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I.

PRESENT SITUATION AS REGARDS INTERNATIONAL ENGAGEMENTS REGISTERED WITH THE SECRETARIAT OF THE LEAGUE.

I.

A special annex to the present report is being issued, which will give a complete and general view of the progress achieved in the registration of international engagements. Its publication has been delayed until the last minute, in order to take account of events up to September 1st, 1923.

II. REGISTRATION AND PUBLICATION OF TREATIES AND INTERNATIONAL ENGAGEMENTS.

(Article 18 of the Covenant.)

The registration of treaties by the Secretariat has been carried out in accordance with the method laid down in the Council's Memorandum of May 19th, 1920. The number of international engagements forwarded for registration between that date and September 1st, 1923, is 469.

They may be classified as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Number</th>
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<tbody>
<tr>
<td>From May 19th, 1920, to May 19th, 1921</td>
<td>112</td>
</tr>
<tr>
<td>» May 19th, 1921, to May 19th, 1922</td>
<td>151</td>
</tr>
<tr>
<td>» May 19th, 1922, to May 19th, 1923</td>
<td>161</td>
</tr>
<tr>
<td>» May 19th, 1923, to September 1st, 1923</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td>469</td>
</tr>
</tbody>
</table>

The rules laid down in the Council’s Memorandum on the registration and publication of treaties may be summarised as follows:

Paragraph 1 binds the Members of the League of Nations to submit treaties for registration, and particularly emphasises the importance of the publicity to be given to such treaties:

"Publicity has for a long time been considered as a source of moral strength in the administration of national law. It should equally strengthen the laws and engagements which exist between nations. It will promote public control. It will awaken public interest. It will remove causes for distrust and conflict. Publicity alone will enable the League of Nations to extend a moral sanction to the contractual obligations of its Members. It will, moreover, contribute to the formation of a clear and indisputable system of international law."

Paragraph 2 contains an extensive and detailed interpretation of the principles upon which Article 18 is based.

Paragraph 3 further defines the scope of Article 18, which applies not only to treaties of every description, but also to any other international engagement intended to bind nations, or their Governments, whether it be a treaty, a convention, a renewal of a treaty, a denunciation of a treaty, or an accession to a treaty, etc.

Paragraph 4 fixes January 10th, 1920, as the initial date for compulsory registration. With regard to treaties entered into before that date, registration depends entirely upon the will of the contracting parties.

Paragraph 5 fixes the date upon which a treaty must be submitted for registration; it should be observed that it has been decided, for various reasons, to extend registration, which is optional in this case, to treaties not yet formally concluded.
**Paragraph 6** lays down the form in which treaties must be submitted for registration. Provision has been made for the case where a request for registration is communicated by telegram.

**Paragraph 7** provides that certificates of registration shall be delivered to the interested parties.

**Paragraph 8** provides that either of the contracting parties may, at will, present a treaty for registration.

**Paragraph 9** is intended to ensure the automatic publication of treaties which are to be registered, and gives the general outline of the methods to be employed for such publication.

**Paragraph 10** gives a detailed statement of the method of entering on the registers of the Secretariat the engagement submitted for registration, and provides for the preparation of a general index of the treaties.

**Paragraph 11** deals with the conventions which are entrusted to the Secretary-General on account of their special nature: draft labour conventions, etc.

According to **Paragraph 12**, the terms of Article 18 cover not only treaties concluded between Members of the League of Nations, but also engagements entered into by a Member of the League with a State not Member of the League.

**Paragraph 13**, with a view to developing the system of registration, makes an appeal for the collaboration of States, or communities which are not as yet Members of the League of Nations. The Secretary-General of the League of Nations further stated in the memorandum that he would be glad to receive any suggestions for the improvement of the plan which he had submitted to the Council.

This method of procedure has been interpreted in various ways by some of the States Members of the League of Nations, but it may be stated that, in the majority of cases, authentic copies of the treaties, with all the necessary data for carrying out the registration requested, have been submitted to the Secretariat, in accordance with the procedure laid down in the memorandum.

The 469 international engagements registered to date are of widely varying types. In the first place, there are general international agreements and adhesions to these agreements, e.g., agreements on industrial, literary, and artistic property and on goods traffic by rail, the Madrid Postal Conventions, the White Slave Traffic Arrangement and Agreement, the International Radiotelegraphy and International Sanitary Conventions, the South American Sanitary Convention, the Opium Convention, etc. This class also includes agreements of special interest to the Members of the League such as that on the Permanent Court of International Justice, the Instruments of the Barcelona Conference on Communications and Transit, etc.; we may also include in this class treaties of peace between individual States which are, however, matters of general concern, e.g., the various Treaties of Peace concluded with Germany, Austria-Hungary, etc. and the Treaties establishing a state of peace between various Members of the League of Nations and Russia.

To the second class belong treaties and conventions of a more special type. It would be a difficult matter, in view of the diversity of their contents, to state the number of engagements which have been registered, but which are not general in character.

The main engagements in this class are bilateral conventions regarding aerial navigation, sanitary conventions, conventions on the delimitation of frontiers, postal, telegraph and telephone conventions, conventions on emigration and on the exchange of civilian prisoners and prisoners of war, conventions regarding insane persons, consular treaties, treaties regarding the settlement of debts, arbitration, option for nationality, on the importation of opium, morphine and similar drugs, economic and commercial agreements, political agreements, agreements for defensive alliances, etc. There are others, again, which deal with double taxation, inherited property, commissions of enquiry, transport, accidents to workers during employment, labour, emigration and labour, relief, tonnage, measurement of merchant vessels, wines and spirits, submarine cables, etc.

All these instruments are published in the League of Nations *Treaty Series* in the original languages with translations in French and English. Analytical and alphabetical indexes are published periodically. So far, 12 volumes each of more than 450 pages containing 341 treaties, have been published, and further volumes will appear shortly. Two indexes have also been published.

These excellent results must be attributed not only to the regular and satisfactory manner in which Members of the League of Nations have complied with their obligations as regards the registration of treaties, but also to the fact that certain States not Members have responded to the Council's appeal in its Memorandum of May 19th, 1920, and have sent to the Secretariat various agreements concluded by them: Germany and — before their entrance into the League — Latvia, Finland, Hungary and Lithuania.
2.

LEGAL QUESTIONS.

AMENDMENT OF ARTICLE 10 OF THE COVENANT.

The Council, on January 29th, 1923, instructed the Secretary-General to invite the Members of the League to submit any observations they might wish to make on the Canadian proposal for the amendment of Article 10 of the Covenant by June 1st, 1923, and to place the question on the agenda of an early session of the Council to be held after that date (General Report A. 10, p. 9).

The Council again considered the matter at its July session. Replies from several Governments had been received. On July 7th the Council adopted the following resolution:

"The Council, having taken note of the observations made by the various Governments with regard to the amendment to Article 10 of the Covenant, which was proposed by the Canadian delegation at the third Assembly:

"Decides to request the Secretary-General to bring the replies of the Governments to the notice of the fourth Assembly; and

"Postpones taking a decision on the procedure to be adopted with regard to the Canadian amendment until a subsequent session of the Council."

3.

PERMANENT COURT OF INTERNATIONAL JUSTICE.

I. NATIONALITY DECREES IN TUNIS AND MOROCCO.

As a result of the opinion of the Court concerning the Nationality Decrees in Tunis and Morocco (see General Report A. 10, p. 11), negotiations took place between the Governments of London and Paris. These negotiations resulted in an arrangement which is embodied in correspondence between Lord Curzon and the Comte de St. Aulaire, the French Ambassador in London. The arrangement provides that proceedings before the Court shall cease subject to the following conditions. The French Government will take, before January 1st, 1924, any steps which may be necessary to give to a British subject born in Tunis of a British subject who was himself born in that country the right to decline French nationality. This right, however, will not extend to the succeeding generations. A child born in Tunis of a British subject, himself born elsewhere than in Tunis, will not be claimed as a French national by the French Government, and French nationality will not be imposed on any British subject born in Tunis before November 8th, 1921, without an opportunity being given him to decline such nationality. No attempt will be made to impose on British subjects in Tunis the nationality of Tunis in place of French nationality. The principle of the arrangement will not apply elsewhere than in Tunis. The Governments, in consenting to stop the procedure before the Permanent Court of International Justice, declare that they do not abandon their respective points of view as previously expressed.

As regards Morocco, it is understood that the application to British subjects of the decrees promulgated in that country will not at present give rise to any procedure at The Hague, as the question does not present immediate practical interest.
As the agent of the French Government had requested the Court to note a proposal made by France to Great Britain with a view to submitting the whole question to the judgment of Court, the Court was duly informed of this arrangement between the two Governments. The Court took formal note of the arrangement at the public meeting with which its third ordinary session opened in June, 1923.

II. THE CASE OF SS. "WIMBLEDON."

The written documents in the case of ss. Wimbledon were all deposited with the registry of the Court within the period fixed. (General Report A. 10, p. 12). The case was therefore ready to be heard orally on June 15th, 1923.

The Polish Government had, as already noted, filed a request to be allowed to intervene as a party to the case by the side of the Allied Powers. The Polish Government based its request to intervene on Article 62 of the Statute, where it is said that: "Should a State consider that it has an interest of a legal nature which may be affected by the decision in the case, it may submit a request to the Court to be permitted to intervene as a third party. It will be for the Court to decide upon this request."

The parties submitted their observations on this request, and on June 28th, 1923, the Court having heard the representatives of the interested countries, gave a decision, in which it noted that Poland, without insisting on the grounds for intervention based upon Article 62 of the Statute, wished to avail herself of the right to intervene which she derived from Article 63 of the Statute as a signatory of the Treaty of Peace. The Polish Government, as a result of this decision, appointed M. Olechowski as its agent.

The hearing of the case before the Court began on July 5th, 1923.

The decision of the Court was read at a public meeting held on August 17th, 1923. The decision rendered by the majority of the nine judges, was as follows:

"For these reasons,
"The Court,
"Having heard both parties:
"Declares that the suit brought before it by the Governments of His Britannic Majesty, of the French Republic, of His Majesty the King of Italy and of His Majesty the Emperor of Japan, and in which the Government of the Polish Republic has intervened, has been validly submitted by all the parties;
"And passes judgment to the following effect:

"1. That the German authorities on March 21st, 1921, were wrong in refusing access to the Kiel Canal to the ss. Wimbledon.
"2. That Article 380 of the Treaty signed at Versailles on June 28th, 1919, between the Allied and Associated Powers and Germany, should have prevented Germany from applying to the Kiel Canal the neutrality Order promulgated by her on July 25th, 1920;
"3. That the German Government is bound to make good the prejudice sustained by the vessel and her charterers as the result of this action;
"4. That the prejudice sustained may be estimated at the sum of 140,749 frs. 35 centimes, together with interest at 6 % per annum from the date of the present judgment;
"5. That the German Government shall therefore pay to the Government of the French Republic at Paris in French francs the sum of 140,749 frs. 35 centimes with interest at 6 % per annum from the date of this judgment; payment to be effected within three months from this day;
"6. And that each party shall bear its own costs."

M. Anzilotti and M. Huber were unable to associate themselves with the opinion of the majority of the Court, and claimed their right to annex to the decision of the Court a statement of their personal opinion. The same right was claimed by M. Schücking, the German national judge.

The decision is based on the general rule contained in Article 380 of the Treaty of Versailles, from which it follows, in the opinion of the Court, that the Kiel Canal has ceased to be an internal navigable waterway, i.e. a waterway which may only be used by vessels of Powers other than the riparian State subject to the decision of the riparian State.

The rule contained in Article 380, by indicating that the Canal is open to nations at peace with Germany, contemplates the hypothesis of a future war in which Germany may participate. If it had been the intention of the Treaty that the regulations covering access to the Canal were also to be affected in the event of a conflict between two Powers remaining at peace with the German Empire, the Treaty would not have failed to say so explicitly. The Treaty had not done so, because it had not this intention. It follows that the general rule establishing freedom of access is also applicable in the event of the neutrality of Germany.

The fact that a special section of the Treaty was devoted to the Kiel Canal, and that in this section certain provisions were repeated regarding the internal navigable waterways of Germany showed that the provisions relating to this Canal were sufficient in themselves, and that there was no occasion to apply to the canal, regulations drawn from other articles of the Treaty, which dealt, for example, with the regime of internal navigable waterways in the event of the neutrality of the riparian State.

It was contended before the Court that the interpretation given in the preceding paragraphs to the provisions relating to the Kiel Canal would involve the abandonment by Germany of an
essential element of her sovereignty, which she was unable to surrender, namely, the right to safeguard her neutrality.

The Court, however, considered that, in accordance with a general understanding, when an artificial waterway affording communication between two free seas had been permanently devoted to the use of the whole world, such a waterway was assimilated to the position of natural straits, in the sense that the passage, even of belligerent warships, did not compromise the neutrality of the sovereign State under whose jurisdiction the navigable waters concerned were situated. The President of the German Delegation had explicitly declared, in a note to the President of the Conference of Ambassadors, that the German Government only claimed to apply to commercial vessels, and not to vessels of war, the rules of neutrality which it had proclaimed; a fortiori, the passage of neutral ships carrying contraband of war could not be held to imply, on the part of Germany, a failure to fulfil her duties as a neutral.

The Court considered that the German neutrality decrees could only apply to the territory which was not affected by the limitations imposed on Germany as regards the Kiel Canal, and that these limitations, having been accepted by Germany in the exercise of her sovereignty, could not be incompatible with this sovereignty.

III. GERMAN MINORITIES IN POLAND.

The question put to the Permanent Court of International Justice by the Council on the subject of the German farmers in Poland (for the text of this question, see section on Minorities of the present report) was duly communicated by the Court to the Members of the League of Nations, as well as to the Governments which were in a position to furnish information on the question, including the German Government.

The Polish Government asked to be heard on the subject, and appointed as its agent Sir Ernest Pollock, former Attorney-General of Great Britain, and Count Rostworowski, Professor of the Faculty of Law at Cracow, Sir Ernest Pollock being assisted by M. Fachiri. It also forwarded to the Court a series of documents and memoranda containing the views of certain eminent jurists on the subject.

The German Government also deposited a memorandum on the question with the Registrar of the Court, and the Court informed the German Government through the German Minister at The Hague that it would be ready to hear orally any further information with which it might desire to furnish the Court. The German Government thereupon appointed as its agent M. Schiffer, former Minister of Justice, who had represented Germany in the case of ss. Wimborne.

Count Rostworowski made before the Court a preliminary statement, in which he confined himself to dealing with the question from the point of view of the competence of the Council. Sir Ernest Pollock subsequently went into the substance of the question. M. Schiffer, in reply to Sir Ernest Pollock, made a statement to which Count Rostworowski and Sir Ernest Pollock briefly replied. A final statement by M. Schiffer concluded the hearing of the Court on this question.

The decision of the Court will be announced later at a public meeting.

IV. EASTERN CARELIA.

Following the notification made by the Registrar of the Court to the Members of the League of Nations and to the Government of the Soviets of Russia (General Report A. 10, p. 13), the Finnish Government asked to be heard on the question of the interpretation of the Russo-Finnish Treaty of Dorpat referred to the Court by the Council of the League of Nations. The Finnish Government appointed as its agent M. Erich, former President of the Council, and as deputy-agent M. Saastamoinen, Chargé d’Affaires at The Hague.

The Russian Government refused by telegram to take any part whatever in the proceedings before the Court. It declared that it found it quite impossible to take any part whatsoever in the “proceedings devoid of legal value, both in substance and in form” to which the Court wished to submit the Carelian question. It gave, at the same time, reasons of law and of fact in order to justify its attitude.

The Court heard M. Erich on June 22nd, 1923, having informed him that it wished to know his opinion on the question whether the Court was competent to take action on the request which had been addressed to it. M. Erich spoke a second time on this subject at a public meeting held on June 26th. The Court gave its reply to the question which had been raised on July 23rd, 1923.

The majority of the Court, composed of seven judges, regretfully concluded that the Court was incompetent to express an opinion. The four other judges declared that they could not share this view. The majority based their opinion on the fact that, as the point submitted to the Court for its opinion was a subject of dispute between two States, a reply by the Court would be equivalent to a decision of this dispute, though Russia was not a party to the pleadings. It did not seem possible for the Court to express an opinion on a dispute which had actually arisen between a Member of the League of Nations and a State which was not a Member of the League without the consent of the latter, a view which appeared to be implicit in the principle of the independence of States, as expressed in Article 17 of the Covenant. Moreover, a reply to the question which had been raised would render an enquiry on certain points of fact indispensable, and the Court would have been singularly embarrassed in conducting such an enquiry successfully without the concurrence of Russia.
V. NEW REQUEST FOR AN ADVISORY OPINION WITH REGARD TO CERTAIN INDIVIDUALS OF GERMAN RACE IN THE TERRITORIES RECENTLY CEDED TO POLAND.

The Council, during its session of July, 1923, forwarded to the Permanent Court a new question concerning the position of individuals of German race in the territories recently ceded to Poland. The Council begged the Court to deal with the matter if possible during its present session.

The Members of the League of Nations, as well as the United States of America and Germany, had been notified of this request for an opinion. All these States had therefore the right to ask the Court to be allowed to furnish information on the subject. The Court had informed the interested parties that it would deal with this question as from August 27th, 1923.

4.

FINANCIAL ADMINISTRATION OF THE LEAGUE.

