The present report deals with the second phase of the Conference from September 21st, 1932, to March 27th, 1933, when the General Commission adjourned for the Easter vacation.

* * *

PROGRAMME OF WORK TO BE UNDERTAKEN DURING THE RECESS.

Under the resolution adopted by the General Commission, on July 23rd, 1932, the Bureau was instructed to continue its work during the recess, with a view to framing draft texts covering the questions on which agreement had already been recorded.

The following questions were mentioned in this connection:

(1) Air forces (prohibition of attack against civil population; abolition of bombardment from the air subject to agreement with regard to measures to be adopted for the purpose of rendering effective the observance of this rule);
(2) Material of land armaments (artillery and tanks);
(3) Chemical, incendiary and bacterial warfare;
(4) Supervision.

The General Commission further decided that the following points, which called for detailed examination, should be examined by the Bureau or by the appropriate committees with the assistance of the Governments concerned in order that definite conclusions might be reached as soon as the General Commission was again convened:

(1) Effectives;
(2) Limitation of national defence expenditure;
(3) Trade in and manufacture of arms;
(4) Naval armaments;
(5) Violations of the rules of international law to be formulated in connection with the provisions relating to the prohibition of the use of chemical, incendiary and bacterial weapons and bombing from the air.

The General Commission decided that, pending the resumption of its meetings, the Bureau should keep the delegations informed of the progress of its work. The Bureau was further requested to fix the date of the next meeting of the General Commission. It was understood that the General Commission would be called together with one month's notice and not later than four months after the resumption of the work of the Bureau, which would meet during the week beginning September 19th, 1932.

II. GENERAL SUMMARY OF THE WORK OF THE BUREAU AND GENERAL COMMISSION FROM SEPTEMBER 21ST, 1932, TO MARCH 27TH, 1933.

Bureau.

The Bureau of the Conference in accordance with these arrangements met at Geneva on September 21st, 1932, to begin the work assigned to it under the resolution adopted by the General Commission on July 23rd, 1932.

REPRESENTATION OF GERMANY AND THE UNION OF SOVIET SOCIALIST REPUBLICS.

The President of the Conference informed the Bureau of the action which he had taken during the recess. He read, in particular, a letter from the German Government stating that it could not take part in the further work of the Conference until the question of Germany's equality of rights had been satisfactorily settled, together with his reply to that communication. He also informed the Bureau that the Soviet Government had notified him that it did not wish to send representatives to sit on the Technical Commissions of the Conference until the General Commission had taken important decisions of principle.

GENERAL MEASURES.

The Bureau, at meetings held during September, October and November 1932, took the necessary action in regard to most of the items mentioned in the General Commission's resolution of July 23rd. An indication of the results obtained in dealing with these questions will be found below in Sections IV to VIII, X and XI.

THE FRENCH MEMORANDUM.

On November 4th, the Bureau heard a statement by M. Paul-Boncour (France) prior to the submission on November 14th by the French delegation of a memorandum (document Conf.D.146) dealing with the questions of security and disarmament.

1 See document A.6(a).1932, pages 22 to 25.
The following is a summary of the French memorandum:

The French Memorandum opens with a statement that it is not intended to lead the work of the Conference into entirely new channels, but to enable the Conference to determine a system which shall combine previous proposals, including in particular those of President Hoover.

It has been proved that the reduction of armaments is necessarily bound up with security conditions, existing or to be created. The aim of the Conference should be to strengthen defence by the reduction of forces of aggression, and to this end to work out a form of military organisation which, in a given region and under specific political conditions, would render aggression more difficult. The French Government considers it idle to attempt to solve all the questions involved by means of a universal plan. It therefore suggests that, apart from a general convention for the limitation, reduction and supervision of armaments, a special plan should be drawn up for Europe.

Chapter I provides that all the Powers should endorse the principles arising out of the Pact of Paris, and recognise that a war in violation of this Pact is necessarily a matter of concern to all the Powers who, in the case of such a breach or threat of breach, would be called upon to take concerted action. Further, any breach of the Pact of Paris would involve prohibition of all economic and financial relations with the aggressor State, the Powers declaring their determination not to recognise any fait accompli resulting from a breach of an international undertaking.

Chapter II provides that the application of the principles laid down in the preceding Chapter should enable the States Members of the League of Nations to give full effect to their obligations under the Covenant and in particular under Article 16.

Chapter III outlines a system for Europe which is, however, only practicable on condition that, if not all, at least a sufficient number of Powers, taking into account their size and geographical situation, adhere to it. This Chapter contains both political and military provisions.

The first aim of the political provisions is to define the conditions in which each contracting State shall have the right to the co-operation of the others. Mutual assistance would take effect following on an attack or invasion, duly established by a Commission of diplomatic officials and military attachés appointed by the Council of the League. All contracting States must adhere to the General Act of Arbitration. Should any signatory State refuse to conform to the method of pacific settlement of disputes, or refuse to execute an arbitral or judicial settlement, or to take action upon the establishment by the League Council of the fact of a violation of an international undertaking, the other party may bring the matter before the Council, which shall decide upon the measures to be taken. The contracting parties shall lend their co-operation in the execution of such a decision. The decisions of the Council shall be taken by a majority vote.

The military provisions have a twofold object: first, in accordance with the principles of the Hoover proposals, to reduce the offensive character of national forces, and, secondly, to prepare for the rendering of mutual assistance in accordance with Articles 8 and 16 of the Covenant.

To achieve the first of these objects, the land defence forces of the continental Powers of Europe would be standardised to a uniform type: that of a short-service army with limited effectives. In estimating effectives the conditions peculiar to each State and in particular the inequalities and variations in the recruiting resources of the signatory Powers should, in conformity with Article 8 of the Covenant, be borne in mind. Likewise account should be taken of pre-regimental and military instruction received in political formations as well as of the effectives of the home police forces.

National armies are to possess no powerful mobile material and especially no material such as would permit of attack upon permanent fortifications. On the other hand, each State would permanently maintain at the disposal of the League, for purposes of common action, a limited number of specialised units consisting of relatively long-service troops equipped with powerful material. In addition, each State would maintain, under international supervision, stocks of the mobile land material forbidden to national armies, to be placed, should occasion arise, at the disposal of a contracting party on whose behalf collective action was taken.

Each contracting party would recover, in a case of legitimate defence, the free use of the contingent maintained by it and of the stocks of material in its territory.

Provision is made for the progressive unification of war material and for regular and permanent supervision involving investigation at least once a year.

This programme would be achieved by stages in such a manner as to ensure that neither the forces nor the armaments expenditure of any State would be increased save in exceptional circumstances duly justified and approved.

Chapter IV deals with naval and oversea forces, which cannot be directly subjected to the continental system set out in Chapter III. Oversea forces are to be strictly limited and specialised in view of their peculiar duties.

Where naval matters are concerned, regional political agreements, such as, for example, a Mediterranean Pact, would promote the reduction of battle fleets. In any case, in accordance with the Hoover plan, the major reductions would apply to those types of warships most useful for offensive purposes, and be achieved by means of qualitative reduction of given characteristics.

As regards quantitative reduction, the existing relation between armaments would be left intact; hence, subject to special arrangements for fleets of less than 100,000 tons aggregate
tonnage, the uniform percentage of reduction would apply to the aggregate tonnages as declared in 1931.

The plan further provides that each signatory State possessing naval forces should, when called upon by the League, supply the emergency assistance to which the State victim of aggression is entitled, such assistance to include a certain proportion of vessels in every category, that proportion being stipulated beforehand by the Convention.

Chapter V deals with air armaments. It is recalled that, on July 23rd, the Conference provided for the complete prohibition of aerial bombardment and the correlative abolition of bombing aircraft, subject to security guarantees with regard to civil aviation. These results might be detailed within the framework of a regional system in which all the great military air Powers of Europe, whether continental or not, would take part. There would be created a "European Air Transport Union"—an international body to direct and supervise public air transport and provide safeguards against the use of civil aircraft for military purposes.

Over and above placing specialised air units at the disposal of the League of Nations, the creation of an organically international air force is suggested, composed, more especially, of the bombing craft forbidden to national forces, whose personnel would be recruited from volunteers from the different nations on the basis of quotas to be determined.

