read out to the House as what would satisfy him, which is also ambiguous. It is the phrase, "Want of frankness." "Want of frankness" is not necessarily open to an imputation of dishonourable motive, but it is capable of that construction and may be so construed, and, if it were so construed, then I think it not only entails the resignation of the two Ministers to, whom it is applied, but I think it might even have a further effect, and that, as my hon. Friend the Member for Wisbech (Mr. Neil Primrose) said, it would mean that their political career was closed for ever. I regard in my own mind the issue to-night, the broad issue, as a comparatively simple one. If there had been corruption or dishonourable conduct on the part of

my two right hon. Friends, they ought to go. If, on the other hand, there has not been dishonour or corruption in their conduct—if there has only been what they themselves state, carelessness, thoughtlessness, or a mistake, if they have been free from the taint of corruption or dishonourable conduct—then the House ought to pass no Motion which can be regarded as a Vote of Censure in that sense. I would be perfectly content to express my own feeling about my two right hon. Friends in the words used by the right hon. Gentleman the Member for the City of London. He put it very shortly, but so completely and in such an unqualified manner that anyone on this bench would thank him for it on behalf of my right hon. Friends. He said, "We all know they are men of honour." That is what we who have known them and worked with them know and feel. I am prepared to agree to anything which, while stating that a mistake was made, prefaced it by something which does not imply a penalty for the mistake equivalent to that which would be exacted if they had been dishonourable.

If the House had had under review nothing except the actual transactions which my right hon. Friends have had in American Marconi shares, if it had had nothing but that in its view, it might have passed its opinion upon them as it thought fit, and it might have gone to the extreme, limit in language which it thought errors, thoughtlessness or mistakes of that kind deserved. But that is not the only thing the House has had under review. We are conscious, as regards my right hon. Friends, that they have had transactions which ought not to be a precedent and which were in fact, when reviewed in the full light of events, such that they themselves admitted they were a mistake. But we are also conscious of this, that gross charges of corruption, unfounded, made with a recklessness which if it occurred often would go far to make public life intolerable, have been levelled against them. Under these they have suffered for months past, and, if justice is to be done by the House, the first thing to be emphasised is to do away, as far as lies in the power of the House, with the imputation of those charges and the effects of them. I will deal with that part in the later part of my speech. I will pursue for the moment the first part, that is, the transactions. It is urged that an earlier and complete disclosure should have been made of the facts now known to the House. That is admitted by both my right hon. Friends, and admitted by all of us. Then it is said that they ought not to have made investments in the shares of the Marconi Company of America. That they have admitted. But let us see why it should be so. If they had invested in that company before it was known that the tender of the British company

had been accepted, in the expectation that when the tender was accepted there would be a rise, a sympathetic rise in the shares of the company in America, that would have been a very different transaction from what actually took place. The fact that the tender was accepted was known to the public, and I must say, although I paid little attention to the course of these affairs at the time, my impression was, and I think the general impression was, that the acceptance of the tender concluded the matter, so far as any sympathetic effect upon other shares was concerned. Whether the actual contract made was a profitable one to the British Marconi Company or not would not affect the prospects of the Marconi Company in America, but the fact that the British Marconi Company was the one employed by the British Government would produce an impression that Marconi companies in other countries would probably receive contracts of the same kind from their Governments. [HON. MEMBERS: "Hear, hear."] Yes, Sir, but the maximum effect that could produce a rise in the shares of the American company was produced when it was known that the tender was accepted, and I think that was the state of the public mind at the time.

I think there is a ground upon which the transaction was undesirable, but I am sure it did not occur to my right hon. Friends at the time, and it is only quite lately that it has actually been mentioned, in spite of the attention devoted to this matter. It is that if subsequently there had been a non-ratification of the contract made by the British Government, that fact of non-ratification would have created a presumption that the Marconi system was not as good as it was supposed to be, and would have caused a depreciating effect upon shares of Marconi companies all over the world as being a reflection upon the system. Had that been the case, if it had been against the public interest to ratify the contract made by the British Government with the Marconi Company, and had my right hon. Friends then been holding shares in the American company, they would have been open to the charge that they had placed themselves in a position in which their private interest was in conflict with their public duty. They were not actually placed in that position. because the question of ratification has not yet come up, and still less is it apparent that it would be against the public interest to ratify it. But they ran the risk of being placed in that position. I think it must be almost obvious to anybody that such a consideration never occurred to them at the time, and it is only quite lately, and after one has given some time and attention to the matter, that it occurs to oneself.