I. GENERAL ADMINISTRATION.

The only development of note during the period under review was the repayment by the International Labour Office, on July 31st, of approximately the total amount it had borrowed from the Secretariat's share of the working capital fund during 1923. It may also be mentioned that, generally speaking, there was an improvement in the payment of contributions by the States Members of the League as compared with the corresponding period of last year.

The negotiations which were entered into with certain Central American States with a view to the payment of their overdue contributions in accordance with the general principles approved by the Supervisory Commission at its May session have developed satisfactorily and several of these States have undertaken to liquidate their arrears by instalments on the basis of the scale of allocation approved by the Third Assembly.

During the month of June, the two properties which had been so generously offered during the Third Assembly by the Swiss Confederation and by the Canton and City of Geneva, were handed over to the League and accepted by the Secretary-General in accordance with a resolution of the Council. 1

II. WORK OF THE SUPERVISORY COMMISSION.

In accordance with the decision it had taken at its second annual session, the Supervisory Commission met at Paris on June 26th.

In the light of the decisions of the Assembly and the Council, it again examined its duties towards the League and public opinion, and subsequently approved the budget of the International Labour Organisation in the form in which it had been adopted by the Governing Body of the Labour Office. It insisted, however, that the vote covering the interest on the loan for the construction of the proposed new building should be included in the budget of the Office, and not in the general budget of the League.

As it was not certain in which country the pensions fund would be established, the Commission did not think it desirable to recommend to the Assembly detailed regulations in regard to it.

The Commission approved for submission to the Assembly a certain number of amendments to the financial regulations and recommended that a small Salaries Adjustment Committee should be set up to determine the variations to be made in the salaries of the officials of the Registry of the Permanent Court of International Justice.

III. THE WORK OF THE COUNCIL IN CONNECTION WITH THE FINANCES OF THE LEAGUE.

At its twenty-fifth session, the Council considered the budget for 1924, the accounts for 1922, and the various other documents on financial questions which had been submitted to it by the Supervisory Commission.

1 The donations have been accepted in virtue of the resolution of the Assembly of September 29th, 1922, and the resolution of the Council of February 5th, 1923.

(a) The deed of donation of property situated at 154 route de Lausanne was signed at the Secretariat on June 18th, 1923, transferring the property from the Federal Government to the League. By decision of the Third Assembly the site is to be used for the construction of the new Labour Office.

(b) The deed of donation of the Armleder property was signed on June 27th, 1923, at the Secretariat. By this deed the property was transferred by the Canton and the City of Geneva to the League. The site is available for the construction of an Assembly Hall or other purposes.
The French representative on the Council requested on behalf of his Government that the budget should be re-examined by the Secretary-General, and that new draft estimates should be submitted to the Supervisory Commission, which should prepare a report to be presented to the Council for examination at the session taking place immediately prior to the Assembly.

The French Government was bound in the matter by the demands of the Parliamentary Committees and by the votes of the Chambers. For the first time the French budget had been balanced; but, to do this, great sacrifices had been made involving hardships in many cases.

The British representative felt sure that, while his Government would desire to support any economies which could reasonably be made in the budget of the League without diminishing the efficiency of the organisation, it must nevertheless be remembered that an extremely complicated machinery had been set up to supervise the expenditure of the League, and considerable reduction had already been made by the Secretary-General and by the Supervisory Commission. The Council should not hastily commit itself to a statement that the figures were not satisfactory, since it had not had an opportunity of examining them with the care which was necessary to justify it in offering criticisms. In conclusion he pointed to specific pecuniary benefits which had been derived by certain States Members owing to the action of the League.

The Secretary-General, comparing the ordinary expenditure of the budget of the Secretariat and the special organisations of the League for 1923 with the budget for 1924, pointed out that a reduction of 12% had already been made. He did not believe that further reduction could be made without adversely affecting the essential work of the League or the efficiency of the Secretariat, and quoted the report of the Supervisory Commission in favour of this opinion.

The French representative said that his Government did not in any way wish to modify the policy of the League, but it was of opinion that reductions could be made in the sections whose work was not of a political character. The Supervisory Commission did not appear to be unanimously of opinion that no further reductions could be made.

After an exchange of views, the Council decided that it would forward to the Assembly the various documents which had been submitted to it, reserving entirely the rights of its representatives during the Assembly. It directed the Secretary-General to send to the States Members the minutes of the discussion which had taken place regarding the finances of the League.

IV. LOAN FOR CONSTRUCTION OF NEW BUILDINGS FOR THE INTERNATIONAL LABOUR OFFICE.

In accordance with decisions taken by the third Assembly, the Council, at its twenty-fifth session, authorised the Secretary-General to ascertain what were the terms on which a loan could be obtained for the purpose of erecting premises for the International Labour Office on the site which had been so generously given to the League by the Swiss Confederation. It further instructed him to submit to the Council at its next session particulars of the measures suggested. Finally it agreed that a limited advance might be made to the Director of the International Labour Office from the Working Capital Fund for the purpose of commencing building operations, on the express condition that the amount so advanced should be repaid to the Working Capital Fund not later than December 31st, 1923. It was understood that the advance from the Working Capital Fund would be contingent on the loan being approved by the Council.

As a result of negotiations which were entered into with a number of financial establishments, three definite offers were received from leading banks, and the question of the loan has been placed on the agenda of the twenty-sixth session of the Council.

5.

REDUCTION OF ARMAMENTS.

ACTION TAKEN ON THE RESOLUTIONS OF THE THIRD ASSEMBLY.

(The following notes should be regarded as supplementary to those contained in the section on the reduction of armaments of the General Report on the Work of the Council (A. 10, p. 17).


The Permanent Advisory Commission met at Geneva in July 1923, and the Temporary Mixed Commission met at Paris in August 1923.)
Resolution No. II: Reduction in Expenditure on Armaments.

The Council at its June session decided to postpone any decision on this question in order to enable the Assembly to proceed to a new examination of the subject in the light of the observations presented by the Temporary Mixed Commission.

Resolution No. III: Statistical Enquiry.

At the last session of the Temporary Mixed Commission held in August, 1923, the Secretariat informed the Commission that by July 26th, 1923, twenty-two Governments had replied to the questionnaire. A report is being prepared by the Secretariat which will be distributed to the Council and to the Assembly.

Resolutions Nos. IV, V and VI: Surplus Stocks of Munitions; Private Manufacture of Arms; Control of the International Traffic in Arms.

The Council at its June session adopted the following resolution:

"The Council,
"Having examined the resolution adopted by the Temporary Mixed Commission recommending that the Governments of all States not Members of the League of Nations should be invited to state their views as to the manner in which they would be willing to co-operate in the solution of the problem of the traffic in arms and ammunitions and of the private manufacture of arms,
"Approving the principle of this resolution without at the same time prejudging the obligation which certain of these Governments have undertaken in the Treaties of Peace,
"Considers it advisable to postpone its decision on the matter until such time as the reply from the United States Government to the letter addressed to it by the President of the Council on May 1st, 1923, is received".

On July 26th, 1923, the United States Legation at Berne wrote on behalf of its Government to the Secretary-General of the League of Nations stating that it was instructed to inform him that the matter was receiving the consideration of the United States Government and that a reply would be sent in due course.

Resolution No. VII: Chemical Warfare.

The Temporary Mixed Commission, at its eighth session, held in August, 1923, noted that it was not possible to publish a report on chemical warfare before the meeting of the Assembly. The report will co-ordinate the views of the various experts on the question. It will be published when the information to be embodied has been received.

Resolution No. VIII: Requirements of National Security.

The Temporary Mixed Commission has noted the report which it asked the Secretariat to prepare in June; the report specifies the omissions which appeared in the replies of certain Governments to the enquiry recommended by the Assembly (General Report A. 10, p. 20).

Resolution No. IX: Exchange of Information.

The Council decided in July to authorise the Secretariat to publish a year-book in order to carry out the intentions of the last paragraph of Article 8 of the Covenant. The year-book was to begin with an experimental volume dealing with the figures for 1923, and the publication was to be developed by degrees according to the experience acquired, it being clearly understood that the information would be drawn solely from official and public documents, and that the programme of the year-book would exactly correspond to the terms of the last paragraph of Article 8 of the Covenant.

The Temporary Mixed Commission, during its August session, noted that the Council in taking this decision had thereby approved the resolution adopted by the Commission in June 1923 (A. 10, p. 20).


The Council, during its July session, again postponed consideration of this question (A. 10, p. 21).

Resolutions Nos. XIII, XIV and XV: Scheme for a Reduction of Armaments, Treaty of Mutual Guarantee, Regional Agreements.

The Temporary Mixed Commission, during its August session, adopted an opinion concerning the question of demilitarised zones. This opinion is contained in the report of the Temporary Mixed Commission to the Assembly (A. 45).

The Permanent Advisory Commission has examined the draft scheme of Colonel Requin for the Treaty of Mutual Guarantee (General Report A. 10, p. 22). It considered that the scheme
presented by Colonel Réquin was in conformity with resolution No. XIV of the Assembly, and that,
while it contained in substance the principles which were regarded as essential by the Permanent
Advisory Commission, it appeared from the practical point of view to provide a fruitful basis for
the application of a scheme of mutual assistance leading to a reduction of armaments.

The Italian, Spanish and Japanese Delegations, on the other hand, expressed the opinion
that this scheme seemed especially designed to favour partial treaties, and that these agreements
would lead to military coalitions which, instead of facilitating the reduction of armaments, would
render it more difficult.

Special reservations were made in regard to the “déclenchement automatique” of these treaties
(application of the casus federis without waiting for the decision of the Council).

The schemes of Lord Robert Cecil and of Colonel Réquin were taken as a basis of discussion
by a special committee of the Temporary Mixed Commission which presented a draft treaty to
the for consideration at a plenary session of the Temporary Mixed Commission. This draft treaty,
after slight amendments introduced by the Temporary Mixed Commission, served as a basis for
the final draft contained in the report of the Temporary Mixed Commission to the Assembly
(Document A. 45).

6.

POLITICAL QUESTIONS.

EXPROPRIATION BY THE ROUMANIAN GOVERNMENT OF THE IMMOVABLE PROPERTY OF HUNGARIAN
OPTANTS.

The Council on April 23rd, 1923, passed a resolution regretting that it could see no present
prospect of agreement between the Government of Roumania and the Government of Hungary
regarding the expropriation by the Roumanian Government of the immovable property of Hungar-
ian optants. It remitted the question for further consideration at its next session, and expressed
the hope that M. Adatci would continue to act as rapporteur, trusting that the two Governments
would direct their best efforts towards a settlement.

(For previous history, see General Report to the Fourth Assembly: A. 10. 1923, pp. 31-34).

M. Adatci, acting upon this resolution, invited the delegates of the two Governments, to
meet him at Brussels on May 26th, 1923. Count Csáký and M. Gájzágo represented Hungary
and M. Titulesco represented Roumania.

It was agreed to take as a basis of discussion the various points raised in the request of the

These points were defined as follows:

“(1) Discrepancy between the Roumanian Agrarian Law and the provisions of the
Treaty of Trianon laying down the right of Hungarian optants to keep their immovable
property situated in territory ceded to Roumania.

“(2) Aggravation of the wrong caused to Hungarian optants in consequence of the
provisions regarding absenteeism laid down in Roumanian law in Transylvania.

“(a) Discrepancy between the provisions of the Treaty compelling Hungarian
optants to transfer their domicile outside Roumanian territory, and the provisions of
Roumanian law in Transylvania providing for the total expropriation of owners who
have been absentees for a prescribed period.

“(b) Cases of Hungarian optants who have been absentees for the period provided
by law owing to force majeure resulting from the occupation of territory by Roumanian
troops.

“(3) The question of the amount of compensation to be allowed to expropriated
property owners. If prices based on those of 1913 are adopted, Hungarian optants will
lose the difference between the nominal value of the expropriated property, as estimated
on the figures for that period, and its actual value to-day.


This article lays down that Roumanian subjects only may acquire or keep country
estates in Roumania, while by the provision referred to above of the treaty of Trianon,
Hungarian optants may keep their immovable property in Roumanian territory.”

A fifth paragraph was added in interpretation of a statement contained in the request of the
Hungarian Government to the effect that there were doubtless a number of other provisions of the
Roumanian Agrarian Law which prejudiced the rights of the Hungarian optants. In support of
this statement, the Hungarian delegates complained of certain exceptions and discrepancies in the
legislation applied to Transylvania and to the old kingdom of Roumania respectively, which were
alleged to favour the Roumanian landowner as compared with the Hungarian optant.

These points were discussed by the representatives of the two Governments in the presence of M. Adatci, and in the minutes of the discussions certain statements in regard to them were
recorded. It was, for example, admitted that the Treaty did not preclude the expropriation of the
property of optants for reasons of public welfare, including the social requirements of agrarian
reform—the Hungarian representative, however, reserving the right of this Government to
maintain its objection to certain clauses in the Transylvanian Land Act. It was further noted
that the period of absence provided for by the Roumanian law was not identical with the period
fixed in the Treaty, and that there was accordingly no formal contradiction between the two
texts. The Hungarian representative, however, again observed that Magyar landowners leaving
Transylvania at the moment of the occupation of that province by the Roumanian army had acted
only in anticipation of the option clause of the Treaty.

The Roumanian representative, referring to Hungarian optants, who were alleged to be
compulsory absentees owing to the occupation of territory by the Roumanian troops, said that,
if such cases had occurred and had not been settled by means of a judicial decision, he was sure
that the persons concerned would be accorded individually full justice within the limits of the
Roumanian law.

The Hungarian representative said that his Government was most desirous to enter into
negotiations with the representative of Roumania on the two essential points of the dispute,
namely, the limit of expropriation and the amount of compensation to be granted to the Hungarian
optants. It was not, however, possible to arrive at any compromise on the question of compensa-
tion as, in the opinion of the Roumanian delegate, such a compromise could not be reached without
creating a privilege in favour of the Hungarian optants.

The Roumanian delegate declared that his Government had no intention to apply to Hungarian
optants, who had already lost part of their property under the Land Act, the provisions of Article 18
of the Constitution. He further stated that, if the agrarian law of Transylvania had been inter-
preted in a different manner for Hungarian optants than for Roumanian subjects, each individual
case, when brought to the notice of the Roumanian Government, would be considered separately
in order to ensure equal treatment for all, in conformity with the intentions of the law. He would,
however, reserve his formal declaration to the Council on these two points until he knew that the
negotiations had reached a satisfactory conclusion. He also reserved the right of his Government
to prevent further observations on points which had not been fully explained in its first request.

M. Adatci drew up a report for the Council containing the minutes of the negotiations and a
draft recommendation addressed to the two Governments. The draft recommendation was as
follows:

"The Council, taking note of the various declarations contained in the minutes
attached to the report of the Japanese representative, hopes that both Governments will
do their utmost to prevent the question of Hungarian optants from becoming a disturbing
influence in the relations between the neighbouring two countries.

"The Council is convinced that the Hungarian Government, after the efforts made
by both parties to avoid any misunderstanding on the question of optants, will do its
best to reassure its nationals;

"And that the Roumanian Government will remain faithful to the Treaty and to
the principle of justice upon which it declares that its agrarian legislation is founded
by giving proof of its goodwill in regard to the interests of the Hungarian optants."

The rapporteur, in addressing these documents to the Council, stated that they had been
carefully examined by the representatives of Hungary and Roumania, who, having received full
powers to negotiate, had accepted and intimated them.

The Hungarian Government, however, on June 12th, 1923, sent to M. Adatci a memorandum
stating that it considered that the negotiations at Brussels had failed. It further declared that
its representative, in signing a portion of the text of the draft resolution contained in the report
of M. Adatci had exceeded his powers, which were only for negotiation with the representative
of Roumania, and that it could not therefore accept this resolution. It contented that the resolu-
tion in no way solved the problem, but merely offered political suggestions, which were outside
the scope of the question. It concluded by requesting M. Adatci to repeat at the forthcoming
session of the Council the proposals which he had submitted to the Council on April 23rd, namely,
that the Permanent Court of International Justice should arbitrate, or, if Roumania still refused
to accept this procedure, that the Court should be asked to give an advisory opinion.

M. Adatci, replying to the memorandum of the Hungarian Government, represented that
the negotiations at Brussels, far from having failed, had led to certain results which might assist
in the solution of the difficulties which had arisen between the two countries, and that the repre-
sentatives of the two parties duly authorised for that purpose had arrived by common agree-
ment at certain conclusions, on a number of points. These points of agreement were recapitulated
in the report as formally approved by the representatives of both parties.

M. Adatci added that, in his opinion, it would be useless to repeat at the next meeting of the
Council the proposals which he had made without success on April 23rd.

The Council resumed its examination of the question at two public meetings held on July
5th, 1923. The Hungarian Government was represented by Count Apponyi and M. Gajzago;
Roumania represented by M. Titulesco.

The Hungarian representative regretted that he was unable to accept the conclusions of
M. Adatci, and represented that there was nothing unusual in a Government disavowing a repre-
sentative who had exceeded his powers. He then took up the argument where it had been left
The agrarian reforms undertaken by the Roumanian Government were less urgently required in Transylvania than in Roumania, but they had, nevertheless, been applied with a greater severity. The agrarian situation in the former kingdom of Roumania admittedly called for radical reform, but in Transylvania property was more equitably distributed, and the reform might reasonably have been more moderate. The contrary, however, had occurred. The reform in Transylvania had been more drastic, both as regards the provisions relating to maximum holdings and in regard to compensation. In Transylvania, colonists with holdings of an area from 25 to 30 jugars had been attacked 1. Lands held corporatively (compossessorats) had also been taken away and bestowed on Roumanian communes. It was particularly remarkable that, although under Article 25 of the agrarian law of Transylvania all these lands might be expropriated, exception was made of those held by the Roumanian regiment of Naszod, whereas no such exception was made in favour of the Hungarian regiment of Cizk, which was, nevertheless, in precisely the same legal position. The property of the churches had also come under the agrarian law, and several ancient educational institutions were being deprived of their wealth, with the result that Hungarian culture would disappear. All these facts tended to show that these agrarian measures were not a democratic reform, but a nationalist revolution, which prejudiced a minority exclusively in favour of a Roumanian majority.