In conclusion it is emphasised that the several parts of the plan form one indivisible whole.

PROPOSALS SUBMITTED BY THE UNITED KINGDOM DELEGATION.

On November 17th, Sir John Simon (United Kingdom) submitted to the Bureau a series of proposals embodying a programme of work for the Conference intended, more particularly, to meet the claim to equality of rights submitted by the German Government.

The following is a summary of the proposals:

It is emphasised that the Treaty of Versailles is a binding document and can only be modified by common assent, but it is urged that the disarmament imposed on Germany was clearly intended to be the prelude to a substantial measure of general disarmament which has yet to be effected.

The proposals begin with a suggestion that all European States should solemnly affirm that they will not in any circumstances attempt to solve any present or future differences between them by resort to force, and it is emphasised in this connection that acknowledgment of the moral right to parity of treatment put forward by Germany entails upon Germany along with others the acceptance of such an obligation. It is then urged that the claims of Germany to equality should be met so far as they do not involve measures of re-armament. The limitations on the armaments of Germany should be contained in the same Disarmament Convention as that defining the limitations of the armaments of other nations; they should last for the same period and be subject to the same methods of revision. In the new Disarmament Convention, the principle should be embodied that the kinds of arms permitted to other countries should not be prohibited to Germany. In other words, the principle of qualitative equality should be acknowledged.

This refers to the kinds of arms and not to the amounts; the amounts must be separately and subsequently treated. By what means and by what stages the principle of qualitative equality could be applied must be the subject of detailed discussions in which it is essential that Germany should join. In the meantime the Government of the United Kingdom emphasises two points: First, the object of the Disarmament Conference is to bring about the maximum of positive disarmament that can be generally agreed and not to authorise in the name of equality an increase of armed strength. Secondly, the full realisation in practice of the principle of equality cannot be achieved all at once.

The immediate task of the Disarmament Conference is to settle the programme of the first stage and, if possible, establish the main outlines of the second stage. Certain methods are suggested for application in the first stage. The principle of according to Germany equality of rights demands that Germany should be permitted to build ships of a type similar to that upon which the great naval Powers finally agree. Exhaustive investigation has shown that the arbitrary figure of 10,000 tons as the limit of a capital ship would fail to command general acceptance. The principle, however, that the reorganisation of Germany's fighting forces must not conflict with the limitation and reduction of armaments requires that any construction undertaken by Germany should not increase the total tonnage in any category to which her navy is at present restricted. The Government of the United Kingdom have already expressed their willingness to limit cruisers to vessels of 7,000 tons mounting six-inch guns, a limit closely approximating to the limit now imposed upon Germany. The Government urges also that the best way of meeting Germany's claims to equality in regard to submarines would be to consent to their abolition.

It is proposed that all tanks above a given weight should be abolished, and that the maximum weight should be fixed with a view to prohibiting tanks suitable for offensive employment. The admission of equal treatment would make it impossible to deny, in principle, to Germany the right to possess a limited number of such weapons.
It is urged that the best way to accord Germany equality of treatment in regard to mobile land guns is to press for a general reduction in their size. The maximum calibre of large mobile guns permitted to Germany is 105 mm., a figure intended to limit them to a type suitable for defence operations.

The United Kingdom Government are prepared to discuss the ultimate abolition by international agreement of military and naval aircraft and of bombing from the air, combined with an effective international control of civil aviation. It suggests, as an immediate practical measure of disarmament, the reduction of the air forces of the leading Powers to the level of those of the United Kingdom, a cut of one-third in the air forces of the world thus reduced, including those of the United Kingdom, and a limitation of the unladen weight of military aircraft to the lowest figure on which general agreement can be obtained. It is felt that Germany, should this programme be carried into effect, might not unreasonably be asked to refrain from making any claim to possess military or naval aircraft.

The admission of Germany's claim to equality of treatment and freedom in the matter of her fighting forces or effectives should be governed by respect for the principle of limitation and reduction, that is to say, if Germany wishes, for instance, to be free from the prohibition against compulsory military service, the numbers of men annually compulsorily given a militia training must be deducted, at a ratio to be agreed on, from the numbers of her long-service troops. Again, the reduction of the term of service of these long-service troops from twelve to six years, if accepted, would be conditional on the number of long-service reserves not being augmented; that is, in that case, the number of long-service troops with the colours must then be reduced from 100,000 to 50,000. Elaborate calculations as to the proper ratios would be required, but the guiding principle must remain, that is to say, a reorganisation of German forces must not involve an increase of Germany's powers of military aggression.

The Government of the United Kingdom are favourably impressed by the Hoover proposals in regard to military effectives, and are prepared to accept them in principle as constituting a basis for discussion. They agree that there shall be set up a Permanent Disarmament Commission, as suggested in the draft Disarmament Convention, with such extension of its powers as may be deemed necessary by the Disarmament Conference for an effective application of the Convention. It urges that such supervision must be subject to agreed conditions accepted by all States represented at Geneva.

Equality of Rights.

At the conclusion of the statement made by Sir John Simon when submitting the United Kingdom proposals, referred to above, the President of the Conference declared that the object of both the French and the United Kingdom proposals was to indicate a basis upon which it was hoped the Conference might continue its work. He emphasised that the essential co-ordination of the various proposals and drafts before the Conference would be facilitated if Germany were to resume her participation. Every delegation had admitted that the restrictions imposed upon Germany and her former allies by the Treaty of Versailles and the other Treaties had been intended to prepare the way for a general reduction of armaments. It would be difficult, however, to achieve any satisfactory result until the problem of equality of rights had been solved. The acceptance of the principle of equality by the Powers principally concerned would, in his opinion, provide a basis for discussion in seeking a permanent solution of the problem. Any such discussion should be grounded upon the assumption that the limitation of Germany's armaments, and those of her former allies, would, as in the case of other signatories, be contained in the Convention to be drawn up by the Conference. He hoped, in conclusion, that the German Government would shortly decide once more to take part in the work of the Conference.

The hopes expressed by the President were endorsed by several speakers.

* * *

General Commission.

Programme of Work (December 1932).

The General Commission, convened in accordance with the resolution of July 23rd, 1932, met on December 14th, 1932. The German delegation was present.

The President informed the Commission of the progress made by the Bureau, and the Special Committees, in application of the resolution of July 23rd, 1932, and of the proposals submitted during the preceding weeks by the French, United Kingdom, and Japanese delegations.

He considered that the time had come for the General Commission to embody the material comprised in these and the other proposals before the Conference in a draft Convention.

1 See page 5 above.
2 See page 7 above.
The President announced that, as a result of conversations in Geneva between the representatives of Germany, the United Kingdom, the United States of America, France and Italy, agreement had been reached between the five delegations on the political principles underlying the work of the Conference. The German delegation, in consequence of this agreement, would continue to participate in the proceedings of the Conference.

The agreement communicated to Mr. Henderson by the Prime Minister of the United Kingdom, who had presided over the conversations, was in the following terms:

"1. The Governments of the United Kingdom, France and Italy have declared that one of the principles that should guide the Conference for the Reduction and Limitation of Armaments should be the grant to Germany, and to the other Powers disarmed by Treaty, of equality of rights in a system which would provide security for all nations, and that this principle should find itself embodied in the Convention containing the conclusions of the Conference for the Reduction and Limitation of Armaments.

"This declaration implies that the respective limitations of the armaments of all States should be included in the proposed Disarmament Convention. It is clearly understood that the methods of application of such equality of rights will be discussed by the Conference.

"2. On the basis of this Declaration, Germany has signified its willingness to resume its place at the Conference for the Reduction and Limitation of Armaments.

"3. The Governments of the United Kingdom, France, Germany and Italy are ready to join in a solemn reaffirmation to be made by all European States that they will not in any circumstances attempt to resolve any present or future differences between the signatories by resort to force. This shall be done without prejudice to fuller discussions on the question of security.

"4. The five Governments of the United States of America, the United Kingdom, France, Germany and Italy declare that they are resolved to co-operate in the Conference with the other States there represented in seeking without delay to work out a Convention which shall effect a substantial reduction and a limitation of armaments, with provision for future revision with a view to further reduction."