I will take this further point, that it is undesirable for Ministers, as was stated by the Chancellor of the Exchequer himself, to put themselves in a position where they are interested in temporary fluctuations on the Stock Exchange. The Chancellor of the Exchequer himself laid that down, and admitted it himself. If shares are bought with the intention of selling them before they are taken up, it is quite obvious that the turn of the market may have an interest it would not have for people who were buying them as a permanent investment, without any immediate intention of selling any of them. I agree that is not a desirable practice. But if my two right hon. Friends had told me at the time they had made these transactions, that is the sort of thing I should have pointed out, but it would not for one moment have made me feel that they were undesirable colleagues or that any severe notice ought to have been taken of it. That it should not be regarded as a precedent, I agree. The particular reason why Ministers should not buy and sell on the Stock Exchange, I believe, is mainly this general reason: Stock market may be affected—take the case of the Secretary of State for Foreign Affairs —all of them, by the course of foreign affairs of which the Secretary of State may have early information. The Cabinet also gets information with regard to foreign affairs, and though it is absolutely clear that in this case nothing of the sort occurred, if Ministers speculate on the Stock Exchange they run the risk of being open to the charge that they did it at a particular moment because they had information about foreign affairs. That, as a general thing, is very present to my mind. I do not believe it to be present to the mind of people generally. It has not been mentioned in the Debate before, and I am quite sure it was not present to the mind of my right hon. Friends. If that be so the House has to consider that none of these things occurred in this case. My two right hon. Friends did not in their transactions make use of any official information. The utmost they did was to lay themselves open to the risk of it being supposed that it might have occurred. I wonder, that being the state of the case, how it can be said that the expressions which my two right hon. Friends have used, are not amply sufficient to cover the whole case. I should like to read them to the House. The Attorney-General said point blank:—

“I will not balance it on too fine a point. I will state that I should not have gone into the transaction.”

The Chancellor of the Exchequer said:—

““I do not mind whether you use the word 'judicious,' Or wise,' or 'discreet.' I say that looking at all the circumstances it was neither. I do not care which of the three words is used. I accept any of them. It was not. I would certainly not have gone through it again. I certainly ought not to have done it. But there is a vast difference between indiscretion which may be acknowledged and which may be rebuked, and an indiscretion in a private investment which warrants a solemu Vote of Censure from the House of Commons.””

I do not think it could be put better than that. He went on to say, further:—

““I do not think any Member of the House would care much to go through the ordeal my right hon. Friend and I have gone through in the last few months, some of it deserved, most of it, and the worst of it, undeserved....If you will, I acted thoughtlessly, I acted carelessly, I acted mistakenly, but I acted innocently, I acted openly, and I acted honestly.”— [OFFICIAL REPORT, 18th June, 1913, col.448.]”

Really, if it is the intention of the House to do its utmost, as far as it is possible for them to do it, to undo the injury done by these imputations of dishonour and corruption which have been so freely bandied about the country, I think the least they could do is to accept frankly and openly, without qualification and without the necessity of any further censure, the statement of my right hon. Friend. Of course it is natural that on this side of the House, our personal feelings lead us to put what we think the most fair, what if you like you may call the most generous construction upon what has happened. But we have also to guard ourselves against its being supposed that through any generosity or desire to shelter our Friends, we are doing something which is against the public interest, and which is bad precedent. That is why we make the admissions which we have made, and that is why my right hon. Friends have made the admissions which they have made. It is because these other charges are so grave, and because the admissions Ministers have made have been so full, as I have read out to the House, that we claim that they should be accepted by the House. I agree that the right hon. Gentleman the Member for the City of London (Mr. Balfour) and others have done their best by what they could say in their speeches to remove all the injury that has been done to my right hon. Friends by the grave charges which have been brought against them, but are you quite sure that the charges have stopped? The right hon.

Gentleman the Member for the City of London said that in his experience he had not come across any quarter in which they were believed. I have heard a very contrary account. I have heard of people who have taken quite the other view, and who, in spite of the fact that the charges have been disproved and disowned by responsible men on the other side, will go on repeating them. I happened to come across this as lately as last Saturday, when everything was known that was to be known about this case. I take only a local Conservative paper, in which this statement was made:—

““Liberals who furiously denied the truth of the original rumours now see that the rumours were feeble compared with the real position of affairs.””

