LEAGUE OF NATIONS

REDUCTION OF ARMAMENTS

LIMITATION OF NATIONAL EXPENDITURE ON ARMAMENTS

REPLIES FROM GOVERNMENTS

CONTENTS

Action taken by the Council and the Commissions of the League on the Resolutions adopted by the Fourth Assembly ........................................... 2

Replies from the Governments (in chronological order):

PORTUGAL ........................................... 3
ROUMANIA ........................................... 3
SPAIN ............................................... 3
ESTHONIA .......................................... 4
LIBERIA ............................................. 4
LATVIA ............................................... 4
KINGDOM OF THE SERBS, CROATS AND SLOVENES ............... 4
CZECHOSLOVAKIA .................................... 5
GREAT BRITAIN ..................................... 6
POLAND ............................................. 6
ITALY ............................................... 6
BULGARIA .......................................... 7
NETHERLANDS ..................................... 7

Geneva, September 4th, 1924.

[Communicated to the Council, the Members of the League and the Delegates at the Assembly.]
Resolution II. — Limitation of National Expenditure on Armaments.

"The Assembly

"Notes with great satisfaction that in the course of the last three years the States Members of the League have, with very few exceptions, been able to reduce their expenditure on armaments;

"Desires that this fortunate development should become more marked and more general;

"Recalls the resolutions of the preceding Assemblies concerning the limitation of expenditure on armaments;

"And requests the Council to recommend to the Members of the League not to exceed, during the period necessary for the elaboration and the adoption of the general scheme for the reduction of armaments, the total expenditure on military, naval and air armaments provided for in the budget of the present fiscal year;

"Subject to the reservation, however, that allowance shall be made:

"(a) for all contributions of effectives, material, or money recommended by the Council for the execution of the obligations provided for in Article 16 of the Covenant;

"(b) for all exceptional situations brought to the notice of the Council and recognised by it as such."

During its twenty-ninth session, in June 1924, the Council considered this resolution of the Assembly and gave effect to it in the following decision:

"The Council, endorsing the Assembly's resolution recommending the Members of the League, subject to certain reservations, not to exceed, during the period necessary for the elaboration and adoption of the general scheme for the reduction of armaments, the total expenditure on military, naval and air armaments provided for in the budget of the present fiscal year:

"Decides to instruct the Secretary-General to send the above recommendation to all State Members of the League and to request them to state what action they propose to take with regard to the recommendation."

The Secretary-General, by a letter dated June 27th, 1924, communicated this decision of the Council to the States Members of the League.

The replies received to this enquiry are included in the present document.
REPLY FROM THE PORTUGUESE GOVERNMENT.

Lisbon, July 15th, 1924.

In your letter of June 27th last, you were good enough to communicate to the Government of the Republic the decisions of the Council of the League of Nations with regard to the limitation of expenditure on armaments, and you enquired what action our Government proposes to take in pursuance of the recommendation of the Council adopted on June 14th, 1924.

The Government of the Republic has devoted its efforts during the last few years to overcoming a serious financial crisis which had arisen as a direct consequence of the participation of Portugal in the Great War. In consequence of the depreciation of the currency, the Government has not only been compelled to refrain from any sort of renovation of the country's armaments but it has not even been able to maintain those armaments up to the strength prescribed in the constitutional laws regarding the organisation of the military and naval forces of Portugal.

The situation is an exceptional one and is of the kind provided for in paragraph (b) of the Assembly's resolution. In view of the persistence of the financial crisis, the Government of the Republic does not at the present moment intend to incur any further expenditure on armaments, but it must make every reservation, in accordance with the provisions of paragraph (b) already referred to, regarding the necessity of renewing its war equipment as soon as the budgetary position improves.

(Signed) Augusto DE VASCONCELLOS.

REPLY FROM THE ROUMANIAN GOVERNMENT.

Bucharest, July 23rd, 1924.

In reply to your letter of June 27th last, I have the honour to inform you that the Royal Government has carefully considered the resolution adopted by the Council of the League of Nations on June 14th, 1924.

Although, as you are aware, the Roumanian Government is anxious to do nothing which might stand in the way of the objects which the League has in view in recommending Governments not to exceed, during the period required for the elaboration and adoption of the general plan for the reduction of armaments, the total amount provided for military, naval, and air expenditure in the budget of the present financial year, it feels that it cannot conform at present to this recommendation. The continual threats to which Roumania is exposed oblige the Roumanian Government to take all measures dictated by the requirements of national defence.