The Prime Minister of the United Kingdom, in communicating this document to the President of the Conference, had informed him that the representatives of the participating Powers considered it desirable that he should participate in any further conversations which might be held. The President informed the General Commission that the Bureau had approved that suggestion at a meeting on December 13th and he was ready to accept the invitation.

The representatives of Poland, Yugoslavia, Turkey, Hungary, Roumania, Uruguay, Greece, the Union of Soviet Socialist Republics, Belgium, Spain, China, France, the United Kingdom and the Irish Free State, emphasised that conversations such as those which had taken place between the five Powers did not constitute a precedent and that there could be no question of decisions being taken out of the hands of the Conference or of presenting it with agreed solutions. The five-Power agreement was not to be regarded as an act of the Conference and it in no way modified the rights of the General Commission.

The President, supported by a number of delegations, expressed his satisfaction at the presence of the German delegates at the Conference for the first time since July 23rd, 1932. The German delegate thanked the President and his colleagues for their sympathetic welcome. He was sure that no unexpected difficulties would arise in applying the five-Power agreement. The agreement had been reached in a spirit of confidence and goodwill and the Conference would, in the same spirit, resume its task and bring it to a rapid conclusion.

The General Commission, on the proposal of the President, unanimously adopted the following resolution:

"The General Commission of the Conference for the Reduction and Limitation of Armaments, taking note of the conclusions reached in the conversations of the five Powers as stated in the document handed by the British Prime Minister to the President of the Conference and reported to this Commission to-day,

"(1) Expresses its thanks to the British Prime Minister and his co-signatories for the success of their efforts, which have resulted in a notable contribution to the work of the Conference;

"(2) Welcomes the declaration that the five Powers are resolved to co-operate in the Conference with the other States represented in seeking without delay to work out a Convention which shall effect a substantial reduction and a limitation of armaments with provision for future revision with a view to further reduction."
I.

The aim of the Bureau should be to organise without delay practical discussion of the following topics, with the object of framing a Convention or Conventions embodying them so far as they are ultimately approved:

1. A solemn affirmation, to be made by all European States, that they will not in any circumstances attempt to resolve any present or future differences between them by resort to force.

2. The immediate study by the continental European States with a view to their mutual security of the possibility of reaching political arrangements defining the conditions in which each of them will be entitled to the co-operation of the other contract ing States.

3. The application of the principle that the limitations on the armaments of Germany and the other disarmed States shall be contained in the same Disarmament Convention as that which will define the limitations on the armaments of others, so that the articles in Part V of the Treaty of Versailles, which at present limit Germany's arms and armed forces, and the corresponding provisions of the other peace treaties, would be replaced by the Disarmament Convention as far as the disarmed States are concerned.

4. The application of the principle that the newly expressed limitations in the case of Germany and the other disarmed States shall last for the same period and be subject to the same methods of revision as those of all other countries; and the embodiment in the Disarmament Convention of an undertaking on the part of the signatory States to enter upon negotiations in due course before the expiry of this Convention with a view to concluding a new Disarmament Convention for the purpose of further adjustment of armaments.

5. The embodiment in the Convention, as regards war material, of the principle of qualitative equality, and the provision for the realisation of such equality, if not immediately after its entry into force, then by specified stages. The reduction of the armies of the continental European States to a uniform general type of organisation would have to be considered in this connection.

II.

A. Security.

The Political Commission should be instructed at once to study the methods of giving effect to point (1) above.

A Committee of the continental European States should be immediately constituted to examine point (2) above.

B. Disarmament.

(a) Effectives.—The Bureau shall at once undertake the following work:

(i) In accordance with the plan for the calculation of land forces contained in the proposals of President Hoover, compute the totals of personnel of the ‘pol ice component’ (the irreducible component) of the existing land forces of each country, both metropolitan and oversea. For this purpose it shall instruct the Effectives Committee to make to it within . . . days recommendations concerning the ratios to be employed in this calculation. If within that time the Effectives Committee

1 See page 5.
has been unable to reach a unanimous recommendation, it must report fully to the Bureau the state of its discussions, and it will be for the Bureau to take a definite decision.

"(ii) Agree upon the percentage by which the 'defence component' (the excess over the 'police component') of each State shall be reduced, such reduction to be effected by a certain date or dates to be specified.

"(iii) Determine the stages and methods by which continental European armies may be brought into harmony with the general type of organisation adopted (see I (5)). For the discussion of this point, the Bureau may require the Effectives Committee to submit recommendations.

"(b) Land War Material.—The Bureau shall:

"(i) Fix the maximum tonnage of tanks;

"(ii) Fix for the future the maximum calibre of mobile land guns;

"(iii) Decide whether there should be a limitation of the number of tanks of allowed tonnage and of mobile land guns of allowed calibre;

"(iv) If a limitation of the number of tanks is accepted, decide as to the disposal of tanks exceeding that limit.

"(c) Air.—The Bureau shall at once constitute a committee of representatives of the principal air Powers to examine the possibility of the entire abolition of military and naval machines and of bombing from the air, combined with an effective international control of civil aviation. As a preliminary to the decision to be taken by the Committee of Air Powers, the Bureau shall at once:

"(i) Fix the maximum unladen weight of military and naval aircraft;

"(ii) Decide as to the disposal of machines exceeding that limit—whether they shall be scrapped, and, if so, the dates by which scrapping must have been effected;

"(iii) Fix the numbers of machines not exceeding the unladen weight limit which may be allowed to each State.

"(d) Naval Forces.—The Bureau shall fix the maximum tonnage and maximum calibre of gun for:

"(i) Capital ships;

"(ii) Aircraft-carriers (if these are allowed to be retained or replaced);

"(iii) Cruisers;

"(iv) Destroyers;

"(v) Submarines (if these are allowed to be retained or replaced)."

The General Commission decided, on February 13th, to send at once to the Political Commission the various proposals concerning security and to retain for its own consideration the proposals concerning effectives, land war material, air and naval forces.

The General Commission at meetings held between February 13th and March 6th, discussed the question of effectives¹ and the instructions to be given to the Air Committee.² On March 9th, it took up the subject of land material and instructed a Drafting Committee under the chairmanship of M. Politis to frame either definite proposals or a questionnaire bringing into relief the main principles involved.³ A questionnaire was drafted and circulated to the General Commission on March 15th.

**DRAFT CONVENTION SUBMITTED BY THE UNITED KINGDOM DELEGATION.**

The General Commission, on March 16th, 1933, heard a statement by Mr. Ramsay MacDonald (United Kingdom) prior to the submission by the United Kingdom delegation of a draft Disarmament Convention (document Conf.D.157).

The following is a summary of the main provisions of the draft Convention:

**Security.**

The part relating to security is based on the existence of the Pact of Paris. In the event of a breach or threat of breach of the Pact, there is to be a conference between the parties, if any five of them, including one at least of the great Powers, so request. The conference may be summoned through the machinery of the League of Nations. Any conclusions reached must be concurred in by the representatives of all the great Powers and by a majority of the

¹ See page 16.
² See page 21.
³ See page 17.
other Governments participating in the conference. It will be the object of the conference, if called in view of a threat of breach of the Pact, to agree upon the steps which could be taken, and, if a breach has actually occurred, to determine which party is to be held responsible.

An article in the final provisions states that the Convention is not to be interpreted as restricting the provisions of the Covenant of the League, in particular those which fix the powers of the Council and Assembly.

**Disarmament.**

**Effectives.**—The whole of the land forces of continental Europe are to be put on a comparable basis, and, with a view to limiting the power of aggression, they are to be reduced to a militia basis by fixing eight months as the maximum period of service. To suit the differing conditions in certain States, provision is made for an extension to twelve months in certain cases to be decided by the Conference.

Once agreement has been reached on the size of European continental land forces, it is thought that it will not be difficult to fix figures of limitation for other armies.

There follows the appended table of average daily effectives which are not to be exceeded in the land armed forces.