The Hungarian representative thus summarised this part of his case:

"In order that your sympathy may be won you are told that this is a great democratic reform. This may be true for the old kingdom of Roumania, but it is not true for Transylvania. It is not right that the most far-reaching reform should be applied where it is least needed. The most drastic breaking up of estates is carried out precisely in that territory where the division of land is the soundest, where small properties predominate. Not only the large and medium-sized properties are being destroyed, but also peasant holdings if they are Hungarian. This is true of even jointly-owned properties, if they are Hungarian, but not if they are Roumanian. Hungarian peasants are deprived of their land which is given to Roumanian peasants. Parishes are attacked where conditions of tenure are quite exceptional. Church property, on which Hungarian culture in Transylvania almost entirely rests, is confiscated. In short, medium-sized properties which are Hungarian are expropriated, and such properties are reconstructed for the benefit of Roumanians. The nationalist and anti-democratic tendency of the reform in Transylvania is thus clearly apparent."

He next took up the points which had been the subject of negotiations at Brussels, arguing that the agrarian law of Transylvania was a breach of Article 63 of the Treaty of Trianon, which stated that Hungarian optants might keep their property, and that the Treaty was even more clearly violated by Article 18 of the Constitution, which said that no foreigner might possess landed property in the kingdom of Roumania.

Moreover, the provisions in regard to absentee landowners were legally indefensible. These provisions were retrospective, applying the term "absentee" to persons who had anticipated the duty of transferring their domicile to Hungary imposed on the optants by Article 63 of the Treaty of Trianon. This retrospective law applied to the years 1918-1921, a period during which Transylvania was legally Hungarian territory, and when no Hungarian domiciled anywhere in Hungary could reasonably be considered as an absentee. There was also the moral difficulty that absenteeism, thus defined, referred to a time when the majority of the Hungarian landowners found it necessary to retire before the Roumanian occupation. The Hungarian representative admitted that expropriation was not contrary to the Treaty, if it were a genuine expropriation. It was, however, contrary to the Treaty if it was in reality confiscation in disguise, i.e., an act by which the owner was deprived of his property without compensation. A measure under which landowners were offered a compensation of one par cent of the sale value of their lands was a negation of the whole idea of property, and consequently a violation of the Treaty of Peace.

He dealt at length with the objection which had been raised by the Roumanian Government that a privilege could not be created in favour of Hungarian optants as compared with Roumanian nationals, and that the Hungarian optants must, therefore, suffer the same measures of expropriation as the Roumanians. He noted that the appearance of creating a privilege arose from

1 One hectare = 1.737 jugar.
the fact that Roumanian legislation had been enacted which did not take account of the provisions of the Treaty. He further pointed out that arrangements had been proposed by various countries for securing the rights of foreign nationals in Russia, Bessarabia, and elsewhere, and thus placing them in a privileged position. Moreover, when the Roumanian legislation was first passed, it was laid down that certain provisions relating to absentees would not be applied to foreign nationals. Roumania had not herself, therefore, always insisted that a privileged position for foreign nationals was inadmissible.

He concluded by asking whether the rights of the Hungarian optants were violated by the agrarian legislation in Transylvania should be submitted to the Permanent Court of International Justice. The Hungarian Government could not persuade its nationals in the direction of conciliation, unless a judicial sentence were obtained. No progress was possible if the Roumanian Government persisted in applying a law which was regarded by the Hungarian Government as contrary to the Treaty, and, at the same time, refused to appear before the judge for whom the Hungarian Government was asking.

The Roumanian representative said that the Hungarian Government, after disowning its plenipotentiary, was trying to re-open a discussion which had been closed at Brussels on May 29th, 1923. He could not follow the Hungarian representative into all the details of this new debate. It had been agreed at Brussels that there was no incompatibility between the provisions of the Treaty and expropriation for purposes of land reform. The details and methods of this expropriation fell within the scope of the domestic legislation of the sovereign country.

The Council on April 23rd had asked Roumania to take this question before the Permanent Court of International Justice. This arbitration was not compulsory, and Roumania had been unable to accept a proposal which involved the whole structure of Roumania, and vast problems which had been solved as a result of ten years of struggle, and various compromises between the interests of classes and parties.

He recapitulated the points on which agreement had been reached at Brussels, and drew attention to the assurance given by the Roumanian representative that, if there had been any abuse of the authority of the Roumanian administration, the persons concerned would be accorded full justice within the limits of the Roumanian law.

He dealt also with the alleged differences between the agrarian legislation of the kingdom of Roumania and of Transylvania. Such differences as existed were due to local necessities. For example, the proportion between the population and the extent of arable land was not the same in Transylvania and in the old kingdom, and it was for this reason that in Transylvania the economic unit was necessarily smaller. Moreover, even if there were differences between the legislation in the two regions, the Hungarian delegation at Brussels had agreed that they had no right to quote the provisions of the law enacted for the old Kingdom as proving an injury to the interests of the Hungarian optants.

The Roumanian Government regarded itself as bound by the Brussels Agreement in so far as the Hungarian representatives were similarly bound, and Roumania would faithfully carry out her obligations. The Roumanian representative recalled in this connection his declaration to the effect that each individual case would be brought to the notice of the Roumanian Government and considered separately, in order to ensure equal treatment for all in conformity with the intentions of the law.

There was only one question which really divided the two parties at Brussels, i.e., the question of compensation. The Roumanian Government, however, was unable to pay more. Wholesale compensation on a gold basis would require 750,000,000 gold francs, which represented 33 milliards of paper lei, when the total budget was not more than thirteen milliards.

Roumania stood by the report and the draft resolution framed at Brussels, which had been carefully weighed and considered, and accepted by both parties.

M. Adatci, at the public meeting of the Council held on the afternoon of July 5th, 1923, said he had not changed the opinion which he had formed at Brussels. He thought the Council would be acting wisely to adopt the draft resolution, which he had submitted. This resolution did not solve the fundamental question, but its acceptance by the two parties would, he felt, mark the beginning of a general move towards peace.

M. Titulesco said he was prepared to accept the resolution on behalf of his Government on the understanding that the Hungarian Government was similarly bound. He wished, however, to make the position of his Government quite clear. It regarded the Brussels agreement as an actual contract, and not simply as a first step towards conciliation, and considered that the minutes of May 27th definitely settled the agreed points.

Count Apponyi said that his Government could not consider itself bound in any way by the so called Brussels arrangement, and deplored the fact that the League of Nations did not provide for Hungary an open road towards judicial settlement. In these circumstances, it was impossible for his Government to withdraw its request, and he must refuse the assent of his Government to the proposal of M. Adatci. He must regard the question as remaining in suspense, since there was no decision as regards the principle involved. The Hungarian Government reserved the right to take up the question again at an opportune moment.
The Council finally adopted a resolution in the following terms:

"The Council, after examining the report by M. Adatci, dated June 5th, 1923, and the documents annexed thereto:

Approved the report;

Takes note of the various declarations contained in the minutes attached to the report of the Japanese representative, and hopes that both Governments will do their utmost to prevent the question of Hungarian optants from becoming a disturbing influence in the relations between the neighbouring two countries;

The Council is convinced that the Hungarian Government, after the efforts made by both parties to avoid any misunderstanding on the question of optants, will do its best to re-assure its nationals;

And that the Roumanian Government will remain faithful to the Treaty, and to the principle of justice upon which it declares that its agrarian legislation is founded, by giving proof of its goodwill in regard to the interests of the Hungarian optants."

The members of the Council, having particularly in mind the signature of the Brussels agreement, declared individually that they accepted this resolution. The Roumanian member also accepted it, asserting that it confirmed the Brussels agreement. The Hungarian member on the other hand stated that his Government must continue to believe that the only solution capable of solving the problem and easing the situation was a judicial settlement on the substance of the case. It could not admit that the minutes of the negotiations at Brussels involved it in any obligation, and it reserved the right to take any future steps allowed by the treaties and the Covenant of the League of Nations in order to obtain justice for those which it had the right and duty to represent.

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7.

ADMINISTRATIVE QUESTIONS.

I. ADVISORY COMMITTEE ON INTERNATIONAL ADMINISTRATION.

At a meeting of the Council held on July 4th, 1923, the British representative expressed the view that the proposal to set up an advisory Committee on International Administration (see General Report A 10, p. 34) involved a new principle of a somewhat serious kind, as the Committee was to be formed of representatives of those Governments which constituted the Council, and would therefore be paid for by those Governments. His Government wished to examine an alternative scheme for the establishment of an advisory committee similar to the other advisory committees of the League.

After an exchange of views the Council decided to postpone a decision until its next session.

II. TERRITORY OF THE SAAR BASIN.

A. THE GOVERNING COMMISSION: RESIGNATION OF MR. WAUGH.

On August 2nd, 1923, Mr. R. D. Waugh (Canadian), who has been a member of the Saar Basin Governing Commission since it was set up in 1920, forwarded to the Secretary-General his resignation from that post in order to accept an important commissionership with the Manitoba Government in Canada. This matter will be considered at the session of the Council to begin on August 31st, 1923.

B. PERIODICAL REPORTS.

The Periodical Report of the Governing Commission for the period from December 15th, 1922 to June 15th, 1923 (14th Report) was printed in the Official Journal of the League for July 1923. It contains information with regard to the administrative activity of the Commission and deals specially with the economic conditions resulting from the strike of the miners, and with the establishment of a single currency by means of the elimination of the depreciated mark. The parts of the report dealing with these problems are summarised below.

C. ECONOMIC CONDITIONS: THE MINERS' STRIKE.

The Report begins by recalling the period of unusual prosperity which the Saar Basin enjoyed at the end of 1922. This prosperity, it is stated, was destroyed by the miners' strike which began on February 5th and lasted for exactly 100 days. Every economic organisation in the district, all production and all traffic, depend on coal. As soon as the coal supply is interrupted the entire life of the Saar Basin is paralysed. It is noted that this was the first miners' strike since the Governing Commission took up office in February 1920. The strike broke out as the result of a demand

1 These reports will hereafter be submitted to the Council quarterly as in the past.
for increased wages, but it presented an unusual character, as was shown by its duration, by the perfect organisation of the trade-unions, and by the amount and regularity of the subsidies paid to the strikers. It was impossible to resist the conclusion, adds the report, that the motives of those who took part in the strike were not of a purely economic nature. Negotiations were held at the beginning of May between the mining administration and the trade-union representatives, and the miners went back to work after an increase in wages had been granted to all classes. The effects of the strike may be indicated by the fact that there was probably a loss in gross production of over four million tons of coal, and that the loss in wages to the miners amounted to over 85 million francs. The production of iron and steel decreased by more than two-thirds during this period; the treasury of the territory suffered materially; and the deficit in the railway budget will reach considerable proportions.

D. THE CURRENCY QUESTION: THE FRANC AS SOLE LEGAL TENDER.

Owing to the gravity of the monetary situation in the Saar, due to the increasing depreciation of the German mark and the simultaneous circulation of the French franc, the Governing Commission was unanimously of the opinion that the remedy should be sought in the return to monetary unity by means of the elimination of the German currency. Accordingly, after consulting the Technical Committee and the Advisory Council, and noting the wishes of the Chamber of Commerce, the Governing Commission issued a Decree on May 18th, 1923, making the French franc the only legal currency in the Territory.

The Report enumerates the fatal effects of the double currency on public and private finances and on industries and agriculture in the Saar. It states that the Governing Commission was unable to regard the future with any confidence as long as the financial organisation of the district was dependent on the German money market. It appeared to be absolutely necessary to free the Saar Basin from the mark, and to put an end to the double currency and its grave consequences. Under the Treaty the French franc could not be eliminated, so that unity could not have resulted from the adoption of any other currency.

The Report represents that the reform thus introduced was the outcome of a gradual process. To a large extent the franc had been already introduced both in Government and private enterprises, but many of the people, particularly small traders and those with fixed incomes, still suffered from the depreciation of the mark. The Commission believes that in introducing this reform, against which the German Government has protested, it has in no way exceeded its powers under the Peace Treaty. Moreover, the Commission only decided to make the French franc the sole currency of the district after it had made certain that the result would not aggravate the difficulties of those classes of the people which had suffered from the depreciation of the German currency, but rather work out to their advantage.

The decree of May 18th assures payment in francs for all wage-earners. Moreover, with the approval of the Advisory Council a further decree has been issued for the purpose of transforming into francs the whole system of social insurance. Disabled soldiers will also be paid in francs and special provision will be made for those with small fixed incomes.

E. AGREEMENTS WITH OTHER COUNTRIES.

The Secretariat has recently received information from the Secretary-General of the Governing Commission concerning agreements negotiated and concluded between the Governing Commission and foreign governments, as well as the texts of these agreements. Most of these agreements had been mentioned previously in the periodical reports of the Governing Commission. The new documents are now under consideration in the Secretariat. The agreements include four formal protocols between Germany and the Governing Commission, and two formal conventions between France and the Governing Commission, in addition to a number of arrangements of a somewhat technical or administrative character which have been entered into, in one from or another, by authorities of the Governing Commission with authorities of foreign countries. Mention is also made of the participation of the Governing Commission in certain International organisations — such as the Universal Postal Union.

F. INQUIRY BY THE COUNCIL INTO THE GENERAL ADMINISTRATION OF THE SAAR TERRITORY.

A proposal of the British Government for an enquiry into the general administration of the Saar Territory, and, more especially, into the recent events which resulted in the taking of exceptional measures by the Governing Commission, was considered by the Council during its session from July 2nd to 7th, 1923.

At a public meeting on July 3rd, the Council heard Lord Robert Cecil, M. Hanotaux, and Mr. Branting on the subject, and agreed as to the form which the enquiry should take. The inquiry was subsequently pursued at two meetings on July 6th in the presence of all the members of the Governing Commission, who had been summoned to Geneva. At a second public meeting on July 7th, the Council adopted unanimously a resolution prepared by a drafting Committee composed of M. Hyman, M. Quiniones de Leon and the Director of the Administrative Commissions Section of the Secretariat.

The proposal of the British Government was:

1. To draw attention to the decrees of March 7th, 1923 (maintenance of order), and of May 2nd, 1923 (picketing);
2. To propose an inquiry as to whether the administration of the Saar Basin by the Governing Commission had been in accordance with the spirit and terms of the Treaty of Versailles.

Lord Robert Cecil, introducing the proposal, said that affairs in the Saar had attracted a great deal of public attention, and he laid great stress on the importance of enlightening public opinion as to the true position. He pointed out that there had been a great deal of ignorant and hostile propaganda, both in England and other countries, concerning the administration of the Territory.

He reminded the Council of the position under the Treaty of Versailles. The Treaty had two objects: one was to secure the rights and welfare of the population of the Saar, and the other was to secure to France complete freedom in working the coal-mines which had been transferred to the French Government in compensation for the destruction of the mines in the north of France.

The government of the Territory was handed over to the League of Nations and entrusted to a Governing Commission appointed by the Council of the League. The acts of this Commission were the acts of the League, and the League was responsible.

It was not the duty of the Council to take any direct part in the administration of the Saar, but it was the duty of the Council to review the acts of the Governing Commission and to enquire from time to time as to the course of events in the Territory.

There were serious difficulties in connexion with the administration of the Saar. The system of government was set up for only a limited time, and it therefore lacked permanence, which was one of the great assets of a Government. It was, moreover, a government which lacked the racial sympathy of the population, and it had the complex duty not only of governing the Territory but of ensuring the rights of a foreign Power in the Territory. Considering these difficulties, the Governing Commission had been remarkably successful. It was a Government of considerable administrative capacity and of unquestioned uprightness and freedom from corruption. It could show an exceptional record in the history of international government. It was, nevertheless, the duty of the Council to give to this Territory and to its Government the closest attention, and to enquire when there was any reason for thinking that a mistake had been made.

The special ground on which the British Government based its proposal for an enquiry was the position which had arisen as a result of the provisional decree issued by the Governing Commission on March 7th, 1923. This decree had been issued in consequence of a general strike in the Territory. In some particulars the decree appeared to go beyond what was required for the maintenance of order. It had now been withdrawn and a new decree of a more moderate description had been substituted for it.

The new decree was based on the proposition that no one ought, by speaking or writing, to take action which might lead to a breach of the peace. As a general proposition, that would appear to be right. There was a further decree passed during the strike which forbade peaceful picketing. It was open to question whether a decree of that kind could be lawfully enacted in a territory where the rights of the workmen as they existed at the time of the armistice were specifically preserved under the Treaty.

The decree of March 7th, 1923, was promulgated without any previous consultation with the inhabitants of the Saar. This was contrary to the express words of the statutes. It could only be justified by extreme necessity, and could only be maintained if the inhabitants were consulted at the earliest possible moment.

