Geneva, June 1st, 1929.

LEAGUE OF NATIONS

Report on the Work of the League since the Last Session of the Assembly.
The present report summarises the work of the Council, of the Conferences and Committees of the League of Nations, and of the Secretariat from the date of the meeting of the ninth Assembly until about May 15th, 1929.

A supplementary report, which will be distributed on the opening day of the tenth ordinary session of the Assembly, will summarise the work of the fifty-fifth session of the Council (June 1929) and of such Conferences and Committees of the League as have met between the date of the compilation of the present report and September 1929.

In conformity with the procedure adopted for the last six years, a special annex to the supplementary report will give the situation to date in regard to the progress of international conventions and engagements, as indicated by instruments deposited with the Secretariat of the League or by treaties which particularly concern the organisations of the League.

In accordance with the recommendation made by the Fifth Assembly, a report prepared by the Registrar of the Permanent Court of International Justice on the Work of the Court and a report by the Director of the International Labour Office on that of the International Labour Organisation, will be distributed at the same time as the supplementary report.

Geneva, June 1st, 1929.
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I. PROGRESSIVE CODIFICATION OF INTERNATIONAL LAW.

(See agenda of the Assembly of 1929, item No. 9.)

A. PREPARATORY WORK FOR THE FIRST CODIFICATION CONFERENCE.

1. Work of the Preparatory Committee.

By its resolution of September 27th, 1927, the Assembly placed on the agenda of the proposed Codification Conference the three subjects of Nationality, Territorial Waters and the Responsibility of States for damage done in their territory to the person or property of foreigners.

The Preparatory Committee appointed by the Council in accordance with the Assembly's resolution completed its work during three sessions held at Geneva from February 6th to February 15th, 1928, from January 28th to February 17th, 1929, and from May 6th to May 11, 1929.

Under the procedure laid down by the Assembly, the Committee's task was to draw up bases for discussion for the Conference in the light of the replies made by the Governments to the request for information addressed to them by the Committee. This request was transmitted to the Governments by the Secretary-General on March 1st, 1928, and the Committee asked that replies might be received not later than the end of the following October. The period thus allowed for the Governments to reply proved in fact to be barely sufficient, and the majority of the replies did not reach Geneva until a considerably later date, but the Committee was eventually able to take account of information supplied by some thirty Governments. Some of the replies did not deal with all the subjects or all the points raised by the Committee.

Furthermore, the Committee, in addition to being able to consult the scientific work on the above three questions which has been done at various times by the international learned societies devoted to the study of international law, such as the Institute of International Law, was able to benefit by a valuable special enquiry into these questions organised under the auspices of the Harvard Law School in anticipation of the Conference. This enquiry resulted in the publication of a draft Convention on each subject, accompanied by a careful and exhaustive commentary.

On March 7th, 1929, the Council requested the Committee to undertake the further task of reporting as to the action which the Council might take in execution of a suggestion contained in the Assembly resolution of 1927 to the effect that, when convening the Conference, the Council should set out certain general rules intended to govern the proceedings of the Conference on a number of points specified in the resolution.

The Committee has embodied the results of its work in a report which will, for convenience of use at the Conference, be published in three volumes, one for each subject. As recommended by the Assembly in 1927, the report is drawn up in the form adopted in preparing the work of the Naval Conference of London, 1908-1909. The volume on each subject contains two general reports by the Committee, the replies from Governments relating to each point submitted to them by the Committee, the observations of the Committee on these replies and the bases of discussion formulated by the Committee. These bases of discussion are not proposals of the Committee but are an attempt to formulate a statement of rules upon which agreement appears to exist or which do not give rise to divergencies of view so serious as to make it impossible to anticipate that an agreement may be reached after consideration and, if necessary, modification and amendment, of those bases by the Conference.

Certain suggestions upon which agreement appears more difficult, or on which there has not been an adequate expression of opinion on the part of the various Governments, could not be adopted as bases of discussion, but it will be open to each Government to take up any particular suggestion and make it the subject of a proposal for discussion by the Conference. For convenience of reference the full text of the Government replies is also reproduced.

The Committee's recommendations for the general rules to govern the proceedings of the Conference will be printed in a separate document.

2. Date of the Conference.

Under the Assembly's resolution of 1927 the Council was requested to convene the Conference as soon as the preparations were sufficiently advanced. It was contemplated at that date, and also during the Assembly's session of 1928, that the Conference might be able to meet in the present year. In a preliminary report considered by the Council at its session of March last,
the Preparatory Committee expressed the opinion that a meeting of the Conference in 1929 was for various reasons materially impossible, and recommended that a date in the spring of 1930 should be selected. It pointed out that a certain period of time would be necessary to enable Governments and learned bodies to examine the replies of each Government, the Committee's observations and the bases of discussion, and that such a study, if sufficient time were allowed for it, would make it possible for existing differences of opinion to be attenuated. A delay of a few months would not therefore be time lost.

By a resolution of March 7th, 1929, the Council accepted this recommendation of the Committee and decided, in principle, that the Codification Conference should be held in the spring of 1930.

The Supplementary Report to the Assembly will contain information as to any further decisions in regard to the Conference which may be taken by the Council after its members have had an opportunity to consider the results of the work of the Preparatory Committee.

B. WORK OF THE COMMITTEE OF THREE JURISTS APPOINTED IN ACCORDANCE WITH THE ASSEMBLY'S RESOLUTION OF SEPTEMBER 24TH, 1928, PART III.

This Committee was appointed by the Council by a resolution of December 14th, 1928. It consists of the following members of the Committee of Experts for the Progressive Codification of International Law: Professor Diëna, M. Guerrero and Professor Schücking. The terms of the Assembly's resolution are as follows:

"The Assembly:

"Having considered the opinion expressed by the Committee of Experts regarding the proposal of the delegation of Paraguay:

"Confirms its decision to make no change at present in the method of codification adopted by it in 1924.

"Recognises, however, that there would be advantages in indicating the full extent of the subjects which, without prejudging the order to be followed, the Assembly proposes to cover by the work of codification;

"And, in view of the character of the contemplated task, addresses to the Council the request that the establishment of a systematic survey may be entrusted to a Committee of three jurists, to be chosen preferably from the members of the Committee of Experts, and that the survey may be communicated to the Members of the League as soon as possible.

"It suggests that it would be desirable at the same time to distinguish, if possible, the subjects which should be reserved for the technical organisations of the League, or the international conferences which have already been initiated by particular Governments and the subjects which appear capable of being dealt with by conferences of jurists.

"The Assembly emphasises the great immediate practical value in this connection of assembling together in the form of a code, according to a methodical classification the various general international conventions, i.e., those which are open to acceptance by States in general;

"And, in view of the character of the contemplated task, addresses to the Council the request that the establishment of a systematic survey may be entrusted to a Committee of three jurists, to be chosen preferably from the members of the Committee of Experts, and that the survey may be communicated to the Members of the League as soon as possible.

"It accordingly asks the Council to submit to examination by the above-mentioned Committee of three jurists the question of publishing, as an accompaniment to the Treaty Series and in the form of a Code, of which new editions would from time to time be produced, those general conventions which have the above-mentioned character, and to report to the Assembly on the matter at its next session."

At a session held at Geneva from April 15th to 23rd, 1929, the Committee of Three Jurists presented a report to the Council on the two questions referred to it (document A.12.1929.V.). The body of the report sets out the principles adopted by the Committee in performing its task. A first annex contains, in the form of a table, the systematic survey of the subjects of international law which the Committee was asked to prepare; the questions dealt with by technical organisations of the League or Conferences the initiative for which has been taken by particular Governments are indicated in footnotes. A second annex deals with the methods by which publication of general Conventions in the form of a Code might, in the Committee's opinion, be undertaken; it is followed by a third annex containing an estimate of the cost of the work prepared by the Secretariat.

The Committee's report is on the agenda of the June session of the Council.

C. COMMITTEE OF EXPERTS FOR THE PROGRESSIVE CODIFICATION OF INTERNATIONAL LAW.

The decision taken by the Assembly in 1928 with regard to the work of this Committee was as follows:

"1. The Assembly,

"Having considered the report addressed to the Council of the League of Nations in June 1928 by the Committee of Experts for the Progressive Codification of International Law, thanks the jurists who, under the enlightened guidance of their Chairman, have made this new contribution to the work of codification.
"It notes the conclusions of the Committee, according to which two new questions appear to be sufficiently ripe for international regulation, namely:

(a) Legal position and functions of consuls;
(b) Competence of the courts in regard to foreign States.

It decides to reserve these questions with a view to subsequent conferences.

2. The Assembly notes that a new questionnaire dealing with the question of domicile has been drawn up by the Committee of Experts and transmitted to the Governments by the Secretary-General.

"It adjourns to its session of 1929 the question whether it is necessary to convene the Committee of Experts again for the purpose of examining the replies from the Governments received in the interval by the Secretary-General of the League of Nations and, eventually, of studying other questions which may arise in connection with the codification of international law.

The Assembly recommends that the Committee of Experts should, when it next meets, examine whether it would be possible and desirable to endeavour, by the procedure of codification, to formulate a declaration of the fundamental rights and duties of States."

In view of the above resolution, no session of the Committee was held in the year under review.

II. QUESTION OF THE REVISION OF THE STATUTE OF THE PERMANENT COURT OF INTERNATIONAL JUSTICE.

(See agenda of the Assembly of 1929, item No. 8.)

The Assembly, at its session of 1928, adopted the following resolution regarding this matter:

"The Assembly,
Considering the ever increasing number of matters referred to the Permanent Court of International Justice;
Deeming it advisable that, before the renewal of the term of office of the members of the Court in 1930, the present provisions of the Statute of the Court should be examined with a view to the introduction of any amendments which experience may show to be necessary.
Draws the Council's attention to the advisability of proceeding, before the renewal of the term of office of the members of the Permanent Court of International Justice, to the examination of the Statute of the Court with a view to the introduction of such amendments as may be judged desirable and to submitting the necessary proposals to the next ordinary session of the Assembly."

In pursuance of this resolution, the Council at its session of December 1928 appointed a Committee of Jurists with instructions "to report what amendments appear desirable in the various provisions of the Court Statute". The original members of the Committee were M. Scialoja, who was selected by the Committee as its Chairman, M. van Eysinga, who was appointed Vice-Chairman, and M. Fromageot, M. Gaus, Sir Cecil Hurst, M. Ito, M. Politis, M. Raesstad, M. Rundstein, Mr. Elihu Root and M. Urrutia. On March 9th, 1929, M. Pilotti, who was Rapporteur at the Conference of Signatories of the Court Statute held in 1926, was added to the Committee by the Council. The President and Vice-President of the Court, M. Anzilotti and M. Huber, and the Chairman of the Supervisory Commission, M. Osusky, participated in the work of the Committee on the invitation of the Council.

At a session held at Geneva from March 11th to 19th, 1929, the Committee drew up a report to the Council submitting its proposals for amendments to the Statute and proposals for the adoption by the Assembly of certain recommendations and resolutions relating to the Court.

The following quotation from the Committee's report indicates the purpose underlying the suggestions which it has made:

"In the proposals which the Committee has the honour to submit to the Council it has been in general actuated by the desire to give the States full assurance that the Permanent Court of International Justice established by the League of Nations is a real judicial body which is constantly at their disposal for the purpose of hearing and determining their disputes and which possesses alike the necessary juristic competence and experience of international affairs."

The Committee further decided to communicate to the Council a memorandum laid before it by one of its members, M. Rundstein, containing suggestions under which States would give the Court a certain measure of appellate jurisdiction in regard to the decisions of international arbitral or judicial tribunals other than the Permanent Court itself. It also decided to communicate to the Council a memorandum presented to it by the International Labour Office. This memorandum raises a question as to co-ordinating the operation of Article

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2 See document C.142.M.52.1929.V.
14 and that of Article 223 of the Treaty of Versailles, upon which the Committee did not feel itself competent to pronounce.

The Committee's conclusions will be considered by the Council at its June session, and information as to the Council's decisions will be given in the Supplementary Report to the Assembly.

III. QUESTION OF THE ACCESSION OF THE UNITED STATES OF AMERICA TO THE PROTOCOL OF SIGNATURE OF THE STATUTE OF THE PERMANENT COURT OF INTERNATIONAL JUSTICE.

On March 9th, 1929, the Council requested the Committee which it had appointed to consider the question of the revision of the Statute of the Permanent Court of International Justice (see previous section), "to consider the present situation as regards accession of the United States of America to the Protocol of Signature of the Statute of the Permanent Court of International Justice and to make any suggestions which it feels able to offer with a view to facilitating such accession on conditions satisfactory to all the interests concerned".

It will be remembered that on January 27th, 1926, a resolution was adopted by the United States Senate specifying the conditions, reservations and understandings subject to which it approved the accession of the United States of America to the Statute of the Court. The terms of this resolution having been communicated to the Governments which had signed the Protocol of Signature, a Conference of these Governments met, on the initiative of the Council, at Geneva in September 1926, and formulated proposals for the reply to be made to the United States by the Governments. These proposals were adopted by twenty-four Governments.

The occasion for the Council's decision of March 1929 was the receipt by the Governments signatories of the Protocol of a note, dated February 19th, 1929, in which the Secretary of State of the United States of America examined the proposals formulated by the Conference of 1926 and expressed the hope that a further exchange of views, such as the Conference itself had contemplated, might lead to agreement upon some provision which in unobjectionable form would protect the rights and interests of the United States as an adherent of the Court Statute. A copy of this note had at the same time been transmitted to the Secretary-General and communicated by him to all the Members of the League. Cordial satisfaction was felt by the Council at the prospect which this note held out that a solution might be found for the difficulties which had prevented the accession of the United States to the Court Statute in 1926. It considered that advantage should be taken of the fact that the Committee of Jurists was about to meet for the purpose of a general examination of the Court Statute in order to obtain from the Committee any assistance which it might be able to offer towards the solution of the problem.

At the session which it held in March last the Committee, basing its work upon the proposals of the Conference of 1926 and examining these proposals in the light of the last note from the Secretary of State of the United States of America examined the proposals formulated by the Conference of 1926 and reached the conclusion that the proposals of the Conference could be amended in a manner which would give satisfaction to all the interests concerned. It has accordingly presented a report to the Council to which is annexed the text of a draft Protocol which, in the Committee's opinion, may constitute a practical solution of the problem.1

The Supplementary Report to the Assembly will contain information as to the decisions taken by the Council upon the Committee's report, which will be submitted to the Council at its June session.

IV. WORK OF THE ROME INTERNATIONAL INSTITUTE FOR THE UNIFICATION OF PRIVATE LAW.

The Governing Body of the Rome International Institute for the Unification of Private Law held its second session from February 20th to 22nd, 1929. This session was preceded by a preparatory meeting of the Standing Committee.

Under the presidency of His Excellency M. Scialoja, the Governing Body examined the report submitted by the Secretary-General of the Institute on the work accomplished during the first nine months of its existence: installation of offices, negotiations with the Italian Government concerning the diplomatic immunities of officials, relations with other leading Institutes, organisation of the library, enquiries.

1. STAFF OF THE INSTITUTE.

It was decided that the work of the Institute should be carried on by officials engaged on a temporary basis. Since the Governing Body had not sufficient information to allow it to appoint the two assistant secretaries, these appointments were adjourned.

At present the staff includes also temporary editors and clerical employees.

2. UNIFICATION OF THE LAW OF BILLS OF EXCHANGE AND CHEQUES.

At the request of the Secretariat of the League of Nations, the Rome Institute examined the proposals of the Economic Committee's experts and submitted a few observations regarding

1 See document C.142.M.52.1929.V (to be reprinted as document A.III.1929.V.)
both the general tendencies of those proposals and the provisions contained in various articles. These observations have been communicated to the Secretariat of the League as documentation for the future International Conference on this subject.

3. UNIFICATION OF CONTRACTS OF SALE.

This undertaking, so much desired by the great economic organisations, is an extremely difficult problem owing to the wide diversity of the various national laws on the subject. The Institute has decided that no change can be made in the rules of the various national laws, which must continue to apply to sales concluded within each country. It proposes, however, to establish, parallel to these different models, a special model for international sales, i.e., sales taking place between nationals of different countries. A report on this problem will be submitted at the next session of the Governing Body.