<table>
<thead>
<tr>
<th>Stationed in home country</th>
<th>Total including overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>200,000</td>
</tr>
<tr>
<td>Belgium</td>
<td>60,000</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>60,000</td>
</tr>
<tr>
<td>Spain</td>
<td>120,000</td>
</tr>
<tr>
<td>France</td>
<td>200,000</td>
</tr>
<tr>
<td>Greece</td>
<td>60,000</td>
</tr>
<tr>
<td>Hungary</td>
<td>60,000</td>
</tr>
<tr>
<td>Italy</td>
<td>200,000</td>
</tr>
<tr>
<td>Netherlands</td>
<td>25,000</td>
</tr>
<tr>
<td>Poland</td>
<td>200,000</td>
</tr>
<tr>
<td>Portugal</td>
<td>50,000</td>
</tr>
<tr>
<td>Roumania</td>
<td>150,000</td>
</tr>
<tr>
<td>Czechoslovakia</td>
<td>100,000</td>
</tr>
<tr>
<td>Union of Soviet Socialist Republics</td>
<td>500,000</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>100,000</td>
</tr>
<tr>
<td>Each other continental European State</td>
<td>(No separate figure)</td>
</tr>
</tbody>
</table>

This table contains only the figures which are suggested for the countries of continental Europe. It would of course require to be completed by the addition of figures in respect of all the other parties.

**Material.**—With regard to mobile land guns, a limit of 105 mm. is imposed for the future. It is proposed that States shall retain their existing armament up to 155 mm. (6-inch), but that all future construction shall be within the lower limit of 105 mm. (4.5-inch) approximately.

Coast-defence guns must approximate to the limit for naval guns. Their limit has been fixed at 406 mm. (16-inch), the size of the largest naval gun.

The maximum limit for tanks has been fixed at 16 tons.

All prohibited material is to be destroyed on the basis of one-third within one year and of two-thirds within three years of the coming into force of the Convention.

**Naval Armaments.**—As regards naval armaments, reductions and limitations have already been effected by the Washington and London treaties. The object is to extend the Treaty of London to include two principal naval Powers—viz., France and Italy—which are at present not within its framework; and further to stabilise the remaining naval forces of other Powers at the figures taken from returns to the Secretary-General of the League of Nations reproduced in the *Armaments Year-Book, 1932.*

The articles, therefore, in the draft Convention are designed to hold the situation created by the London and Washington treaties until the Naval Conference which is to meet in 1935 regulates the naval armaments of all Powers on a satisfactory basis for the future.

The naval chapter arranges that the truce in capital-ship building is extended to all, except that Italy may lay down one ship.

Except as provided for by the London Naval Treaty, there will be no construction of 8-inch cruisers. All other construction will be purely for replacement and will conform to the qualitative limitations in force in the naval treaties.

Provision is made for a Permanent Disarmament Commission and the immediate examination by that body of the further naval qualitative limitations which have been before the Conference, with a view to their consideration by the Naval Conference which is to meet in 1935.
Air Armaments.—Bombing from the air is to be completely prohibited (except for police purposes in certain outlying regions). With a view to effecting, during the next five years, the reductions necessary to facilitate further air disarmament after that period, a table sets out the figures of aeroplanes capable of use in war which, by the end of that period, are not to be exceeded by the countries which at present possess such aeroplanes. As regards other countries, the status quo is maintained, each of the principal air Powers—France, Japan, Italy, the Union of Soviet Socialist Republics, the United States of America, and the United Kingdom—is to reduce its figure to 500. No naval or military aircraft (excluding troop carriers and flying boats) is to exceed three tons in unladen weight. No dirigibles are to be built or acquired during the period of the Convention. Countries which at present possess dirigibles may retain them during the period of the Convention, but may not, during this period, acquire or build any more. Aeroplanes exceeding the quantitative and qualitative limitations imposed must have been disposed of, half by June 30th, 1936, and the remainder by the end of the period of the Convention. Pending any further proposals, in subsequent conventions, for air disarmament, civil aviation is to be regulated. The Permanent Disarmament Commission is to draw up a scheme for the complete abolition of naval and military aircraft, conditional upon an effective supervision of civil aviation in order to prevent its misuse for military purposes. Alternatively, if such effective supervision is not found to be practicable, they are to prepare a scheme to determine the minimum numbers of naval and military aircraft required by each contracting party. These schemes are to be submitted to the second Disarmament Conference.

Chemical Warfare.

Chemical, incendiary and bacterial warfare is prohibited on the lines already accepted by the Conference.

Permanent Disarmament Commission.

The provisions relating to the composition, functions and operations of the Commission follow the lines which have already been agreed upon by the Conference. It will, in particular, be the duty of the Commission to make provision for the second Disarmament Conference which is to be held before the expiry of the Convention.

Other Provisions.

The Convention is to remain in force for a few years, except the naval provisions, which will terminate on December 31st, 1936 (before which date a further naval conference is to be held), and the rules forbidding certain methods of warfare, which are to remain in force indefinitely. Before the expiry of the Convention, a further Disarmament Conference is to be held in order to conclude a new convention which would carry on the work of the limitation and reduction of armaments begun by the Convention at present proposed. The Convention, together with the subsequent ones to be concluded, would replace the provisions of the peace treaties which at present limit the armaments and armed forces of Germany, Austria, Hungary and Bulgaria.

The delegates of France, the United States of America, Germany and Italy expressed their appreciation of the initiative of the United Kingdom delegation. There was a general discussion of the draft Convention at meetings held from March 24th to 27th, 1933. The General Commission, on March 27th, at the close of this general discussion, unanimously adopted the following resolution:

"The General Commission,

"In view of the results of the general discussion concerning the draft Convention submitted by the United Kingdom delegation;

"Noting that this draft remains within the general framework of the draft Convention drawn up by the Preparatory Commission and, at the same time, embodies new elements resulting, on the one hand, from the studies undertaken in pursuance of the resolution of July 23rd, 1932, and, on the other hand, from the decisions taken since the beginning of the session on the basis of the previous proposals of other delegations, and notably of the French delegation:

"Decides,

"(1) To take this draft as a basis for its subsequent discussions, the various delegations retaining the right to propose modifications, amendments or additions according to the wishes then manifested in their communications to the General Commission;"
To proceed, at its next meeting, after the Easter vacation, to the examination of this draft part by part and article by article;

Delegations wishing to submit amendments to Part I are requested to communicate them in writing to the Secretary-General of the Conference not later than April 20th, 1933.”

Forty-two delegations voted for the resolution. No delegation voted against it.

The Soviet delegation accepted the decisions but could not associate itself with all the considerations. It objected, in particular, to the reference made to the resolution of July 23rd, 1932, against which the Soviet delegation had voted.

The German delegation stated that it was in the same position as the Soviet delegation, having voted against the resolution of July 23rd, 1932. There were other points to which the German delegation had raised objections and it could therefore agree only to paragraph 1 and the text of the decision.

The Italian delegation voted for the resolution, observing, however, that it was in the same position as the Soviet and German delegations in so far as concerned the reference to the resolution of July 23rd, 1932, having abstained from voting that resolution. It associated itself with the German and Soviet reservations.

The Hungarian delegation stated that it was in the same situation as the Italian delegation as regarded the resolution of July 23rd, 1932, and it made the same reservations as that delegation to the second paragraph of the considerations.

The Austrian delegate stated that, since the Austrian delegation had refrained from voting on the resolution of July 23rd, 1932, he must adopt the same attitude as the delegates who had made reservations in that connection.

* * *

The General Commission then agreed to hold its next meeting on April 25th, 1933, leaving the Chairmen of Committees to decide whether or not their Committees should meet during the intervening period.

III. SECURITY.

The Political Commission met from February 14th to March 10th, 1933, to consider the questions relating to security referred to it by the General Commission.

It first considered the proposed declaration of non-resort to force, applicable to Europe, put forward by the United Kingdom delegation, and on March 2nd adopted a text and a report submitted by its Drafting Committee. The text was as follows:

“The Governments of . . . .

“Anxious to further the cause of disarmament by increasing the spirit of mutual confidence between the nations of Europe by means of a declaration expressly forbidding resort to force in the circumstances in which the Pact of Paris forbids resort to war:

“Hereby solemnly reaffirm that they will not in any event resort, as between themselves, to force as an instrument of national policy.”

It was emphasised in the report that the question of the universal scope of the obligation was to be a matter of subsequent enquiry by the Conference. It was also pointed out that the text was not to be considered as an interpretation of the Pact of Paris, but as embodying an obligation distinct from the Pact. The principle underlying the declaration was that it should remove the doubts to which the use of the word “war” might give rise. Finally, it was observed that the object of the declaration would not be secured if it merely involved a renunciation of recourse to force in the event of force being employed to settle a dispute since there might well be recourse to force without any formal dispute.