There did not appear to be, on the face of it, any reason for this sudden action. The strike had been continuing for three months and there had been no serious disturbance. It was said that the Advisory Council of the Saar had met within a week of the promulgation of the decree, but it did not appear to have been consulted, though, according to another statement, it had passed a strong resolution against the decree. It was publicly alleged that the decree was directly due to the inspiration of the French Government. This charge, which he did not accept for a moment, might be taken as an example of the hostile reports which were circulating in regard to the administration of the territory. Similar allegations were made in regard to the decree on peaceful picketing and the second decree which had been substituted for that of March 7th, 1923.

It accordingly appeared that all these three decrees should be the subject of enquiry by the Council, which should satisfy itself that they were really necessary in the interests of the inhabitants and of the French proprietary rights in the mines, and that the method of their enactment was reasonable and in accordance with the provisions of the Treaty.

There was another matter on which there had been a great deal of public criticism, namely, the position of the members of the Governing Commission and their relations with one another. There was a suggestion that some of the members of the Governing Commission did not sufficiently realize that they were only representatives of the League of Nations and that no member in any respect represented any foreign Government. There was also a suggestion that the Chairman was inclined to act without consulting the Commission. It was said, for example, that the report at that moment before the Council was the first which had been approved by the whole Commission.

There had also been considerable discussion on the compulsory adoption of the franc as the legal currency of the Saar and on the continued presence in the Saar of a considerable body of French troops, which had been largely increased during the recent strike. The efforts of the
Treaty, "to provide in all cases for the protection of persons and property in the Saar Basin". Balfour, at the Third Assembly, had expressed the same effect. The references of right were twofold; not only the right to strike but freedom to work; and it was the duty of the government and of the population, to a definitive movement toward a peaceful issue. As soon as possible it was withdrawn. It reassured the public mind and led at once, thanks to the government, to prepare the inhabitants for the plebiscite which was to be held in 1935.

Up to the moment of the strike everything had been proceeding as well as possible in the Territory, and during the period of the administration of the Governing Commission various Members of the Council had from time to time congratulated the Chairman of the Commission on the liberal policy which he had followed. Lord Robert Cecil, at the Second Assembly, and Lord Balfour, at the Third Assembly, had expressed themselves to the same effect. The references of Lord Balfour to the Government of the Saar at the Third Assembly were particularly significant. He had referred to a most active and vehement propaganda which was carried on in the Saar not in the interests of the population but in order to discredit the Governing Commission and to prepare the inhabitants for the plebiscite which was to be held in 1935.

60,000 workmen were involved in the recent strike, and they had been fired by a campaign of extraordinary violence. The Governing Commission had the duty, under Article 30 of the Treaty, "to provide in all cases for the protection of persons and property in the Saar Basin"—a provision which entitled it, subject to the approval of the Council, to summon forces provided from outside. The crisis connected with the strike threatened the entire population, and was particularly dangerous owing to the geographical position of the Saar, its political situation, and the needs of the Territory.

The Governing Commission was a real government, which inherited all the powers of government hitherto belonging to the German Empire, Prussia or Bavaria. It was created in order to maintain a particular situation, which M. Hanotaux summarised as follows:

"France has particular rights in the Saar. This is the point on which everything else necessarily rests. France is the proprietor of the mines; France has the right to exploit the mines without any obstacle or restriction being placed upon the use or exploitation of this property; these expressions are repeated in the Treaty of Versailles on several occasions.

"Moreover, the future destiny of the Territory is held in suspense pending the future plebiscite. These two rights are in no way inconsistent; one of them is concrete, immediate and of constant application, whereas the other lies in the future, and herein lies the difficulty. The League of Nations is the trustee of the Allied Powers for the maintenance of these two rights. The League was entrusted by the Treaty with the organisation of a new system of government and with the task of following its actions. For this period the League remains the trustee and has to maintain the existing position in accordance with Articles 49 of the Treaty and paragraph 19 of the Annex."

M. Hanotaux contended that the Governing Commission had the right to legislate in certain circumstances and that it had special authority to take speedy action in exceptional crises. In March 1923, the Commission took the only possible step at its disposal. It needed a law to meet an exceptionally dangerous position, the importance of which was underrated by Lord Robert Cecil. It took for this purpose a German law. It consulted a technical committee chosen from outside. The crisis connected with the strike threatened the entire population, and was particularly dangerous owing to the geographical position of the Saar, its political situation, and the needs of the Territory.

The decree was issued as a provisional decree, and it was understood that when the position had become normal it would no longer apply. Under this decree persons disturbing the public peace might be brought before the courts. Not a single case, however, had been brought before the courts, nor any penalty imposed under this decree. Only two newspapers had been temporarily suspended. The decree was not only provisional—it had practically never been applied. It gave rise to no serious incident, and as soon as possible it was withdrawn. It reassured the public mind and led at once, thanks to the wisdom of the Government and of the population, to a definitive movement toward a peaceful issue.

Much insistence had been laid on the picketing decree. The practice of picketing was a subject of controversy all over the world. The Treaty safeguarded the right of the workers, but this right was twofold; not only the right to strike but freedom to work; and it was the duty of the
Governing Commission and of the Council to assure this freedom. The Saar decree was of an average character.

There was also the question of currency. The French Government had the right to establish its currency in the Saar under Article 32 of the Treaty, and no prohibition or restriction might be imposed on the circulation of French money. The introduction of the French franc had been economically necessary. The Saar was the only part of Germany where conditions were good, since it had escaped the general collapse of the mark.

The Council was invited to make an enquiry into the administration of the Saar, and it was its duty to do so. There was to be no special commission of enquiry (enquête), which might prejudice the authority of the Governing Commission, but a simple extension of the usual work of the Council.

It was necessary to remember that the art of government was beyond everything else the art of understanding the psychology of the peoples. It was impossible to govern from Geneva and with texts. One could only govern on the spot and with men. It was essential not to open the door to propaganda, which was directed not only against the Governing Commission but against the League of Nations, and which was, in fact, part of a general attempt to nibble at the Treaty of Versailles in order to ruin the very foundation of the existing European system.

He responded to Lord Robert Cecil's appeal and agreed to an enquiry (examen) by the Council.

3. Statement by the Swedish Representative.

Mr. Branting said he was authorised to support the proposal for an enquiry. He thought that the chief reproach which might be addressed to the Governing Commission was that it had not succeeded in collaborating with the population and in gaining its confidence. The Administration was not sufficiently democratic. He ventured to propose that some members of the population of the Saar should also be invited to present their point of view.

4. Examination of the Members of the Governing Commission.

The Members of the Governing Commission were examined by the Council at two meetings held on July 6th, 1923. A full account of these proceedings was published in the Official Journal for August 1923. The following is a summary of the evidence of M. Rault, the Chairman, given in reply to questions put by Lord Robert Cecil.


M. Rault, who was at the time both Chairman and French member of the Commission, reminded the Council that, under the Treaty, he was required, as Chairman, to act as the executive of the Commission. He had not, however, attempted to centralise all the powers of administration in his own hands. The Commission had distributed the work of government among all its members. The Chairman undertook internal administration, police, foreign affairs and measures relating to commerce, industry and labour. M. Lambert (Belgian) had charge of public works, railways, posts and telegraphs. M. de Moltke-Huitfeldt (Dane) was entrusted with education, public worship and justice. Mr. Waugh (Canadian) had charge of finance and supply, and the Saar member (M. Land) dealt with agriculture, public health and social welfare.

Each member of the Commission was master in his own particular department, but it was understood that, when decisions concerned any changes of law or of regulations, involved expenditure, or were of general interest, they should be brought before the whole Commission at one of its weekly meetings, where the work accomplished was extremely heavy. Decisions were taken by the Commission after a serious discussion between all its members. Between 20 and 30 questions came up at each meeting and nine-tenths of the proposals were unanimously approved.

All the members of the Commission had been designated by the Council and independently of the Governing Commission, which had never put forward any candidate for appointment.

M. Rault said that during the first year the reports of the Governing Commission to the Council had been made by the Chairman as executive officer of the Commission. At the end of the first year objections to this procedure had been raised by the Belgian member. The Chairman of the Governing Commission had accordingly asked the other members to send him a note of what they desired to have included in the report concerning their own departments. These notes had been inserted verbatim.

The last report, however, after having been drafted by the competent departments, had been read and approved by the Governing Commission as a whole, and he was ready to follow this procedure in the future.

M. Rault stated that almost all the officials were German. A few nationals of other countries had been appointed, chiefly as heads of departments, because it had been impossible to find suitable persons on the spot. The higher officials were named by the whole Commission, and all appointments had been made unanimously.

1 On July 25th, 1923, M. Rault forwarded a statement showing that there were 73 non-German officials of all grades out of a total of about 12,000. Among the higher non-German officials slightly more than half were French, the others being Swiss, Belgian, Luxemburg, English, Dutch and Czechoslovak.

M. Rault contended that the French member of the Commission had special duties. It was expressly stipulated in the Treaty that France must be assured complete freedom in working the mines. It was with this object that the Governing Commission had been created, and it was for this reason that a Frenchman was a de jure member of the Commission. It was the duty of the French member, as indicated by the report adopted by the Council on February 13th, 1920, to see that the advantages secured to France by the Peace Treaties were maintained, reconciling this duty with the primary one of assuring the rights and welfare of the population. In fulfilling these duties he would necessarily have to maintain relations with his country of origin.

M. Rault, replying to Lord Robert Cecil, agreed that there was nothing in the Treaty which drew any distinction between the French member and any other member of the Commission as regards the duty of safeguarding the rights of France, and that it was equally the task of all the members of the Governing Commission to discharge the duties laid upon it by the Treaty, for which they were all responsible to the League of Nations.

Lord Robert Cecil enquired as to an allegation that the budget of the territory for 1923 had been submitted to the French Government before it was submitted to the Governing Commission. M. Rault stated that this was entirely untrue and explained that a statement of the total receipts and expenditure for the year 1920–21 had been given to the French Government on the authority of the Commission. France was a heavy taxpayer, on account of the mines, and had, through a tax on coal, provided 80% of the first Saar budget.

M. Rault contended generally that it was his duty to pay attention to the indications given him by the French Government with a view to the defence of her special interests in the Saar. He argued that it would be quite impossible for the Chairman of the Governing Commission, whatever his nationality, not to have relations with certain French ministries in the interests of the Territory itself. In order to settle the tax on the mines, for example, it was necessary to negotiate with the French Minister for Public Works, and, since the French Customs regime was applicable to the Saar under the Treaty, it was also necessary for the Governing Commission to have direct relations with the French Ministry of Commerce and Industry. Economically, the position of the Saar Territory would be quite impossible unless the Chairman maintained continuous relations with the French Government. The necessity for such relations had been particularly evident during recent events in the Ruhr. The French Government, however, was not in a special position. The Chairman was in correspondence once or twice a week with the German Government to assure the material welfare of the Saar and its inhabitants.

M. Rault, referring to his correspondence with the French Government, said it was his practice to communicate letters to other members of the Commission if they related to duties with which they were entrusted, and that very often letters were communicated to the whole Commission. He did not think it would be advisable for letters which he received as the French member of the Governing Commission to be invariably communicated to his colleagues, but everything addressed to him as Chairman of the Governing Commission might be circulated to the Commission. If the subject of the correspondence involved a decision of the Commission, letters exchanged between any member of the Commission and his own Government should most certainly be circulated.

A very small office (one room with a typist) was maintained by the Commission at the headquarters of the League in Paris, particularly in order to promote the economic interests of the Saar by supplying information to those desiring it.


M. Rault pointed out that the Treaty allowed the Commission itself to choose the method of consulting the inhabitants with regard to new legislation or new taxation and that the Advisory Council had been set up in agreement with the Council of the League. All persons possessing the qualification of inhabitants of the Saar, of whatever nationality or class, had the right to elect the Advisory Council. The powers to be entrusted to the Advisory Council had been discussed at great length, and the Governing Commission had gone as far as the Treaty permitted. The Council of the League had pointed out that the Commission could not set up a parliament in the Saar to which the Commission would be responsible and which might prevent the Commission from carrying out its duties. The Advisory Council could only discuss matters submitted to it under paragraphs 23 and 26 of the Annex to the Treaty relating to the Saar territory, i.e., the modification of existing laws and the introduction of new taxes. The Commission had always consulted the Advisory Council on such matters. The Technical Committee was a body appointed by the Governing Commission from among persons well known in the Saar territory. Its advice was asked regarding schemes in preparation for submission to the Advisory Council. The Technical Committee had always disregarded party issues and taken the Treaty as a basis in considering the questions submitted to it. Nearly all the decrees of the Commission bore marks of examination by this Committee.

8. The French Troops in the Saar.

M. Rault said he had not asked the members of the Governing Commission for authority to apply for the French troops for which he had sent during the strike; acting as Minister in charge,
of public safety, he had summoned these troops in twenty-four hours at the request of the governing body of the mines. During the strike there had been some 4,000 men on duty to guard the mines. The troops had never come into contact with the population. They had been placed at the disposal of the local authorities, who had indicated their duties. During the strike the attitude of the chief local officials (Landräte), who had made use of the troops, had been perfectly correct. No incidents between the troops and the workers had occurred. The total strength of the former, including relief troops, had never exceeded 6,000 men. They were directly under the orders of the French Minister of War, and were in the same position as garrison troops quartered in France.

The general commanding the troops could not go further than the instructions which he received from the Chairman of the Governing Commission.

M. Rault stated that at the present moment there were some 2,200 troops remaining in the Saar.

9. The Local Gendarmerie.

M. Rault said it was the duty of the Commission in all cases to provide protection for persons and property and to interpret this provision of the Treaty. The Commission was continuing to develop a local gendarmerie in accordance with paragraph 30 of the Annex to the Treaty.

Moreover, it had the undoubted right, for the maintenance of public order, to appeal to any forces which might be placed at its disposal. The position was delicate. In 1919, 30,000 rioters had done considerable damage in Saarbruck in two hours. It would be necessary to have 4,000 gendarmes to deal with any kind of incident. In normal conditions from 2,000 to 2,500 was the minimum number required. The Commission had set up a school for gendarmerie two years previously and was sending regularly to this school 50 new gendarmes for a three months course. With the 200 gendarmes to be recruited this year the Commission would possess 355. Progress was necessarily slow, and by 1925 the local gendarmerie would not suffice to assure complete security.

Its development was continuing as fast as recruiting and the finances of the Commission permitted. It might not be impossible, but at the moment it was very difficult, to recruit more than 200 a year. It was possible to have different views on the question as to whether 2,000-2,500 gendarmes were really necessary in normal times.


M. Rault first explained why the decree of March 7th was not submitted to the Advisory Council before its promulgation. The general strike which had broken out in February was still continuing. 72,000 miners were clearly dissatisfied with their conditions, and there were 20,000 others unemployed. It would have been easy for the Saar Press to stimulate agitation and to organise demonstrations. Already on January 15th there had been violent movements engineered by the political parties against France and against the French State mines. The police had discovered two secret societies in the Saar connected with those at Munich which had been forbidden by the German Government. It was necessary to take urgent measures, and at that moment the Advisory Council was not in session. Any announcement that the decree was about to be promulgated would have created fresh unrest.

The Commission had, therefore, introduced the decree as an emergency measure. The decree was referred to the higher administrative court, composed of four German magistrates and three directors (two of them Germans) chosen from the heads of departments. The court had vindicated the right of the Commission to introduce the decree.

Lord Robert Cecil pointed out that the Advisory Council had met on March 13th, and asked why the decree had not been sent to it as soon as possible after its enactment.

M. Rault explained that the Advisory Council had met on March 12th to discuss a previously prepared agenda. Under the regulations it could only discuss an agenda circulated ten days before its convocation. The decree had been submitted to the technical committee the day after its promulgation. It was virtually identical with a German law which was still in force in Germany and contained exactly the same penalties for the same offences. The only action taken under the decree was the suspension for twenty-four hours of four newspapers as a warning measure. One of them had again been suspended twice but never for longer than 15 days.

The new decree which had taken the place of the decree of March 7th was designed to protect the members of the Commission, and, above all, its officials, against insults and libels in the performance of their official duties. It undoubtedly restricted the freedom of the Press, but only on certain points, and the restrictions could only be made to apply to misdemeanours which would provoke disturbances. The penalties provided were those of the ordinary German law of 1874, and the newspapers had the right to appeal against the administrative jurisdiction thus established.

The decree which forbade peaceful picketing had merely had the effect of outlawing certain practices which had during the war become lawful in Germany. There were in the Saar 42 pitheads; 580 picketing posts had been established round these 42 pitheads; and the distance between them varied from 50 to 100 metres. The posts comprised six men armed with clubs and trained dogs. All freedom to work had been removed, and the miners had been terrorised. It had become necessary to forbid picketing, because they had no means of keeping it within reasonable limits.

The Commission had, therefore, enacted that certain misdemeanours should be offences against the common law and should be tried by the criminal courts.
Lord Robert Cecil suggested that it was inconsistent with the Treaty to abolish all forms of picketing, but M. Rault did not share this opinion and did not think that the decree should be withdrawn.

M. Rault, in conclusion, informed the Council that on July 2nd an amnesty had been proclaimed in the Saar which had been extended to all persons who had been guilty of contraventions and misdemeanours during the strike. In particular it covered all political misdemeanours, especially the infraction of the provisional decree of March 7th and all misdemeanours committed by the Press.

II. Evidence of Different Members of the Commission.

At the afternoon meeting of July 6th, Mr. Waugh (Canadian) and M. Rault went into some detail with reference to certain points concerning the financial administration of the Territory and particularly concerning taxation which affected the French State mines.