[HON. MEMBERS: "Name."] It is a Conservative paper in my own Constituency. It is a paper of which I have personally no reason to complain and which I would not call a low-minded or scurrilous paper. That is the sort of thing which is being said. Is that the only place in which that is being said? I agree with the right hon. Gentleman opposite that we are not going to be so unjust as to say that, the House of Commons should pass over these charges in silence, though the Motion they put on the Paper did pass them over in silence. What we have to ask ourselves is, Will all this be disposed of even by a Resolution of the House of Commons? Do what you will, you will not be able to right the wrong that has been done. Say what you like, you will not be able to right all the wrongs that have been done. I agree that the House ought to be careful that it does not allow anything to become a precedent which, as the Noble Lord the Member for Hitchin said, even if an innocent transaction in itself might be a precedent which would lead to corruption at some future date. I agree that we ought to sanction nothing, pass no Resolution, overlook nothing which will make it possible for men in public life in future to do anything which is corrupt or dishonourable or of ill augury, and to point to any Resolution of the House as a precedent covering what they have done. We ought to do all in our power to make it impossible for men who are likely to do these things to have a position in public life.

But we have to remember something else. We ought to do what we can, as far as it is in our power, when reckless attacks are made in the Press, to prevent those reckless attacks passing without censure or becoming so common that men who are upright shall not care to take part in public life. I have always, as long as I did not believe that the transaction was dishonest, as

long as I believed that the motives and actions and character of public men were above suspicion, refused even to look into their private affairs with any censorious eye. I said something of that kind when the attacks

Share

Division No. 116.]	AYES.	[11.0 p.m.
Ago-Gardner, James Tynte	Bathurst, Charles (Wilts, Wilton)	Burdett-Coutts, W.
Amery, L. C. M. S.	Beach, Hon. Michael Hugh Hicks	Burgoyne, A. H.
Anson, Rt. Hon. Sir William R.	Beckett, Hon. Gervase	Burn, Colonel C. R.
Anstruther-Gray, Major William	Benn, Arthur Shirley (Plymouth)	Butcher, G. J.
Archer-Shee, Major Martin	Benn, Ion Hamilton (Greenwich)	Campbell, Captain Duncan F. (Ayr, N.)
Ashley, W. W.	Bennett-Goldney, Francis	Campbell, Rt. Hon. J. (Dublin, Univ.)
Astor, Waldorf	Bentinck, Lord H. Cavendish	Campion, W. R.
Baird, J. L.	Beresford, Lord Charles	Carlile, Sir Edward Hildred
Baker, Sir Randolph L. (Dorset, N.)	Bigland, Alfred	Cassel, Felix
Baldwin, Stanley	Bird, A.	Castlereagh, Viscount
Balfour, Rt. Hon. A. J. (City, Lond.)	Blair, Reginald	Cater, John
Banbury, Sir Frederick George	Boles, Lieut.-Colonel Dennis Fortescue	Cautley, H. S.

Banner, John S. Harmood	Boscawen, Sir Arthur S. T. Griffith-	Cave, George
Baring, Maj. Hon. Guy V. (Winchester)	Boyle, William (Norfolk, Mid)	Cecil, Evelyn (Aston Manor)
Barlow, Montague (Salford, South)	Boyton, James	Cecil, Lord Hugh (Oxford Univ.)
Barnston, Harry	Brassey, H. Leonard Campbell	Cecil, Lord R. (Herts, Hitchin)
Barrie, H. T.	Bridgeman, W. Clive	Chaloner, Colonel R. G. W.
Bathurst, Hon. A. B. (Glouc., E.)	Bull, Sir William James	Chamberlain, Rt. Hon. J. A. (Worc'r.)

were being made upon the Member for West Birmingham and the Member for East Worcestershire. I think that there is a danger that the prevalence of attacks of that kind, unless there be real ground for imputations of corrupt motives, may make public life intolerable, and intolerable to just the class of men we would like to have in public life. You cannot avoid positions in which private interests may conflict with public duty. Not one of us who has any private property at all can be sure of not being placed in that position. Ministers specially ought to guard against that, but it applies to every Member of the House. Even to vote in accordance with public duty you may often have to vote when public duty conflicts with private interest. What you want is not to lay down any absolute rule, but to ensure that you have men in public life who can be trusted, when private interest does conflict with public duty, to put private interest on one side. Those men are men who are sensitive about their reputations, and unless the House repudiates, and repudiates vehemently, reckless attacks when they prove to be unfounded, those are the sort of men to whom you will make public life impossible. I maintain that the Amendment now before the House—does amply guard against anything which has happened, which is admitted to be undesirable from becoming a precedent. It does amply guard against it when you have it on the Journals of the House. It guards that point in the public interest, and goes on to express not at great length, but emphatically the reprobation which we all feel of the charges which have been made.