The Political Commission next considered the question of mutual assistance as raised in the French Memorandum and in the United Kingdom programme of work, the definition of the aggressor on the basis of a proposal by the Soviet delegation (document Conf.D./C.G.38) and the procedure to be used in establishing the facts in cases of aggression or threatened aggression on the basis of a proposal of the Belgian delegation (document Conf.D./C.P.12).

The Soviet proposal established five criteria for the definition of an aggressor:

(a) Declaration of war;

(b) Invasion by armed forces of the territory of another State without declaration of war;

(c) Bombardment of the territory of another State by land, naval or air forces, or wilful attack upon its air or naval forces;

1 See page 5.

2 See page 10.
The introduction within the frontiers of another State of land, naval or air forces without the permission of such State;

The establishment of blockade of the coast or ports of another State.

The text of the Belgian proposal was as follows:

"I. There shall be set up at the seat of the Government of each of the High Contracting Parties a Commission for establishing the facts, consisting of five members (five, for example) chosen from among the diplomatic agents and military, naval and air attaches accredited to the said Government.

"II. The members of this Commission shall be appointed, in conditions to be agreed upon, by the Council of the League of Nations (or : by the Permanent Disarmament Commission) which shall also designate the President of the Commission.

"III. Any High Contracting Party which believes itself to be the victim of, or to be threatened with, any aggression or violation of its territory, shall have the option of calling upon the Commission set up at the seat of its Government to establish all the facts likely to throw light on the situation and, if necessary, to determine responsibilities.

"IV. A High Contracting Party making use of this option must, at the same time, notify the Secretary-General of the League of Nations (or : the Secretary of the Permanent Disarmament Commission) as quickly as possible. The latter shall immediately notify the Government of the High Contracting Party accused, in order that the latter may without delay have the facts established on its side by the Commission set up at the seat of its Government.

"V. If the Commission considers it useful for the accomplishment of its task to verify certain facts other than those to which its attention has been drawn by the complainant Government, it shall inform the latter, which shall decide what action should be taken in this respect.

"VI. Any Commission before which a request for the establishment of facts has been laid shall, as soon as possible, make a detailed report on the result of its mission and on the conditions in which it has been carried out to the Secretary-General of the League of Nations (or : to the Secretary of the Permanent Disarmament Commission).

"The Commission shall supply the Council of the League of Nations and the Permanent Disarmament Commission with any supplementary written or verbal explanations which it may be asked to give in this connection.

"VII. The decisions of the Commission shall be taken by a majority vote, the members of the minority having the right to add to the report a note explaining the reasons for their disagreement."

On March 10th, the Committee instructed a Drafting Committee under the chairmanship of M. Politis (Greece) to consider the question of the definition of the aggressor on the basis of the Soviet proposal, the procedure for establishing the facts in the case of aggression on the basis of the Belgian proposal and other questions relating to security, including the question of mutual assistance.

Up to March 27th, this Committee had not reported.

IV. EFFECTIVES.

The resolution adopted by the General Commission on July 23rd, 1932, contained the following paragraphs:

"A strict limitation and a real reduction of effectives shall be brought about.

"For this purpose, the Conference invites the Bureau to examine, with the collaboration of such delegations as it considers necessary, the proposal of President Hoover relating to effectives. These studies should take into consideration, in the case of each country, the actual conditions of defence and the number and character of its forces."

Giving effect to this invitation on September 22nd, the Bureau, on the proposal of the United States representative, set up a Special Committee on Effectives. The members were to be experts, but Government delegates of the countries represented on the former Committee on Effectives,1 together with those of countries members of the Bureau not represented on the former Committee.

This enlarged Committee, subject to the Bureau's approval, was to draw up its own terms of reference and programme of work. As in all the Commissions and Committees of the Conference, countries not represented on the Committee might express their views on any aspects of the problem in which they were particularly interested.

The Special Committee met on September 30th, 1932, with M. de Brouckère (Belgium) as Chairman, and M. Westman (Sweden) as Vice-Chairman.

It decided to consider separately home and oversea forces and adopted a plan of work, submitted by the United States representative, based on President Hoover's proposals. All the delegations represented, except that of the Union of Soviet Socialist Republics, which, however, stated that it was in favour of the ideas underlying the Hoover proposals accepted.

the principle of the division of effectives into two components, one irreducible and the other reducible.

The Committee, in respect of home forces, adopted as a basis for calculating the irreducible component the following text: 1

"The Committee is of the opinion that, in order to obtain the basis of calculation, in accordance with the regime prescribed for the Powers whose forces are limited by the treaties of peace, for the strength of the irreducible component for home territories, it is necessary, in order to obtain a first approximation, to base it upon the figures of population. For this calculation, the rates may vary in an inverse ratio to the population. The index figures thus obtained, in terms of professional soldiers, will be transformed in accordance with rules to be subsequently determined, in order to take into account the character of the forces of each country.

"Corrections will subsequently be made, if necessary, empirically, in consideration of the special conditions of States in various regional groups, by taking into account the following factors:

(a) Area;
(b) Length and nature of frontiers;
(c) Situation of vital centres in relation to frontiers."

The Committee referred the question of oversea effectives to a Sub-Committee, composed of representatives of countries possessing colonies. This Sub-Committee considered the factors which should be taken as a basis in calculating the irreducible components for oversea effectives.

The Committee decided that naval and air effectives should provisionally be left aside in the calculation of the effectives covered by the Hoover proposal.

The Committee set up a Technical Committee of Experts to:

(i) examine the characteristics of the various police forces and similar formations belonging to the States represented on the Committee on Effectives, in order to enable the Committee later to determine which police forces of the various States should be taken into account in calculating effectives;

(ii) determine what part of the naval forces should be assimilated to land forces when establishing the irreducible component.

The Technical Committee, reporting to the Committee on point 1, stated that it had examined all the police forces of the States represented on the Technical Committee, including those of a non-military character, and set forth the general conclusions at which it had arrived.

In regard to point 2, the Technical Committee submitted a text drawn up by a Committee of Experts which it had requested to consider the question.

The Committee approved the report of the Technical Committee and requested it to examine the police forces and similar formations of all the countries invited to the Conference.

The Technical Committee, in conducting its enquiries, sent out relevant questionnaires to the countries concerned.

The Bureau of the Conference, on November 6th, approved the report of the Technical Committee submitted by the Committee on Effectives, together with the terms of reference and programme of work which the Committee proposed to follow.

The General Commission, on February 13th, 1933, considered the question of effectives in the light of the proposals embodied in the French memorandum 2 and in the programme of work submitted by the United Kingdom delegation 3 and the amendments proposed by the various delegations. It requested a Drafting Committee, under the Chairmanship of M. Politis (Greece), to consider the various proposals in regard to effectives which were before the Conference and to draw up a list of questions, on which the General Commission would be required to take decisions of principle before referring them for detailed examination to the Committee on Effectives.

The list of questions was submitted to the General Commission on February 16th. It decided to consider the list in three parts—first, questions framed on the basis of the French memorandum, and associated with the idea of the standardisation of the European continental armies; secondly, questions relating to effectives generally; thirdly, questions regarding oversea effectives.

The General Commission, on February 23rd, decided by a majority vote in favour of the standardisation of the European continental armies in the form of armies with short-term service and limited effectives, and, on February 27th, it decided by a majority vote that standardisation should not apply to oversea effectives.

The General Commission took up the discussion of the other questions relating to effectives on February 28th and, on March 6th, it appointed a Sub-Committee, consisting of delegates of countries directly concerned in the question of colonial troops, to consider whether a distinction should be drawn between effectives stationed in the home country and those stationed in oversea territories. The Commission then referred the list of questions, with its replies to them, back to the Special Committee on Effectives for consideration and action.

1 The Soviet delegation declared that it could not support this text, and the United Kingdom delegation expressed certain misgivings as to the second paragraph.