4. UNIFICATION OF THE LAW ON DEBTS IN RESPECT OF MAINTENANCE.

The differences in the laws on this subject often cause conflicts of laws that may become very difficult to settle. A study of the various legislations, however, justifies the hope that it may not be impossible to obtain uniform solutions. The documentation on this point will be submitted to the Governing Body at its next session.

5. UNIFICATION OF ARBITRAL PROCEDURE IN PRIVATE MATTERS.

A preliminary enquiry has been commenced, the results of which will be submitted at the next session of the Governing Body, with regard to the possibility of unifying arbitration procedure in private matters.

6. PUBLICATIONS OF THE INSTITUTE.

It was decided that, for the present, the Institute would not publish any Bulletin, but would merely communicate its records to the leading international reviews, trusting that the latter will be good enough to publish them.

7. LIBRARY.

The work of constructing the library has almost been completed. The Institute’s collection of books, etc., now gradually coming into being, thanks to the gifts of various countries and as a result of purchases made by the Institute, will be installed before the end of the year.

2.

FINANCES OF THE LEAGUE.

I. GENERAL FINANCIAL POSITION.

During the year 1928, 93 per cent of the amount of the contributions due for that year was received from the States Members as against 87 per cent of the budget for 1927 during that year.

The total amount received on account of arrears during 1928 was 1,729,161.12 gold francs as compared with 1,659,322.19 gold francs in 1927.

The cash surplus in respect of the three autonomous organisations of the League on December 31st, 1928, was as follows:

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Surplus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secretariat</td>
<td>2,337,354.33</td>
</tr>
<tr>
<td>International Labour Organisation</td>
<td>199,914.50</td>
</tr>
<tr>
<td>Permanent Court of International Justice</td>
<td>180,551.93</td>
</tr>
<tr>
<td><strong>Total surplus</strong></td>
<td><strong>2,717,820.76</strong></td>
</tr>
</tbody>
</table>

The work of the Treasury since the last session of the Assembly may perhaps be most conveniently illustrated by reference to the reports of the Supervisory Commission, which has met on two occasions since last September.
The composition of the Commission, the members of which will in future be appointed by the Assembly, is as follows:

His Excellency M. Stefan Osusky, Czechoslovakia, Chairman.
Lord Meston of Agra, India, Vice-Chairman.
Dr. J. A. Nederbragt, Netherlands, Rapporteur.
M. Jean Réveillaud, France.
His Excellency M. C. Parra-Perez, Venezuela.
His Excellency M. Herluf Zahle, Denmark
His Excellency M. Alfred Nemours, Haiti

Substitute members.

II. ACCOUNTS FOR 1928.

The Commission examined the points raised in the report drawn up by the League’s auditor, M. Ceresa, as well as certain general observations made by the Rapporteur. It considered with the Secretary-General and the responsible officials of the autonomous organisations various questions of principle and certain points of detail. It examined, in particular, a number of specific cases of transfers and agreed that the action which had been taken by the competent officials of the various organisations was in accordance with the regulations and principles to be followed in the matter.

III. DISPOSAL OF THE SURPLUS FOR 1928 AND REIMBURSEMENT TO STATES OUT OF THE BUILDING FUND.

The Commission considered that, in view of the necessity for strengthening the Building Fund to bring it up to the sum of 19,500,000 francs, approved by the Assembly during its eighth ordinary session for the cost of the new constructions, advantage should be taken of the present favourable financial position of the League to augment the sums set aside for the new buildings by appropriating that proportion of the 1928 surplus which corresponded to the payment of arrears during the year, viz., 1,729,161.12 gold francs, in the following manner: 1,479,161.12 gold francs should be added to the Building Fund proper and 250,000 gold francs to the Furnishing Fund established by the Assembly during its eighth ordinary session. It recommended that the balance of the surplus amounting to 988,659.64 gold francs should be returned to States Members by reducing their contributions for 1930.

The Commission also proposed that the reimbursements to be made in 1930 out of the Building Fund to the States which constituted the fund should amount to 700,000 gold francs.

IV. BUDGET FOR 1930.

The budget for 1930 as forwarded to the Members of the League for consideration by the Assembly amounts to 27,230,298 francs as compared with 27,026,280 francs for 1929. Although provision is made for an additional important international conference, the increase in the estimates of the Secretariat is, in point of fact, less than the sum actually required to meet the statutory salary increments.

V. MISCELLANEOUS QUESTIONS.

The Commission decided to hold an extraordinary session in June to consider the Secretary-General’s proposals for the revision of the Staff Regulations, made in conformity with the resolution adopted on the subject by the Assembly during its ninth ordinary session.
I. PREPARATORY COMMISSION FOR THE DISARMAMENT CONFERENCE.

The Preparatory Commission met at Geneva from April 15th to May 6th, 1929, with the Jonkheer Loudon in the Chair, and then, the latter having fallen ill, M. Politis (Vice-President). The other Vice-President, M. Veverka, having left the Commission, it elected M. Cobián, the Spanish delegate, to succeed him. The Governments of the following twenty-five States were represented: Belgium, British Empire, Canada, Chile, China, Colombia, Cuba, Czechoslovakia, Finland, France, Germany, Greece, Italy, Japan, the Netherlands, Persia, Poland, Roumania, Kingdom of the Serbs, Croats and Slovenes, Spain, Sweden, Turkey, Union of Socialist Soviet Republics, United States of America and Venezuela. The Argentine Republic, Bulgaria and Uruguay, Members of the Commission, did not send representatives.

At its first meeting, the Commission had no definite agenda, but had to consider its procedure in regard to the following documents: the draft Convention adopted at first reading in March-April 1927 (document C. 218(1). M. 112. 1927. IX); the German proposal concerning the exchange of information (document C. 164. M. 49. 1928. IX); the observations submitted by Count Bernstorff on the disarmament problem (document C. P. D./138); and the draft Convention for proportional reduction of armaments submitted in March 1928 by the Soviet delegation (document C. 164. M. 49. 1928. IX). To these were added proposals by the Turkish delegation on criteria for the reduction of armaments (document C. P. D./142 (1)) and by the Chinese delegation on the abolition of compulsory military service (document C. P. D./139).

In opening the session, the President laid before the Commission a programme which gave rise to a detailed discussion, following which the President's proposals were adopted, on the understanding that the order of the items might be changed and that the principal questions left in abeyance since 1927 should be discussed. The Commission then examined the Soviet draft, the Chinese proposal being discussed in connection with the question of effectives. The Chinese delegate reserved the right to bring the proposal again before the Disarmament Conference. At the request of the Turkish delegation, the Turkish proposals were reserved for the Conference.

The main work of the Commission concerned the draft Convention it had previously adopted. It heard an important statement by the delegate of the United States of America regarding the general principles of disarmament and the naval problem. There were long discussions on several of the essential parts of the 1927 draft (effectives, in particular, the limitation of trained reserves, limitation of land and air war material) and on several points new texts were adopted (see Annex).

The Commission finally decided to postpone to a later date the continuation of the second reading of the draft Convention in order to enable the Governments concerned to make a thorough examination of the American proposals on naval disarmament. For the same reason it refrained from drawing up a report, considering its sixth session as not yet closed. The Governments were invited to inform the President of the progress of their negotiations, so as to enable him to summon the Commission with a full knowledge of the facts.

It is virtually impossible to reproduce in the present report all the statements, reservations, amendments, counter-amendments, etc., which were discussed during the three weeks of the session. They all appear in the Minutes of the Commission, but the following analysis contains general indications regarding the principal points dealt with in the course of the debates:

1. DEBATE ON THE AGENDA.

The President stated in his opening speech that he did not consider that the time had yet come to take a second reading of the whole of the draft Convention drawn up at the first reading and to frame a final text, marking the completion of the preparatory work. He added that as regards the negotiations between the Governments
concerned — with whom he had kept in touch — agreed solutions which would make it possible at this juncture to foresee the final success of the Commission’s work had not yet been reached. As soon as agreement between the Governments had been achieved, he foresaw a further meeting of the Commission. He thought that public opinion was becoming somewhat impatient. He had indeed received a very large number of letters, mainly from labour organisations in different countries, urging the Commission to complete its work as soon as possible.

The President then submitted a programme of work, covering the Soviet draft Convention, the German proposals concerning the exchange of information, and all the articles of the draft Convention of 1927. Since that part of the draft had, during the first reading, been merely touched upon, or even not discussed at all, the President proposed that these points should be discussed first.

The German delegation having urged that the second reading should be begun forthwith and that the essential questions — effective and material — should be dealt with, the President pointed out that the suggestions submitted only concerned the order in which this second reading might be taken.

After an exchange of views, it was decided to adopt the agenda submitted by the President, but that the order of the items might be changed, that the Soviet draft Convention should be discussed first, and that the essential questions — in particular, effective and material — should be examined during the course of the debates.

2. DRAFT CONVENTION AND DRAFT RESOLUTION SUBMITTED BY THE SOVIET DELEGATION.

A. Explanation and Discussion of the Draft Convention.

Before the Commission discussed this subject, the first Soviet delegate made a statement criticising the earlier work of the Commission and urging that it should change its methods. In his opinion the fundamental defect of the Commission’s method consisted in the fact that each individual country would, at the Conference, fix the amount of its own armaments, taking into account all its specific political, economic, geographical, strategic and other features, which implied that the other nations would have to discuss and accept the individual estimates of its own requirements put forward by each country. The proposal for a reduction submitted by the Soviet delegation was, on the contrary, based on an impartial criterion which would not be prejudicial to any State. During the discussion the Soviet delegate added further, that, in his opinion, the armaments of a country were based upon the armaments of its neighbours, and that any reduction in one country must and could affect the others. He added that, on the one hand, the increased menace of war and, on the other, the conclusion of the Kellogg Pact ought to stimulate efforts with a view to disarmament. In conclusion, he asked that his draft should be studied in detail and thoroughly discussed.

The Soviet delegation then explained the principal provisions of the draft. The main principle was the proportionate reduction of all elements of armaments (effectives, cadres, number of units, material, aggregate of tonnage and tonnage by categories, numbers of aircraft, budgetary expenditure) based on the position on a fixed date. For each of the three important categories of armaments — military, naval and air — countries were divided into three groups according to the scale of their armaments. In each category the reduction was half for the strongest Powers, a third for medium Powers and a quarter for the weaker Powers. The States whose armaments had been fixed by the Peace Treaties formed a special group and the amount of their armaments was to be established by the Disarmament Conference. The draft also provided for the quantitative and qualitative limitation of material of all categories, whether in service or in stock, and contained stipulations for supervising the carrying-out of the Convention.

The Convention was intended to be completed by a certain number of special conventions regarding details of execution — to be ratified within six months from the coming into force of the principal Convention.

The Japanese, Chilean and French delegations gave the reasons why, in their opinion, the Commission could not take the Soviet draft as a basis for discussion. These reasons may be summarised as follows:

1. The Soviet draft does not take account of the connection, established by the League Covenant, between disarmament and security; one of the implications of the notion of security is the necessity to take into account “the geographical situation and circumstances of each State”. This idea of security is therefore, to some extent, peculiar to each State. The Soviet plan starts from a mathematical and impersonal basis, which was rejected by the League organs some considerable time ago, in particular, at the time of the discussion of Lord Esher’s plan.

2. The Soviet draft would lead the Commission to change its methods, and even to encroach upon the domain of the future Disarmament Conference. The Commission’s instructions are merely to build up the technical framework of the Convention. It is for the Convention itself to fix figures.

3. Before the Soviet draft comes into force, fourteen special conventions must be concluded. Its application would result in anomalies. It would also involve inequality and injustice. It would allow no account whatever to be taken of the voluntary reductions effected by States in certain categories of armaments.
The German delegate expressed the hope that the fresh ideas contained in the Soviet draft would stimulate the work of the Commission. He recalled that, as stated by the German Chancellor in September 1928, the first stage of disarmament could and must involve an appreciable reduction below the present level of armaments — a reduction including all elements of military, naval and air armaments and a guarantee of full and entire publicity in respect of all classes of armaments. He noted that these basic conditions were fulfilled in the Soviet draft, which further provided a new and to some extent mechanical system designed to facilitate the fixing of figures.

The Turkish delegate observed that the Soviet draft contained very interesting and valuable principles and that it would be desirable to study it carefully before examining the draft Convention of 1927. The Turkish proposals should also be examined and discussed. It appeared to him very useful, in particular that the Commission should discuss the criteria of the reduction of armaments, a discussion of this point being necessarily one of the first things that the Conference would appoint a Commission to undertake.

B. Discussion of the Draft Resolution.

As the great majority of the Commission did not seem inclined to change its methods and take the Soviet draft as a basis of discussion, the Soviet delegate asked that it should express an opinion on the three ideas embodied in that draft, namely, the reduction of armaments, the proportional principle and numerical coefficients. To this end he proposed a draft resolution asking the Commission:

"To prepare a draft Convention based upon the principle of the appreciable reduction of existing armed forces;"

"To embody in the draft Convention methods of reducing armaments, based upon the proportional principle or a similar impartial criterion;"

"To include in the draft Convention numerical coefficients for the reduction of armaments."

The Commission sought the opinion of its Bureau as to how far it could deal with the Soviet proposals, having regard to the instructions it had received and the scope of its work. The Bureau gave the following opinion:

"1. The Preparatory Commission for the Disarmament Conference has been instructed by the Council, not to effect the reduction of armaments, but to prepare a scheme for the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations. This plan is to be submitted for the consideration and action of the Governments taking part in the Conference.

"2. The Commission is preparing a scheme to enable the Conference, when it meets, to effect as substantial a reduction of national armaments as possible — on the understanding that the Convention adopted shall be subject to reconsideration and revision at least every ten years.

"3. The numerical coefficients for the reduction of armaments constitute a method of applying the proportional principle laid down in point 2 of the Soviet draft resolution. Consequently, the arguments set forth above in connection with point 2 apply equally to point 3.

"Having regard to the foregoing considerations, the Bureau is of opinion that the Preparatory Commission, while continuing the examination of its preliminary draft of 1927, should decide, if the Soviet delegation so desires, to append the Soviet draft convention to the report to be submitted by the Commission on the conclusion of its proceedings, and to be subsequently laid before the Disarmament Conference, without prejudice to the right shared by the Soviet delegation with all the other delegations, to bring forward amendments to the articles of the 1927 preliminary draft in the course of the discussion in the Preparatory Commission."

The Commission adopted this opinion, the Soviet and Chinese delegations voting against it. The Turkish delegation had announced its intention of not taking part in the vote. Several delegations made statements before voting. The Italian delegation declared that its Government was prepared a priori to accept any reduction of armaments, even to the lowest figures, provided that these figures were accepted and applied by all the other Powers in the continent of Europe. As to the second point, it considered that a mathematical criterion like that submitted by the Soviet delegation was not in fact impartial but arbitrary, because impartiality required that account should be taken of the reductions already effected and of the real needs of each country. On the third point, the delegation was of opinion that the numerical coefficients ought to be fixed by the Conference.

The German delegation said it would agree to the Bureau’s proposals, with a view to conciliation, but that it would also be willing to accept the first two points of the Soviet resolution and to refer the third to the Conference. The text drawn up by the Bureau referred
to national security. The German delegation recalled that the Assembly had adopted in 1928 a resolution according to which the present conditions of security would allow of the conclusion at the present time of a first general Convention for the reduction and limitation of armaments. The German delegation trusted that the Soviet delegation would take advantage of the facility offered by the text drawn up by the Bureau to repeat its proposals in the course of subsequent proceedings as amendments to the points under discussion. The Chinese delegate said that, as he was in favour of the proportional principle, he could not agree to the opinion of the Bureau as a whole.

The Soviet delegate subsequently circulated to the delegations a statement criticising the methods followed by the Commission since its constitution. He stated that the Soviet delegation would be justified in withdrawing from the Preparatory Commission but that it would remain in the hope that the other Governments there represented would find themselves forced by the pressure of public opinion, and especially by the demand of workers' organisations, to agree at least to a substantial reduction of armaments and to revert to those very Soviet proposals which they had so far rejected.