Question put, "That the words proposed to be left out, stand part of the Question."

The House divided: Ayes, 268; Noes, 346.

Chambers, J.	Hoare, Samuel John Gurney	Pollock, Ernest Murray
Chaplin, Rt. Hon. Henry	Mohler, Gerald Fitzroy	Pretyman, Ernest George
Clay, Captain H. H. Spender	Hope, Harry (Bute)	Pryce-Jones, Colonel E.
Clive, Captain Percy Archer	Hope, James Fitzalan (Sheffield)	Qr, Sir William Eley C.
Clyde, J. Avon	Hope, Major J. A. (Midlothian)	Randles, Sir John S.
Coates, Major Sir Edward Feetham	Horne, Edgar (Surrey, Guildford)	Ratcliff, R. F.
Cooper, Richard Ashmole	Horner, Andrew Long	Rawlinson, John Frederick Peel
Courthope, G. Loyd	Houston, Robert Paterson	Rawson, Colonel R. H.
Craig, Charles (Antrim, S.)	Hume-Williams, William Ellis	Rees, Sir J. D.
Craig, Ernest (Cheshire, Crewe)	Hunt, Rowland	Remnant, James Farquharson
Craig, Captain James (Down, E.)	Hunter, Sir Charles Rodk,	Roberts, S. (Sheffield, Ecclesall)
Craig, Norman (Kent, Thanet)	Ingleby, Holcombe	Rolleston, Sir J. D.
Craik, Sir Henry	Jackson, Sir John	Ronaldshay, Earl of
Crichton-Stuart, Lord Ninian	Jardine, Ernest (Somerset, East)	Rothschild, Lionel de
Cripps, Sir Charles Alfred	Jessel, Captain H. M.	Royds, Edmund

Croft, H. P.	Joynton-Hicks, William	Rutherford, John (Lancs, Darwen)
Dairymple, Viscount	Kerr-Smiley, Peter Kerr	Rutherford, Watson (L'pool, W. Derby)
Dalziel, Davison (Brixton)	Kerry, Earl of	Salter, Arthur Clavell
Denison-Pender, J. C.	Keswick, Henry	Samuel, Sir Harry (Norwood)
Denniss, E. R. B.	Kinloch-Cooke, Sir Clement	Samuel, Samuel (Wandsworth)
Dickson, Rt. Hon. C. Scott	Knight, Captain E. A.	Sanders, Robert Arthur
Dixon, C. H.	Kyffin-Taylor, G.	Sanderson, Lancelot
Doughty, Sir George	Lane-Fox, G. R.	Sandys, G. J.
Du Cros, Arthur Philip	Law, Rt. Hon. A. Bonar (Bootle)	Sassoon, Sir Philip
Duke, Henry Edward	Lawson, Hon. H. (T. H'mts., Mile End)	Scott, Leslie (Liverpool, Exchange)
Eyres-Monsell, B. M.	Lee, Arthur H.	Scott, Sir S. (Marylebone, W.)
Faber, George Denison (Clapham)	Lewisham, Viscount	Smith, Harold (Warrington)
Faber, Captain W. V. (Hants, W.)	Lloyd, George Ambrose (Stafford, W.)	Spear, Sir John Ward
Falle, Bertram Godfrey	Lloyd, George Butler (Shrewsbury)	Stanier, Seville
Fell, Arthur	Locker-Lampson, G. (Salisbury)	Stanley, Hon. Arthur (Ormskirk)
Fetherstonhaugh, Godfrey	Locker-Lampson, O. (Ramsey)	Stanley, Hon. G. F. (Preston)