Mr. Waugh represented that certain taxes had been increased without consulting the Advisory Council, although strictly the Treaty required a consultation. The same method of administration, he said, had been followed in the case of the Provisional Decree of March 7th, 1923.

M. Hanotaux, M. Branting, M. Hymans and M. Salandra joined Lord Robert Cecil in asking questions.

Mr. Waugh further informed the Council that he had abstained from voting for any of the decrees which had been under discussion. He had thought that the decree of March 7th was unnecessary and that the advice of the Advisory Council should first have been secured. He had abstained from voting on the two subsequent decrees because they contained provisions of which he disapproved, together with others of which he approved. The decree issued in substitution for that March 7th was designed to protect the officials. None of the officials in his department had ever complained of having had any trouble with the inhabitants of the Saar.

M. Lambert (Belgian) said that the officials of the technical departments did not suffer from terrorism but that those in departments which had duties of a more or less political character, such as the education departments, were attacked. He quoted extracts from the Press to show the nature of these attacks.

As regards the French troops, Mr. Waugh said that they had behaved in an exemplary manner but that it would be well if they could be stationed across the frontier where they could be called upon in case of urgency.

M. Land (Saar) expressed himself in favour of the decrees under consideration.


The Council, as a result of the Enquiry, adopted the following resolution:

"The Council of the League of Nations has had before it a proposal by the British Government for an enquiry into the situation in the Territory of the Saar Basin and more especially into the recent events which have resulted in the taking of exceptional measures by the Governing Commission of the Territory."

"The Council has desired on this occasion to strengthen the ties which should exist between the League of Nations and its representatives in the Saar by entering into personal contact with all the members of the Commission."

"The Council has, with the members of the Commission, considered the foundation of the Government in the Saar Basin as established by the Treaty of Versailles."

"The system of government in the Saar was established under the Treaty in order to assure the rights and well-being of the population and to guarantee to France complete freedom in working the French State mines, upon which the prosperity of the country depends."

"In virtue of the instructions given to the Governing Commission at the date of its constitution, February 13th, 1920, the Commission is responsible to the League of Nations for the execution of its duties in accordance with the stipulations of the Treaty of Versailles. The Commission, the executive of which is the Chairman, is, in all cases, collectively responsible for the execution of those duties which it assigns to its individual members in order to promote easy and rapid dealing with the problem of government."

"The Council has decided that it is unnecessary to discuss the provisional decree of March 7th, last, as the decree has been withdrawn. In regard to the other exceptional measures which the Commission deemed it necessary to take subsequently, the Council leaves it to the discretion of the Commission to decide upon the moment when it is advisable to return to the normal course of law. The Council has learnt with satisfaction of the amnesty measures recently decreed by the Governing Commission."

"The Council appreciates the economic considerations which have led the Commission to introduce the franc as the sole legal currency in the Saar."

"With regard to the question of the maintenance of order, the Council has on various occasions stated that it is desirable that the support of a foreign garrison should be withdrawn as soon as the development of the local gendarmerie permits. By its resolution of April 23rd, 1923, the Council took note of the measures already taken by the Commission towards this end, and requested the Governing Commission to submit its programme for increasing the strength of the local gendarmerie before adopting the budget for the fiscal year 1924-25."

"The Council expresses again its great appreciation of the administrative work achieved by the Governing Commission during three and a half years in particularly
difficult circumstances, and assures the Commission of its whole-hearted support in the accomplishment of the task entrusted to it."

M. Hanotaux stated that he adhered to this resolution in a spirit of cordial collaboration and with a desire for peace. Alluding to the difficulties of the Commission's task and to the recent crisis in the Saar Territory, he said that the unanimity expressed by the Council would show the Commission and the population that mutual understanding and mutual concessions are the two essential conditions of harmony.

Lord Robert Cecil endorsed M. Hanotaux's statement. He laid particular stress on several points of the resolution: The value of the enquiry which had been conducted by the Council; the responsibility collectively of the Commission and of each individual Member to the League and to no other body; the desirability of withdrawing all exceptional legislation and the satisfaction of the Council with the amnesty decree; the economic advantages of the introduction of the franc as sole legal currency in the Territory (in his view, an act within the powers of the Commission); the remarkable success of its administrative work; the need of the Commission for the full support of the Council in carrying out its difficult task with justice and with strict regard to the provisions of the Treaty.

M. Branting emphasised the desire of the Council that the use of foreign troops should be dispensed with as soon as possible and expressed the hope that the action of the Council in conducting the enquiry would be instrumental in improving the relations between the Commission and the Saar population. In his opinion, this might be facilitated if certain of the elected representatives of the inhabitants appeared before the Council. In view, however, of the care and detail with which the enquiry had been pursued, he did not insist on this point.

M. Salandra expressed the hope that the agreement reached by the members of the Council would be the first step towards the realisation of a closer union between the inhabitants of the Saar and the Commission which governed them, on the basis of the Treaties which constituted the foundation of public law for that territory.

III. FREE CITY OF DANTZIG.

The general problem of Polono-Danzig relations was considered by the Council during its July session.

Certain general principles which had not been completely defined when the position of the Free City was laid down in 1919 and 1920 seemed to require further consideration in order that stable conditions might be assured for the future. The Council therefore devoted itself to this essential task, postponing until its September session such particular disputes as might require special attention. The points considered by the Council were the following:

1. The general situation created by all the various disputes between Poland and the Free City, and, in particular, the procedure to be adopted in the case of such disputes.
2. The relation between the terms of Article 104 of the Treaty of Versailles and the terms of the Treaty signed by Poland and the Free City of Danzig on November 9th, 1920.
3. The competence of the High Commissioner of the League of Nations at Danzig.

The Polish Government, the Danzig Government, and the High Commissioner presented to the Council, both orally and in writing, their views on these problems. The Council considered the matter at more than one meeting, and unanimously adopted on July 7th, 1923, a report by M. Quiñones de León which lays down principles of great importance for the constructive development of Polono-Danzig relations. The more important passages of this report were as follows:

"I feel that the Council will agree with me in saying that it is anxious to assure the Polish Government of its solicitude for the development of the relations between the Polish Republic and the Free City of Danzig and that it is extremely desirous that Poland's legitimate aspirations should be realised in their entirety. The Council is, as hitherto, firmly resolved to enforce respect for Poland's rights in regard to the Free City in conformity with the Treaties, and at the same time to maintain the Statute of the Free City intact. The economic expansion of Poland is a cause of gratification to all Members of the League of Nations. The Council does not forget that it is a necessity for Poland that she should be able to develop her internal economic life at the same time as her facilities for foreign trade and her free access to the sea through the Free City of Danzig. The Council desires that all questions that have been raised between the Free City and Poland should be regarded from the point of view of the common interests of the two States. The future of Danzig is closely bound up with that of Poland, and all antagonism between Danzig and Poland should be removed by mutual endeavours to understand one another and to co-operate in the common task of developing the port of Danzig to the great advantage of both countries. The authorities of the Free City will certainly endeavour to avoid any justified ground for complaint as regards their attitude towards Poland. I hope that this remark will not be regarded as implying any criticism of the attitude hitherto adopted by the Free City, but I think it essential that the Council should make a clear pronouncement in favour of reconciliation between the Free City and Poland. This is the only condition under which Poland's rights can be realised in their entirety and the Free City's interests entirely safeguarded.

"Many of the disputes between Poland and the Free City of Danzig have already been settled either by direct agreement between the two Governments or by a decision of the High Commissioner, or, finally, by a decision of the Council of the League. A few disputes, which have not yet been finally settled, are at present under consideration by the High Commissioner, or have been laid before the Council as the result of an appeal by one or the other of the two parties.
"The Polish note of June 20th draws our attention to a general feeling of uneasiness with regard to the settlement of the various disputes pending. To meet this situation I venture to propose that the Council should recommend that Poland and the Free City submit promptly, and in conformity with the procedure specified in the Treaties, any serious grievance to the High Commissioner which they still entertain. The Council will, as hitherto, always be ready to examine without delay the circumstances of any question submitted to it after it has first been dealt with by the High Commissioner. I might perhaps also suggest that the Secretary-General should inform the High Commissioner that the technical services of the Secretariat are at his disposal and at the disposal of the two parties for assistance at any negotiations which may take place under the auspices of the High Commissioner. Their co-operation in this manner might be particularly advantageous if the High Commissioner decided to refer certain questions to the Council direct in virtue of Article 39 of the Treaty of November 9th, 1920. In this case he might perhaps propose to the two parties that the negotiations, or certain parts of the negotiations, should take place at Geneva.

The Council could then take a decision at its next session on all the questions still pending, and it may be confidently hoped that in the future many occasions of misunderstanding will be avoided and the ground prepared for the intimate and fruitful co-operation between Poland and Danzig intended by the Treaties. It is needless to emphasise the importance, in order to achieve this object — which is desired equally by the Council of the League of Nations and by the Governments of Poland and of the Free City of Danzig — of doing nothing which might prejudice the solution of the disputes by the means indicated above. I am quite convinced that when the problem has been formulated in its general aspect the two Governments concerned will endeavour to help us to clear the ground and to prevent further occasions of conflict which might envenom the atmosphere and render more difficult the task of conciliation on the Danzig question, which the League of Nations so ardently desires to conduct to a satisfactory conclusion.

"It seems to me to be useful at the present time to deal with certain questions raised by the High Commissioner and by the Polish Government which are of a general character and are independent of specific disputes.

"In the first place the question must be determined as to what is the exact relation between Article 104 of the Peace Treaty of Versailles and the Treaty concluded at Paris on November 9th, 1920. I am of opinion that the Treaty of November 9th, 1920, constitutes an entirely valid legal basis for the relations between Danzig and Poland, but that in the event of doubt as to the interpretation of any clause in the Treaty of November 9th recourse may be had, in order to dispel such doubt, to Article 104 of the Treaty of Versailles in virtue of which the Treaty of November 9th, 1920, was concluded. If I rightly understand the position, the Polish representative appears to accept this standpoint as a result of the exchange of views which took place at the meeting of the Council on the 4th inst.

"As regards the question of the competence of the High Commissioner, I feel that that is an extremely delicate matter in regard to which I should not like to express a definite opinion at the present time. It seems to me that the High Commissioner himself should in principle decide in each case whether he is competent to pronounce a decision in a dispute between Danzig and Poland. The terms of the stipulations contained in paragraph 2 of Article 103 of the Treaty of Versailles and in Article 39 of the Treaty of November 9th, 1920, are very wide, and I think that in practice it would perhaps be possible to establish certain more definite rules in order to avoid any appearance of interference by the High Commissioner in affairs, for example, which should be reserved for decision by the courts of the two countries. If in any particular case the one Government or the other feels bound to dispute the competence of the High Commissioner, it will be able to appeal to the Council. In this situation I do not think it is absolutely necessary for the moment to attempt to lay down any general rules."

As a result of the general agreement reached by the adoption of the report of M. Quiñones de León, negotiations between the two parties under the auspices of the High Commissioner and with the assistance of the Secretariat were begun at Geneva immediately after the close of the July Council session. A considerable number of the specific disputes then outstanding were talked over, and discussions are continuing at Danzig on all the unsettled difficulties. According to the latest reports there are over 25 of these questions. A number of them were mentioned in the general report to the Fourth Assembly (A. 10, pp. 39-40). The principal questions may be grouped under the following headings:

1. The Danzig Harbour Board;
2. Customs questions;
3. The situation of Polish citizens in Danzig, both in fact and in law;
4. The conduct of the foreign relations of Danzig by Poland;
5. The position of diplomatic and other Polish officials in Danzig.

The Council will consider at its session in September such of these disputes as have not been successfully settled by that time. At the close of that session a summary report will be made to the Council by the Secretary-General covering all Danzig questions from February 1923 up to that time. This report will be circulated to the Members of the League and published in the Official Journal.

Further developments with regard to the question of the financial situation of the Free City will be found recorded under the section of this report which deals with the work of the Financial Committee of the League.
S.

PROTECTION OF MINORITIES.

I. BALTIC STATES.

(a) Esthonia.

The Council, at a meeting held on July 4th, 1923, decided to forward to the Assembly a report which had been submitted to it by the Brazilian representative on the negotiations conducted with the representative of Esthonia on the subject of the protection of minorities in that country (see Assembly document A. 15. 1923).

The Council further decided to put this question on the agenda of its session to be held before the opening of the Assembly, when it would be able to note any further information on the subject which might be presented, and to define its own attitude in regard to the matter.

(b) Latvia.

At a meeting of the Council held on July 7th, 1923, the representative of Latvia made a declaration in regard to the protection of minorities in Latvia. This declaration has been approved by the Latvian Government, and the proposals contained in this declaration have been accepted by the Council. A document containing the text of the declaration has been communicated to the Members of the Assembly (document A. 22. 1923).

(c) Lithuania.

M. Salandra, President of the Council, at a meeting of the Council held on July 7th, 1923, made a communication concerning the ratification of the declaration made by Lithuania in May 1922 in regard to the protection of minorities in that country. This declaration has been placed on the table of the Lithuanian Parliament, and the Council has expressed the wish that it may be able to note the ratification of the declaration during its session to be opened on August 31st, 1923. The Lithuanian Government, however, has since informed the League of Nations that, owing to the interruption of the work of the Lithuanian Parliament during vacation, the question has been postponed until Parliament reassembles on September 15th.

II. ALBANIA.

The Secretary-General informed the Council at its meeting of July 7th that a law had just been voted in Albania concerning the legal status of the religious communities in that country. The Council has decided to examine this question at its next session in conformity with Article 5, paragraph 2, of the Albanian declaration of October 2nd, 1921.

III. POLAND.

Among the questions raised in the report presented to the Council on May 17th, 1922, on the subject of the petitions received from the Germanic League in Poland (Deutschthumsbund) was contained the question of the interpretation of Article 4 of the Polish Minorities Treaty. The report of M. da Gama of September 30th, 1922, which contained the opinion of a committee of jurists on this subject, was, according to the decision of the Council, forwarded to the Polish Government. The Polish Minister for Foreign Affairs, by his note of December 7th, 1922, declared, as regards the interpretation of Article 4, that the Government could not change its interpretation of that article as long as the Germans showed a tendency to quote this article for purposes other than that of guaranteeing the interests of private persons.

In the opinion of the Polish Government, moreover, Article 4 is not one of the articles which was placed under the guarantee of the League of Nations.

M. da Gama, in his report submitted to the Council on February 2nd, 1923, mentioned the fact that Poland had informed the Secretary-General that the question of the interpretation to be placed on this article was then the subject of negotiation between the representatives of the German Government and of the Polish Government at Dresden, and that, in these circumstances, the Polish Government believed that the question might be eliminated from those dealt with in the opinion of the jurists.

M. da Gama proposed, in view of this information, that it would perhaps be well for practical reasons not to submit this question to the Permanent Court of International Justice for an advisory opinion, as had been done by the Council regarding the other questions relating to the position of the German minority in Poland, but to await the result of the negotiations which were in progress.

M. da Gama said it was understood that the League of Nations, in taking this decision, reserved its full rights under the minorities treaties.

The question came before the Council during its session in July 1923. As there seemed no prospect of the negotiations at Dresden being concluded in the near future, the Council decided,
on July 7th, 1923, to submit this question to the Court for an advisory opinion. A request was addressed to the Court in the following terms:

"The Council of the League of Nations, having received notice of the following question:

"The Polish Government has decided to treat certain persons who were formerly German nationals as not having acquired Polish nationality and as continuing to possess German nationality, which exposes them in Poland to the treatment laid down for persons of non-Polish nationality, and in particular of German nationality;

"On the one hand, on the ground that these persons were born in the territory which is now part of Poland, their parents having been habitually resident there at the date of this birth, it is maintained that, in virtue of Article 4, paragraph I, of the Treaty of June 28th, 1919, between the Principal Allied and Associated Powers and Poland, they are ipso facto Polish nationals, and consequently enjoy all the rights and guarantees granted by the provisions of the said Treaty to Polish nationals belonging to racial, religious or linguistic minorities;

"On the other hand, the Polish Government considers itself entitled not to recognise these persons as Polish nationals if their parents were not habitually resident in the above-mentioned territory both on the date of birth of the person concerned and on the date of the entry into force of the above-mentioned Treaty, namely, January 10th, 1920. It is consequently maintained that these persons cannot legally enjoy the guarantees granted by the Treaty;

"Requests the Permanent Court of International Justice to give its advisory opinion, if possible during the present session, on the following questions:

"(1) Does the question regarding the position of the above-mentioned persons, in so far as they may belong to racial or linguistic minorities, arising out of the application by Poland of Article 4 of the Treaty of June 28th, 1919, between the Principal Allied and Associated Powers and Poland, fall within the competence of the League of Nations under the terms of the said treaty?

"(2) If so, does Article 4 of the above-mentioned treaty refer solely to the habitual residence of the parents at the date of birth of the persons concerned, or does it also require the parents to have been habitually resident at the moment when the treaty came into force?

"The Secretary-General is authorised to submit this request to the Court, together with all documents concerning the question, to inform the Court of the action taken by the Council in the matter, to give all necessary assistance in the examination of the case and, if necessary, to arrange to be represented at the Court."

IV. QUESTIONS OF PROCEDURE

The representative of Poland addressed to the Secretary-General on January 16th, 1923, a memorandum containing certain observations regarding the principles on which the protection of minorities by the Council of the League of Nations was based and concerning the rules of procedure established for this purpose. These observations were intended to afford the Council an opportunity of expressing its views on the subject. The document was published in the Official Journal of the League of Nations, May 1923.