3. Proposal by the Turkish Delegation regarding the Disarmament Problem.

The Turkish delegation transmitted to the Preparatory Commission a Note (document C.P.D./142 (1)), the conclusions of which may be summarised as follows:

The origin of many cases of aggression will be found in the inequality of the existing forces and the opportunities which the maintenance of large effectives offers for rapidly carrying out attacks intended to secure certain objects and satisfy certain ambitions. The fundamental idea in the system proposed by the Turkish delegation is to provide, as far as possible, that all States should have equivalent peace effectives. An endeavour would thus be made to fix a limit for each State, and to apply this to all States without distinction. This maximum of effectives would be the armed forces required by a large country to provide for its legitimate defence against sudden aggression. The fixing of the maximum limit would not appear to present any serious difficulties, as, in this connection, experience has been gained which would be useful for the purpose. Once this limit has been fixed, States maintaining forces exceeding it would be compelled to reduce them accordingly, and those forces already below the limit would remain unchanged, without the States being authorised to increase them.

During the course of the debates the Turkish delegate became convinced that the Commission, in accordance with the system it had laid down, wished to leave to the Conference the discussion of criteria of reduction of armaments. He noted that the discussion of his proposal would be likely to increase the work of the Commission, and hence to delay the convocation of the Conference, and he reserved his draft for reduction for submission to the Conference. With this reservation the Turkish delegation took part in the examination of the Commission's draft Convention.

4. Proposal submitted by the German Delegation concerning the last Paragraph of Article 8 of the Covenant (Exchange of Information).

The German proposal (document C.164.M.19.1928.IX) had, by a resolution dated March 24th, 1928, been submitted by the Preparatory Commission to the Governments for examination. This proposal contemplated originally the possibility of completing the Armaments Year-Book of the League of Nations by obtaining from the Governments more detailed information on the three points enumerated in the last paragraph of Article 8 of the Covenant, namely, the scale of their armaments, their military, naval and air programmes and the condition of their industries adaptable to warlike purposes.

Certain delegates pointed out that the Preparatory Commission was not competent to modify the Armaments Year-Book. The German delegation explained that the object of the proposal was, in particular, to prepare the work of the Conference, which could not usefully reduce armaments if it had not as complete information as possible concerning them. The Japanese delegation pointed out that the information at present available regarding armaments was sufficient for the establishment of a first Disarmament Convention, that the search for more complete information would risk delaying the work of the Conference, and that, above all, it appeared to them difficult to have publicity before knowing what were the various elements of armaments which would be covered by the Convention.

Finally, the Commission decided to discuss the German proposal when the chapter in the draft Convention which dealt with the exchange of information came up for examination.

5. General Declarations by the Delegations of Persia, the British Empire, the United States of America, Japan, Chile and Belgium.

A. Declaration by the Persian Delegation.

On two occasions the Persian delegation drew the Commission's attention to the special situation of Persia. The delegation observed that Persian territory had been invaded during the great war, and in reply to the protests made by that country the invaders had declared that, in the absence of a national Persian army able to defend the territory, it was impossible for them to evacuate. In these circumstances, Persia, which desired to live in peace in order to be able to proceed with its economic development and to carry out social reforms without danger, found itself obliged to organise an adequate national army. At great financial sacrifice Persia
undertook this task, while, however, following an absolutely pacific policy, as was proved by the readiness with which Persia had signed neutrality and security pacts with certain of its neighbours, and had acceded to the Briand-Kellogg Pact and the Litvinoff Protocol. The Persian delegation had been anxious to explain this situation at an early stage, in order to justify the proposals which it would submit to the Conference, emphasising at the same time the fact that Persia's only desire was to maintain order in the interior of the country and to create an element for peace and stability in the Middle East.

B. Declaration by the British Delegation.

On April 19th, 1929, Lord Cushendun made a general declaration.

He reminded the Commission that outside the Preparatory Commission the leading naval Powers that signed the Washington Treaty had actually effected a large and important measure of reduction and limitation. In view of the progress made in that direction, he hoped that the Commission would go as far as it could towards limiting land and air forces. There was no reason, in his judgment, why the difficulties which prevented progress in regard to naval disarmament should prevent it from getting on with the other branches of the subject.

The British Government was keenly anxious to arrive at some definite measure of agreement which would make it possible to open the Disarmament Conference, and he was prepared to make great sacrifices in order to reach that agreement. On former occasions the British delegation had expressed strong views on many of the points in dispute. It still held to those opinions and still thought that the principles it had expressed were the most likely to lead to good results. On the other hand, while persisting in those views, it recognised that land armaments did not constitute the branch of the subject in which Great Britain was most interested. Great Britain was not and did not pretend to be a military Power in the continental sense of the term. Its military system was fundamentally different from that of most of the countries represented on the Preparatory Commission, and its land forces had already been reduced to such a point that they could not claim to rival those of continental Powers. Great Britain therefore recognised that in this sphere the lead could and should be taken by the military Powers and that the possibility of effecting limitation depended upon the reconciliation of their views and policies.

Lord Cushendun said that the British Government had no intention of adding to the difficulties in the way of agreement by insisting in every case on its own views. The all-important consideration to Great Britain was the attainment of such an agreement as would make progress possible and though its own system was so different from those of the continental Powers, his country felt confident that it would be able to accept any proposals which met with general assent.

As regards air armaments, Lord Cushendun said that they were naturally of very special importance and interest to an empire so scattered, and embracing such wide stretches of territory as the British Empire. Broadly speaking, the needs of his own country in regard to air armaments were the same as those of continental Powers, and yet its air forces were considerably smaller than those of other European countries. Lord Cushendun concluded his declaration by expressing the hope that, as in the case of land armaments, Great Britain would be able to agree to any principles in connection with the limitation of air armaments, that might secure the unanimous approval of other countries.

On another occasion the British delegate stated that, owing to the considerable reductions in land armaments which Great Britain had made since the war, it might be found when the time came to discuss figures at the Disarmament Conference, that the British land armaments had already been reduced to the level laid down in Article 8 of the Covenant.

C. Declaration by the United States Delegation.

At the Commission's meeting on April 22nd, Mr. Gibson, the delegate of the United States of America, made a declaration explaining his Government's views both on the general problem of disarmament and on the naval problem. His declaration may be summarised as follows:

The first duty of each delegation was to determine all the phases of the problem before it with a view to discovering what concessions it could offer. Agreement upon a single text could only be achieved by a maximum of such concessions. Further, the Commission would only be able to deal to the best advantage with the specific questions on its agenda if it bore clearly in mind the recent important changes in world conditions. Since the last session of the Commission the nations of the world had bound themselves by a solemn undertaking to renounce war as an instrument of national policy. The United States delegation believed that that agreement affirming humanity's will to peace would advance the cause of disarmament by removing doubts and fears which in the past had constituted its principal obstacle. It had recently been the privilege of the United States delegate to discuss the general problem of disarmament at considerable length with President Hoover, who had always been a fervent advocate of peace with understanding. Mr. Gibson was in a position to realise how deeply the President felt that the Pact for the Renunciation of War, recently signed, opened an unprecedented opportunity for advancing the cause of disarmament, an opportunity which should not be allowed to slip. If the solemn promise made in the Pact meant anything, there was no justification for the continuation of a war-taxed piece. Big armaments were the relics of another age, but they would remain a necessary relic until the present deadlock was broken, and that could only be accomplished if the Powers possessing the largest armaments decided to initiate measures of reduction.

Fundamentally, the aim of all the Powers must be to release for productive effort large numbers of men from military service, and secondly, to reduce the heavy burden of taxation.
So long as the nations were burdened with increasing taxation for the maintenance of armaments, it was idle to pretend that the world was really advancing towards the goal of disarmament. In recent years the word "limitation" had come to be used to describe agreements establishing armaments at existing levels, or at still higher levels, instead of meaning an effective reduction of armaments. It was necessary therefore to take a bold course and begin by scrapping the too timid term "limitation" in order to concentrate upon a general reduction of armaments.

As regards land armaments the United States delegation would be able, when the Commission reached that point, to defer to the countries primarily interested in land armaments with such a measure of concession as would materially facilitate agreement between them. As regards naval disarmament, the attitude of the United States was as follows:

The defence of the United States was primarily a naval problem. The United States Government had found no reason for modifying its view that the simplest, fairest and most practical method was that of limitation of tonnage by categories — a method which had been given practical and satisfactory application in the Washington Treaty. The United States delegation had urged that view throughout the first reading, but, owing to the inacceptability to some delegations of that unmodified thesis, his Government had sought, in the various methods presented, some solution which might offer the possibility of compromise and general acceptance. During the third session of the Preparatory Commission, the French delegation had brought forward a compromise which was an attempt to combine its original total tonnage proposals with the method of tonnage by categories. According to this solution, a total tonnage was assigned to each nation and this total was divided between the different categories of ships. Certain modifications were suggested in informal discussions, so as to provide that the tonnage allocated to any given category might be increased by a certain percentage to be agreed upon, such increase to be transferred from any other category or categories not already fixed by existing treaty.

In the hope of facilitating a general agreement as to naval armaments, the United States Government was disposed to accept the French proposal as a basis of discussion.

It was also disposed to give full and friendly consideration to any supplementary methods of limitation which might be calculated to make the United States proposals, the French, or any other thesis acceptable to other Powers and, if such a course appeared desirable, it would be prepared to give consideration to a method of estimating equivalent naval values which took account of other factors than displacement tonnage alone. In order to arrive at a basis for comparison in the case of categories in which there were marked variations as to unit characteristics, it might be desirable, in arriving at a formula for estimating equivalent tonnage, to consider certain factors which produced these variations, such as age, unit displacement, and calibre of guns. The United States Government was of opinion that there could only be complete and effective limitation if that limitation covered all categories of war vessels.

The United States Government was ready, even eager, to accept low levels of tonnage for it believed that naval needs were relative, that was to say, that the requirements of one Power for its defence depended chiefly upon the size of the navies maintained by others. Apart from the signatories of the Washington Treaty, there was no conceivable combination of naval power which could threaten the safety of any of the principal naval Powers. There was therefore no need to maintain large naval armaments as against the rest of the world. What justification could there be for the naval Powers which led in the respective classes of naval vessels to sanction further building programmes in those classes? The United States was ready to accept a basis that would mean a substantial reduction of its present destroyer and submarine forces. As regards cruisers, it was only possession by others of greatly superior strength in this class that had led to the adoption of the present building programme.

There was no need for an exact balance of ships and guns, which could be based only upon the idea of conflict. What was really wanted was a common-sense agreement, based on the idea that the signatories were friends. The United States Government had never believed that an effective approach to the problem of disarmament could be made by methods of reduction of armaments alone. It felt that genuine disarmament would follow only from a change of attitude towards the use of force in the settlement of international disputes. It was for that reason that the United States delegate ventured to make an appeal to the countries represented on the Commission to examine the whole problem afresh in the hope that they would find, in general world conditions and in the solemn obligation they had taken among themselves, a reassurance as to their security and that they would find in this the confidence to enable them to dispense with the armaments which hitherto had seemed so essential.

This declaration by Mr. Gibson was followed by speeches from the British, Japanese, Canadian, French, Soviet and Italian delegates. They were unanimous in their appreciation of the conciliatory and friendly spirit which had animated that declaration and in emphasising its great significance.
D. Declaration by the Japanese Delegation.

Before the Commission began its detailed discussion on the question of air and land armaments, the Japanese delegation made a declaration of which the following is a summary:

As regards naval armaments, they had already entered into the domain of practical realisation, more particularly as a result of the Washington Conference and of subsequent endeavours, for example, those of the Three-Power Naval Conference. As regards the air and land armaments, however, no practical experience existed as far as international matters were concerned. These armaments varied considerably in the different countries. In the circumstances, therefore, it seemed only logical to take into account the special situation of each country, and to do no more than lay down broad general lines which would secure the acceptance of as many States as possible. It was important to arrive at flexible formulæ and to avoid too detailed or rigid rules. Otherwise, Governments might find great difficulty in adapting the scheme to their own special conditions.

E. Declaration by the Chilian Delegation.

The delegate for Chile made a general declaration during a discussion on the meaning of the words "reduction and limitation". Briefly, he considered that the Covenant, in subordinating the reduction of armaments to the requirements of national security, the fulfilment of international engagements, geographical situation and the special conditions of each country, had in fact admitted that countries whose armaments were too small, having regard to the conditions enumerated above, were only compelled to limit them and not to reduce them. He added that, if it were desired that a large number of Latin-American delegations should be present at the Disarmament Conference, it was essential to avoid anything of a rigid nature in the general Convention. This Convention should be sufficiently elastic to be adapted to Latin-American countries whose situation was so different from that of countries in other continents.

F. Declaration by the Belgian Delegation.

The Belgian delegate declared, during the same discussion, that the very substantial reductions already made by Belgium forced that country to consider that limitation of armaments must, in her case, be interpreted as meaning the maintenance of the status quo, that is to say, the maintenance of reductions already made. He added that he was only too glad to contemplate, as an ideal, the possibility of going further in the future, and even of arriving at the abolition of conscription as proposed by the Chinese delegation.

6. CHEMICAL WARFARE.

On this matter the Commission adopted a text (see Annex) which gave rise to lengthy discussions.

These related, in the first place, to the following question: Should provisions relating to chemical warfare be retained in a chapter of the Convention or, since the prohibition of the use of certain weapons has no direct connection with the limitation and reduction of armaments, was it not better either entirely to suppress the chapter or to stipulate that the ratification of the Disarmament Convention automatically involved accession to the 1925 Protocol?

The Commission ended by agreeing, by a small majority, to a proposal of the Belgian delegation retaining the first two paragraphs of Chapter IV and prohibiting chemical warfare, subject to reciprocity, and bacteriological warfare absolutely. The Turkish delegation declared that this new text could not imply that the Governments which had ratified the 1925 Protocol without claiming application of the reciprocity clause had intended to renounce the clause.

On the proposal of the Soviet delegation, the Commission also adopted a resolution recommending that States which had not already ratified the 1925 Protocol should do so as soon as possible. ¹

Paragraphs 3 and 4 of the 1927 Draft, which sought to prevent the preparation of chemical warfare in time of peace, also gave rise to a long discussion. The French delegation submitted an amendment explaining these paragraphs, but the discussion showed the great practical difficulty of applying such provisions. In particular, the question was raised of the possible control of manufactures. The Commission decided to suppress paragraphs 3 and 4, stating that that should not be interpreted as implying any weakening of the obligation incurred under paragraphs 1 and 2. On the proposal of the Polish delegation, the Commission further reserved the possibility of reverting to this question and submitting to the Conference proposals supplementing the Protocol in this direction.

The Commission also discussed a proposal of the Roumanian and Serb-Croat-Slovene delegations, the principle of which was supported by the Polish and Persian delegations for the organisation of a system of mutual assistance and sanctions in case any State commits a breach of the Protocol. This proposal was not put to the vote, and the authors reserved the right to submit it to the Conference. Finally, the Commission rejected a proposal by the

¹ This resolution was transmitted to the Council, which, on June 12th, 1929, decided to communicate it to all States which have not yet taken steps towards ratification.
Soviet delegation aiming, among other things, at setting up a control by workmen's organisations over activities of chemical industries.

During the discussions on "Chemical Warfare", the representatives of Germany, Canada, Great Britain, the Netherlands, Roumania, the Kingdom of the Serbs, Croats and Slovenes, and Turkey declared that their Governments had ratified or had decided to ratify the 1925 Protocol. Lord Cushendun added that he was empowered to make the same declaration on behalf of the Governments of South Africa, Australia, the Irish Free State and New Zealand.1 The following States had already ratified or adhered to the Protocol of 1925: Austria, Belgium, Egypt, France, Italy, Liberia, Poland, Union of Socialist Soviet Republics, Venezuela.

7. AIR WARFARE AND THE INTERNATIONAL AIR FLEET.

A. Air Warfare.

The German delegation had deposited a proposal that aircraft should be prohibited from dropping from the air destructive weapons of all kinds. In submitting this proposal, the German delegate observed that bombardment from the air constituted one of the most effective forms of attack, a direct menace to the civilian population, and one that would only increase as time went on. He added that the prohibition of aerial bombardment would supplement the prohibition of chemical warfare; it would make it unnecessary to maintain bombing-machines, and thus the offensive side of military aeronautics would be abolished and it would be easier to arrive at a solution of the problem of the reduction of air material.

This proposal was finally rejected by the majority, five delegations voting for it. Among the latter, the Swedish and Netherlands delegations pointed out that, in their opinion, bombardment from the air was already forbidden by the Hague Convention of 1907, and that they themselves were bound by that Convention. The delegations making up the majority accompanied their vote by a declaration to the effect that the rejection of the German proposal in no way implied the sanction of air attacks upon the civilian population.