Finlay, Rt. Hon. Sir Robert	Lockwood, Rt. Hon. Lt.Col. A. R.	Starkey, John R.
Fisher, Rt. Hon. W. Hayes	Lansdale, Sir John Brownlee	Staveley-Hill, Henry
Fitzroy, Hon. Edward A.	Lowe, Sir F. (Birm., Edgbaston)	Steel-Maitland, A. D.
Flannery, Sir J. Fortescue	Lyttelton, Rt. Hon. A. (S. Geo., Han. S.)	Stewart, Gershom
Fleming, Valentine	Lyttelton. Hon. J. C. (Droitwich)	Strauss, Arthur (Paddington, North)
Fletcher, John Samuel (Hampstead)	MacCaw, Wm. J. MacGeagh	Swift, Rigby
Forster, Henry William	Mackinder, H. J.	Sykes, Alan John (Ches., Knutsford)
Gardner, Ernest	Macmaster, Donald	Sykes, Sir Mark (Hull, Central)
Gastrell, Major W. H.	M'Calmont, Major Robert C. A.	Terrell, G. (Wilts., N.W.)
Gibbs, G. A.	M'Mordie, Robert James	Terrell, H. (Gloucester)
Gilmour, Captain John	M'Neill, Ronald (Kent, St. Augustine's)	Thompson. Robert (Belfast, North)
Glazebrook, Captain Philip K.	Magnus, Sir Philip	Thomson, W. Mitchell- (Down, North)
Goldman, C. S.	Malcolm, Ian	Thynne, Lord Alexander
Goldsmith, Frank	Mallaby-Deeley, Harry	Tobin, Alfred Aspinall
Gordon, Hon. John Edward (Brighton)	Martin, Joseph	Touche, George Alexander
Gordon, John (Londonderry, South)	Mason, David M. (Coventry)	Tryon, Captain George Clement

Goulding, Edward Alfred	Mason, James F. (Windsor)	Valentia, Viscount
Grant, J. A.	Meysey-Thompson, E. C.	Walker, Colonel William Hall
Greene, W. R.	Middlemore, John Throgmorton	Walrond, Hon. Lionel
Gretton, John	Mildmay, Francis Bingham	Ward, A. S. (Herts, Watford)
Guinness, Hon. Rupert (Essex, S.E.)	Mills, Hon. Charles Thomas	Warde, Colonel C. E. (Kent, Mid)
Guinness, Hon.W.E. (Bury S.Edmunds)	Moore, William	Weigell, Capt. A. G.
Gwynne, R. S. (Sussex, Eastbourne)	Morrison-Bell, Capt. E. F. (Ashburton)	Weston, Colonel J. W.
Haddock, George Bahr	Morrison-Bell, Major A. C. (Honiton)	Wheler, Granville C. H.
Hall, D. B. (Isle of Wight)	Mount, William Arthur	White, Major G. D. (Lancs., Southport)
Hall, Frederick (Dulwich)	Munro-Ferguson, Rt. Hon. R. C.	Williams, Colonel R. (Dorset, W.)
Hall, Marshall (E. Toxteth)	Neville, Reginald J. N.	Willoughby, Major Hon. Claud
Hambro, Angus Valdemar	Newdegate, F. A.	Wills, Sir Gilbert
Hamersley, Alfred St. George	Newman, John R. P.	Wilson, A. Stanley (Yorks, E.R.)
Hamilton, C. G. C. (Ches., Altrincham)	Newton, Harry Kottingham	Winterton, Earl
Hamilton, Lord C. J. (Kensington, S.)	Nicholson, William G. (Petersfield)	Wolmer, Viscount
Hardy, Rt. Hon. Laurence	Nield, Herbert	Wood, Hon. E. F. L. (Ripon)

Harris, Henry Percy	Norton-Griffiths, John	Wood, John (Stalybridge)
Harrison-Broadley, H. B.	O'Neill, Hon. A. E. B. (Antrim, Mid)	Worthington-Evans, L.
Helmsley, Viscount	Orde-Powlett, Hon. W. G. A.	Wortley, Rt. Hon, C. B. Stdart-
Henderson, Major H. (Berks, Abingdon)	Ormsby-Gore, Hon. William	Wright, Henry Fitzherbert
Herbert, Hon. A. (Somerset, S.)	Paget, Almeric Hugh	Yate, Colonel Charles Edward
Hewins, William, Albert Samuel	Parker, Sir Gilbert (Gravesend)	Younger, Sir George
Hibbert, Sir Henry F.	Parkes, Ebenezer	
Hickman, Colonel T. E.	Perkins, Walter F.	TELLERS FOR THE AYES.— Lord
Hills, John Waller	Peto, Basil Edward	Edmund Talbot and Mr. Pike Pease.
Hill-Wood, Samuel		

NOES.