(Signed) J. S. DUCA,
Minister for Foreign Affairs.

REPLY FROM THE SPANISH GOVERNMENT.

Paris, July 28th, 1924.

In reply to your letter of June 27th last, I am instructed by my Government to inform you of its views regarding the Fourth Assembly's resolution transmitted by the Council, and recommending the Members of the League of Nations not to exceed, during the period necessary for the elaboration and the adoption of the general scheme for the reduction of armaments, the total expenditure provided for in the budget of the present fiscal year.

The principle of the Assembly's resolution has also been adopted by the Spanish Government, which has so closely observed it that not only has there been no increase but the total expenditure provided for in the budget has been reduced. The Spanish Government firmly intends to continue to observe this principle. It must, however, make the reservation that it is not in its power to guarantee that the necessity of providing for the defence of Spanish interests in Morocco may not at some time and under certain circumstances compel it to increase its military expenditure.

(Signed) QUINONES DE LEÓN.
REPLY FROM THE ESTHONIAN GOVERNMENT.

Reval, August 8th, 1924.

I have the honour to inform you that, in drawing up its military budget for 1924, the Esthonian Government bore the recommendation of the Fourth Assembly in mind, and it is glad to be able to point out that not only is the military expenditure in the budget for the current financial year not larger but it has been very considerably reduced. For instance, on the Army alone expenditure has been reduced by about 180 million Esthonian marks, while expenditure on the Navy and Air Force has been reduced proportionately.

(Signed) T. R. PuSTA,
Minister.

REPLY FROM THE GOVERNMENT OF LIBERIA

Department of State,
Monrovia, Liberia,
August 8th, 1924.

With respect to Secretariat Document C.L. 82. 1924. IX, on the subject of limitation of expenditure on armaments, I have the honour to say that the Liberian Government accept absolutely the principle contained in the resolution of June 4th dealing with this matter.

Secretary of State.

REPLY FROM THE LATVIAN GOVERNMENT.

[RJansJation.]

Riga, August 9th, 1924.

In reply to your letter C.L. 82, dated June 27th, regarding the limitation of expenditure on armaments, I am instructed by my Government to give you the following information:

While the Latvian Government is in full sympathy with the efforts of the League of Nations to establish universal peace, it considers that the recommendation forwarded by the Council cannot be applied in the strictest sense by new States whose military organisation is in process of development and whose geographical position exposes them to a constant threat of aggression on the part of Powers which do not belong to the League of Nations.

Moreover, military expenditure amounts to only 18.16 per cent of the Latvian Budget; this percentage is one of the lowest in Europe. Although the actual expenditure figures show an increase of 10 per cent over those of the 1923-1924 financial period, this is only an apparent increase due to the rise in the cost of living and in the cost of purchases made at home and abroad for the equipment and arming of the troops. Actually the real value of the expenditure has decreased by 15 per cent. Latvia is therefore pursuing a policy in conformity with the recommendation adopted by the Assembly of the League of Nations, and will always do her best to give effect to the wishes of the Assembly in so far as the requirements of her national security permit.

(Signed) L. SejA,
Minister for Foreign Affairs.

REPLY FROM THE GOVERNMENT OF THE KINGDOM OF THE SERBS, CROATS AND SLOVENES.

Ministry for Foreign Affairs,
Belgrade, August 11th, 1924.

[Translation].

The Royal Government has noted the resolution adopted by the Fourth Assembly regarding the reduction of expenditure on military, naval and air armaments.

Conscious of its duty to maintain peace and national security, the Serb-Croat-Slovene Government has had to take the necessary steps to provide its army with modern and complete equipment. When peace was concluded, the Kingdom of the Serbs, Croats and Slovences only possessed the army of Old Serbia reduced by six years' of warfare to a seventh of its
normal strength, and provided with the most inadequate armament and equipment. It should be remembered that, when the country was evacuated, the entire stores of war material were destroyed. The financial crisis and the depreciation of the currency have only rendered it possible to replace the material and equipment very gradually, and these have not yet attained the minimum required for the defence of a country three times as large as formerly. The Royal Government has entered into certain undertakings with manufacturers at home and abroad which it is obliged to fulfill. These considerations render it impossible to limit this expenditure to the sum at present provided in the budget.

In view of this exceptional situation — which is, indeed, provided for in paragraph (b) of the Assembly’s resolution — the Royal Government regrets that for the moment it is unable to give effect to the resolution in question. As soon as circumstances permit, it will endeavour to restrict its expenditure on armaments, the more so as such restriction cannot fail to benefit the general economic situation of the country.