2 Document Conf.D.146.

The General Commission further requested the Special Committee on Effectives to establish, after consultation with the countries concerned, a table showing the effectives as they would stand in each country if the principles approved by the General Commission were applied. The Special Committee on Effectives, following the adoption by the General Commission on March 27th of the resolution by which it agreed to take the United Kingdom draft Convention as a basis for its subsequent discussions, reviewed the position thus created in regard to its work, and instructed its Technical Committee to deal with the questions relevant to this draft Convention, in particular, the following items:

(1) To continue its examination of the characteristics of the various police forces and similar formations;

(2) To examine the question of military instruction given outside the army—particularly in the case of young men before their incorporation in the armed forces.

V. LAND WAR MATERIAL.

The resolution adopted by the General Commission on July 23rd, 1933, contained the following paragraphs:

“(a) Land Artillery.

1. All heavy land artillery of calibres between any maximum limit as determined in the succeeding paragraph and a lower limit to be defined shall be limited in number.

2. The limitation of calibre of land artillery shall be fixed by the Convention. Subject to an effective method being established to prevent the rapid transformation of guns on fixed mountings into mobile guns, different maxima for the calibre of land guns may be fixed as follows:

(a) A maximum limit for the calibre of coastal guns, which shall not be less than the maximum calibre of naval guns;

(b) A maximum limit for the calibre of guns in permanent frontier or fortress defensive systems;

(c) A maximum limit for the calibre of mobile land guns (other than guns employed for coastal defence).

(b) Tanks.

The maximum unit tonnage of tanks shall be limited.”

The Bureau, at its meeting on September 22nd, 1932, requested M. Buero (Uruguay), President of the Land Commission, to get into touch with the delegations in order to ascertain whether they had any definite proposals to make which might serve as a basis for the decisions of the Bureau in regard to fixing the figures.

M. Buero informed the Bureau, on November 15th, that his consultations with the various delegations had not advanced far enough for him to be able to submit definite conclusions. He hoped, however, that it would be possible very shortly to submit a report containing such conclusions and suggested that the examination of the questions relating to heavy artillery material and tanks should for the moment be adjourned.

The Bureau adopted this suggestion.

The General Commission began its consideration of the question of land war material on March 9th, 1933.

The President, reviewing the position, referred to the resolutions which had been adopted by the General Commission, the declaration of the Five Powers, which had been noted by the General Commission on December 14th, 1932, and the proposals before the Conference.

The General Commission, after a general discussion, appointed a drafting committee to draw up, on the basis of the proposals before the Conference, either definite proposals or a questionnaire in which items raising important questions of principle would be placed first with a view to their consideration and decision by the General Commission.

The questionnaire was circulated to the General Commission on March 15th. It presented a series of definite questions under four heads:

I. Qualitative limitation.

II. Quantitative limitation.

III. How is land material prohibited for national purposes to be disposed of?

IV. Various questions relating to land material.

The General Commission, in view of its decision adopted on March 27th to take as a basis for its subsequent discussions the draft convention submitted by the United Kingdom delegation, did not proceed with the consideration of the questionnaire.
VI. NAVAL ARMAMENTS.

The resolution adopted by the General Commission on July 23rd, 1932, contained the following paragraphs:

"As regards the proposals made by President Hoover and other related proposals concerning naval armaments, the Conference invites the Powers parties to the Naval Treaties of Washington and London, which have already produced important results, to confer together and to report to the General Commission, if possible before the resumption of its work, as to the further measures of naval reduction which might be feasible as a part of the general programme of disarmament.

"The Conference further invites the naval Powers other than the Powers parties to the above treaties to make arrangements for determining the degree of naval limitation they are prepared to accept in view of the Washington and London Treaties and the general programme of disarmament envisaged in the present resolution.

"The Bureau will be kept informed of the progress of these negotiations, which it will be its duty to co-ordinate within the framework of the General Convention in preparation for the comprehensive decisions of the General Commission."

The Bureau, at its meeting on September 26th, requested Sir John Simon (United Kingdom) to keep it informed of the progress made in these negotiations.

On December 9th, 1932, the Proposal of the Japanese Government for the Reduction and Limitation of Naval Armaments,1 which follows, was circulated to the Conference.

The Japanese proposal embodied the following provisions:

For the qualitative and quantitative reduction of naval armaments the Conference should observe the following guiding principle:

Relying on the basis of the resolution adopted by the General Commission in the early stages of the Conference which embodies: (a) the principle of reduction of armaments; (b) the criteria for the limitation and reduction of armaments, and (c) the principle of qualitative disarmament, the Conference should seek to reduce forces aggressive in character and strong in offensive power and to find a fair and rational solution, such as would meet existing conditions, with due regard to the geographical situations and special circumstances of the various countries, so that the sense of security may not be impaired.

The procedure to be followed in future discussions should be most carefully considered, the Japanese Government believing it to be practically impossible for a world conference such as the present to conclude a comprehensive agreement at a single stroke with all the Powers taking part in the discussion of every problem. It proposes in regard to naval questions, that:

"(1) The general outline of agreements to be concluded shall form the subject-matter of prior negotiations between the United States, the British Empire, France, Italy and Japan, as was contemplated by the resolution of the General Commission on July 23rd;

"(2) The agreements shall be of two kinds—general and special. Discussions on matters of a general character will be followed by discussions on matters of a sectional and detailed nature;

"(3) A distinction shall be made between powerful naval vessels, which possess a high degree of relativity as between Powers, and less powerful vessels, which, having a close relation to geographical situation and special circumstances, are primarily necessary for defence and patrol services; in other words, such vessels as capital ships, aircraft-carriers and A-class cruisers on the one hand, and such vessels as B-class cruisers, destroyers and submarines on the other, shall be dealt with separately."

In the general agreement, qualitative limitation of all categories of naval vessels and quantitative limitation between the five leading naval Powers of capital ships, aircraft-carriers and A-class cruisers are to be effected so that the offensive power of these vessels will be greatly reduced; and the maximum tonnages, applying uniformly to the aforementioned five Powers, for B-class cruisers, destroyers and submarines respectively shall be fixed.

In the special agreements, quantitative reduction to be applied mainly to B-class cruisers, destroyers and submarines shall be effected within each group of Powers most closely related, taking into account their geographical situation and special circumstances.

A. General Agreement.

It is the purpose of this agreement to provide for qualitative limitation of naval vessels of all countries, together with a quantitative limitation between the United States, the British Empire, France, Italy and Japan, of vessels having a great offensive power and to fix the maximum tonnages, applying uniformly to the said five Powers, for B-class cruisers, destroyers and submarines respectively.
I. Reduction in the unit size of the various naval vessels and the calibre of the guns shall be agreed upon.

2. The reduction and limitation of the tonnages of capital ships, aircraft-carriers and A-class cruisers of the above-mentioned five Powers shall be agreed upon.

3. The maximum tonnages, applying uniformly to the five naval Powers, for B-class cruisers, destroyers and submarines respectively shall be agreed upon in the general agreement. The actual tonnages of these vessels to be retained by the five Powers shall, however, be fixed as low as possible within the above-mentioned maximum, by means of special agreements, between the Powers in the respective groups to which the said five Powers belong, taking the tonnages actually possessed by each Power as a basis and also bearing in mind the geographical situation and special circumstances of each country concerned.

4. As for the tonnages of the Powers other than the United States, the British Empire, France, Italy and Japan, it shall be agreed in the general agreement that they shall be limited and reduced by means of the special agreements, upon the basis of the actual tonnages of the Powers and with due regard to their geographical situation and special circumstances.

B. SPECIAL AGREEMENTS.

For the purpose of these agreements, the world shall be divided broadly into the Pacific, Atlantic, European and South-American groups, and the limitation and reduction of the tonnages to be actually retained by a country shall be agreed upon between that country and other countries of the same group on the basis of the provisions embodied in the general agreement. (As for the United States of America, the British Empire, France, Italy and Japan, the special agreements apply to the tonnages of B-class cruisers, destroyers and submarines.) A country which is closely related to more than one group shall participate in the negotiation of the agreement of each of those groups.

Throughout the discussions of the Conference in the first six months, the most important point unanimously agreed upon was the principle of qualitative limitation, which was adopted with the basic idea in mind of strengthening defensive power by weakening offensive power.