The adversaries of the German proposal pointed out, inter alia, that the aim the Commission should pursue was not the prohibition of any particular form of warfare but the prohibition of war itself; an endeavour, moreover, should be made to maintain the Convention within the sphere of the limitation and reduction of armaments, without attempting to codify the laws of war, which did not come within the competence of the Commission, and was even incompatible with the Pact for the Renunciation of War.

It was also observed that the general principles of international law already forbade injury being inflicted upon the civil population in time of war by any means at all, and that, if it were true that bombing aircraft might be an instrument of attack, it was also true that it could be an instrument of defence; and that, as regards measures against armed forces, there was no real difference between bombardment by cannon and bombardment from the air. The German delegation reserved the right to lay its proposal before the Disarmament Conference.

B. International Air Fleet.

The Spanish delegate declared that his Government would view with favour the creation of an international air force to be placed at the Council's disposal for the maintenance of peace. He pointed out that this organisation was not specially intended for the purpose of imposing sanctions and had only a peaceful purpose.

In his opinion, such a force might constitute the first step towards the international organisation recommended by M. Léon Bourgeois when the League of Nations first came into being.

As the Spanish delegation had submitted no formal proposal to the Commission, the latter confined itself to taking note of this declaration.

8. DISTINCTION BETWEEN HOME AND OVERSEAS ARMAMENTS.

A discussion was initiated in connection with air armaments and was resumed in connection with land armaments on the point whether a distinction should be made between armaments of the home country and the armaments of overseas territories, for the purpose of the reduction and limitation of armaments.

The Turkish and Soviet delegations considered that the reduction tables ought to mention the distribution of armaments between the different parts of the national territory. Other delegations, among them the Italian and Chinese delegations, thought it important to take into account the factor of the distance separating certain overseas territories from the mother country on the one hand and from the home territories of other countries on the other hand.

The British delegate said he was prepared to support a proposal to take a certain distance as a determining factor, or some similar suggestion.

The Italian delegation, supported by the German delegation, while accepting the texts given in the Annex, made a general reservation to the effect that a contracting party, when establishing the figures of its home forces, would be entitled to consider the overseas forces of another country as forming part of the home forces when this was justified by the geographical

1 Later the Government of India likewise notified its decision to ratify the Protocol. The Finnish Government informed the Secretary-General of its ratification of the Protocol in a letter dated June 3rd, 1929.
situation and notably by the distance between this overseas territory and the home territories of these two countries.

Lastly, other delegations, while considering it useful to fix a limit for home armaments in order to prevent a sudden accumulation of armaments on the territory of the mother country by drafts from overseas territories, were of the opinion that the Powers having overseas responsibilities ought to be given an opportunity of stating separately their special requirements in connection with overseas armaments.

The French delegation declared, in particular, that internal police and security in overseas territories often called for larger effectives than external security and that the size of overseas forces depended on the extent to which the country concerned had command of the seas. Further, without denying that the factor of distance should be taken into consideration, it thought that this factor belonged to the general question of criteria for reduction which would be dealt with by the Conference.

Lastly, the Commission rejected the Soviet proposal for the limitation of armaments by territories of station and adopted the tables of effectives and tables of air armaments given in the Annex.


A. Trained Reserves.

Chapter I (Effectives — Article A) of the 1927 draft Convention contained reservations made by the British, German, and United States delegations concerning the non-inclusion in Article A of the limitation of trained reserves.

When these texts were discussed by the Commission, the United States delegate stated that, as regards the question of trained reserves, his Government would support the opinion of the majority of the countries whose land forces constituted their chief military interest. His Government maintained, however, the views it had expressed in 1927 to the effect that trained reserves should be included in peace-time armaments since they actually exist in time of peace; a nation which possesses an adequate and equipped trained reserve is in a position promptly to undertake offensive battle. The United States delegate added that he made this concession as a practical matter, and because it was necessary for concessions to be made, not only on the part of one but on the part of every delegation, if a common draft were to be drawn up. He expressed the hope that, as a corollary to this attitude, the delegations of other countries would in like manner make the maximum of such concessions as they found possible. He did this in no spirit of bargaining. There were two ways in which the Commission could proceed further: the first was for each delegation to hold up the concessions it was prepared to make until the last minute, seeking in return to obtain other advantages. This would inevitably result in months of laborious negotiations and would certainly not truly represent the spirit in which the Commission had met. The other method was for the delegations frankly to explain what concessions they were in a position to make, to lay their cards on the table, and to create a feeling of candour and harmony that would be conducive to the further success of their work. It was in this spirit that the United States delegation had made this fundamental concession and Mr. Gibson was convinced that it was the method by which the Commission could advance its work not only speedily but effectively, and offer to the Governments and peoples represented a positive accomplishment.

This statement by the United States delegate led to the following reflections on the part of certain other delegates.

The French delegate considered that Mr. Gibson’s statement was of a nature to advance the Commission’s work very speedily. France had always held and still held that the safeguarding of the vital principles underlying its national defence did not allow it to make any concession in regard to trained reserves, although France did not and could not cherish any aggressive intentions in maintaining her point of view. He added that the French delegation would continue more than ever to lay its cards on the table and to make every concession in its power.

The Japanese delegate was of opinion that Mr. Gibson’s declaration opened an entirely new prospect to countries in which the conscript system was still in existence. All the difficulties encountered at the first reading with regard to trained reserves were now removed. The system of conscription was still in force in Japan, and the Japanese Government was not prepared to make any radical alteration in that system. For this reason it was very difficult and even impossible for his country to accept any proposal to limit or reduce trained reserves. He therefore expressed his sincere gratitude to Mr. Gibson for the very important concession he had made in order to take account of the Commission’s difficulties. In conclusion, he emphasised that, in its turn, the Japanese delegation would do its utmost to make every possible concession during the forthcoming discussions.

The Italian delegate also paid a tribute to the broad spirit of conciliation displayed by Mr. Gibson and to the eminently practical sense and grasp of realities of which he had given such tangible proofs. He congratulated himself particularly on this development because his instructions would not have allowed him to abandon the principles in accordance with which he had always approached the question of trained reserves, and he concluded by assuring the Commission that the Italian delegation would begin the discussion of this very important chapter of the draft Convention in the same spirit of frankness which it had always displayed in the Commission’s discussions.

The German delegate said that his country could not consider a disarmament Convention which did not provide for an appreciable reduction of armaments. Indeed, how could any
appreciable reduction of naval armaments be made at all if no change whatever were made in the sphere of land armaments? In this matter Germany, which was itself completely disarmed, had no concessions to make. The important point for his country was to know whether the other States which were interested in land armaments were prepared, in execution of the Treaties and of the Covenant, to contemplate an appreciable reduction of armaments for themselves also. Accordingly, Germany could be asked only for concessions as regards the method by which an appreciable reduction of the armaments of States which were not disarmed might be brought about. In the observations which it had made on the eve of the session, the German delegation had referred to such a concession in regard to the problem of trained reserves. This concession was entirely in conformity with the spirit of conciliation which had been referred to, and showed that the German Government was prepared to seek for a path which might lead to agreement in this field. In the German delegate’s opinion it was quite possible to arrive at a method which, for purposes of comparing military effective, would enable a smaller value to be attached to trained reserves, particularly the older classes of reserves, than to the effective serving with the colours. The logical consequences of the German view would be to demand the entire abolition of the conscription system. In that way the problem of estimating the value of trained reserves would solve itself and the comparison between different armies would be greatly facilitated. The German Government, however, had not asked for this general abolition, which amounted to recognising the existence of trained reserves. As a second concession, it had proposed that the value of trained reserves should be estimated not by their numbers but by a scale of military values — a point on which agreement would have to be reached. The German delegate added that a disarmament Convention which neglected the question of trained reserves might be conceivable if all the signatory States had a free choice between a system of military service which enabled them to form trained reserves and some other system which did not enable them to do so, but here was a group of signatory States some of which did not possess this freedom of choice, but were obliged under the existing treaties to give up the formation of trained reserves, and a disarmament Convention which neglected so important a consideration could not be regarded as equitable. In conclusion, he urged that the delegates who had expressed their readiness to make concessions should indicate upon what these concessions would bear.

The Netherlands delegate explained why his delegation, while maintaining its views with regard to the limitation of trained reserves, had decided to make the same concession as the United States delegate. The problem before the Commission was not a technical or an arithmetical problem, but a political one. If practical results were to be obtained it was no use taking a stand on logical arguments, however irrefutable, because it would be a long time before they could prevail. If the Commission’s work was to lead to any results, it was absolutely essential to renounce a certain number of proposals made at the first reading. This applied in the first place to the question of the limitation and gradual reduction of trained reserves. In conclusion, the Netherlands delegate laid stress on the extent of his concession, which implied in effect that the limitation and reduction of armaments would not affect large armies.

The Swedish delegate said that a limitation of land armaments which only extended to troops serving with the colours would press very hardly on countries which only maintained professional armies or had only very small trained reserves, and also on countries which had a conscription system with a very short period of military service, and which thus could not make any further reduction without reducing the annual contingent itself. Such a system appeared unsatisfactory. If, despite this conviction, the Swedish delegation withdrew its opposition to a decision reached by the Commission by a majority to prepare a text on the basis of the limitation of effective with the colours with no limitation of trained reserves, it was because it hoped that appreciable results would be obtained in other fields of disarmament.

The Soviet delegate expressed his disappointment at the concession made by the United States delegation. It was quite obvious that, unless the draft Convention provided for the reduction of trained reserves and war material, the whole work of the Disarmament Conference would only lead to a quite insignificant reduction of effective in service. The resulting reduction of budgets would be of an extremely limited nature, inasmuch as provision for the equipment of armies and the military stocks would not be reduced. He repeated that any agreement on the reduction of all sorts of armaments of all armed forces, both effective in service and trained reserves, would be acceptable for the Union of Socialist Soviet Republics, if the same reduction applied equally to other countries, since the Soviet delegation considered the reduction of reserves as an essential and integral part of the real reduction of armaments. To renounce the principle of the reduction of trained reserves would mean the renunciation of disarmament in general, and the ruin of any hopes for a satisfactory solution of the disarmament problem.

The Polish delegate observed that the first reading of the draft Convention afforded a striking proof of the conciliatory spirit shown by all States, including those which were now opposing the limitation of trained reserves. The draft Convention now under discussion would not exist if no concessions had been made by those States. As regards the limitation of trained reserves, the armaments submitted by several delegations in favour of this limitation, while they were deserving of all respect, were not all entirely logical. One of two things must be done: either trained reserves in all their forms must be limited, or they could not be limited at all. It was not possible to limit athletic organisations whose members received military training. It was not even possible to control them, and everyone knew that in a large number of countries there were vast organisations which really constituted trained reserves, and to which the provisions of the Convention could never apply. The Polish delegate concluded that since it was not possible
to limit all trained reserves, the Commission should confine itself for the present to limiting them indirectly by limiting peace-time effectives. By so doing it would be taking the first step towards the goal desired by all countries.

The British delegate stated that although his Government had not changed its views as regards the advisability of limiting trained reserves, it would be ready, like the United States and other delegations, to make a concession on this point. In his opinion, it was not sufficiently realised perhaps that, to limit trained reserves was a system which could scarcely be combined with a system of conscription. The German delegate had suggested a scheme of different values for different classes of reserves, and had expressed the opinion that a solution might be found upon those lines. But it would probably be very complicated an dquite unsatisfactory to make any estimate of that sort. Great Britain was naturally opposed to conscription; it had never existed in its history except during the Great War. Great Britain thought its system was the best, and considered that one could not have a really far-reaching and effective system of limitation and reduction of armaments combined with a system which enabled a country to depend on the whole of its manhood on the outbreak of war. But the British delegation realised that it would only be obstructing real progress if it insisted on its view. In conclusion, the British delegate expressed the hope that the Commission was only taking a first step in the direction of disarmament, although he thought great progress had been made, since twenty or thirty years ago no one would have believed it possible that all nations of the world could be brought together to draw up a system of disarmament.

The Chinese delegate said that China had no trained reserves and could not conceive of a draft Convention for the reduction of armaments which failed to take account of trained reserves. He added that his delegation believed that it had furnished the key to the problem in its proposal for the abolition of compulsory military service.

Following these statements, the President noted that a large majority of the Commission agreed that the Convention should not deal with the limitation of trained reserves. Certain delegations stated that they were opposed to such limitation; others, in order to facilitate the drawing-up of a first Disarmament Convention, withdrew their proposals for the limitation of trained reserves, while at the same time maintaining their views regarding the principle of such limitation.

B. Formations organised on a Military Basis.

During the drafting of the article concerning the limitation of effectives in the 1927 draft Convention, the United States delegation had made a general reservation with regard to the inclusion in that article of formations organised on a military basis.

On the proposal of the Czechoslovak delegate the Commission decided to give satisfaction to the United States delegation, stating that the Convention would not apply to the National Guard of the United States, which was not under the control of the Federal authorities.

C. Compulsory Military Service.

In submitting to the Commission his proposal for the abolition of compulsory military service, the Chinese delegate showed the advantages it presented, in his opinion, as regards the maintenance of peace. If the abolition of wars of aggression was to be the aim of the Commission's work, the most practical way to obtain it was the abolition of compulsory service, which would not only limit the possibility of aggression but would also reduce the spirit of war.

The Chinese delegate also disputed the view that conscription was a system inseparable from democracy. Conscription did not exist in the highly developed democracies of the Anglo-Saxon countries.

The German delegate observed that for his part he had withdrawn his proposal for the abolition of compulsory service because he realised that the majority would not accept it, but he entirely associated himself with the arguments which had been advanced by the Chinese delegation, and, if the matter were put to the vote, he would vote for the abolition of compulsory service.

The Canadian delegate stated that he would like to see the principle of the Chinese proposal adopted by the Conference.

The President, having recalled that the question of conscription had been discussed at length by the Commission and its Military Sub-Commission, and having asked the Chinese delegate not to insist on his proposal, the latter stated that he reserved his right to lay the question before the Conference.

The clauses relating to effectives adopted at second reading are reproduced in the Annex.

A discussion of the details of the application of the general principle of the limitation of effectives to naval effectives was postponed, as was that of the limitation of the duration of service and that of a proposal put forward by the German delegation with a view to the limitation of the annual contingent.

10. LIMITATION OF MATERIAL.

The texts adopted in 1927 on the limitation of material for land armaments took the form of two different proposals, one submitted by the German delegation aiming at direct limitation of material in service and in stock and based on tables giving a numerical list of authorised material, the other presented by the French delegation aiming at indirect limitation and based
on the limitation of budget expenditure. The United States delegation had at that time submitted a reservation of a general character on the failure to include provisions for the limitation of material (material in the hands of forces serving with the colours and reserve material of land and air forces). The Japanese and Italian delegations had made a general reservation touching the German proposal. At the sixth session the Soviet delegation submitted a proposal based to some extent on the general lines of the German proposal, but going into greater detail.

The prolonged discussion on the limitation of land and air material began with a statement of the United States delegate. After recalling that in 1927 the United States delegation had endeavoured to persuade other delegations that material in reserve could be limited, he announced that in this matter, as in that of trained reserves, the United States delegation, while maintaining its convictions, was ready to defer to the conviction of the majority of those Powers whose defence was primarily military.

The partisans of direct limitation pointed out that this method alone enabled States to know the armaments in respect of material possessed by other States and to restrict the possibility of aggression; it prevented the reduction of effectives, being compensated by an increase and improvement of material; this, moreover, was perfectly feasible, because it had been stipulated in the provisions of the Peace Treaties concerning disarmament.

The supporters of the indirect method of limitation through budgets observed that this system was extremely elastic, that it made it possible to take account of general economic conditions or any special conditions in each country, that it was easy to understand, that the progress of such limitation could be followed with the help of public documents and that there would be no difficulties as regards control. The adversaries of the system thought that this method did not cover the material in existence at the date of the coming into force of the Convention, that the information it gave was confined to the commercial value of stocks, without taking account of their military value, and that finally it did not furnish a suitable basis of comparison with a view to reduction.

The United States delegation said that it could not accept the system of budget limitation. This system would encounter insuperable obstacles in the United States, some of which were due to the United States Constitution. The United States delegate recommended a system of publicity for expenditure in the place of the suggested provisions for the limitation of budgetary expenditure. He recalled that his Government had always favoured, and still favoured, the utmost publicity in matters concerning the limitation and reduction of armaments, particularly concerning budgetary expenditure.