(Signed) MARINKOVITCH,
Minister of Foreign Affairs.

C. 405. M. 150. 1924. IX.
C. T. A. 454.

REPLY FROM THE CZECHOSLOVAK GOVERNMENT.

Prague, August 14th, 1924.

[Translation.]

...... I have the honour to inform you that the Cezchoslovak Government, in loyal observance of the Peace Treaties and the Covenant, of which it was one of the signatories, is taking all measures calculated to ensure peace and a general reduction of armaments.

In the military budget submitted to the Chambers, the Government have even kept below the limits required for the essential needs of national defence and have undertaken a further reduction, the importance of which may be seen from the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Military budget.</th>
<th>Percentage of general budget.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1919</td>
<td>1,740,166,000 Czech Crowns</td>
<td>20.20%</td>
</tr>
<tr>
<td>1920</td>
<td>2,364,518,000</td>
<td>15.47%</td>
</tr>
<tr>
<td>1921</td>
<td>2,561,796,000</td>
<td>14.20%</td>
</tr>
<tr>
<td>1922</td>
<td>3,108,846,000</td>
<td>15.62%</td>
</tr>
<tr>
<td>1923</td>
<td>2,775,137,000</td>
<td>14.32%</td>
</tr>
<tr>
<td>1924</td>
<td>2,299,973,000</td>
<td>13.53%</td>
</tr>
</tbody>
</table>

These figures show both an absolute reduction and a reduction in the percentage of a very remarkable character.

I also desire to point out that the credits voted in respect of previous years have not been entirely used up by the Ministry of National Defence. This will enable considerable economies to be effected of which I shall be able to give exact details when the accounts for the years 1922 and 1923 have been closed.

Moreover, as regards effective length of service, the Government of the Republic have given orders for the period of obligatory military service to be reduced this year from two years to 18 months. Further, by the law of December 7th, 1922, regarding recruits whose family circumstances are particularly difficult and who may be released on that account after six months' service, the Government has further reduced the strength of the army by about 4,000 men.

It is a particular pleasure to me to be able to bring to your notice these various measures for a reduction of armaments. The Republic, in spite of the difficult situation in which it was placed at the time of its constitution, and the necessity imposed upon it, if it was to ensure its existence, of providing itself with at least a minimum of armaments and equipment — a minimum which is still far below the level maintained during the past few years by other countries — has not hesitated to enter upon the path marked out by the League of Nations, and has thus supplied further clear proof of its pacific aims, to which it has given practical expression to the extreme limit compatible with the national security.

I feel it necessary, however, to observe that the measures so far taken have been based on the assumption that the clauses of the Peace Treaty and of the Covenant will be strictly observed. The development of such measures in the future will depend directly both upon the extent and efficacy of control and upon the conclusion in the near future of a treaty of mutual guarantee.

(Signed) DR. EDUARD BENEŠ.
REPLY FROM THE BRITISH GOVERNMENT.

Foreign Office, August 18th, 1924.

In your letter C.L. 82, 1924. XI of June 27th last you enquired, by direction of the Council of the League, what action His Majesty's Government proposed to take with regard to the resolution of the Council of June 14th last, recommending that, during the period necessary for the elaboration and adoption of a general scheme for the reduction of armaments, Members of the League should not exceed the total expenditure on military, naval and air armaments for which provision is made in their budgets for the present fiscal year.

2. The attitude of His Majesty's Government towards this recommendation has already been explained by their representative on the Council. They have deeply at heart the desirability of reducing expenditure on armaments to a minimum, and the figures given in the League of Nations "Statistical Enquiry into National Peace-time Armaments" (A. 20. 1923. IX) show with what success the United Kingdom has pursued this policy in recent years. They are happy to be able to point to a further prospective decrease in such expenditure in the current year and they earnestly trust that further reductions will be possible in the future. The recommendation, however, applies to an indeterminate period and His Majesty's Government consider it impossible to bind either themselves or their successors not to exceed in any circumstances the expenditure actually incurred in the present fiscal year. The aim of His Majesty's Government will continue to be directed towards a reduction of expenditure to the lowest level consistent with the requirements of national security, and as this must depend upon policy His Majesty's Government will continue to strive to create and maintain international relationships which will conduce to progressive disarmament. As Members of the League are aware, much of the world's military expenditure is purely competitive and can be limited only by mutual agreement. His Majesty's Government are always ready to consider such agreements with a view to increase national security by international reduction of armaments.