Abraham, William (Dublin, Harbour)	Ainsworth, John Stirling	Baker, Joseph Allen (Finsbury, E.)
Abraham, Rt. Hon. William (Rhondda)	Alden, Percy	Balfour, Sir Robert (Lanark)
Acland, Francis Dyke	Allen, Arthur A. (Dumbarton)	Baring, Sir Godfrey (Barnstaple)
Adamson, William	Allen, Rt. Hon. Charles P. (Stroud)	Barlow, Sir John Emmett (Somerset)

Addison, Dr. Christopher	Arnold, Sydney	Barnes, George N.
Adkins, Sir W. Ryland D.	Asquith, Rt. Hon. Herbert Henry	Barran, Sir John N. (Hawick Burghs)
Agar-Robartes, Hon. T. C. R.	Atherley-Jones. Llewellyn A.	Barran, Rowland Hurst (Leeds, N.)
Agnew, Sir George William	Baker, H. T. (Accrington)	Barton, W.

Beale, Sir William Phipson	Goldstone, Frank	M'Laren, Hon. F.W.S. (Lincs., Spalding)
Beauchamp, Sir Edward	Greenwood, Granville G. (Peterborough)	M'Micking, Major Gilbert
Beck, Arthur Cecil	Greenwood, Hamar (Sunderland)	Manfield, Harry
Benn, W. W. (T. Hamlets, St. George)	Greig, Colonel J. W.	Markham, Sir Arthur Basil
Bentham, G. J.	Grey, Rt. Hon. Sir Edward	Marks, Sir George Croydon
Bethell, Sir J. H.	Griffith, Ellis Jones	Marshall, Arthur Harold
Birrell, Rt. Hon. Augustine	Guest, Major Hon. C. H. C. (Pembroke)	Masterman, Rt. Hon. C. F. G.
Black, Arthur W.	Guest, Hon. Frederick E. (Dorset, E.)	Meagher, Michael
Boland, John Pius	Gwynn, Stephen Lucius (Galway)	Meehan, Francis E. (Leitrim, N.)
Booth, Frederick Handel	Hackett, John	Meehan, Patrick J. (Queen's Co., Leix)
Bowerman, C. W.	Hall, F. (Yorks, Normanton)	Menzies, Sir Walter
Boyle, Daniel (Mayo, North)	Hancock, John George	Middlebrook, William

Brace, William	Harcourt, Rt. Hon. L. (Rossendale)	Millar, James Duncan
Brady, Patrick Joseph	Harcourt, Robert V. (Montrose)	Molloy, Michael
Brocklehurst, W. B.	Harmsworth, Cecil B. (Luton, Beds)	Molteno, Percy Alport
Brunner, John F. L.	Harmsworth, R. L. (Caithness-shire)	Mond, Rt. Hon. Sir Alfred
Bryce, J. Annan	Harvey, A. G. C. (Rochdale)	Money, L. G. Chiozza
Buckmaster, Stanley O.	Harvey, T. E. (Leeds, West)	Montagu, Hon. E. S.
Burke, E. Haviland-	Harvey, W. E. (Derbyshire, N.E.)	Mooney, John J.
Burns, Rt. Hon. John	Haslam, Lewis (Monmouth)	Morgan, George Hay
Burt, Rt. Hon. Thomas	Havelock-Allan, Sir Henry	Morrell, Philip
Buxton, Noel (Norfolk, North)	Hayden, John Patrick	Morison, Hector
Buxton, Rt. Hon. Sydney C. (Poplar)	Hayward, Evan	Morton, Alpheus Cleophas
Byles, Sir William Pollard	Hazleton, Richard	Muldoon, John
Carr-Gomm, H. W.	Hemmerde, Edward George	Munro, Robert
Cawley, Sir Frederick (Prestwich)	Henderson, Arthur (Durham)	Murphy, Martin J.
Cawley, Harold T. (Lancs., Heywood)	Henderson, J. M. (Aberdeen, W.)	Murray, Captain Hon. A. C.
Chancellor, Henry George	Henry, Sir Charles	Nannetti, Joseph P.
Chapple, Dr. William Allen	Herbert, General Sir Ivor (Mon., S.)	Needham, Christopher T.