M. Benes, Minister for Foreign Affairs of the Czechoslovak Republic, addressed to the President of the Council of the League of Nations on April 5th, 1923, a note containing certain observations on the resolution of the Council relating to the protection of minorities. These observations were presented in order that there might not be given to certain provisions contained in the resolutions of the Council an interpretation which might carry them beyond the scope of the minorities treaties, and the Council was asked, in the light of these observations, to pass a resolution in order to interpret and to complete the resolutions in question. This note was published in the Official Journal, September 1923.

Finally, on August 22nd, 1923, the representative of Poland addressed a new note to the League of Nations completing the note of January 16th and dealing with the circumstances in which minorities petitions should be admitted.

These notes will be examined by the Council during its next session.

9.

MANDATES.

The third session of the Permanent Mandates Commission was held at the seat of the League of Nations from July 20th to August 10th, 1923. During this session, the Commission held thirty-three meetings, two of which were public. All the members of the Commission took part in its work, except the Count de Ballobar, who was unable to attend owing to ill-health.
ANNUAL REPORTS OF THE MANDATORY POWERS.

During the session, the Commission considered the reports on the administration of the eleven territories under B and C mandates. The examination of these reports was carried out in the following order, with the assistance of the accredited representatives of the mandatory Powers, whose names are given below:

1. For the reports on the French Cameroons and Togoland:
   M. Duchêne, Councillor of State, Director of Political Affairs in the Ministry for the Colonies.

2. For the report on the islands under Japanese mandate:
   H. E. M. M. Matsuda, Minister Plenipotentiary.

3. For the report on Ruanda-Urundi:
   H. E. M. Pierre Forthomme, Honorary Minister Plenipotentiary, Member of the Belgian House of Representatives.

4. For the report on South-West Africa:
   The Right Hon. Sir Edgar Walton, K.C.M.G., High Commissioner of the Union of South Africa in London.

5. For the reports on Tanganyika, British Cameroons and British Togoland:
   The Hon. W. Ormsby-Gore, Under-Secretary of State for the Colonies.

6. For the report on New Guinea:

7. For the report on Western Samoa:

8. For the report on Nauru:

The International Labour Organisation was represented in an advisory capacity in the discussion of questions connected with conditions of labour.

The Commission did not consider it desirable to examine the report on the administration of Palestine communicated to it by the British Government, since the Commission had been informed that the Palestine mandate would not enter definitely into force until the French and Italian Governments had notified the President of the Council of the League of their agreement on certain special points affecting Syria.

The Commission, having decided on the terms of its observations on the annual reports of the mandatory Powers, forwarded them to the Governments concerned. These observations have now been submitted to the Council of the League together with such comments as have been transmitted by the Mandatories.

THE BONDELZWARTS AFFAIR.

The Third Assembly, on September 20th, 1922, passed the following resolution:

"The Assembly,

"Highly appreciating the action taken by the Government of South Africa in communicating, in its capacity of mandatory Power for South-West Africa, the report on the Bondelzwarts Rebellion, 1922;

"Moved by feelings of great anxiety for the welfare and the relief of the survivors:

"Resolves to express:

"(a) Its profound satisfaction with the official statement made by Sir Edgar Walton, delegate for South Africa, that a full and impartial enquiry will be made into all the facts of the Bondelzwarts Rebellion and its repression;

"(b) The confident hope that the Permanent Mandates Commission, at its next session, will consider this question and be able to report that satisfactory conditions have been established; and that, in the meanwhile, the mandatory Power will make every effort to relieve the sufferings of the victims, particularly the women and children, and that it will ensure protection and restitution of the remaining live-stock, and, in general, the restoration of the economic life in the Bondelzwarts district."

The Commission considered this question in the light of documents placed at its disposal by the Government of the Union of South Africa. The report of the Commission has been forwarded to the mandatory Power for its information and communicated to the Council of the League, together with the comments of the accredited representative of the Union of South Africa.
The following resolution relating to the question of slavery was adopted on September 21st, 1922, by the Third Assembly:

"The Assembly decides that the question of slavery shall be included in the agenda of the Fourth Assembly and requests the Council to present to that Assembly a report on the information which it shall have received on the matter."

The Council considered this resolution at its meeting of September 26th, 1922, and unanimously adopted a report presented by the Spanish representative, concluding with a resolution in the following terms:

"The Council of the League of Nations, on the invitation of the Third Assembly, decides to present a report to the Fourth Assembly on the question of slavery. With a view to the preparation of this report, the Council instructs the Secretary-General to study the question and, in particular, to request the Governments of the Members of the League to supply the Council with any information on the existing situation which they possess and which they may see fit to communicate to it."

In accordance with this decision, the Secretary-General, on October 9th, 1922, addressed a letter to all the States Members of the League requesting information on the subject. When the Council met in April 1923, only 14 of the 52 States Members had replied. The Secretary-General was therefore instructed to address a second letter to the States whose answers had not yet been received. Twenty-three replies to the enquiry have been transmitted to the Secretariat up to the present date.

At its meeting of July 5th, 1923, the Council, having considered the results of the enquiry, adopted the following resolution:

"The Council of the League of Nations,

"Having regard to the recommendation which was adopted by the Third Assembly, and with which it concurred, that a report on the question of slavery should be presented to the Fourth Assembly;

"And having regard, on the other hand, to the fact that the information which has been collected so far from the States Members of the League is not adequate to provide the basis of a sufficiently complete report:

"Decides:

"(a) To communicate to the Fourth Assembly the reports which have so far been received by the Secretariat and also any which may subsequently be received;

"(b) And to request the Secretariat to continue its efforts to secure information on the subject and authorise it to extend its enquiries to Governments of countries not Members of the League."

A letter was accordingly addressed on July 16th, 1923, to certain Governments not Members of the League requesting them to send, if possible, such information as they might possess relating to slavery; and on July 25th, 1923, the Secretary-General communicated to the Members of the League the text of the reports referred to in the resolution.

11. WORK OF THE TECHNICAL ORGANISATIONS.

I. THE ECONOMIC AND FINANCIAL ORGANISATION.

A. THE FINANCIAL RECONSTRUCTION OF AUSTRIA.

In the general report on the work of the Council the history of the financial reconstruction of Austria was carried down to the conclusion of the arrangements made for the flotation of the long-term loan.

1. Flotation of the Loan.

Subscriptions to the loan were opened in London, New York, Stockholm, Amsterdam and Vienna early in June. Later on followed the subscriptions in Switzerland, Rome and Brussels,
The London issue, which amounted to fourteen million pounds, was covered more than three times over within two hours, and the New York issue, amounting to twenty-five million dollars, was covered several times over in a quarter of an hour. The issues in Stockholm, Amsterdam, Switzerland and Rome were also covered several times over. The subsequent prices of the loan, however, which have hovered round par in London and New York, show that it would not have been safe to attempt an issue on more advantageous terms. At the same time, the event has proved that the loan system laid down by the protocols, though condemned in various quarters as too intricate and unlikely to inspire confidence in the investing public, was secure and practical.

The following is a recapitulation of the issues and the results:

<table>
<thead>
<tr>
<th>Market</th>
<th>Firm conducting the flotation</th>
<th>Total (nominal)</th>
<th>Date of subscription</th>
<th>Results of subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>Bank of England.</td>
<td>£ 14,000,000</td>
<td>June 11th-14th.</td>
<td></td>
</tr>
<tr>
<td>New York</td>
<td>J. P. Morgan &amp; Co.</td>
<td>$ 25,000,000</td>
<td>June 11th</td>
<td>Subscribed several times over</td>
</tr>
<tr>
<td>Stockholm</td>
<td>Stockholm's Enskilda Bank.</td>
<td>13,110,000 Swedish crowns</td>
<td>June 12th</td>
<td></td>
</tr>
<tr>
<td>Amsterdam</td>
<td>Hope &amp; Co.</td>
<td>Gold. 3,000,000</td>
<td>June 15th</td>
<td>No public subscription.</td>
</tr>
<tr>
<td>Brussels</td>
<td>Société générale de Belgique.</td>
<td>25,000,000 Swiss francs</td>
<td>June 25th</td>
<td>Subscribed several times over. Completely subscribed.</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Union Financière de Genève.</td>
<td>13,000,000 Swiss francs</td>
<td>June 25th</td>
<td></td>
</tr>
<tr>
<td>Austria</td>
<td>Postsparkassa.</td>
<td>170,000,000 French francs</td>
<td>July 21st</td>
<td>Subscribed several times over</td>
</tr>
<tr>
<td>Rome</td>
<td>Banca d’Italia.</td>
<td>200,000,000 lire</td>
<td>—</td>
<td>No public subscription.</td>
</tr>
<tr>
<td>Prague</td>
<td>Czechoslovak Government.</td>
<td>60,000,000 Gold crowns</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>

The following table shows the rate of interest, the rate of issue, and the sum actually yielded by the various instalments:

<table>
<thead>
<tr>
<th>Market</th>
<th>Nominal total of issue</th>
<th>Rate of interest</th>
<th>Rate of issue</th>
<th>Actual total</th>
<th>Actual total in dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>London</td>
<td>£ 14,000,000</td>
<td>6%</td>
<td>80%</td>
<td>£11,200,000</td>
<td>$ 51,660,000</td>
</tr>
<tr>
<td>New York</td>
<td>$ 25,000,000</td>
<td>7%</td>
<td>90%</td>
<td>$22,500,000</td>
<td>$ 22,500,000</td>
</tr>
<tr>
<td>Stockholm</td>
<td>13,110,000 Swedish crowns</td>
<td>6%</td>
<td>80%</td>
<td>10,488,000</td>
<td>$ 2,784,564</td>
</tr>
<tr>
<td>Amsterdam</td>
<td>3,000,000 Florins</td>
<td>6%</td>
<td>80%</td>
<td>2,400,000</td>
<td>$ 940,560</td>
</tr>
<tr>
<td>Brussels</td>
<td>25,000,000 Belg. francs</td>
<td>6%</td>
<td>80%</td>
<td>20,000,000</td>
<td>$ 1,082,000</td>
</tr>
<tr>
<td>Zurich</td>
<td>25,000,000 Swiss francs</td>
<td>6%</td>
<td>80%</td>
<td>20,000,000</td>
<td>$ 3,592,000</td>
</tr>
<tr>
<td>Vienna</td>
<td>13,000,000</td>
<td>7%</td>
<td>93%</td>
<td>$12,090,000</td>
<td>$ 12,090,000</td>
</tr>
<tr>
<td>Paris</td>
<td>170,000,000 French francs</td>
<td>6½%</td>
<td>84%</td>
<td>142,800,000</td>
<td>$ 9,029,520</td>
</tr>
<tr>
<td>Rome</td>
<td>200,000,000 lire</td>
<td>6½%</td>
<td>93%</td>
<td>186,000,000</td>
<td>$ 8,616,450</td>
</tr>
<tr>
<td>Prague</td>
<td>60,000,000 Gold crowns</td>
<td>(?)</td>
<td>(?)</td>
<td>60,000,000 (?)</td>
<td>$ 12,158,055 (?)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>$124,453,149</td>
<td></td>
</tr>
</tbody>
</table>

The British, French, Italian and Czechoslovak Governments, which in 1921 and 1922 gave short-term credits to Austria, have converted them by accepting bonds of the long-term loan, and the Austrian assets upon which these advances were secured have been restored to the Austrian Government.

The short-term loan floated by the Austrian Government in February 1923 (approximately £3,500,000) has also been largely converted. Bond-holders of the short-term loan were granted
the option of converting into the long-term loan, and the majority have made use of this right. The Austrian Government has repaid the bonds of the short-term loan which were not converted. The whole of the short-term loan has accordingly been repaid.

The long-term loan will yield the Austrian Government (i.e. in addition to the repayment of the obligations incurred to the Allied Governments in 1922 and the repayment of the short-term loans) new money amounting to more than 326 million gold crowns, or 4,702 milliard paper crowns. To this sum should be added a further 20 million gold crowns which is being lent directly to the Austrian Government by the Swiss Government, and 26 million gold crowns which is the anticipated yield of the Spanish guarantee. Thus a total sum of 372 million gold crowns, or 5,357 milliard paper crowns, of new money will be available. This should be sufficient to meet the needs of the Austrian Treasury up to the end of 1924, provided the State finances continue to be managed in accordance with the programme of reform framed by the provisional delegation.

The Council of the League, on July 20th, 1923, appointed as trustees for the loan M. Janssen, M. Wallenberg and Mr. Jay.

2. The Financial Situation.

It was noted in the general report (A. 10. p. 57) that the March and April budgets of the Austrian Government were well within the programme of reform, which aims at securing budget equilibrium by the end of 1924.

The figures for May and June were also within the limits approved by the provisional delegation, as is shown in the following table:

<table>
<thead>
<tr>
<th>Average January—June 1923 (Delegation)</th>
<th>May (Milliards of paper crowns)</th>
<th>June (Milliards of paper crowns)</th>
<th>Monthly average (Milliards of paper crowns)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure</td>
<td>719</td>
<td>729.6</td>
<td>765.7</td>
</tr>
<tr>
<td>Receipts</td>
<td>380</td>
<td>425.3</td>
<td>462.4</td>
</tr>
<tr>
<td>Deficit</td>
<td>339</td>
<td>304.3</td>
<td>303.3</td>
</tr>
</tbody>
</table>

The liabilities for June were exceptionally heavy. A large sum was required for the repayment of the treasury bonds issued in November, December and January last. Moreover, summer work necessitated more than an average amount of expenditure. Further, in order to simplify accounts, the Commissioner-General authorised the payment of monthly pensions in a lump sum instead of every fortnight, so that the June estimates included salaries for the whole of July. The expenditure also included a large sum paid over by the Federation to the provinces and communes as their share of certain receipts to which they were entitled. The increase in expenditure was therefore only apparent, and there was in reality an appreciable saving as compared with the previous months.

The Commissioner-General, reporting on the accounts for May 1923, draws attention to the exceptional yield of the taxes. This was due largely to the practice of collecting the taxes in advance, adopted by the Austrian Administration during a period of depreciation in order to avoid losses from the constant fall of the exchange. This practice has, to a certain extent, been continued. The revenue thus collected was placed in reserve and used to repay on June 1st such portion of the internal loans as had not been converted into the long-term loan.

The closing account for the first three months of 1923 showed a reduction of 40 milliards in the deficit estimated by the provisional delegation, and by 56 milliards of the amount allowed for in the revised estimates. The figures for April were still more favourable. The deficit, instead of being 358 milliards, was only 15 milliards. These results, however, were due to a number of exceptional circumstances, and in particular to the payment of taxes in advance.

During the first four months of 1923 the expenditure was only 14 milliards in excess of the estimate of the provisional delegation and 68 milliards less than the figures authorised by the Commissioner-General. The actual revenue exceeded the estimate of the provisional delegation by 377 milliards and exceeded the figures submitted to the Commissioner-General by 330 milliards.

The Commissioner-General has thus been able to remain well within the limits determined by the provisional delegation of the League of Nations. The gross expenditure authorised has been greater than that laid down in the scheme, but the estimated receipts have been largely exceeded, and the deficit for the first reform period (January to June 1923) was considerably less than the estimate on which the issue of the loan was based.

The budget for 1923 was voted by Parliament on June 22nd, and the regime of provisional monthly budgets was thus terminated. The budget falls into three divisions: (1) central administration, (2) monopolies, and (3) State enterprises.
(1) Central administration:

- Total gross expenditure: 6,478 milliards
- Total gross revenue: 4,935
- Deficit: 1,543

(2) Monopolies:

- Net receipts: 891

(3) State enterprises:

- Net deficit: 2,012

Adding the deficit of 2,012 milliards for State enterprises to the deficit for central administration, less the proceeds of the monopolies, a deficit is shown for 1923 of 2,663 milliards of paper crowns, or 185 million gold crowns. This is lower than the deficit provided for in the Agreement between the Provisional Delegation and the Austrian Government.

The Commissioner-General during the first reform period (January to June 1923) set free 1,997.5 milliards of loan money to cover the monthly deficits on the budget, which leaves him with a margin for the second period of some 20 million gold crowns. He points out, however, that this is partly due to the high yield of the taxes and to the payment of direct taxes in advance.

3. The Economic Situation.

The improvement in the economic situation is shown principally in the rapid decrease in the number of unemployed between February and June. In February there were 170,000 unemployed in receipt of doles. The number of unemployed at the end of June had fallen to 95,000; about 65,000 in Vienna as compared with nearly 100,000 four months previously. There is an increased activity in many industries. Large purchases of raw materials abroad, though they have depressed the commercial balance sheet, are a favourable symptom of a period of economic revival.

4. Execution of the Programme of Reform.

The reforms achieved in respect of the Austrian budget have already been noted. Further progress has been made in the reduction and amalgamation of the various ministries. The Federal Chancellory has been housed in the Ministry of Foreign Affairs after a reduction of staff and a reorganisation of its sections and departments.

The progress made in the reduction in the number of Government officials is still, however, less than is required by the programme of reconstruction. The Austrian Government undertook to discharge 100,000 officials before June 30th, 1924, and 50,000 were to be discharged up to June 30th, 1923. The total number of officials discharged up to July 7th, 1923, however, was only 44,871.