Having this end in view, the Japanese Government urge, first of all, the total abolition of aircraft-carriers, which were admitted by a great majority of the members of the technical Commissions to be most offensive, most efficacious against national defence, and most threatening to civilian populations. The Japanese Government also urge the reduction in the unit size of all categories of naval vessels, especially that of capital ships and A-class cruisers.

In view of the fact that the basic idea referred to above of strengthening defensive power by weakening offensive power necessarily demands a larger sacrifice on the part of larger navies in comparison with that of smaller navies, the former should be prepared to take the lead in larger reductions than the latter. To apply the same percentage of reduction to both large and small navies alike would naturally impair the sense of national security of countries with lesser navies, and this sense of security will diminish as the measure of reduction is increased. It is absolutely necessary, therefore, that, in effecting the reduction in the tonnages of vessels possessing a high degree of relativity as between Powers, such as capital ships and A-class cruisers, the above consideration of national security should be taken into account in order that lesser naval Powers may not be disturbed in this regard. B-class cruisers and destroyers, having no great offensive power, are less important in the consideration of relativity. The tonnages required by each Power should therefore be determined primarily by the needs of that Power in view of its geographical situation and with due regard to the function of these types of vessels in coastal defence and protection of lines of communication in war time, and for patrol and similar services in time of peace. Submarines, as was recognised by a large majority of the members of the Naval Commission, are of defensive and not offensive character. The degree of their relativity as between Powers is extremely slight, and they constitute an arm indispensable for the defence of a lesser naval Power. The required tonnage should be determined, therefore, solely by the geographical situation and defensive needs of each country.

In short, the greatest importance should be attached to considerations of the geographical situation and special circumstances of each country in determining the tonnages of B-class cruisers, destroyers and submarines. The Japanese Government therefore propose that the actual tonnages of these vessels to be retained by the various Powers be determined by means of special agreements, and that the uniform maximum tonnages acceptable to all the Powers, for these three types of vessels, be stipulated in the general agreement.
The Japanese Government put forward the following concrete proposal for the general agreement:

1. The maximum unit size and gun-calibre of vessels to be constructed in the future shall be reduced and limited as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Tonnage</th>
<th>Gun-calibre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital ship</td>
<td>25,000</td>
<td>14 inches (355 mm.)</td>
</tr>
<tr>
<td>A-class cruiser</td>
<td>8,000</td>
<td>8 inches (203 mm.)</td>
</tr>
<tr>
<td>B-class cruiser</td>
<td>6,000</td>
<td>6.1 inches (155 mm.)</td>
</tr>
<tr>
<td>Destroyer (including flotilla leader)</td>
<td>1,500</td>
<td>5.1 inches (130 mm.)</td>
</tr>
<tr>
<td>Submarine</td>
<td>1,800</td>
<td>5.1 inches (130 mm.)</td>
</tr>
</tbody>
</table>

“Aircraft-carriers shall be abolished; and at the same time the construction of aircraft landing platforms or decks on naval vessels prohibited.

2. The strength of the United States of America, the British Empire, France, Italy and Japan in capital ships and A-class cruisers shall be reduced to the following figures:

<table>
<thead>
<tr>
<th>Capital Ships</th>
<th>Tonnage</th>
<th>Number of units</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>275,000</td>
<td>11</td>
</tr>
<tr>
<td>British Empire</td>
<td>275,000</td>
<td>11</td>
</tr>
<tr>
<td>Japan</td>
<td>200,000</td>
<td>8</td>
</tr>
</tbody>
</table>

“For France and Italy, the maximum tonnage shall be fixed at 150,000 (number of units not fixed) and within that limit the actual tonnage to be allowed each Power shall be agreed upon between the Powers concerned.

<table>
<thead>
<tr>
<th>A-class Cruisers</th>
<th>Tonnage</th>
<th>Number of units</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>96,000</td>
<td>12</td>
</tr>
<tr>
<td>British Empire</td>
<td>96,000</td>
<td>12</td>
</tr>
<tr>
<td>Japan</td>
<td>80,000</td>
<td>10</td>
</tr>
</tbody>
</table>

“For France and Italy, the maximum tonnage shall be fixed at 56,000 (number of units, 7) and within that limit the actual tonnage to be allowed each Power shall be agreed upon between the Powers concerned.

3. The maximum tonnages, applying uniformly to the United States, the British Empire, France, Italy and Japan for B-class cruisers, destroyers and submarines shall be fixed as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Tonnage</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>B-class cruiser</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td>Destroyer</td>
<td>150,000</td>
<td></td>
</tr>
<tr>
<td>Submarine</td>
<td>75,000</td>
<td></td>
</tr>
</tbody>
</table>

VII. AIR FORCES.

The resolution adopted by the General Commission on July 23rd, 1932, contained the following passage:

“The Conference, deeply impressed with the danger overhanging civilisation from bombardment from the air in the event of future conflict, and determined to take all practicable measures to provide against this danger, records at this stage of its work the following conclusions:

(1) Air attack against the civilian population shall be absolutely prohibited;
(2) The High Contracting Parties shall agree as between themselves that all bombardment from the air shall be abolished, subject to agreement regarding measures to be adopted for the purpose of rendering effective the observance of this rule.

These measures should include the following:

(a) There shall be effected a limitation by number and a restriction by characteristics of military aircraft;
(b) Civil aircraft shall be submitted to regulation and full publicity. Further, civil aircraft not conforming to the specified limitations shall be subjected to an international regime (except for certain regions where such a regime is not suitable) such as to prevent effectively the misuse of such civil aircraft.”

The Bureau, on September 26th, 1932, requested M. de Madariaga (Spain), Chairman of the Air Commission, to prepare a report on the best procedure to be followed in regard to:

(a) Complete prohibition of air attacks against the civil population.
(b) Abolition between contracting parties of all aerial bombardment subject to agreement regarding measures to be adopted for rendering effective the observance of such abolition.
The Bureau, on November 22nd, adopted the report prepared by M. de Madariaga (document Conf.D.141) and, in accordance with a proposal contained in the report, set up an Air Committee, composed of persons with political responsibilities and not of experts, to deal with the question of air forces.

The Air Committee constituted under this decision never met, and the questions referred to it were eventually dealt with by an Air Committee which was set up later by the General Commission (see below).

On February 13th, 1933, the General Commission reconsidered the air questions before the Conference on the basis of the proposals submitted by the United Kingdom delegation. It requested the United Kingdom delegate to circulate draft terms of reference for the Air Committee, to be discussed by the General Commission.

The Commission considered these draft terms of reference on February 16th, 1933. With amendments put forward by the German delegation and proposals submitted by the French delegation, they were referred to a special Air Committee, composed of delegates of the principal air Powers.

This Committee met on February 20th, 1933, under the chairmanship first of M. de Madariaga (Spain) and subsequently of Dr. Lange (Norway), to consider the following matters:

(1) The proposal of the United Kingdom delegation, as follows:
"To examine the possibility of the entire abolition of military and naval machines and of bombing from the air, combined with an effective international control of civil aviation."

(2) The German amendment to the United Kingdom proposal to the effect that the General Commission itself should decide whether the entire abolition of military and naval aircraft, combined with an effective control of civil aviation, should be effected and whether bombing from the air should be absolutely prohibited.

(3) The French proposal:
(i) That a Drafting Committee should be appointed to draw up a list of general principles on which the General Commission would have first to reach agreement;
(ii) That, when the General Commission had reached conclusions on the general principles, the Air Committee should be instructed to make a detailed study of the problem and, in particular, of all the measures for the application of the general principles determined upon and settled.

It was understood that the Committee would refer back to the General Commission any questions upon which it desired a decision from the General Commission.

On the assumption that military and naval aircraft would be completely abolished, the Committee first considered the measures to be taken in respect of civil aviation in order to render possible the abolition of military and naval aviation and of aerial bombardment, and then discussed successively the regulation, supervision and internationalisation of civil aviation.

The points raised in the Committee's discussion were embodied in a questionnaire by a Drafting Committee and the Committee entered upon a consideration of this questionnaire. The Committee suspended its work on March 17th to enable the delegations of distant countries to consult their Governments.