Churchill, Rt. Hon. Winston S.	Higham, John Sharp	Neilson, Francis
Clancy, John Joseph	Hinds, John	Nicholson, Sir Charles N. (Doncaster)
Clough, William	Hobhouse, Rt. Hon. Charles E. H.	Nolan, Joseph
Clynes, John R.	Hodge, John	Norman, Sir Henry
Collins, G. P. (Greenock)	Hogg, David C.	Norton, Captain Cecil W.
Collins, Sir Stephen (Lambeth)	Hogge, James Myles	Nugent, Sir Walter Richard
Compton-Rickett, Rt. Hon. Sir J.	Holmes, Daniel Turner	Nuttall, Harry
Condon, Thomas Joseph	Holt, Richard Durning	O'Brien, Patrick (Kilkenny)
Cornwall, Sir Edwin A.	Hope, John Deans (Haddington)	O'Connor, John (Kildare, N.)
Cory, Sir Clifford John	Horne, Charles Silvester (Ipswich)	O'Connor, T. P. (Liverpool)
Cotton, William Francis	Howard, Hon. Geoffrey	O'Doherty, Philip
Cowan, W. H.	Hughes, Spencer Leigh	O'Donnell, Thomas
Craig, Herbert J. (Tynemouth)	Jardine, Sir J. (Roxburgh)	O'Dowd, John
Crooks, William	John, Edward Thomas	Ogden, Fred
Crumley, Patrick	Johnson, W.	O'Kelly, Edward P. (Wicklow, W.)
Cullinan, John	Jones, Rt.Hon.Sir D.Brynmor (Swansea)	O'Kelly, James (Roscommon, N.)

Dalziel, Rt. Hon. Sir J. H. (Kirkcaldy)	Jones, Edgar (Merthyr Tydvil)	O'Malley, William
Davies, Ellis William (Eifion)	Jones, H. Haydn (Merioneth)	O'Neill, Dr. Charles (Armagh, S.)
Davies, Timothy (Lincs., Louth)	Jones, J. Towyn (Carmarthen, East)	O'Shaughnessy, P. J.
Davies, Sir W. Howell (Bristol, S.)	Jones, Leif Stratten (Notts, Rushcliffe)	O'Shee, James John
Davies, M. Vaughan- (Cardiganshire)	Jones, William (Carnarvenshire)	O'Sullivan, Timothy
Dawes, James Arthur	Jones, William S. Glyn- (Stepney)	Outhwaite, R. L.
Delany, William	Joyce, Michael	Palmer, Godfrey Mark
Denman, Hon. Richard Douglas	Keating, Matthew	Parker, James (Halifax)
Devlin, Joseph	Kellaway, Frederick George	Parry, Thomas H.
Dewar, Sir J. A.	Kelly, Edward	Pearce, Robert (Staffs, Leek)
Dickinson. W. H.	Kennedy, Vincent Paul	Pearce, William (Limehouse)
Dillon, John	Kilbride, Denis	Pearson, Hon. Weetman H. M.
Donelan, Captain A.	King, Joseph	Pease, Rt. Hon. Joseph A. (Rotherham)
Doris, William	Lambert, Rt. Hon. G. (Devon, S. Molton)	Philipps, Col. Ivor (Southampton)
Duffy, William J.	Lambert, Richard (Wilts, Cricklade)	Phillips, John (Longford, S.)
Duncan, C. (Barrow-in-Furness)	Lardner, James C. R.	Pirie, Duncan V.

Duncan, J. Hastings (Yorks, Otley)	Law, Hugh A. (Donegal, West)	Pointer, Joseph
Edwards, Clement (Glamorgan, E.)	Lawson, Sir W. (Cumb'rld, Cockerm'th)	Ponsonby, Arthur A. W. H.
Edwards, Sir Francis (Radnor)	Leach, Charles	Price, C. E. (Edinburgh, Central)
Edwards, John Hugh (Glamorgan, Mid)	Levy, Sir Maurice	Price, Sir Robert J. (Norfolk, E.)
Esmonde, Dr. John (Tipperary, N.)	Lewis, Rt. Hon. John Herbert	Priestley, Sir Arthur (Grantham)
Esmonde, Sir Thomas (Wexford, N.)	Lough, Rt. Hon. Thomas	Priestley, Sir W. E. B. (Bradford, E.)
Essex, Sir Richard Walter	Low, Sir Frederick (Norwich)	Primrose, Hon. Neil James
Esslemont, George Birnie	Lundon, Thomas	Pringle, William M. R.
Falconer, J.	Lyell, Charles Henry	Radford, G. H.
Farrell, James Patrick	Lynch, A. A.	Raffan, Peter Wilson
Fenwick, Rt. Hon. Charles	Macdonald, J. Ramsay (Leicester)	Raphael, Sir Herbert H.
Ferens, Rt. Hon. Thomas Robinson	Macdonald, J. M. (Falkirk Burghs)	Rea, Rt. Hon. Russell (South Shields)
Ffrench, Peter	McGhee, Richard	Rea, Walter Russell (Scarborough)
Field, William	Maclean, Donald	Reddy, Michael
Fiennes, Hon. Eustace Edward	Macnamara, Rt. Hon. Dr. T. J.	Redmond, John E. (Waterford)
Fitzgibbon, John	MacNeill, J. G. Swift (Donegal, South)	Redmond, William (Clare, E.)