Following this proposal of Mr. Gibson, the French delegation said that it would not make budgetary limitation a sine qua non for its acceptance of the Convention and that, in a spirit of conciliation and in the hope of reaching agreement as soon as possible on the draft Convention, it would accept the United States delegate's proposal.

At the end of the debate the President noted that the Commission was unanimous in its desire that there should be a limitation and a reduction of war material; that, further, neither of the two systems proposed commanded a substantial majority; but that the United States delegation had recommended a third system, that of publicity, which might be regarded to some extent as the maximum at present possible.

Subsequently, the United States and French delegations submitted the following resolution:

"The Preparatory Commission for the Disarmament Conference,

Having rejected the systems of direct limitation of material in service and in stock,

Having noted that the system of indirect limitation (limitation of the expenditure on material) did not meet with general assent,

Decides that the limitation and reduction of material must be sought by means of publicity of expenditure, which will be dealt with in examining Article DA* of the text adopted at the first reading."

This resolution was adopted by 22 votes to 2 (those of China and the U. S. S. R.), the German delegation abstaining.

The Commission rejected a proposal by the Soviet delegation prohibiting any change in models of material existing on January 1st, 1929.

As regards air material, the Commission decided upon its direct limitation, this limitation applying both to the number of machines and the total horse-power. States possessing overseas territories would be entitled to submit separate tables for home and overseas armaments.

The Commission also adopted stipulations aiming at making civil aviation independent from the military authorities, and at preventing its being utilised for military purposes.
11. THE NAVAL QUESTION.

The delegates of Japan, Great Britain, France and Italy informed the Commission that their Governments had warmly welcomed Mr. Gibson's statement of April 22nd,¹ and that they would give careful consideration to his suggestions. They asked the Commission to allow their Governments time to study the question.

The Japanese delegate stated that his Government entirely shared the United States delegate's view that the essential aim was not only limitation but the effective reduction of naval armaments. He considered, however, that the time had not yet come to express his opinion on the problems constituting the essence of the question, such as that forming the basis of the arrangement in force in regard to certain categories of ships.

The delegate of the British Empire pointed out that it would be difficult to say exactly how long a careful examination of the United States suggestions would take, since there would have to be exchanges of views between the Governments most interested in the question.

The French delegate assured the Commission that, in examining the United States suggestions the French Government would be inspired by the desire to permit the Commission to complete its work as promptly as possible, and by the wish to accept any arrangement which might be recognised as capable of universal application while taking into account the special situations of the different countries.

The United States delegate then announced that, since his statement of April 22nd, he had learnt that several other Governments were undertaking similar investigations of the naval problem, and that these investigations would naturally have to be taken into consideration in a general discussion. He recognised that in these circumstances the best method of bringing the Commission's work to a successful conclusion was to give the Powers concerned time to study the problem as a whole.

Accordingly, the Commission decided to postpone the discussion of the questions relating to naval armaments.

12. SUPERVISION.

The texts drawn up at first reading in 1927 included a series of provisions concerning the supervision of the application of the Convention, drafted by the French delegation. In 1927 these provisions had already given rise to controversy. During the recent session certain references had shown that there was still considerable divergency of opinion on this point, which led the French delegate to make a brief statement.

He announced that the French delegation had re-examined this question of supervision, which was an essential element of M. Paul-Boncour's draft. In the present state of the texts the Commission was preparing, it seemed to be possible to discover solutions which would provide the contracting States with those guarantees they were entitled to claim without provoking any such opposition as was engendered by the French draft of 1927. Accordingly, the French delegation had decided to substitute for its original proposals certain simpler and more general proposals governing the essential points for which provision must be made in the draft Convention, viz., exchange and centralisation of information, settlement of disputes concerning the interpretation and application of the Convention, steps to be taken in the case of any infringement of the Convention, having regard more particularly to the special position of States non-Members of the League — naturally without prejudice to the procedure which States Members might be bound to follow. The French delegate added that, to enable the members of the Commission to study these proposals at their leisure, the French delegation would transmit them to the President without waiting for the next meeting to be convened.

The United States delegate thanked the French delegate for this concession, saying that, at the previous sessions, it was the question of international supervision in its relation to national sovereignty in regard to which the opinions of the different delegations had been most profoundly divided.


The Commission decided to adjourn its examination of the other points on its agenda, viz., the study of Chapter III (Budgetary Expenditure) and Chapter V (Miscellaneous Provisions) of the texts drawn up in 1927. The question of the resumption of the work of the Committee on Arbitration and Security was also reserved. The Commission instructed its President to fix the date of its next meeting and asked the Naval Powers concerned to inform him of the progress of their negotiations, so as to facilitate his task and enable him to convene the Commission with a full knowledge of the facts. The Commission also decided not to draw up a report until it had concluded the second reading of the draft Convention.

Before adjourning, and in consequence of the decisions taken by the Commission with regard to effective and material of land armaments, the German delegate made a general statement. He recognised that in regard to naval armaments the Commission had made an encouraging beginning in which the principle of the appreciable reduction of these armaments appeared to prevail, but it was quite otherwise, in his opinion, as regards land forces, the

¹ Summarised in Section 1.5.C. above.
essential factors of which would escape all reduction under the proposed draft. A Convention established on this basis would only be an illusory solution, which the German Government, as the Chancellor had stated at the last session of the Assembly, would be unable to accept, since it would not bring about an appreciable reduction in the excessive armaments of the present day, and would not correspond to the principles of the Treaties and of the Covenant. He had therefore felt obliged to leave to the majority of the Commission the sole responsibility for the preparation of the Conference. He expressed the hope, however, that at the Conference the Governments would adopt a more enlightened attitude and would give their delegates instructions permitting an effective reduction of armaments to be brought about.

In reply to this statement, the President of the Commission, M. Politis, said that it was perhaps too early to pronounce upon the value of the work being done or on the degree of limitation and reduction which would be the outcome of the Conference. He emphasised that each delegate bore the responsibility for his own attitude, and that ultimately it was for public opinion to judge the views maintained by the delegations.

The Soviet delegate said that the results of this session of the Commission had been entirely negative, and he suggested that it was useless to convene the Commission again. He urged the speedy convocation of the Conference in the hope that the peoples of all countries, learning of the fruitlessness of the work of the Preparatory Commission, would so increase their pressure on their Governments that the latter would be forced to modify their attitude at the Conference. He added that the presence of the Soviet delegation in the Preparatory Commission had not been in vain, since it had put an end to the legend that the Soviet Union was an obstacle in the way of disarmament, and he concluded by stating that the Soviet delegation would come to the Disarmament Conference in the same spirit of conciliation and with the same pacific sentiments as it had always displayed.

The President said that it was not for him to judge the Soviet delegate’s pessimism, but that he was glad to note the concluding passage of his statement, which justified the hope that he would make concessions in the interest of international concord and peace.

The President then summarised the work of the Commission.

In his opinion they were now much nearer a solution of the great problems on which the first International Convention for the Limitation and Reduction of Armaments depended. This was the impression immediately gathered on hearing the statements made by the delegates of the British Empire and of the United States of America. The spirit of confidence and conciliation had been increased, and the Commission had thus been able to solve a certain number of problems. To appreciate the importance of the work done their attention should not be confined to the actual texts adopted at the second reading, which would give a very inadequate idea of the value of the work accomplished. It was necessary to realise the atmosphere which the discussions had helped to create. Several of the proposals discussed were inspired by the highest ideals, but had not been accepted because most of the delegations considered that they could not be put into practice. But the discussions had served to throw light on the present possibilities of a solution, and had thus informed public opinion.

The chief impression derived from the proceedings was that the question of the limitation and reduction of armaments had ripened both in the minds of peoples and of Governments. This result might, in the first place, be attributed to the conclusion of the Pact for the renunciation of war, which had initiated a new conception of international relations in accordance with which excessive armaments could no longer be contemplated. It would soon be possible to take the first step towards disarmament. Whatever the scope of this first stage, it would assuredly constitute a very important advance since, for the first time in the history of the world, the problem of armaments would have changed its character. It had hitherto been an essentially domestic concern; henceforth it would become an international question governed by laws which the States would have freely accepted. The most vital thing was to take the first steps; the latter stages would then prove infinitely easier.

* * *

Particulars concerning the problem of Arbitration, Security and the Pacific Settlement of International Disputes will be given in the Supplementary Report to the Assembly.

The question of Financial Assistance in case of War or Threat of War is dealt with separately under this heading.

Questions concerning Civil Aviation and Communications with the League of Nations in Times of Emergency are dealt with in the Chapter entitled “Communications and Transit Organisation”.

II. PRIVATE MANUFACTURE OF AND PUBLICITY IN REGARD TO THE MANUFACTURE OF ARMS AND AMMUNITION AND OF IMPLEMENTS OF WAR.

The Assembly at its ninth session adopted on September 20th, 1928, the following resolution:

“The Assembly:

“Having taken note of the report and preliminary draft Convention drawn up by the Special Commission appointed to prepare a draft Convention on the supervision of the private manufacture and publicity of the manufacture of arms and ammunition and of implements of war;

“Observing that the Commission has not yet found it possible to submit a single final text as desired by the Assembly, although the Commission agreed that the principle of publicity should extend to Government manufactures;
"Affirming the urgent necessity for drawing up a Convention which, while placing non-producing and producing countries on an equal footing, would facilitate the ratification of the Convention on the International Trade in Arms and Ammunition and in Implements of War signed at Geneva on June 17th, 1925;

"Referring to its successive resolutions passed at each of its previous ordinary sessions, beginning with the first session in 1920, in which resolutions it has constantly urged the importance of the problem of the manufacture of arms and the necessity for convening a Conference as speedily as possible;

"Confirming the fact that a connection exists between the general question of the reduction and limitation of armaments and the question of the international trade in arms and also of that of the manufacture of arms and ammunition and of implements of war;

"Requests the Council to make an appeal, at its present session, to the Governments represented on the Special Commission to examine carefully the differences of view revealed during the last session of the Commission, and to consider calling another meeting of the Commission before the next Council session, in order that the work of the Commission may be completed as soon as possible and submitted to a special Conference, which would meet either at the same time as the General Conference for the Reduction and Limitation of Armaments or at an earlier date."

The Council in a resolution dated September 26th, 1928, referring to the Assembly's resolution, addressed to the Governments represented on the Special Commission the appeal recommended by the Assembly. The Special Commission met at Geneva at the beginning of December 1928. It formed a Sub-Committee which submitted a report to the Commission. The latter, without pronouncing on this report, decided to take the opinion of experts on a question which had been raised in the Sub-Committee and which related to the list of arms and implements of war to which the different stipulations of the proposed Convention would be applicable. The Committee of Experts met and made a report to the Special Commission.

A further meeting of the Special Commission, at which it will take note of the report of the Committee of Experts and will proceed to a fresh examination of the preliminary draft Convention, will be convened before the opening of the tenth ordinary session of the Assembly.

III. SUPERVISION OF THE INTERNATIONAL TRADE IN ARMS, AMMUNITION AND IMPLEMENTS OF WAR.

The Convention signed at Geneva on June 17th, 1925, concerning the supervision of the international trade in arms, ammunition and implements of war has been ratified since the ninth ordinary session of the Assembly by Egypt and the Netherlands.

IV. RIGHT OF INVESTIGATION UNDER THE TREATIES OF VERSAILLES, ST. GERMAIN, TRIANON AND NEUILLY.

At its session of December 1928 the Council made the following appointments for a period of one year renewable:

   Commission of Investigation in Germany: General Baratier;
   Commission of Investigation in Austria: General Calcagno;
   Commission of Investigation in Bulgaria: General Schuurman;
   Commission of Investigation in Hungary: General Kirwan, later replaced by General Lynden-Bell.

V. STATISTICAL INFORMATION ON THE TRADE IN ARMS, AMMUNITION AND IMPLEMENTS OF WAR: ARMAMENTS YEAR-BOOK.

The Secretariat continues to publish Statistical Information on the Trade in Arms, Ammunition and Implements of War and the Armaments Year-Book (General and Statistical Information on Land, Naval and Air Armaments). The first gives particulars about fifty-six countries and the second about sixty.

The proposals made by the German delegation at the Preparatory Commission for the Disarmament Conference concerning the last paragraph of Article 8 of the Covenant (document C.164.M.49.1928.IX) have not yet been examined by this Commission (see above under No. I.4).
Annex.

TEXTS DRAWN UP AT SECOND READING.

The reservations and remarks of the delegations are not included in these texts.

CHAPTER I. — EFFECTIVES.

Article A.

The High Contracting Parties agree to limit to the effectives determined in the tables enumerated below and annexed to the present Convention the effectives (land, sea and air) in service in their armed forces, or in formations organised on a military basis.

I. Land Armaments.

Table I. — Maximum armed forces stationed in the home country.

Table II. — Maximum armed forces stationed overseas (optional).

Table III. — Maximum of the total armed forces of the High Contracting Parties.

Table IV. — Maximum of the forces belonging to formations organised on a military basis stationed in the home country.

Table V. — Maximum of the forces belonging to formations organised on a military basis stationed overseas.

II. Naval Armaments.

(Discussion of text of first reading, and the reservations relating thereto, adjourned.)

III. Air Armaments.

Table I (optional). — Maximum armed forces stationed in the home country.

Table II (optional). — Maximum armed forces stationed overseas.

Table III. — Maximum of the total armed forces of the High Contracting Parties.

Table IV. — Maximum of the forces belonging to formations organised on a military basis stationed in the home country.

Table V. — Maximum of the forces belonging to formations organised on a military basis stationed overseas.

Article H.

The tables relating to land armaments mentioned in Article A above shall indicate a maximum number of officers which each High Contracting Party shall undertake not to exceed. The said tables shall further fix a maximum number of soldiers, other than officers, who may have completed more than $x$ 1 years of actual service with the colours. In conscript armies the number of men whose service exceeds the legal period in force in their respective countries but is less than $x$ 1 years, shall be shown for each High Contracting Party in the annual statements for which provision is made in Article IA of Chapter V.

The tables relating to air armaments mentioned in Article A shall indicate, in the form of aggregate figures for officers, non-commissioned officers and men together, the maximum number of soldiers who may have completed more than $x$ 1 years of actual service with the colours.

The number of men of the class mentioned in the second and fourth paragraphs of the present article who are actually with the colours shall be shown every year for each High Contracting Party in the statements for the preparation of which provision is made in Article IA of Chapter V.

Each country may, if it so desires, show for purposes of information, in a special column in Publicity Table IA of Chapter V, the number of recruits not trained as defined in the national legislation who are embodied in the effectives of its armed forces.

(To be discussed later as far as Naval Effectives are concerned.)

Article C.

By "formations organised on a military basis" shall be understood Police forces of all kinds, gendarmerie, Customs officials, forest guards, which, whatever their legal purpose, can be used without mobilisation, by reason of their cadres, establishment, training, armament, equipment, as well as any organisation complying with the above condition.

Article D.

By "mobilisation" within the meaning of the present Convention shall be understood all the measures for the purpose of providing the whole or part of the various corps, services and units with the personnel and material required to pass from a peace-time footing to a war-time footing.

1 This figure will be determined by the duration of the longest period of actual service with the colours which is in force in the conscript armies of the High Contracting Parties at the time of the signature of the Convention.
Article E.

When drawing up the tables mentioned in Articles A (Chapter I) and IA (Chapter V), by "effectives in service in the armed forces" and by "effectives in service in the formations organised on a military basis" shall be understood the average daily effectives reckoned by dividing the total number of days' duty by the number of days in the budgetary year.

(The discussion of this article as far as Naval and Air Effectives are concerned has been reserved.)

Article I.

(Discussion of the text adopted at first reading, and of the German proposal — document C.P.D./174 (1) — adjourned.)

CHAPTER II. — MATERIAL.

Section III. — Air Armaments.

Article AA.

Each of the High Contracting Parties undertakes to limit the air material in service in accordance with the figures laid down in the tables below. This limitation shall apply to aeroplanes and dirigibles capable of use in war employed in commission in the land, sea and air forces, or in the formations organised on a military basis.

Table A. — The maximum number and total horse-power of aeroplanes and maximum number, total horse-power and total volume of dirigibles in service in their armed forces.