Equally urgent is the reform of the State railways, which is still the chief problem in the work of Austrian reconstruction. On the proposal of the Commissioner-General, Sir William Acworth, one of the most distinguished railway experts in England, has gone to Vienna in order to advise the Austrian authorities. The Swiss Government has also, on the invitation of the Commissioner-General, sent Dr. Herold, Director of Railways in the Swiss Federal Department of Railways, Posts and Telegraphs. The Commissioner-General hopes that, with the assistance of these experts, it will be possible to reach an early solution of this difficult problem, which is one of the principal causes of the Austrian deficit.

Sir William Acworth has already made a journey of inspection and the results of his inquiries will be embodied in a report which will shortly be available.

The Austrian Government recently drafted a scheme for the constitution of an autonomous enterprise to be known as the "Federal Railways", separate from the central administration and constituted on a commercial basis. This scheme has been considered by Sir William Acworth, who has presented his observations. The Austrian Government subsequently modified the scheme, which has been adopted by the Austrian Parliament.

Meanwhile, the Commissioner-General has taken up the important question of electrification. In 1920, the Austrian Parliament contemplated an extensive programme for the electrification of the principal railways in Western Austria. The work was delayed owing to financial difficulties, but was nevertheless well advanced on the Arlbergbahn and the Salzkammergutlinie. The Austrian Government, on June 24th, 1923, asked the Commissioner-General to free the sums necessary to finish the work on these two lines, i.e., 42 million gold crowns for the years 1923-1924. The Commissioner-General estimates that electrification will enable an annual economy to be made in the exploitation of the lines of 7,360,000 gold crowns. He has therefore decided to release the monthly sums necessary to hasten the work on these lines, which it is hoped will be finished in the autumn of 1924.

Another reform is the increase of passenger fares by 25 per cent. The old fares were 50 per cent lower on a gold basis than those of 1914. An increase by 50 per cent of postal charges has also been introduced.

5. Conclusions.

The outstanding event of the period under review is, of course, the successful issue of the long-term loan. Its effect upon the monetary situation of Austria is thus described by the Commissioner-General in his sixth report:

"The rehabilitation of Austrian credit and the preparations for the guaranteed loan have had some effect on the monetary situation of the country. The money market
not only received foreign currency in May from the Austrian Government, which realised a portion of the foreign credits placed at its disposal, but also received large quantities from the public: many Austrians, regaining confidence, transferred their foreign investments to the country and converted them into crowns; foreigners invested capital in Austria, and the supply of foreign currency was greater than the market required.

"The cash reserve of the National Bank thus increased considerably between May 7th and June 7th. The paying up of that portion of the share capital which was hitherto represented by treasury bonds in dollars raised it to 146 millions of gold crowns. It covers 35.9% of the Bank's liabilities, as against 31%, on May 7th.

"The acceptances of State bills in paper crowns have decreased by 3 milliards; if this amount is deducted from the Bank's liabilities, in accordance with the Statutes, we obtain a cover of 70.1% on June 7th, as against 65.7% on May 7th and 20% laid down in the Statutes.

"The crown has remained stable at 14,400, in spite of the heavy depression of the currencies of certain neighbouring countries. The deposits in the Banks and Savings Banks have increased by a further 14%, and the Stock Exchange index by 9%. In addition, a further rise occurred at the beginning of June, bringing the index, which was 1284 in May, to 1479 on June 15th. Thus a new step has been taken towards adjustment; and this demonstrates the confidence of Austrian and foreign circles in the economic future of the country and the Vienna banking system.

"As regards the cost of living, a further increase of 1% took place between May 15th and June 15th. The official index figure of prices is now identical with the exchange index, although in most foreign countries it is 50% or 60% higher."

Dr. Zimmerman sums up the general results of the loan as follows:

"All the engagements undertaken towards Austria have now been fulfilled; the necessary means for the restoration of the country have been placed at the disposal of those responsible for the work. The achievement of this restoration now only depends upon the energy displayed throughout the country and on the co-operation of all in the common endeavour to attain the object in view.

"Several lessons may be drawn from the experiences which have so far been gained. The value of an international guarantee for the placing of a loan on the world markets has been fully demonstrated. The collaboration of American capital in a work of European reconstruction is an encouraging symptom and is of symbolic importance.

"Further, it has been seen with what rapidity the finances of a State which have been sapped by deficits for years can be improved from the moment reforms are taken in hand. The reduction of expenditure which has been obtained shows how much waste can be avoided when the sense of endeavour, hope and confidence has been restored. Subsequent progress is clearly more difficult; it requires double the energy and courage...

"The confidence shown by foreign countries has indeed established confidence within the country, and the flight of capital, which caused the heavy fall in exchange, has given place to a return of capital.....

"The yield of the loans which have so far been issued will serve to cover the deficit of the State until the budget has been put in order; its gradual absorption in the reserve of the Bank should provide a fund capable of supporting the exchange during the period - no doubt, a long one - which will be required to stabilise the economic organism and to ensure equilibrium between production and consumption. These two aspects of the question, the financial problem and the economic problem, are closely interrelated. The financial restoration of Austria demands a more intense development of economic life as well as an improvement of national finances."

B. INQUIRY INTO UNEMPLOYMENT: COLLABORATION WITH THE INTERNATIONAL LABOUR OFFICE.

The third Assembly in a resolution adopted on September 28th, 1922, noted a decision of the General Labour Conference of 1921, calling for an inquiry into the national and international aspects of the unemployment crisis, and requesting the International Labour Office to call into co-operation the Economic and Financial Section of the League of Nations for the solution of the financial and economic questions involved (General Report, A. 10, p. 62).

The Economic Committee, during its May session, considered the scope and method of this co-operation, and the Financial Committee, during its June session, fully endorsed the views of the Economic Committee on this question, as contained in a letter of May 19th addressed to the Director of the International Labour Office.

The Economic Committee took the view that the problem of unemployment was eminently one for the study of which the primary responsibility rested with the International Labour Office. The report on this question should therefore be a report of the International Labour Office, in the preparation of which the Economic and Financial Organisation would give such assistance as it could, but which should not be in form and character a joint report.

The Economic and Financial Organisation was prepared to collate and supply information as to economic and financial phenomena which had a bearing upon unemployment. Such information, however, must be objective, implying no opinions of policy, and carrying no responsibility.
for any deductions of a speculative or controversial character. The Economic and Financial Organisation considered that the initiation of any policy by which a solution of the problem of unemployment might be achieved or facilitated transcended its scope and authority.

Special attention was drawn to the work being done in different parts of the world on the question of trade cycles and their effect upon unemployment, and it was suggested that the Economic and Financial Organisation of the League might assume responsibility for collecting this information and including it in the report of the International Labour Office in the form of an economic and financial memorandum. The Economic Committee was itself prepared to contribute a memorandum on the increase of certain industries whose products were in enormously greater demand under war than under peace conditions, and it was further suggested that special work might be undertaken by the Financial Committee on the relation between the processes of stabilisation and deflation of currencies in various countries and the volume of trade and unemployment.

The Financial Committee, while approving the general terms of the letter of May 19th, expressed the view that nothing could usefully be added in regard to the stabilisation and deflation of currencies to the statements already made at the Brussels Financial Conference in 1920 and at the Genoa Conference in 1922.

The Council, on July 2nd, noted the correspondence exchanged between the Secretariat of the League of Nations and the International Labour Office, and approved the views expressed in the letter of May 19th, 1923.

C. WORK OF THE ECONOMIC COMMITTEE.

I. Report of the Economic Committee approved by the Council.

The Council, on July 2nd, 1923, approved the work accomplished by the Economic Committee during its eighth and ninth sessions. A summary of the results of this work will be found in the General Report (A. 10, 1923, pp. 60-62).

The Council, in approving the work of the Committee:

(a) Expressed the hope that as large a number of States as possible would participate in the International Conference on Customs Formalities;
(b) Drew the special attention of the States Members of the League to the draft protocol on arbitration clauses which would be opened at the fourth Assembly, and invited them to give their delegates the necessary instructions to adhere;
(c) Recommended to all the States Members of the League the principles established by the Committee for the treatment of foreign nationals and enterprises, and urged that these principles should be put into practice both by the adaptation of their national legislation to this end and by the conclusion of bi-lateral agreements; and
(d) Approved the report of the Economic Committee in regard to bills of exchange, unfair competition, the unification of methods in economic statistics, and the equitable treatment of commerce (A. 10, 1923, pp. 60-62).

As regards the question of bills of exchange, it is advisable to point out that the meeting provided for in the General Report (A. 10, 1923), page 62, took place at The Hague on July 15th and 16th, 1923. The rapporteurs agreed to address to the Economic Committee a general report embodying their conclusions. This report is reproduced in Doc. C. 457: M. 203, containing also the individual reports of the four rapporteurs submitted previously to the Economic Committee.

D. WORK OF THE FINANCIAL COMMITTEE.

The Council approved, on July 2nd, 1923, the report of the Financial Committee on the work accomplished during its tenth session, held at Geneva from June 21st to June 24th, 1923.

I. Double Taxation and Fiscal Evasion.

The Council noted the progress achieved in the study of double taxation and fiscal evasion. It congratulated the eminent economists, M. Bruins, M. Einaudi, Mr. Seligman, and Sir Josiah Stamp on their valuable work (see General Report, A. 10, 1923, p. 64), and approved the arrangements made for a further examination of the problem by the government experts in October.

2. The Financial Position of the Free City of Danzig.

The Council, on July 2nd, 1923, considered the report of the Financial Committee on the financial situation of the Free City (see General Report, A. 10, 1923, p. 62).

It noted the decision taken by the Reparation Commission on May 18th, 1923, to the effect that, in order to facilitate the conclusion of such financial arrangements as the League might consider necessary for the assistance of Danzig, it would not claim any special security from Danzig in respect of any debt that was due (see General Report, A. 10, 1923, p. 63). Its attention was also drawn to a letter from the Conference of Ambassadors, dated June 27th, intimating that a
questionnaire would be forwarded to the Secretariat of the League, with a view to obtaining exact information regarding the financial situation of Danzig.

The Council, noting this correspondence, requested the Secretariat to send at once to the Conference of Ambassadors any information which might throw light on the question. At the same time, it expressed a hope that, in view of the urgency of the question, the Conference of Ambassadors would not necessarily await the receipt of this information before taking a decision, but that it would put no obstacle in the way of the issue of the loan which the Free City proposed to raise, so that the assets necessary for securing the loan might be entirely released.

The Council thanked the Reparation Commission for the sympathetic attitude revealed in its letter of May 18th, 1923, and requested the Financial Committee to keep it informed as to a scheme for currency reform which Dr. Volkmann, Financial Senator of the Free City, had explained to the Committee, but which was not yet officially established.

3. Greek Loan for the Settlement of Refugees.

It has been noted that, on April 23rd, 1923, the Council appointed a sub-committee, consisting of its British, French and Italian members, and a representative of the Greek Government, to receive a report on the Greek loan from the Financial Committee, and to advise the League whether it could itself accept any responsibility in the matter (General Report 1923, A. 10, p. 64).

The Financial Committee presented its report to the sub-committee of the Council in July. The report was based on information in part supplied by the Greek Government in answer to a questionnaire and in part prepared by the Secretariat of the League. The Financial Committee had also received two valuable reports—one from M. Parmentier, who, accompanied by M. Stoppani, went to Athens in May in order to investigate conditions on the spot in co-operation with Dr. Nansen’s High Commissariat for refugees; and the other from Colonel Procter, Dr. Nansen’s representative, who was in Greece studying practical measures of relief and settlement.

The sub-committee of the Council, which consisted of M. Caclamanos, Lord Robert Cecil, M. Hanotaux and Signor Salandra, and was also attended by an unofficial representative of the United States, carefully considered the plan approved by the Financial Committee, and decided to recommend that a Refugee Settlement Commission should be formed. This Commission should consist of two members nominated by the Greek Government and an additional member to be nominated for the League. A representative of an American relief organisation should be invited to serve as chairman, with a casting vote, and a person experienced in land settlement should be appointed as a member or as technical director.

The Greek Government would be invited to assign land to the Commission fit for immediate cultivation, and this property would be vested in the Commission until the liquidation of the whole scheme, when any balance, both of the land or any other assets remaining, would be returned to the Greek Government.

It was suggested that the Greek Government should arrange with Greek banks or groups to underwrite a certain portion of the loan, and that negotiations should afterwards be opened with external banks. In execution of this programme, the Greek Government has already begun negotiations with banks at Athens and abroad.

It was further proposed that the Greek Government should assign and place under the control of the Commission as securities for the loan, apart from the land itself, a number of Greek Government revenues controlled by an independent authority. A selection from among the revenues available could not, however, be made until the negotiations with the banks have taken place. The entire proceeds of the loan would be placed at the disposal of the Commission.

The Council considered and approved the report of its sub-committee on July 5th, 1923. It declared the securities offered by the Greek Government to be suitable as a basis for the negotiation of a loan, and affirmed its willingness, after having verified the conditions of the loan, to assist in organising the administration of the funds produced, in order to give the lenders assurance that they would be employed in accordance with the scheme.

The Council also appointed a small committee, consisting of Dr. Nansen, High Commissioner for Refugees, of a representative of the American Relief Organisations, and of a representative of the Greek Government, to consider what measures the Greek Government might take for the temporary relief of the refugees until the loan fund became available.

Immediately after the Council session, the Greek Government informed the Secretary-General that it would devote ten million drachmae a month for the provisional aid of the refugees until the plan of relief under the loan came into operation.

The Greek Government has subsequently written to say that preliminary negotiations have been undertaken in London; the Bank of England has offered, under certain conditions, to make to the National Bank of Greece a provisional advance of about £1,000,000. The constitution of the Refugee Settlement Commission is therefore a matter of urgency.

(An account of the position of the refugees in the Near East and the measures taken to relieve them will be found under the heading “Refugees from Asia Minor”, p. 40.)

It was noted in the General Report on the Work of the Council that Mr. J. H. Hunger, Financial Adviser to the Albanian Government, would present a quarterly report to the Council (A. Io, p. 64).

Mr. Hunger communicated his first report for the information of the Council on August 3rd, 1923. It covers the period from June 1st to July 24th, 1923.

It is proposed to establish a bank of issue in Albania. The terms of the statutes will be discussed by the Financial Committee during its September session.

II. — THE ORGANISATION FOR COMMUNICATIONS AND TRANSIT.

The Advisory and Technical Committee for Communications and Transit met on August 29th, 1923. The Agenda is as follows:

1. Adoption of the Agenda.
2. Report of the Sub-Committee to consider the question of opium in free ports.
4. Summer Time.
5. Unification of tonnage measurement for inland navigation.
6. Unification of private law as regards inland navigation.
7. Execution of the resolutions of the Genoa Conference.
10. International Motor-driving Licence.
11. Reform of the Calendar.
12. Report to the second General Conference on the work of the Advisory and Technical Committee since the first General Conference, and report to the Assembly.
13. Miscellaneous questions.

Previous to the session there was a meeting of the mixed sub-committee, consisting of members of the Transit Committee and the Health Committee, which had been requested to examine the question of the measures to be taken in order to prevent the spread by waterways of epidemic diseases. The mixed sub-committee discussed a draft scheme adopted by the Health Committee.

During the session held in April 1923, the Italian representative laid before the Council a memorandum suggesting that the advisability of holding a conference on wireless telegraphy should be considered. The Council decided to ask the Transit Committee to arrange for this memorandum to be examined by a committee of specialists.

The committee of specialists, which consisted of —

Mr. Brown, Assistant to the Secretary of the General Post Office at London;

M. Broin, Director of the Telegraphic Service of the Under-Secretariat of Posts and Telegraphs at Paris; and

M. G. Angelini, Director of Electrical Communications in the Postal Ministry at Rome

met on July 16th and 17th, in London, and adopted the following resolution:

"The Committee of Experts, meeting on the initiative of the Advisory and Technical Committee for Communications and Transit of the League of Nations, in order to examine the proposals contained in the memorandum, dated April 21st, 1923, presented by the Italian Government to the Council of the League of Nations, and in conformity with the decision of the Council of the League of the same date, expresses the opinion:

"(1) That it is necessary, in accordance with the suggestions of the Italian Government, to prepare within the shortest possible time international regulations applicable to all radio-telegraphic communications, these regulations being established in connection with the international regulations applicable to telegraphic communications;

"(2) That to this end an international conference at one and the same time telegraphic and radio-telegraphic should meet without delay, and, if possible, in the first half of the year 1924;

"(3) That this conference, in order to attain its end, should include representatives of as many interested nations as possible, including the United States and Germany;

"(4) That, as the different Governments would need to be notified at least six months before the meeting of such conference, the invitations to this conference, if it is to be held, as is desirable, in the first six months of 1924, should be sent before the end of 1923 at the latest, so that the final decisions concerning the method of invitation and place of meeting, etc., should be reached before the middle of October next;

"(5) That, in so far as the method of invitation and the place of meeting of the conference are concerned, it is advisable for the moment, and until the middle of October, in order to avoid any possible duplication, only to take note of the declarations from which it appears that the French Government, as a sequel to the work of the
Washington Conference; has already sent a provisional invitation for a conference to be held in Paris, and is endeavouring to ensure the universality indispensable to such a conference, and, notably, the co-operation of the United States;

“(6) That, in case it does not appear certain, by the middle of October, that the conference could be held within the time and under the conditions mentioned above, and in accordance with the procedure and the place of meeting which are now the object of these negotiations, it would be desirable for the Committee to meet again on or about October 15th to consider the situation and to re-examine the Italian proposal.”