Flavin, Michael Joseph	Macpherson, James Ian	Rendall, Atheistan
France, Gerald Ashburner	MacVeagh, Jeremiah	Richards, Thomas
Furness, Sir Stephen Wilson	M'Callum, Sir John M.	Richardson, Albion (Peckham)
Ginnell, L.	M'Curdy, Charles Albert	Richardson, Thomas (Whitehaven)
Gladstone, W. G. C.	M'Kean, John	Roberts, Charles H. (Lincoln)
Glanville, Harold James	McKenna, Rt. Hon. Reginald	Roberts, George H. (Norwich)
Goddard, Sir Daniel Ford	M'Laren, Alan. H. D. (Leics.)	Roberts, Sir J. H. (Denbighs)

Robertson, Sir G. Scott (Bradford)	Stanley, Albert (Staffs, N.W.)	Wedgwood, Josiah C.
Robertson, John M. (Tyneside)	Strauss, Edward A. (Southwark, West)	White, J. Dundas (Glasgow, Tradeston)
Robinson, Sidney	Sutherland, John E.	White, Sir Luke (Yorks, E.R.)
Roch, Walter F. (Pembroke)	Sutton, John E.	White, Patrick (Meath, North)
Roche, Augustine (Louth)	Taylor, John W. (Durham)	Whitehouse, John Howard
Roe, Sir Thomas	Taylor, Theodore C. (Radcliffe)	Whittaker, Rt. Hon. Sir Thomas P.
Rowlands, James	Taylor, Thomas (Bolton)	Whyte, A. F. (Perth)
Rowntree, Arnold	Tennant, Harold John	Wiles, Thomas
Runciman, Rt. Hon. Walter	Thomas, J. H.	Williams, J. (Glamorgan)

Russell, Rt. Hon. Thomas W.	Thorne, G. R. (Wolverhampton)	Williams, Llewelyn (Carmarthen)
Samuel, Rt. Hon. H. L. (Cleveland)	Toulmin, Sir George	Williams, Penry (Middlesbrough)
Samuel, J. (Stockton- on-Tees)	Trevelyan, Charles Philips	Williamson, Sir Archibald
Scanlan, Thomas	Ure, Rt. Hon. Alexander	Wilson, Hon. G. G. (Hull, W.)
Schwann, Rt. Hon. Sir C. E.	Verney, Sir Harry	Wilson, John (Durham, Mid)
Scott, A. MacCallum (Glas., Bridgeton)	Wadsworth, J.	Wilson, Rt. Hon. J. W. (Worcs., N.)
Seely, Rt. Hon. Colonel J. E. B.	Walters, Sir John Tudor	Wilson, W. T. (Westhoughton)
Sheehy, David	Walton, Sir Joseph	Winfrey, Richard
Sherwell, Arthur James	Ward, John (Stoke- upon-Trent)	Wing, Thomas
Shertt, Edward	Wardle, George J.	Wood, Rt. Hon. T. McKinnon (Glasgow),
Simon, Rt. Hon. Sir John Allsebrook	Waring, Walter	Young, William (Perthshire, East)
Smith, Albert (Lancs., Clitheroe)	Warner, Sir Thomas Courtenay	Yoxall, Sir James Henry
Smith, H. B. Lees (Northampton)	Wason, Rt. Hon. E. (Clackmannan)	
Smyth, Thomas F. (Leitrim, S.)	Wason, John Cathcart (Orkney)	TELLERS FOR THE NOES. — Mr. Illingworth and Mr. Gulland.
Soames, Arthur Wellesley	Webb, H.	

Spicer, Rt. Hon. Sir Albert		
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Question, "That those words be there added," put, and agreed to.

Main Question, as amended put and agreed to.

Resolved, "That this House, after hearing the statements of the Attorney-General and the Chancellor of the Exchequer in reference to their purchases of shares in the Marconi company in America, accepts their expressions of regret that such purchases were made, and that they were not mentioned in the Debate of 11th October last, acquits them of acting otherwise than in good faith, and reprobates the charges of corruption brought against Ministers which have been proved to be wholly false."

The remaining Orders were read, and postponed.

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