Note. — Any of the High Contracting Parties who so desire may annex to Table A the following tables for limitations similar to those in Table A:

Table A (1). — Aeroplanes and dirigibles in commission in the armed forces stationed in the home country.
Table A (2). — Aeroplanes and dirigibles in commission in the armed forces stationed overseas.
Table A (3). — Aeroplanes and dirigibles in aircraft carriers.

Table B. — The maximum number and total horse-power of aeroplanes and maximum number, total horse-power and total volume of dirigibles in service in their formations organised on a military basis.

Note. — Any of the High Contracting Parties who so desire may annex to Table B the following tables for limitations similar to those in Table B:

Table B (1). — Aeroplanes and dirigibles in commission in the formations organised on a military basis stationed in the home country.
Table B (2). — Aeroplanes and dirigibles in commission in the formations organised on a military basis in overseas territories.

Article AG.

Horse-power shall be measured according to the rules . . . (to be established by the Conference).

The volume of dirigibles to be expressed in cubic metres.

Article AD.

(Reserved for discussion during the examination of Article ZD.)

Article AE.

1. The High Contracting Parties shall refrain from prescribing the embodiment of military features in the building of civil aviation material so that this material may be constructed for purely civil purposes, more particularly with a view to providing the greatest possible measure of security and the most economic return. No preparations shall be made in civil aircraft in time of peace for the installation of warlike armaments for the purpose of converting such aircraft into military aircraft.

2. The High Contracting Parties undertake not to require of civil aviation undertakings that they should employ personnel specially trained for military purposes. They undertake to authorise only as a provisional and temporary measure the seconding of personnel to, and the employment of military aviation material in, civil aviation undertakings.
3. The High Contracting Parties undertake not to subsidise, directly or indirectly, air lines principally established for military purposes, instead of being established for economic, administrative or social purposes.

4. The High Contracting Parties undertake to encourage as far as possible the conclusion of economic agreements between civil aviation undertakings in the different countries.

CHAPTER IV. — CHEMICAL ARMS.

The High Contracting Parties undertake, subject to reciprocity, to abstain from the use in war of asphyxiating, poisonous or similar gases, and of all analogous liquids, substances or processes.

They undertake unreservedly to abstain from the use of all bacteriological methods of warfare.

FINANCIAL ASSISTANCE IN CASE OF WAR OR THREAT OF WAR.

On September 18th, 1928, the Assembly adopted a resolution requesting the Council to invite the Financial Committee to continue the preparation of the scheme for financial assistance in the form of a draft Convention, and expressed the hope that a draft Convention, complete in all its details, might be submitted to the Assembly at its tenth session. This resolution was transmitted to the Financial Committee by a decision of the Council, dated September 21st, 1928.

In accordance with this resolution, the Financial Committee has prepared a complete draft Convention, which it submitted, together with a commentary, to the March session of the Council. ¹

The Council on March 8th, 1929, declared that it regarded the draft Convention as highly important and invited the various Governments to examine it with the closest attention and “to give such instructions to their delegates to the tenth ordinary session of the Assembly that an exhaustive examination of the draft Convention may be possible in the course of that session”.

During the discussions in the Council, the suggestion was made and seconded by several members that at some later stage the draft Convention should be submitted to States non-Members of the League, in order that they might have an opportunity of furthering, by their approval, the resolutions to be adopted by the Assembly.

The basic idea of the scheme, as was pointed out by the Rapporteur to the Council, is that of guaranteeing to States the possibility of securing rapid and effective financial assistance in case of war or threat of war, so as to increase materially their feeling of security, and thereby enable them to limit their armaments or even to refrain from creating war industries. Moreover, the possibility of setting in motion the machinery of financial assistance would considerably increase the choice of measures open to the Council in case of a crisis. A country meditating attack on another would more than ever hesitate to carry it out if there were a risk that this other State might receive financial assistance from Members of the League.

The principal object of the Convention is to provide machinery by which the Council of the League of Nations, seized in virtue of the Covenant and as a measure to restore or safeguard the peace of nations, may authorise financial assistance to Members of the League involved in war or threat of war. The aim of the scheme is to aid a Member in favour of whom the League has decided to enforce the Convention to reinforce its credit by the guarantee of all other Members.

The Convention contemplates that a loan would be obtained in the ordinary way in the money market and that the Government concerned should itself contract such loan on the general security of its revenues. It would be helped in so doing by the moral and material support of an international guarantee provided, under the aegis of the League, by the other signatories to the Convention. This guarantee would cover the full service of the loan.

It would be essential, in order to create confidence, that delay should not occur at the moment of crisis, that the Convention should be ratified forthwith by the signatory Governments in such a form that no further legislation of any kind would be required in connection with giving the guarantee.

Since, on the outbreak of hostilities, the credit of a belligerent country in foreign markets is likely to be low, lenders would require guarantees of a very substantial nature before they would subscribe. Moreover, a multiplicity of guarantors involves difficulties and delays in circumstances where promptness of action is the very essence of the Convention. It is therefore proposed to fortify and simplify the scheme by creating special guarantees by which

¹ For the full text of the draft Convention and the commentary, see document A.10.1929.II.
a few financially strong signatories would guarantee, vis-à-vis the investors, the whole service of the loan, which would, in this way, become thrice secured:

1. By the borrowing Government itself;
2. By all the signatories to the Convention (ordinary guarantee);
3. By certain financially strong signatories (special guarantee).

The advantages to the guaranteed Government would be:

(a) The moral support of the League of Nations and the consequent classification of the loan as a loan issued under the auspices of the League of Nations;
(b) The market value of the guarantee at a moment when, ex hypothesi, the borrower's credit was weak;
(c) The further market advantage of the special guarantee;
(d) The signatories' promise of access to their markets;
(e) The machinery (through the League Trustees, etc.) for the assured service of the loan.

The guarantors would only become liable in the contingency that the borrowing Government itself was unable to meet its loan charges. In order to limit this contingent liability, the guarantors are protected by:

(a) A maximum limit on the total annual service guaranteed;
(b) A limit on the maximum annual liability of any individual guarantor;
(c) The primary responsibility of the borrowing Government;
(d) Provision for a reserve;
(e) The requirement of a unanimous decision of the Council before a guarantee is given in any individual case.

Ordinary Guarantees. — The maximum annual liability of an ordinary guarantor Government in respect of all loans contracted under the Convention, is limited to a figure bearing the same proportion to 100 million gold francs (this figure is purely illustrative) as that Government's contribution to the League budget bears to the total contributions from all Members of the League. Thus, if all the Members of the League become signatories to the Convention, a maximum annual sum of 100 million gold francs can be guaranteed and a Member contributing 5 per cent of the League expenses will have a maximum contingent annual liability of 5 million gold francs. If, on the other hand, only some of the Members of the League sign the Convention, the maximum annual sum that can be guaranteed will be proportionately reduced. For example, if the signatories pay together three-fifths of the League budget, the maximum annual sum available under the Convention will be three-fifths of 100 millions, i.e., 60 million gold francs.

Special Guarantees. — In addition to the above ordinary guarantees, special guarantees are created to strengthen the security on which a loan is issued by ensuring that the loan service shall be guaranteed for its full amount, not merely by all the guaranteeing Governments as ordinary guarantors, but also by a small number of financially strong Governments which, as special guarantors, will bear the risk of any delay or default by the ordinary guarantors. The amount covered by each special guarantee will include the amount of the special guarantor's liability as an ordinary guarantor together with an additional amount which is determined in such a manner that the total of the additional amounts thus guaranteed by the special guarantor Governments will equal the total amount guaranteed by the Governments which are ordinary guarantors only. In the event of default in the service of the loan, the full amount covered by a special guarantee is payable by the special guarantors, but the sum paid in excess of those Governments' liability as ordinary guarantors is reimbursable, after the service has been met, out of the balance of calls to be made immediately upon the guaranteeing Governments.

The maximum liabilities of special guarantor Governments are fixed by dividing between them the total of the maximum liabilities of the ordinary guarantors in proportion to the percentages which the special guarantors pay to the League budgets. If, for instance, as assumed above, the maximum contingent liabilities of the ordinary guarantors were a sum of 60 million gold francs, and if there were four special guarantors, who pay 6, 6, 8 and 10 per cent respectively of the League's budget (total 30 per cent), the maximum contingent liabilities of these special guarantors (including their liabilities as ordinary guarantors) would be 6 /30ths, 6 /30ths, 8 /30ths and 10 /30ths of 60 millions, i.e., 12, 12, 16 and 20 million gold francs respectively.

Application to a particular case. — When, in any particular instance, the Council has decided that a certain signatory shall receive financial assistance, it will authorise such signatory to issue a loan (within the total available under the Convention) enjoying the ordinary and special guarantees. The maximum annual service of this loan will be fixed by the Council. The precise responsibility of each ordinary guarantor for each year will then be determined by dividing the service of the particular loan among all the guaranteeing Governments in the proportion of their maximum possible annual liabilities. Similarly, the amount covered by each special guarantee will be determined by dividing the said service among the special guarantor

1 The Financial Committee has not fixed a definite figure, but it has contemplated that the scheme would cover a substantial sum.
Governments in the proportion of their maximum possible annual liabilities. The guarantors and special guarantors will then deposit in safe keeping with the National Bank of Switzerland bonds bearing a separate coupon for each payment for which they may be contingently liable, expressed in the currency in which the loan is payable. Suppose that the sum fixed by the Council as the annual service of a particular authorised loan amounts to 15 millions, and that the maximum liabilities of the four special guarantors, considered above, are 12, 12, 16 and 20 millions respectively (total 60 millions), then the annual liability of these special guarantors for the service of this specific loan would be 12/60ths of 15; 12/60ths of 15; 16/60ths of 15, and 20/60ths of 15, i.e., 3, 3, 4 and 5 millions respectively.

The Convention further provides for the appointment of Trustees (of Swiss nationality) and the constitution by the borrowing Government of a reserve, to be held by the Trustees, of an amount sufficient to pay one-half of the annual service of each specific loan.

The operation of the guarantees in the event of default by a borrowing Government is indicated in detail (Articles 16 to 20).

The decision by the Council to grant assistance must be taken by the unanimous vote of its Members. All other decisions may be taken by a simple majority.

The Council may accept an offer by a non-member of the League to participate in guaranteeing the annual service of a particular loan. Such participation may increase the total of the loan, but must in no way increase the liabilities of the Governments which are parties to the Convention.

The Convention will be concluded for a period of ten years, but may be renewed for further successive periods of five years.

5.

POLITICAL QUESTIONS.

I. REQUEST BY THE HUNGARIAN GOVERNMENT UNDER ARTICLE 239 OF THE TREATY OF TRIANON AND ARTICLE 13, PARAGRAPH 4, AND ARTICLE 14 OF THE COVENANT OF THE LEAGUE OF NATIONS.

At its session in June 1928 the Council in regard to the question appearing on its agenda under the headings:

“Request of the Roumanian Government under paragraph 2 of Article 11 of the Covenant, regarding the agrarian questions submitted to the Mixed Roumano-Hungarian Arbitral Tribunal”;

“Request of the Hungarian Government for the appointment by the Council, in virtue of Article 239 of the Treaty of Trianon, of two deputy-judges for the Mixed Roumano-Hungarian Arbitral Tribunal”;

adopted on the proposal of its Rapporteur, the representative of Great Britain, the following resolution:

“The Council:

“Whilst deeply regretting that the parties have hitherto failed to reach agreement on the lines of the Council’s recommendations;

“Without desiring to exclude any other friendly arrangement, remains of opinion that this dispute ought to be settled by the parties upon the basis of the solutions which the Council has recommended to their acceptance;

“Maintains its resolutions of September 19th, 1927, and March 9th, 1928;

“And urges the Governments of Hungary and Roumania to bring this long dispute to a close by reciprocal concessions.”

On August 25th, 1928, the Hungarian delegation accredited to the League of Nations forwarded a new request under Article 239 of the Treaty of Trianon and Article 13, paragraph 4, and Article 14 of the Covenant of the League of Nations. In this request, which was accompanied by the notes exchanged between the Hungarian and Roumanian Governments since the June session of the Council, it was stated, among other things, that the agreement between the two States on this subject recommended by the Council on June 8th was impossible. The Hungarian Government, being forced to abandon all hope of arriving at an equitable solution by extra-judicial procedure, was faced with a new situation and for that reason communicated this fresh request to the Council.

The Hungarian Government requested the Council to appoint two substitute judges and, should Roumania continue to argue that Article 239 of the Treaty of Trianon was inapplicable, the tribunal having acted ultra vires, to invite that country to consent to a special agreement

1 See Supplementary Report to the ninth session of the Assembly of the League of Nations, Official Journal, Special Supplement, No. 64, page 336.
with Hungary accepting the arbitration of the Permanent Court of International Justice. If Roumania refused this offer of arbitration, the Council was requested to apply Article 13, paragraph 4, of the Covenant to the twenty-two awards rendered by the Roumano-Hungarian Mixed Arbitral Tribunal on January 10th, 1927.

The Council was asked, to the same effect, to instruct the Financial Committee of the League to examine all the allegations made by Roumania in regard to financial matters. If the Council held that, on account of any actions ultra vires, or for any other reason, it was not bound under Article 239 of the Treaty of Trianon to make provision for the continued operation of the Mixed Arbitral Tribunal in this particular case by appointing two substitute judges, it was requested to submit this question, under Article 14 of the Covenant, to the Permanent Court of International Justice for an advisory opinion.

Lastly, the Hungarian Government requested the Council, in view of the urgency of the situation, to place this question upon the agenda of its next session (beginning of September 1928) and to deal with it at one of the earliest meetings of that session.

By a letter dated August 30th, 1928, the Roumanian representative informed the Council that, in the opinion of his Government, the placing of the Hungarian request on the agenda would imply the recognition by the Council that the door was henceforth closed toconciliation between the two Governments. This, he said, would not be true, and such a step would be all the more serious since the Council had itself recognised that the only way of settling this dispute was by direct negotiations between the parties. The Roumanian representative was of opinion that the negotiations between the two Governments were neither concluded nor broken off and that there was therefore no occasion for the Council to place the new Hungarian request on its agenda. The fact that direct negotiations were being conducted was proved by the note forwarded by the Roumanian Foreign Minister to the Hungarian Government on August 29th in reply to that Government's letter of August 23rd. The Roumanian representative subsequently stated before the Council that the Hungarian Government's reply to this note should be awaited before concluding that the negotiations were finally broken off.

At the meeting of the Council on September 1st, 1928, the President pointed out that the letter of the Roumanian delegation appeared to introduce a new factor which had not existed at the time when the Hungarian request reached the Secretariat. Whereas the Hungarian request maintained that in this matter an agreement between the two States was impossible, the Roumanian delegation's letter maintained that direct negotiations were not yet concluded; the last Roumanian note, dated August 29th, had not perhaps been fully considered by the Hungarian Government in all its aspects.

In the course of the two meetings which the Council set aside for this question and which were held on September 1st, 1928, the two parties stated their respective cases and the Council, after hearing their explanations and the statements made by various members, decided:

(a) That the question submitted by the Hungarian Government should be placed on the Council's agenda under Article 2 of the Rules of Procedure; and

(b) That the discussion of the Hungarian request should be postponed to the Council session following the election by the Assembly of the non-permanent Members of the Council.

During the interval between the two sessions, the Secretary-General received and duly transmitted to the Council a number of documents supplementing those sent to him by the parties immediately before the meeting of the Council's fifty-first session. These documents showed that there was some possibility of arriving at an amicable settlement. An agreement seemed feasible in regard to the preliminary conditions for the opening of negotiations. In that hope, the President submitted for the approval of the Council the following draft resolution, which was adopted:

"The Council,

"Recommends that the two Governments, while reserving their points of view in regard to the principle involved and the legal situation — which points of view have already been stated before the Council — should take steps to enable their plenipotentiaries to meet as soon as possible, and to be furnished with the necessary powers to come to a practical settlement of the question;

"Trusts that the negotiations which it recommends will lead to a satisfactory and final settlement; and

"Decides to adjourn the question, in the stage it has now reached before the Council, to its next session."

At its December session held at Lugano the Council, on the proposal of the President, decided upon a further adjournment of the matter "in the stage in which it was at present before the Council" until the following session. On this occasion it offered to both parties its sincerest good wishes for the success of the direct negotiations which were open very shortly.