For Mr. Ramsay MacDonald:

(Signed) G. Villiers.

REPLY FROM THE POLISH GOVERNMENT.

Warsaw, August 26th, 1924.

I have the honour to inform you that the military budget of the Polish Republic for the year 1925 shows no increase, and does not in its main features differ from that of 1924.

I venture to draw your attention to the fact that the military budget of the Polish Republic, which covers the period during which the finances of the Treasury are being set in order by the Polish Government, by no means answers to actual requirements and to the present situation of the country, and that consequently it cannot be regarded as a fixed basis for the framing in future of the normal peace budget.

It will not be possible to frame this normal budget before 1927, by which time the work of re-establishing the Treasury finances will have been finally completed. It would therefore be premature as yet to pass judgment upon the figures of the military budget, in view of the fact that the latter will depend entirely upon the country's future conditions of security.

I can, however, assure you that the Polish Government, seeking as it does to co-ordinate its endeavours as closely as possible with those of the League of Nations with a view to preserving the peace of the world, will do its utmost to comply with the decisions taken by the League of Nations, and there is no doubt that a happy solution of the problem of general disarmament will be reflected also in the military budget of Poland.

(Signed) Al. Skrzyński,
Polish Delegate to the League of Nations.

REPLY FROM THE ITALIAN GOVERNMENT.

[Translation.]

Ministry for Foreign Affairs,
Treaty and League of Nations Office,
Rome, August 28th, 1924.

In a letter dated June 27th, 1924, in which you notified me of the resolution adopted by the Council of the League of Nations on the 14th of that month with reference to the limitation of expenditure on armaments, you requested me to inform you of what action the Italian
Government proposed to take on the recommendation that the total expenditure on military, naval and air armaments provided for in the budget of the present financial year should not be exceeded during the period necessary for the preparation and adoption of the general armament scheme.

The statistics published by the League of Nations show that Italy, with 46 per cent, takes first place among the countries which have effected large reductions in their total expenditure on armaments as compared with pre-war figures, account being, of course, taken of the depreciation of the currency.

It will be seen quite clearly from these facts that the Italian Government is following a pacific policy and has deferred to the recommendations of the League not merely formally but in a practical manner.

Nevertheless, while the Royal Government is sincerely anxious to continue this policy, it cannot, as a matter of principle, neglect to consider the attitude which may be taken un or maintained in the future by other States, whether Members of the League or not.

(Signed) Mussolini.

REPLY FROM THE BULGARIAN GOVERNMENT.

Sofia, August 29th, 1924.

[Translation.]

In reply to your letter of June 27th, 1924, No. C.L. 82. 1924. IX, I have the honour to remind you that the armaments policy of Bulgaria is governed by the Treaty of Peace of Neuilly. The budget of the Ministry of War, which provides for an expenditure of 1,167,961,980 levas for the financial year 1924-1925, is more than one-sixth of the total budget of the kingdom. This is due not to an increase in the establishment or armaments of the military forces of Bulgaria, which are still below the limits laid down by the Treaty of Peace, but to the system of recruiting by means of voluntary enlistment which has been imposed upon Bulgaria. Apart from its other defects, this system has proved extremely expensive.

The Bulgarian Government has at all times been at pains to comply with the recommendations of the Council of the League of Nations regarding the limitation of expenditure on armaments. If its efforts in this direction have not proved as successful as was hoped, it must be recognised that this is due in the first place to the recruiting system.

It is beyond dispute that the surest way of effecting a substantial reduction in the military expenditure of Bulgaria would be to replace the system of voluntary enlistment by one of compulsory recruiting. The relief which would thus be afforded to the budget would be of the first importance in assisting the economic and financial recovery of Bulgaria.

(Signed) Ch. Kalfoff,
Minister for Foreign Affairs of Bulgaria.

REPLY FROM THE NETHERLANDS GOVERNMENT.

Berne, September 2nd, 1924.

[Translation.]

Her Majesty’s Government has the honour to inform the Secretary-General that, while maintaining the reservations stated in the letter from Jonkheer van Panhuys dated May 17th, 1921, No. 2932, notably as regards the exceptional situation of the Dutch navy, Her Majesty’s Government is prepared to conform with the above recommendation.

The Netherlands Government would observe that the budget of the Ministry of War for 1924 is less than that for 1923 by 1,400,000 florins, and it is hoped that a further reduction may be possible in the budget for 1925.

(Signed) W. Doude van Troostwyk.