III. THE HEALTH ORGANISATION.


The Council, on July 7th, 1923, approved the scheme for the constitution of a Permanent Health Organisation prepared by the mixed committee of the Health Committee of the League of Nations and the Committee of the “Office international d’Hygiène publique” (General Report, A. 10, p. 68), and decided that this scheme should be submitted for examination to the Assembly.

The constitution of the Permanent Health Organisation would, under this scheme, correspond to that of the other technical services of the League. It would include: (a) a General Advisory Health Council, (b) a Standing Health Committee, and (c) a Health Section of the Secretariat of the League.

The Committee of the “Office international d’Hygiène publique” would act as the General Advisory Health Council. It would remain autonomous and retain its seat in Paris without modification in its constitution or functions.

The Standing Health Committee would consist of the President of the Committee of the “Office international” and fifteen other members (public health experts or officers). Nine of these members would be appointed individually for three years by the Committee of the “Office international” in such a way that each State which is a permanent Member of the Council of the League would be represented on the Standing Health Committee. The remaining six members would be appointed, also for a period of three years, by the Council of the League after consultation with the Standing Health Committee.

This Committee may be supplemented by the addition of not more than four public health assessors or experts, these assessors to be appointed by the Council of the League on the nomination of the Standing Health Committee and to be considered as fully effective members.

The General Advisory Health Council would consider, discuss, advise or report on any question submitted by the Standing Health Committee of the League. The Standing Health Committee would direct the health work of the League, and, in particular, through a Medical Director, the technical work of the Health Section of the Secretariat. It would consider and report to the Council on any public health matter concerning the League submitted to it or initiated by the Standing Health Committee itself.

The Health Section of the Secretariat of the League would form the secretariat of the Health Organisation of the League.

2. Contribution from the Rockefeller Foundation.

The Council, on July 7th, 1923, on receiving the report on the work of the Health Committee, passed the following resolution:

“The Council desires to thank the Rockefeller Foundation for the generous contribution which it has placed at the disposal of the Health Organisation of the League with a view to the unification of methods of compiling health statistics, and it authorises the Medical Director to enter into formal communication with the International Health Board of the Rockefeller Foundation and to determine, with the concurrence of the Chairman of the Health Committee, the outlines of the scheme by which the new contribution from the International Health Board may be most fruitfully utilised for the purpose already referred to.”


The Japanese member of the Health Committee put forward proposals in 1922 regarding the despatch of a mission to enquire into the prevalence of the chief epidemic diseases in the various countries of the Far East, with special reference to ports (General Report, A. 10, p. 70). Particular attention was to be paid to the methods of recording health statistics and of notifying cases of infectious diseases and deaths from infectious diseases in the countries concerned; to the part played by shipping in the spread of infection of the more important of these diseases from country to country; to the measures taken in the various ports to prevent the spread of infection, together with the possibility of making such measures more effective by international agreement; and to the anti-epidemic measures enforced in the countries of the Far East.

It was hoped that the results of the enquiry, in addition to giving valuable information regarding the epidemiology of certain diseases of international importance, notably plague, cholera and smallpox, would enable proposals to be put forward whereby uniformity of procedure with regard to health matters might be secured in the ports of the Far East. The fact that a revision of the International Sanitary Convention of Paris has been undertaken was a cogent reason for making the enquiry at the present time.
A further important question for study was the possibility of making information regarding the prevalence of infectious diseases in the ports of the Far East more readily accessible than it is at present to those specially interested in this question.

These proposals were considered and approved by the Health Committee and by the Council; and Dr. Norman White, Chief Commissioner of the Epidemic Commission of the League of Nations, was entrusted with the mission. He left Europe at the beginning of November 1922, and returned at the end of July 1923. He first visited Siam, where he represented the Health Organisation of the League of Nations at the first Far Eastern Conference of the League of Red Cross Societies. From Siam, the following ports, countries and towns were visited in the order named: Singapore; Java, Hong-Kong, Shanghai, Japan, Formosa, Korea, Southern Manchuria as far north as Harbin, Dairen, Newchwang, Peking, Shanghai, Manila, Tongking, Annam, Cochin-China and Cambodia (French Indo-China, arriving in Haiphong and departing from Saigon), Federated Malay States, Penang, Rangoon, Calcutta, Simla, Bombay, Ceylon.

Dr. Norman White, who is now engaged in writing his report, states that throughout this long tour, extending to nearly 40,000 miles, he received the utmost assistance from all the Governments and authorities concerned; that the health authorities in every country visited associated themselves wholeheartedly with the objects of the enquiry, which they facilitated in every possible way. Everywhere it was realised that questions regarding the prevention or eradication of epidemic diseases were matters of truly international concern, and there was a universal desire to cooperate with adjacent countries in measures taken to prevent the spread of infectious disease.

During the tour in Hong-Kong, Shanghai, Japan and the Philippine Islands, Dr. Smith, of the United States Public Health Service, accompanied Dr. White in an unofficial capacity and rendered valued assistance in the prosecution of the enquiry.

Owing to the extended nature of the tour, it was unavoidable that certain countries were visited at the most unfavourable time of the year, e.g., India was not reached till the beginning of June. For similar reasons, the duration of the stay possible in certain countries was shorter than the importance and complexity of the subjects studied demanded. In spite of these facts, the generous help and assistance everywhere received from the authorities concerned enabled a fairly detailed inquiry to be carried out, and all the terms of reference have been comprehensively fulfilled.

A large mass of information has been collected regarding the evolution of epidemics of cholera, bubonic plague, pneumonic plague, smallpox and certain other diseases during recent years in the countries enumerated above; this promises to be a useful contribution to the epidemiology of the diseases in question. Further, facts regarding the health administration and the methods of recording health statistics in certain of the countries visited, and the relative value of the epidemiological data issued by the various health administrations, are likely to be of interest to health workers in many countries.

12.

SOCIAL QUESTIONS.

I. TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS: WORK OF THE ADVISORY COMMITTEE.

The Council, considering the report on the work of the Advisory Committee on Traffic in Opium and other Dangerous Drugs, on July 7th, 1923 (see General Report, A. 10, 1923, p. 73), adopted the following resolution:

"The Council, having examined with interest the report of the Advisory Committee on Traffic in Opium and other Dangerous Drugs, and recognising the importance of the recommendations contained therein, instructs the Secretary-General immediately to communicate the report to all States Members of the League, expressing the hope that they give such consideration thereto as will enable their representatives at the forthcoming Assembly to take the action necessary to make these recommendations effective. The Council decides to communicate the minutes of the present meeting simultaneously to all States Members of the League."

The report of the Advisory Committee and the minutes of the Council relating to it were, in accordance with this resolution, immediately forwarded to all the States Members of the League.

II. TRAFFIC IN WOMEN AND CHILDREN: APPOINTMENT OF EXPERTS WITH A VIEW TO AN ENQUIRY INTO THE TRAFFIC.

The Council, on April 19th, 1923, decided to appoint experts to undertake an enquiry into the traffic in women and children with the consent and collaboration of the Governments of the countries concerned (see General Report, A. 10, 1923, p. 85).
The Council, on July 7th, 1923, decided, subject to the requisite budgetary arrangements, to invite as experts the following persons:

M. Abraham Flexner;
Princess Cristina Giustiniani Bandini;
M. Hennequin, Chairman of the French Association for the Suppression of the Traffic in Women;
M. Isidore Maus, Chairman of the Belgian National Committee for the Defence against the Traffic in Women and Children;
M. Alfred de Meuron, Chairman of the Swiss Committee for the Suppression of the Traffic in Women.

It was understood that, should the British, Japanese, and Uruguayan representatives on the Council desire to propose candidates, the Secretary-General was authorised to proceed to their appointment.

It was further understood that Mr. Flexner would be asked to preside over the meeting of experts, and that the experts would work in close collaboration with the Advisory Committee on the Traffic in Women and Children.

III. Obscene Publications.

Plans were completed during August 1923 for an International Conference on Obscene Publications to be held in Geneva immediately previous to the fourth Assembly (General Report, A. 10, 1923, p. 85).

The Secretariat has distributed to the Members of the League, to the States which signed the Treaty of Versailles, and to the parties to the international agreement of 1910 all the relevant documents in particular, the replies received from the Governments to the questionnaire.

The Conference has been convened by the French Government to meet on August 31st.

13.

MEASURES TO HELP REFUGEES.

I. RUSSIAN REFUGEES.

The Council, on July 7th, 1923, considered a further report by Dr. Nansen, High Commissioner for Russian Refugees.

1. Identity Certificates and Visas for Refugees.

The High Commissioner was able to report good progress in regard to the arrangement for the issue of identity certificates for the Russian refugees in various countries. The following 31 Governments had either formally adhered to the arrangement or had adopted it in principle:

- Albania
- Austria
- Bolivia
- Bulgaria
- Chili
- Czechoslovakia
- Denmark
- Finland
- France
- Germany
- Great Britain
- Greece
- Guatemala
- Italy
- Japan
- Latvia
- Lithuania
- Luxemburg
- Mexico
- Netherlands
- New Zealand
- Norway
- Poland
- Portugal
- Roumania
- Kingdom of the Serbs, Croats and Slovenes
- Siam
- South Africa
- Spain
- Switzerland

Hungary had also notified unofficially her proposed adhesion. No definite reply had been received from China, but it was anticipated that that Government’s adhesion would not long be delayed.

As a result of representations made by the High Commission, a verbal promise had been obtained from the Turkish Delegation at the Lausanne Conference to the effect that their Government would also adopt the identity certificate system in the interests of the Russian refugees remaining in Constantinople. This promise was lately confirmed to the representative of the High Commissioner in Constantinople.

For reasons of economy, the High Commissioner recently announced to the Austrian Government that he felt obliged to close his delegation in that country, but, in view of urgent representations made by the Austrian Government to the effect that such a measure would involve its denunciation of the identity certificate system, a step which might react very unfavourably on
the situation of the Russian refugees in Austria, the High Commissioner consented to retain his
dlegation in Austria until the end of the present year.

2. Situation of Russian Refugee Children in Various Countries.

A special effort had been made by the High Commissioner on behalf of the Russian refugee
children in Constantinople. The High Commissioner helped to transfer the Bebek Orphanage
and the St. George Institute to Belgium, and a grant was made to the former orphanage to enable
it to become established in that country. Numbers of children were sent to France, where arrange-
ments for their welfare were undertaken by the Placement Familial and other responsible
French organisations. In addition, some hundreds of children transferred from Constantinople
to Bulgaria were maintained and educated from funds made available by the Bulgarian Govern-
ment and the High Commissioner. These funds, however, were exhausted, and it was only due
to a further generous contribution by the Bulgarian Government that the maintenance of schools
for these children could be assured for some months to come.


The High Commissioner had arranged for the transfer of upwards of 800 invalids from Con-
stantinople and Egypt to Bulgaria, where grants were made to the local Russian Red Cross for
their maintenance. Furthermore, 697 invalids under the care of General Baratoff were evacuated
to the Kingdom of the Serbs, Croats and Slovenes. Provision was made for their travelling expenses,
and General Baratoff received an establishment grant of £2 per invalid. A similar arrangement
was made for the transfer of the Kanlidja Sanatorium to the Kingdom of the Serbs, Croats and
Slovenes on an establishment grant.


The High Commissioner’s assistance had been asked for 22,000 Russian refugees who had
fled from Vladivostock and established themselves on the coasts of China, Korea and Japan.
Dr. Nansen intervened on thei behalf with the Chinese and Japanese Governments, from whom
he received assurances that everything possible would be done by official and private bodies to
improve the situation of these unfortunate people. Both Governments had decided, however,
that these refugees could not continue to remain indefinitely in their respective territories. The
Japanese Government intimated that it would be obliged to terminate that situation either with
the assistance of neighbouring countries or of the League of Nations. As many of the refugees
in China had recently been engaged in military activities against the Soviet Government, Dr.
Nansen expressed the hope that the Chinese Government would not insist upon their repatriation
except against approved guarantees for their protection.

5. Constantinople.

The changed political situation in Constantinople towards the end of last year, involving
the imminent departure of the Allies, made it necessary to give urgent assistance for the evacuation
of some thousands of refugees who up to that time had been self-supporting.

Briefly the High Commission had helped to secure the evacuation of over 20,000 refugees
at a cost of £50,000. Of this sum £26,700 was provided by Members of the League and the American
Red Cross, leaving £33,300 to be provided by the High Commission from private funds.

The co-operation of the great American relief organisations was still an important feature
of the work of the Constantinople office. The High Commission’s Refugee Co-ordination Committee
continued to act as intermediary for the discussion and solution of the various refugee evacuation
problems. As evidence of the value of this co-operation, the evacuation of about 600 refugees to
America may be cited. This evacuation was a result of the united efforts of the High Commission,
the American Red Cross and the American Relief Administration.

The excellent reports received from these evacuated refugees encouraged the High Commission
to send a further 1,200 refugees to America towards the end of July. Dr. Nansen wished in this
connection to record his deep gratitude to the Russian Refugee Relief Society of America for its
devotion to the cause of the refugees after their arrival in the United States.

As a result of the combined efforts of the High Commission and the above-mentioned American
organisations, the Canadian Government also agreed to take 1,000 refugees from Constantinople.

The sustained efforts of the Constantinople office of the High Commission on behalf of the
Russian refugees have won the appreciation of the American, Allied and Turkish authorities in
Constantinople, whon ave all addressed highly appreciative letters on the subject to the High
Commissioner.

The High Commission’s office was closely in touch with the Turkish authorities, and it success-
fully obtained special facilities in the interests of the refugees, such as exemption from taxation
and visa fees, etc.

Dr. Nansen pointed out in his report that the foregoing results were achieved during a period
of crisis between the Turkish and Allied authorities in Constantinople. In spite of the difficulties
which arose in the changes of passport control and interior administration, the High Commission
were able to obtain special facilities for the evacuation of Russian refugees from both Turks and
Allies alike.

The efforts of the Athens office of the High Commission has resulted in the steady evacuation of the Russian refugees from Greece, their number having diminished since July 1922 by 30%.

7. Situation of Russian Refugees in Roumania.

Dr. Nansen's attention was called in the spring to the intention of the Roumanian Government to expel about 10,000 refugees from Bessarabia to Russia for military reasons. As many of these refugees had lost their Russian nationality and could only enter Russia at great personal risk, the High Commissioner invited the Roumanian Government to consider whether it could not possibly refrain from carrying out the proposed mass expulsion. The Roumanian Government acceded to this request and consented to allow the majority of the refugees to remain in Bessarabia provided interested organisations made arrangements for their satisfactory evacuation elsewhere.

8. The Situation of Russian Refugees in Poland.

A similar situation had arisen in Poland, where a large number of refugees had entered Polish territory since October 1920 in an illegal manner. As these refugees were alleged to have left Russia not on political grounds but for economic reasons, the Polish Government felt constrained to take measures to remedy the situation, and it issued a decree providing for their expulsion by April 15th of this year. The position of these refugees was particularly painful, as the majority of them had not registered with the Soviet Legation in Warsaw as Russian subjects and had thus lost their Russian nationality.

In response to urgent appeals addressed to the Polish Government by the High Commissioner, the Polish Government generously agreed to interpret the decree as leniently as possible and in certain cases to postpone the date of departure until September 1st. Energetic measures were taken to secure the early evacuation elsewhere of the refugees concerned.

9. Repatriation.

Some 4,000 refugees from Bulgaria, who had expressed the desire to return to their own country, have been repatriated under the auspices of the High Commissioner in close co-operation with the Bulgarian Government, which made a per capita contribution towards the work. In conformity with the arrangements made by the High Commissioner with the Soviet Government, his delegates in Russia were allowed to interest themselves in the welfare of these refugees after their arrival, and reports on this subject indicate that the undertakings in this respect given by the Soviet Government have been loyally observed.

In response to requests for repatriation received from Russian refugees in other countries, Dr. Nansen recently opened negotiations with the Soviet Government with a view to securing the extension to other territories of the arrangement in force in the Balkan countries. The Soviet Government has informed Dr. Nansen that in principle it was prepared to accede to this request.

10. Advisory Committee of Private Organisations.

A meeting of the Advisory Committee of Private Organisations was held at Geneva on April 20th of this year, when numerous important questions concerning the welfare of the refugees were discussed and several resolutions adopted, of which the principal were to the following effect:

(1) Special efforts should be made in the matter of relief to the infirm, children and sick.
(2) The High Commissioner was invited to appoint special delegates in the Far East.
(3) The High Commissioner was requested to submit a general report on the economic and social reconstruction of Russia.
(4) The High Commissioner was requested to enter into negotiations with the Russian and Ukrainian authorities with a view to obtaining the largest possible measure of protection and relief for refugees who desired to be repatriated from Poland and Roumania.
(5) The hope was expressed that the High Commissioner would not abandon the problem of evacuating the refugees from Constantinople but would continue to devote his energies to a solution of the problem until such time as all persons who could not remain in Constantinople under the new regime had been evacuated.
(6) The Advisory Committee considered that the work of the High Commission and of the Advisory Committee should continue.

II. — REFUGEES FROM ASIA MINOR.

The Council, on April 23rd, requested the High Commissioner to prepare a scheme for the settlement and establishment of refugees from Asia Minor and Eastern Thrace in the event of the loan to the Greek Government proving to be practicable for this purpose. (See General Report A. 10, p. 92) Dr Nansen accordingly asked Colonel Proctor, Deputy High Commissioner, to go