At the opening meeting of its fifty-fourth session on March 4th, 1929, the Council was informed by its President that the Secretary-General had two days previously received a letter from the Hungarian Government stating that, in view of the fact that direct negotiations were being conducted between Hungary and Roumania, the two Governments had agreed to request the President of the Council to postpone the matter "in the stage in which it was at present before the Council" to its June session. The Roumanian Government had forwarded a letter to the Secretary-General to the same effect. Accordingly, the President of the Council proposed that the examination of the question should be deferred until the following session and he hoped that, when the time came, the matter would be found to have been settled. This proposal was adopted by the Council.
II. PRESENT STATE OF NEGOTIATIONS BETWEEN POLAND AND LITHUANIA.

At its meeting on December 10th, 1927, the Council passed a resolution including the following paragraphs 1:

"The Council of the League of Nations:

Recommends the two Governments (of Lithuania and Poland) to enter into direct negotiations as soon as possible in order to establish such relations between the two neighbouring States as will ensure the good understanding between nations upon which peace depends;

Plates at the disposal of the two parties the good offices of the League and of its technical organs should their assistance be desired in the negotiations which it recommends . . . ."

As a result of this resolution the two parties, with a view to entering into the direct negotiations recommended by the Council, proceeded to a preliminary exchange of views with the object of fixing the date of these negotiations, the town in which they were to take place, and the questions to be discussed. On March 30th, 1928, the parties had been able to agree upon rules of procedure for the Polish-Lithuanian Conference which was held at Koenigsberg from March 30th to April 2nd, 1928. The Conference set up a number of Committees.

At its meeting on June 6th, 1928, the Council decided, on the motion of the British representative, to place the question of the relations between Poland and Lithuania on the agenda of the next session, and requested its Rapporteur to present a report on the state of the negotiations on that date.

Accordingly, at the September session, the Rapporteur made a statement to the Council on the position of the Polish-Lithuanian negotiations.

Observing that neither the date nor the place for the meeting of the plenary Conference to discuss the Committees' reports had yet been fixed, the Rapporteur expressed his disappointment "at learning that the negotiations had not led to such results as might reasonably have been hoped for".

In order to gain an idea of the action which had so far been taken and of the future prospects of the negotiations, the Council invited the parties to supplement the Rapporteur's summary by oral statements.

The Polish representative merely stated that his Government had done all in its power to carry out the Council's recommendations of December 10th, 1927.

The Lithuanian representative admitted that the negotiations had not so far proved very satisfactory, but pointed out that they were not yet over, as the plenary Conference had not been convened. He pointed out the difficulties encountered in the negotiations and asserted that, if they were too long drawn out, the fault did not lie with Lithuania. The Lithuanian Government was prepared to make concessions, and had always felt that international as well as national interests must be taken into account. While the negotiations had not yet proved successful, they had at least enabled the ground to be cleared.

After these statements the Rapporteur, the representative of the Netherlands, laid before the Council, on September 8th, a fresh report in which he recalled the undertaking given by the two parties to establish by direct negotiations and, if necessary, with the aid of the League's good offices, a modus vivendi compatible with a state of peace. The report stated that the parties had not so far succeeded in concluding any agreement which the Council might consider as proof that relations of good understanding between the two countries had been effectively restored.

The Rapporteur then commented upon the final paragraph of the resolution of December 10th, 1927.

"One of the obstacles frequently invoked ", he said, "is the interpretation to be placed on the last paragraph of the resolution of December 10th, 1927. The Council will remember that, at the end of a report which I had the honour to submit to it on June 6th last, I observed that, when the Council was careful to state in December 1927 that 'the present resolution in no way affects questions on which the two Governments have differences of opinion ' its intention was obviously not to complicate these negotiations, which were already sufficiently delicate, but rather to ensure their ultimate success. It had foreseen to a certain extent that the inclusion of questions on which the two Governments held different views would prove an impediment to negotiations, and, with the object of setting the two parties at ease, it declared that these views would not be affected by the direct negotiations on such practical matters as local traffic, transit, postal communications, etc."

Thereupon the Rapporteur urged the Council to give a fresh impetus to the negotiations pending.

"It should be borne in mind ", he said, "that the object of the resolution of December 10th, 1927, was to re-establish relations of good understanding between the two countries and also to safeguard the general interests which peace should ensure.

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1 See Report and Supplementary Report on the Work of the Council to the ninth session of the Assembly, Official Journal Special Supplement, No. 64, pages 233 to 235; 337 and 338.
"As guardian of the general interest, the Council can hardly be content passively to await the issue of events. If these negotiations make no appreciable progress, the Council would be failing in one of its essential duties if it allowed to continue indefinitely an abnormal state of affairs which might react most unfavourably, not only on the interests of the parties concerned, but also, and above all, on those of third parties.

"In such a case, the Council might order a very careful enquiry to be made into the difficulties which, in consequence of the Polish-Lithuanian dispute, injure the rights of third parties. This enquiry would be entrusted to experts, who would endeavour, if necessary, by making investigations on the spot, and duly observant of the international agreements in force, to discover what practical steps could be taken within the bounds of present circumstances.

"These experts would submit their report to the Council, which would communicate it immediately to the parties concerned."

The Lithuanian representative raised no objection to the Netherlands representative's report.

The French representative observed that the Lithuanian representative had not raised any fundamental objection to the Rapporteur's report. He recalled that at the Council's previous meeting, the Lithuanian representative had himself stated that the direct negotiations were continuing. He also made a reservation with regard to the implicit recognition, in the report, of the Council's right to protect the interests of third parties. In his opinion, he said, the Council did not invest the Council with any such right.

In reply to the observations of the Lithuanian representative, the Rapporteur said that he had only contemplated in his report the possibility of having expert investigations made in case the negotiations should fail, and that it would rest with the Council in such a case to decide what steps should be taken. He added that the Council's right to deal with the interests of third parties was indisputable. In this connection he quoted two articles of the Covenant — Article 4, paragraph 4, whereby:

"The Council may deal at its meeting with any matter within the sphere of action of the League or affecting the peace of the world,"

and Article 23, which provides that:

"Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Members of the League will make provision to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all Members of the League. In this connection the special necessities of the regions devastated during the war of 1914-1918 shall be borne in mind."

The French representative observed that the Lithuanian representative had not raised any fundamental objection to the Rapporteur's report. He recalled that at the Council's previous meeting, the Lithuanian representative had himself stated that the direct negotiations had cleared the ground. The French representative added that the report before the Council was in the nature of an encouragement to direct negotiation, but that the Council, which represented the League and the interests of all its Members, was bound to bear in mind the possibility of a failure and the purely technical means by which it could bring the negotiations to a successful conclusion. He ended by appealing to the spirit of co-operation of the Lithuanian representative.

Finally, the Council unanimously decided to take note of the report submitted by the Rapporteur.

At a later meeting, on September 12th, 1928, the Council appointed the Spanish representative to take the place of the representative of the Netherlands as Rapporteur on the question of Polish-Lithuanian relations, the term of the Netherlands as a Member of the Council having expired.

At its session held at Lugano, the Council on December 12th, 1928, went into the position of the negotiations between Poland and Lithuania. The representatives of the two parties made statements from which it appeared that the direct negotiations, although they had led to the conclusion of a provisional arrangement for the granting of facilities to the population on both sides of the "Polish-Lithuanian administrative line", had not yielded such results as the parties themselves had hoped, but that, since the Council's intervention in December 1927, there had been peace between the two countries, and the two Governments were agreed as to the desirability of continuing direct negotiations with a view to concluding an agreement regulating commercial intercourse between their countries.

After taking note of a report by the Spanish representative, the Council on December 14th adopted two resolutions. In the first of these it began by recalling the solemn declarations made before it in December 1927 by Lithuania to the effect that it did not consider itself in a state of war with Poland, and by the Polish Republic to the effect that it fully recognised and respected the political independence and territorial integrity of the Lithuanian Republic.

The Council then urged the two parties to carry on their further negotiations in the letter and the spirit of the resolution of December 10th, 1927, and of the report submitted by the Netherlands representative.

Further, in order to continue the work of pacification and agreement inaugurated in December 1927, the Council, noting in its second resolution that the documents before it mentioned obstacles in the way of freedom of communications and transit, referred this question to the Communications and Transit Committee of the League for investigation.
This resolution is based on Article 23 of the Covenant and on a resolution passed by the League Assembly on December 9th, 1920, instructing the Communications and Transit Committee “to consider and propose measures calculated to ensure freedom of communications and transit at all times”.

The Lithuanian representative said that he saw no reason why this resolution should not be adopted, although he was certain that the Lithuanian Government had never failed to discharge any of its international obligations. While he observed that the Council’s intervention had not brought about a final settlement of the problem of Polish-Lithuanian relations, he assured the Council that its exhortations to continue the negotiations in the spirit in which they had been inaugurated would be obeyed to the letter.

The Polish representative on his part stated that, in accordance with the letter and the spirit of the resolution of December 10th, 1927, the use of the term “Polish-Lithuanian administrative line” in the Arrangement concluded between Poland and Lithuania in regard to local traffic should in no case be interpreted as implying the abandonment by Poland of her territorial rights.

III. DISPUTE BETWEEN BOLIVIA AND PARAGUAY.

At the opening of the Council session held at Lugano, in December 1928, the members of the Council learned from Press reports of the existence of a grave situation in the Chaco, a region in which the frontier between Bolivia and Paraguay had not been definitely fixed, and where vast areas were in dispute between the two countries. Sanguinary encounters had taken place between Bolivian and Paraguayan troops. According to some reports Fort Vanguardia had been taken and retaken. In consequence of these incidents the Bolivian Government had handed the Paraguayan Chargé d’Affaires his passports and had recalled its Minister at Asunción.

It was further stated that Paraguay had asked for a Commission of enquiry to be appointed, basing its request on the provisions of the “Treaty for the Pacific Settlement of Conflicts between American States” (Gondra Pact) drawn up by the fifth Pan-American Conference, and that Bolivia, which had not ratified its accession to that Treaty, had declined the invitation to take part in the formation of the proposed Commission. One telegram attributed Bolivia’s decision to the fact that “through the good offices of the Argentine, diplomatic proceedings had already been begun and negotiations were in progress with a view to the settlement of the incident.”

On December 11th, 1928, the Secretary-General communicated for the information of the members of the Council the various Press telegrams he had received. The Council at once considered the position at a private meeting, and requested its President, the French representative, to send the two Governments telegrams expressing its full conviction that the incidents which had occurred between two Members of the League of Nations would not become more serious. The Council added that it did not doubt that the two States which, by signing the Covenant, had solemnly pledged themselves to seek by pacific means the solution of disputes arising between them, would have recourse to such methods as would be in conformity with their international obligations and would appear, in the actual circumstances, to be the most likely to ensure, together with the maintenance of peace, the settlement of their dispute.

The two Governments immediately replied to the President’s communication. A telegram from Asunción, signed by M. Zubizarreta, Minister for Foreign Affairs, stated that Paraguay, strong in the justice of its case, would accept and faithfully fulfil its international obligations. For that reason it had asked for the summoning of the Commission provided for in the Gondra Pact, the purpose of which was to avoid conflicts between American States. Bolivia had refused to participate in this procedure, which would have established the truth and determined the question of responsibility, basing her refusal on a mere statement of her alleged grievances. The telegram concluded: “Paraguay does not refuse any conciliation procedure for the settlement of her disputes, still less the procedure laid down in conventions to which she has given her solemn acceptance.”

The telegram from the Bolivian Government, signed by M. Alberto Palacios, Minister for Foreign Affairs, announced that the telegram from the President of the Council had been submitted to the President of the Republic for consideration, and that a reply would be given very shortly. At the same time the Bolivian Minister in Paris, in the name of his Government, telegraphed to the Secretary-General, for the information of “friendly nations”, a detailed account of the antecedents of the conflict and the recent events.

On December 13th, 1928, the President of the Council received a further telegram from La Paz, signed by M. Hernando Siles, President of the Republic, and by M. Tomas Manuel Elio who had succeeded M. Alberto Palacios as Minister for Foreign Affairs. The Bolivian Government assured the Council that it would not depart from the principles and obligations contained in the Covenant of the League. It added that Paraguay had entered into agreements with Bolivia to submit their differences to arbitration, to determine the zone of arbitration, and to settle the differences in question by peaceful means. Nevertheless, by a surprise blow and in contradiction to the stipulations of Articles 10 and 13 of the Covenant, Paraguay had committed an aggression which the Bolivian Government solemnly denounced to the Council, confirming the previous denunciation, contained in the note telegraphed by the Bolivian Minister in Paris.

Bolivia had no alternative but to demand the satisfaction which was due in such cases and to take military measures of a defensive character to safeguard her security. Paraguay having concentrated her forces and advanced her general staff to points very close to the lines of contact of the military posts of the two countries, it was reasonable to suppose that further encounters...
would take place with which Bolivia must be prepared to deal. Moreover, until the satisfaction due by Paraguay should have been given, it did not seem possible to the Bolivian Government to allay the excitement of public opinion sufficiently to permit of the resumption of peaceful negotiations. The Bolivian Government had no doubt that the Council would recognise the justice and sincerity of these explanations and would take note of its declaration of its intention to act on the Council's recommendations and to observe the stipulations of the Covenant. Bolivia could not, however, agree that, under cover of conciliation proceedings, the agreements providing for arbitration on concrete and definite points in order to settle the substance of the dispute should be set aside, or that an attempt should be made to evade the obligation to provide the just satisfaction prescribed by international law and practice in such cases.

The Council, at its meeting on December 15th, 1928, considered this telegram from the Bolivian Government and the reply previously received from Asunción. It unanimously decided to send telegrams to the two Governments in which, after stating that it was happy to derive from their communications a conviction of their attachment to the principles and obligations of the Covenant, it observed that it hoped that the parties would carefully abstain from any act which might aggravate the situation and render a peaceful settlement more difficult. The Council added that in concluding its session that day it expressed its firm conviction that the obligations of the Covenant would be respected. It recalled that, when a dispute likely to lead to a rupture arose between two States Members of the League of Nations, they could not, without failing in their obligations, and notably those contracted under Article 12, omit to resort by some method or other to one of the procedures of pacific settlement provided for in the Covenant. The Council also thought it well to draw attention to the fact that the Covenant mentioned, among others, "disputes as to the existence of any fact which, if established, would constitute a breach of any international obligations, or as to the fact that the Covenant mentioned, among others, "disputes as to the existence of any fact which, if established, would constitute a breach of any international obligations, or as to the extent and nature of the reparation to be made for any such breach." The Council further wished to emphasise that, in its experience, it was most important to confine all military measures of a defensive character to those which could not be regarded as aggressive against the other country, and which could not involve the danger of the armed forces coming into contact, as this would lead to an aggravation of the situation, rendering more difficult the efforts being made for the maintenance of peace.

The Council further informed the two Governments that it had asked its President to follow events with a view to any action that might be necessary, consulting, if need be, his colleagues through the intermediary of the Secretary-General. In conclusion, the Council communicated, for information, the telegram received from the Paraguayan Government to the Bolivian Government and the telegram from the Bolivian Government to the Paraguayan Government.

The Council also decided, before concluding its session, to telegraph to all the Members of the League the text of its correspondence with Bolivia and Paraguay. Copies of these telegrams were also sent to the Ministers of Brazil and the United States of America at Berne and to the diplomatic representatives of Costa Rica, Ecuador and Mexico at Paris.

It was further understood that the President of the Council should follow the course of events, keeping in touch with the Secretary-General, and should, if necessary, convene the Council to meet urgently in extraordinary session.

The President of the Council explained in the letter quoted below, which he sent to his colleagues on December 21st, 1928, the steps he had thought it advisable to take in discharge of the duties entrusted to him at the meeting of December 15th:

"After the close of the session, I received at Lugano another telegram from the Bolivian Government. I replied by calling the attention of the two Governments to the urgency, to which the Council had drawn their attention, of taking measures to prevent further incidents capable of compromising the success of any peaceful procedure.

"On my return to Paris, I received a telegram from the Bolivian Government stating in reply to my last communication from Lugano, that, accepting the Council's suggestions, it had ordered the commanders of military posts to refrain from any advance and any attack, as far as they were concerned, and to confine themselves to defensive measures. At the same time, I received a telegram from the Paraguayan Government announcing that it had just accepted the good offices of the Pan-American Arbitration Conference with a view to a peaceful settlement.

