A.—2.

On the 17th May, according to my information, Zaghlul Pasha stated that the fact that a foreign officer was Commander-in-Chief of the Egyptian Army and the retention in that army of British officers were inconsistent with the dignity of independent Egypt. The expression of such sentiments in an official pronouncement by the responsible head of the Egyptian Government has obviously placed not only Sir Lee Stack as Sirdar, but all British officers attached to the Egyptian Army, in a difficult position. I also had in mind that, in June, Zaghlul Pasha was reported to have claimed for Egypt complete rights of ownership over the Sudan and characterized the British Government as usurpers.

His Excellency observed that in making the above statements he was merely voicing the opinion not only of the Egyptian Parliament, but of the Egyptian nation, and I gathered that he still adhered to that position. Such statements, however, must inevitably have affected the minds of Egyptians employed in the Sudan, and of the Sudanese personnel of the Egyptian Army. They have, indeed, made it appear that loyalty to the Egyptian Government is something different from and inconsistent with loyalty to the existing administration of the Sudan. As a result, not only has there been an entire change in the spirit of Anglo-Egyptian co-operation which has in the past prevailed in the Sudan, but also Egyptian subjects serving under the Sudan Government have been encouraged to regard themselves as propagandists of the Egyptian Government's views, with results that if persisted in, in the absence of any agreement, would render their presence in the Sudan under the existing regime a source of danger to public order.

I promised in the course of our first conversation to be perfectly frank with His Excellency. and subsequently I left him under no illusion as to the position which His Majesty's Government are compelled to take up in regard to Egypt and the Sudan. Your Lordship will recall that when His Majesty's Government withdrew the British protectorate over Egypt in 1922, they reserved certain matters for eventual settlement by agreement. Though I have by no means abandoned hope that on further consideration the basis of an agreement acceptable to both countries can be found, the attitude adopted by Zaghlul Pasha has rendered such agreement impossible for the present. raised the question of the canal straight away because its security is of vital interest to us both in peace and in war. It is no less true to-day than in 1922 that the security of the communications of the British Empire in Egypt remain a vital British interest, and that absolute certainty that the Suez Canal will remain open in peace as well as in war for the free passage of British ships is the foundation on which the entire defensive strategy of the British Empire rests. The 1888 Convention for the free navigation of the canal was an instrument devised to secure that object. Its ineffectiveness for this purpose was demonstrated in 1914, when Great Britain herself had to take steps to ensure that the canal would remain open. No British Government in the light of that experience can divest itself wholly, even in favour of an ally, of its interest in guarding such a vital link in British communications. Such a security must be a feature of any agreement come to between our two Governments, and I see no reason why accommodation is impossible, given good will.

The effective co-operation of Great Britain and Egypt in protecting those communications might in my view have been ensured by the conclusion of a treaty of close alliance. The presence of a British force in Egypt provided for by such a treaty freely entered into by both parties on an equal footing would in no way be incompatible with Egyptian independence, whilst it would be an indication of the specially close and intimate relations between the two countries and their determination to co-operate in a matter of vital concern to both. It is not the wish of His Majesty's Government that this force should in any way interfere with the functions of the Egyptian Government or encroach upon Egyptian sovereignty, and I emphatically said so. It is not the intention of His Majesty's Government to assume any responsibility for the actions or conduct of the Egyptian Government or to attempt to control or direct the policy which that Government may see fit to adopt.

attempt to control or direct the policy which that Government may see fit to adopt.

So far as my conversations with Zaghlul Pasha turned on the question of the Sudan, they have only served to show his persistence in the attitude disclosed in his previous public utterances. I must adhere to the statements I made on the subject in the House of Commons. About that neither in Egypt nor in the Sudan should there be any doubt. If there is, it will only lead to trouble.

In the meantime the duty of preserving order in the Sudan rests in fact upon His Majesty's Government, and they will take every step necessary for this purpose. Since going there, they have contracted heavy moral obligations by the creation of a good system of administration; they cannot allow that to be destroyed; they regard their responsibilities as a trust for the Sudan people; there can be no question of their abandoning the Sudan until their work is done.

His Majesty's Government have no desire to disturb existing arrangements, but they must point out how intolerable is a status quo which enables both military and civil officers and officials to conspire against civil order, and unless the status quo is accepted and loyally worked until such time as a new arrangement may be reached the Sudan Government would fail in its duty were it to allow such conditions to continue.

His Majesty's Government have never failed to recognize that Egypt has certain material interests in the Sudan which must be guaranteed and safeguarded, these being chiefly concerned with her share of the Nile water and the satisfaction of any financial claims which she may have against the Sudan Government. His Majesty's Government have always been prepared to secure these interests in a way satisfactory to Egypt.

I have in the preceding paragraphs defined the position which His Majesty's Government are compelled to take up in regard to Egypt and the Sudan and which I conceive it to be my duty to conserve unimpaired.

I am, &c.,

J. RAMSAY MACDONALD.