"In these circumstances, which offered some hope that the efforts exerted to maintain peace might fairly soon prove successful, I decided — after consulting the Secretary-General and notifying my colleagues that I might have to summon them to a meeting towards the end of the week — to engage in a number of conversations in order to see how a settlement of the conflict might be facilitated.

"On December 18th, I asked the Bolivian and Paraguayan Ministers, the Argentine Chargé d'Affaires (whose Government, it was semi-officially reported, was endeavouring to induce the two parties to accept mediation), and the United States Chargé d'Affaires (whose Government's representative was President of the Pan-American Arbitration Conference) to come and see me.

"In the course of my conversations with the Argentine and United States Chargés d'Affaires, I explained the significance of the steps so far taken by the Council, and suggested
that, should the crisis be prolonged, we might try to co-ordinate the efforts which were being made from different quarters to preserve peace. 

"I also received the representatives in Paris of the American States Members of the Council.

"I am happy to be able to inform my colleagues that I shall not need to summon an extraordinary session to deal with this question. On the morning of the day before yesterday, I received a telegram from Asunción stating that the calling-up of citizens between the ages of 18 and 29 was a measure of a purely defensive character, and that the League of Nations might be sure, moreover, that Paraguay, adhering firmly to its traditional policy of peace, would not indulge in any act that might hamper or impede that policy, and would confine itself to taking the steps necessary to safeguard its legitimate right of self-defence. The Bolivian Government also informed me that in accordance with the suggestions of the Council it accepted, like the Paraguayan Government, the good offices of the Pan-American Arbitration Conference.

"The Council, all of whose efforts were directed towards preventing any aggravation of the dispute and facilitating a peaceful settlement by any possible method, cannot but be gratified at the cessation of this dangerous conflict between two Members of the League united by common bonds of race and tradition, and at the favourable reception given to the generous action of the Pan-American Arbitration Conference. The Council can but trust that the procedure to which the two parties have now agreed will lead to the speediest possible settlement of their dispute and the restoration of a good understanding and of peaceful co-operation between them.

"I therefore had no doubt that the Council would join me in congratulating the two Governments and in expressing our sincere trust that the future negotiations would be brought to a completely successful issue.

"The entire documentation relating to this question will be transmitted to all the Members of the League as soon as possible."

This documentation includes a telegram dated January 7th, 1929, whereby the Bolivian Government informed the President of the Council that it had signed a Protocol providing for the setting-up of a Commission of enquiry, as suggested by the Pan-American Conference, to fix the responsibility for the recent incidents, and that it proposed to submit the substance of the dispute for arbitration to the Hague Court.

At the request of the President of the Council, this communication was brought to the notice of the Paraguayan Government, which replied that that country had never refused to accept a decision by arbitration on the substance of the dispute and on the incidents which had taken place, that the responsibility for the check to the negotiations so far undertaken did not lie with Paraguay, and that it took note of Bolivia’s intention in connection with the arbitration of the Hague Court.


On April 9th, 1929, the Chairman of the Straits Commission sent a note to the Secretary-General of the League of Nations accompanied by a report on the Commission’s work for the year 1928.

This report is divided into three parts; the first deals with the work of the Commission during the past year; the second contains practical information on the present conditions governing the passage of ships and aircraft through the Straits connecting the Black Sea with

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the Aegean Sea; the third part contains documentary annexes, such as plans of the demilitarised and prohibited zones, means of approach by air, port regulations, regulations concerning air navigation in Turkey, meteorological signs, etc.

Chapter VII (Part 1) summarises the improvements introduced into the Turkish service in 1928. The Commission points out that the general working of the service shows "unmistakable progress".

In accordance with the resolution adopted by the Council on June 5th, 1928, the Secretary-General communicated the report of the Straits Commission to the States Members of the League, to the Powers signatory to the Straits Convention and to the following technical organisations of the League:

The Health Committee of the League of Nations;
The Permanent Committee of the Office international d'hygiène publique.
The Permanent Advisory Commission for Military, Naval and Air Questions.
The Advisory and Technical Committee for Communications and Transit.

In conformity with the above-mentioned decision of the Council, the report of the Straits Commission has not been placed on the Council agenda.

V. THE BAHREIN ISLANDS 3.

COMMUNICATIONS FROM THE PERSIAN AND BRITISH GOVERNMENTS.

On August 2nd, 1928, the Persian Government sent to the Secretary-General, with reference to its letter of November 23rd, 1927, concerning Persian rights to the Bahrein Islands, a copy of its reply to the British Government's note of January 18th, 1928. The Persian Government desired by this reply to reiterate its protest against Article 6 of the Treaty of May 20th, 1927, concluded between Great Britain and the Hedjaz. In accordance with the Persian Government's request, these documents were communicated to the States Members of the League of Nations.

By a further note dated January 13th, 1929, the Persian Government forwarded to the Secretary-General, for the information of States Members of the League, a copy of a letter concerning the Bahrein Islands which that Government had addressed on January 5th, 1929, to the British Minister at Teheran. At the Persian Government's request this note was transmitted for information to the States Members of the League of Nations.

The Secretary-General further received a copy of the British Government's reply to the Persian Government dated February 18th, 1929. This reply, like the Persian Government's note, was communicated to all the States Members of the League.

VI. RUSSIAN, ARMENIAN, ASSYRIAN, ASSYRO-CHALDEAN AND TURKISH REFUGEES.

On September 25th, 1928, during its ninth ordinary session, the Assembly passed the following resolutions:

"The Assembly:

1. After examining the reports submitted by the High Commissioner for Refugees and by the Director of the International Labour Office on questions connected with Russian, Armenian, Turkish, Assyrian and Assyro-Chaldean refugees;

2. Recognises the progress achieved in the course of the year;

3. Notes that a complete solution of the problem can only be provided by the return of the refugees to their country of origin or their assimilation by the countries at present giving them shelter;

4. Earnestly invites the Governments concerned to provide the refugees with all possible facilities for acquiring the nationality of the countries in which they at present reside;

5. Whereas, however, in present circumstances, international action is still necessary for some time to come;

6. In conformity with the resolution of the Governing Body of the International Labour Office, invites the Council of the League to take urgently all necessary steps to appoint an Advisory Commission to be attached to the High Commissioner;"
7. Recommends the Council to invite this Advisory Commission to submit to it, before the next session of the Assembly, a general report on the possibility of reaching a final solution at an early date and on the means by which this object might be attained;

8. Earnestly invites States Members to adopt and apply, on as wide a scale as possible, the Inter-Governmental Arrangements concluded on July 5th, 1922, May 31st, 1924, May 12th, 1926, and June 30th, 1928, which offer the refugee work the means by which it may gradually become self-supporting;

9. Points out, however, that the respective Governments must be left free to decide whether and how far they are prepared to give force of law to the recommendations adopted by the Inter-Governmental Conference of June 30th, 1928;

10. Notes that the taxes to be levied will be fixed in consultation with the respective Governments, that only the representatives of the High Commissioner will be entitled to levy them, and that the employment of the proceeds will be subject to the control of the High Commissioner;

11. Declares that the Council’s resolution of June 27th, 1921, shall be applied in regard to all categories of refugees;

12. Recalls with gratitude the endeavours of the High Commissioner and of the International Labour Office by which about 800 Russian refugees in Constantinople have been successfully evacuated during recent months;

13. Adopts the budget for the Refugee Services for 1929, as already approved by the Governing Body of the International Labour Office and by the Supervisory Commission, and,

Requests the Supervisory Commission to take into consideration the uncertainty of the position of the officials employed in that service, to which attention has been drawn by the Governing Body of the International Labour Office, and to grant them the improvements asked for on their behalf."

At its meeting on December 14th, 1928, the Council named the countries which should be invited to be represented on the Advisory Commission the institution of which the Assembly had proposed. These countries are the following: Bulgaria, China, Czechoslovakia, Estonia, France, Germany, Greece, Italy, Japan, Latvia, Poland, Roumania, the Kingdom of the Serbs, Croats and Slovenes and Switzerland.

By a letter dated January 11th, 1929, the Secretary-General requested the Governments of the above-named countries to inform him whether they were prepared to send representatives to the Commission. All the countries in question replied in the affirmative except Japan and Switzerland, which stated that they did not think it opportune to send representatives.

The Advisory Commission thus constituted held its first session at Geneva from May 16th to 18th under the chairmanship of M. DE NAVAILLES-LABATUT, delegate of France, and in the presence of Dr. NANSEN, High Commissioner for Refugees, the representatives of the Secretary-General and of the Director of the International Labour Office, and the technical advisers appointed by the Advisory Committee of Private Organisations for Refugees.

It made a thorough examination of the present position in regard to the refugee question in all its aspects, and finally drew up a general report which was submitted to the Council.

In this report the Commission expressed the view that the immediate abolition of the High Commission for Refugees could not be contemplated, seeing that there was at the present juncture no possibility of completely and radically solving the refugee problem, either by mass naturalisation by the countries in which the refugees were living, or by restoration of the nationality of their respective countries of origin, or by repatriation to those countries.

As the High Commissioner had stated that it would take him ten years to wind up his organisation, to carry through the settlement scheme, and to discharge the obligations he had contracted, the Commission proposed that his appointment should be extended for a term not exceeding ten years, on the conditions specified in the report, but added that if the refugee situation should develop later on such lines as to enable this term to be reduced, such a solution could but be welcomed.

The Commission further made a number of recommendations relating to the refugee settlement scheme, the administration of relief to refugees unfit for work, the co-operation of various international organisations and private persons in the refugee work, the administration of funds by the High Commissioner, the legal status of refugees, the Nansen certificates, the administrative measures required for the continuance of the refugee work, and the budget of the refugee organisation.

1 See document C.188.1929.VII.
2 See document C.210.1929.VII.
6.

ADMINISTRATIVE QUESTIONS.

I. SAAR TERRITORY.

Since September 1928, the Council has had under consideration two questions concerning the Saar Territory, namely, the appointment of the Chairman and members of the Governing Commission, and the Governing Commission’s loan.

The representative of Italy acted as Rapporteur.

The Council and Members of the League of Nations have been kept informed of the various questions concerning the Saar by the periodical reports of the Governing Commission (published in the Official Journal).

GOVERNING COMMISSION.

On December 13th, 1928, the Council appointed the Chairman and five members of the Governing Commission for a period of one year, as from April 1st, 1929. The Commission now consists of the following members:

- M. D’EHNRROTH (Finnish).
- M. Kossmann (Saar).
- M. Morize (French).
- M. Vezensky (Czechoslovak).
- Sir Ernest Wilton (British), Chairman.

On the same date the Council fixed the salaries of the members of the Governing Commission with retroactive effect as from July 1st, 1928, the date of the stabilisation of the French franc. Under the Treaty of Versailles the expenses of the Governing Commission are met from the revenue of the Territory.

GOVERNING COMMISSION’S LOAN.

In a letter dated December 4th, 1928, the Governing Commission informed the Council that it had decided in principle to issue a loan, the proceeds of which would be applied to the execution of certain public works. The Governing Commission added that, owing to the exceptional position of the Saar Territory, it felt it should inform the Council and explain its reasons for contracting a long-term loan. It accordingly asked the Council’s permission to lay its plans before the Financial Committee.

On December 13th, 1928, the Council requested the Financial Committee to consider the scheme for the proposed loan, in conjunction with the Governing Commission.

On March 9th, 1929, the Financial Committee informed the Council that it hoped to be in a position to put forward final proposals at its June session.

DOCUMENTS PRESERVED WITH A VIEW TO THE PLEBISCITE OF 1935.

CHANGES IN THE POSITION OF PLEBISCITE RECORDS.

In his report dated October 31st, 1923, the Provisional Records Commissioner for the Saar Plebiscite made certain recommendations concerning the official notification to the Secretariat of the League of Nations and to the Saar Governing Commission of any change in the position — as indicated in the original returns prepared by him — of documents preserved with a view to the plebiscite.

In conformity with this recommendation the seven Landrate of the Territory and the Bürgermeister of the Town of Saarbruck have sent quarterly reports for the period April 1st, 1928, to March 31st, 1929. The Governing Commission has also sent two half-yearly reports for 1928. The local authorities continue to send special notification of any change in the position of documents, as laid down in the above-mentioned recommendation.

GENERAL QUESTIONS.

On May 17th, 1920, the Council approved an arrangement under which the Saar Governing Commission was to provide the League with detailed information on all political, economic, financial, social and other questions connected with the Saar Basin, which might be of interest to the League of Nations, together with all the official publications of the Governing Commission.
In conformity with this arrangement the Governing Commission has sent to the League of Nations its thirty-fifth, thirty-sixth and thirty-seventh periodical reports for the third and fourth quarters of 1928 and the first quarter of 1929, respectively.

Certain questions dealt with in these reports are indicated below:

1. Political Situation.

At its meetings in August and December 1928, and January and March 1929, the Advisory Council and Technical Committee gave their opinion on certain draft decrees prepared by the Governing Commission. These drafts concerned various questions including: income tax, valorisation of mortgages, social insurance, prohibition of military training, commercial courts, procedure for compromises with a view to avoiding bankruptcies, retirement of officials, unemployment relief, housing Census, establishment of a Chamber of Agriculture, etc.

The term of office of the members of the Technical Committee, which expired on December 31st, 1928, was prolonged until December 31st, 1929.

2. Economic, Social and Financial Situation of the Territory.

During the period July 1st to December 31st, 1928, the Governing Commission took measures for the application of the Franco-German Agreement of February 23rd, 1928, concerning trade between the Saar Basin and Germany, and particularly the allotment of quotas. With a view to ensuring adequate supplies of staple articles of consumption at normal prices, the export of certain goods (meat, vegetables, etc.) had been prohibited after the war by a decree of the Governing Commission. As the import and export trade in these commodities had meanwhile become stabilised, this prohibition was cancelled in October 1928.

During the third quarter of 1928 the situation in the labour market gradually improved. In spite of favourable circumstances, however, the number of unemployed during the summer of 1928 was over two thousand — a figure that had never been reached in former years. During the last quarter of 1928 a slight improvement was noted in the mines and metallurgical undertakings, with a corresponding increase in the number of workmen employed. On the other hand, in the finishing industries men were being discharged. Owing to the cold which completely paralysed the building and allied industries, unemployment increased in January and February 1929. The number rose from 7,473 on January 2nd, 1929 to 13,237 on March 6th, 1929 a figure never previously attained.

During the period July 1st, 1928, to March 31st, 1929, the Governing Commission had to intervene on several occasions in disputes in the metallurgical and mining industries. In the metallurgical industry, the Governing Commission, to whom trade unions had appealed in their dispute with the employers concerning an increase of wages, made certain recommendations which were accepted by both parties. In June 1928, the miners' unions denounced their contracts and demanded higher wages. Negotiations between the representatives of the two parties having failed, various meetings of miners were held in the Saar and a strike seemed imminent. Called upon to intervene, the Governing Commission interviewed the representatives of the unions and the State mines, and conducted negotiations with the miners' syndicates, which refused to accept the decision of the Mines Administration. Finally, the Governing Commission decided to grant the miners, as a quite exceptional measure, compensation with retroactive effect for the number of days of unemployment since March 1927. As a result, the miners' unions issued a notice cancelling the order for a strike and calling upon the miners to continue at work. In December 1928, the miners submitted a new demand for increased wages. During the negotiations, a difference of opinion arose concerning the method of determining the proposed increase. In spite of the Governing Commission's intervention, no agreement could be reached, and on December 15th, 1928, the Mines Administration posted up a new wages regulation which did not of course constitute a contractual wage-rate. In January 1929, the miners' unions decided not to accept this new scale of payment and, without having recourse to a strike, to limit the output to the quantity of coal strictly necessary for obtaining the minimum wage only. Consequently, the production of the mines was reduced by, approximately, 20 per cent. The miners' unions submitted the dispute to the Governing Commission, which finally obtained the signature of a new wage contract on January 23rd, 1929. As a result of this new contract, the output of the Saar mines is gradually approaching its previous level.

The general budgets of the Territory for 1928 and 1929 were definitely established by the Governing Commission. The 1928 budget represents a total of 455,755,886 French francs, with a surplus of 94,500 French francs and the 1929 budget a total of 485,472,837 French francs with a surplus of 308,329 French francs.

3. Education.

The attendance of children at the French schools attached to the State mines, and the teaching of French in the Saar elementary schools, having been criticised in certain political circles in the Saar, the Governing Commission deals with this question in detail in its report for the first quarter of 1929. Mention is made in the report of a manifesto signed by all political