VIII. CHEMICAL, BACTERIAL AND INCENDIARY WARFARE.

The resolution adopted by the General Commission on July 23rd, 1932, in reference to chemical, bacterial and incendiary warfare contained the following paragraphs:

(1) Chemical, bacterial and incendiary warfare shall be prohibited under the conditions unanimously approved by the Special Committee.
(2) Rules of international law shall be formulated in connection with the provisions relating to the prohibition of the use of chemical, bacterial and incendiary weapons and bombing from the air, and shall be supplemented by special measures dealing with infringement of these provisions.

The Bureau considered these questions, together with the preparation of chemical, bacterial and incendiary arms in peace time and training in their use on September 21st, 1932. It decided to request the Secretary-General to ascertain, from the records of previous enquiries, what were the views held by experts as to the practicability of prohibiting the preparation and training in the use of gas, as opposed to prohibiting its use in war time, and whether any sufficient reason existed why the preparation and possession of implements for use in gas warfare should not be forbidden.

The Bureau, having received this information, on September 22nd, requested M. Pilotti (Italy), Chairman of the Special Committee on Chemical, Bacterial and Incendiary Warfare, to submit a report on the subject and on the problems raised by possible violations of the prohibition of chemical, bacterial and incendiary warfare.

1 See page 11.
The report of M. Pilotti was received and discussed by the Bureau on November 8th. It consisted of four chapters dealing with the following matters:

Chapter I.—Absolute or Relative Character of the Prohibition.
Chapter II.—The Prohibition of Preparations for Chemical, Incendiary and Bacterial Warfare:
   Section I : Prohibition of the Manufacture and Possession of Appliances and Substances;
   Section II : Prohibition of Training.
Chapter III.—The Supervision of the Observance of the Prohibition of Preparations for Chemical Warfare.
Chapter IV.—Sanctions in the Event of the Use of Chemical, Incendiary and Bacterial Weapons:
   Section I : Establishment of the Fact of Infringement;
   Section II : Effect of the Establishment of the Fact of Infringement.

The Bureau, following its consideration of the report, referred to the Special Committee on Chemical, Bacterial and Incendiary Warfare a questionnaire on technical points arising out of the discussion, prepared by M. Pilotti, in regard to which it desired some further information, while a Drafting Committee was requested to reconsider the text of M. Pilotti’s conclusions upon Chapter IV (Sanctions).

The Drafting Committee, in accordance with these instructions, submitted new texts dealing with the problem of sanctions, but the Bureau decided on November 12th to adjourn any further discussion of the matter until after the Special Committee had reported upon the questionnaire.

The Special Committee, meeting from November 17th to December 13th, drew up a reply to the questionnaire, which, with a series of conclusions drawn up by the Rapporteur, M. Rutgers, was considered by the Bureau on January 25th and 30th. Texts were approved and referred to a Drafting Committee under M. Politis with instructions to draft articles for the Convention which would be considered in due course by the Bureau after the question of sanctions had been settled.

The texts approved by the Drafting Committee were subsequently used as a basis for the stipulations concerning chemical, incendiary and bacteriological warfare embodied in the draft Disarmament Convention submitted to the General Commission by the delegation of the United Kingdom on March 16th, 1933.

The use of chemical, incendiary and bacterial weapons as against any State, whether or not a party to the Convention, and in any war, whatever its character, is prohibited. All preparations for chemical, incendiary and bacterial warfare are prohibited in time of peace, as in time of war, and it is forbidden to manufacture, import, export or be in possession of appliances or substances exclusively suited to chemical or incendiary warfare. The manufacture of and trade in such substances as are suitable for both peaceful and military purposes is prohibited, when their use for war purposes is intended. It is further prohibited to instruct or train air forces in the use of chemical or incendiary weapons, or bacterial means of warfare. Provisions, however, are inserted to render possible protective experiments and training with a view to individual or collective protection against the prohibited weapons.

Provisions, however, are inserted to render possible protective experiments and training with a view to individual or collective protection against the prohibited weapons.

The supervision of the observance of these prohibitions will be effected by the Permanent Disarmament Commission, whose duty it will be to examine complaints put forward by any party alleging violation. The scheme provides for the appointment, if necessary, of commissions of investigation to make enquiries into complaints, if necessary, within the territory of the party against which the complaint has been made.

The Bureau, in reference to sanctions, adopted the following resolution:

“The Bureau agrees to the principle of special measures being taken in case of a violation of the prohibition of use of chemical, incendiary and bacterial weapons. It decides to elaborate the relevant articles with regard to such special measures after the general penalties for the case of the violation of the Convention have been examined by the Conference.”

IX. LIMITATION AND PUBLICITY OF NATIONAL DEFENCE EXPENDITURE.

The Technical Committee of the National Defence Expenditure Commission completed the second reading of its report before the Easter recess, and the report was published on April 8th, 1933. It embodies the results of work begun more than a year ago. The work has involved about one hundred and thirty plenary meetings of the Technical Committee and a considerable number of meetings of Sub-Committees.

The Committee was instructed by the National Defence Expenditure Commission to examine, in the light of the material submitted by the various States, the technical problems raised by the application of the provisions of the draft Convention for the Reduction and Limitation of Armaments, prepared by the Preparatory Commission, which related to

2 Document Conf.D.152.
the limitation and publicity of national defence expenditure. The General Commission, in referring the relevant articles to the National Defence Expenditure Commission, did not decide what system would be finally adopted. In particular, the question was left open whether it should be a system of limitation combined with publicity, or merely a system providing for publicity in regard to expenditure. The enquiries of the Technical Committee were therefore conducted with a view to a possible application of either of these two systems.

Out of the sixty States represented at the Disarmament Conference, twenty-nine supplied the Technical Committee with all the information relating to their budgetary systems and their expenditure on national defence required for the purposes of its investigation. The Committee completed its examination of the material relating to nineteen States. Furthermore, it has partially examined the budgetary documents of ten other States. These twenty-nine countries account for 90 per cent of the total expenditure on national defence of the world at large. Thirty-one States have submitted incomplete documents or none at all.

**Definition of National Defence Expenditure.**

The Committee has taken national defence expenditure for the purposes of the Convention to mean:

"All expenditure necessitated or entailed by the creation, maintenance and training in time of peace of armed forces and formations organised on a military basis and by measures immediately connected with preparations for national mobilisation."

The Committee recognised that the definition was somewhat arbitrary, but felt it necessary practically to determine those classes of expenditure which in its view were incontestably of a specifically military character, to the exclusion of all expenditure which, though primarily of a general character, might nevertheless increase the war potential of States.

The definition given to national defence expenditure is more exactly explained by means of a list of items of expenditure to be regarded as national defence expenditure for the purposes of the Convention. The list includes, among other factors, such items as subsidies granted by the State to private undertakings whose activities include the manufacture of war material in time of peace, subsidies granted to firms for the adaptation of plant and equipment in time of peace with a view to their manufacturing or constructing material of use to the armed forces as from the first days of mobilisation; expenditure on such formations or associations as may be deemed by the Conference to be formations organised on a military basis; subsidies granted to sports associations or shooting clubs with a view to military educational training; sums of money or material given or bequeathed by associations or individuals to the defence services. These items are to be regarded as additional to the essential factors of military expenditure.

Ordinary pensions as opposed to war pensions should, in the opinion of the Committee, be subject to a special publicity but not included in the figures subject to limitation.

M. Worbs (Germany) represented that certain expenditure of considerable importance could not be ascertained with adequate precision because it was impossible to separate it from the war potential, and there was no alternative but to leave it to the States themselves to decide whether to include such expenditure.

**Uniform Presentation of Figures.**

The Technical Committee, like the Committee of Budgetary Experts set up by the Preparatory Commission, considered it essential to establish a uniform framework (Model Statement) in which States can enter all national defence expenditure within the meaning of the Convention, irrespective of the nature and origin of the resources from which that expenditure is met. The key to this operation is supplied by reconciliation tables showing how each figure of the accounts has been transferred to the Model Statement. All States will thus be able to show their national defence expenditure in an identical form.

**Payments Made in the Course of the Financial Year to be Taken as the Juridical Basis for either the Publicity or Limitation of Expenditure.**

The legal basis of limitation should be payments actually effected, for the reason that they are usually contemporaneous with, or follow shortly after, the acquisition of armaments or the rendering of services and are shown in the accounts of all States. The Committee contemplates special measures of publicity relating to armaments acquired and not paid for during the year and for services rendered without payment. The Committee recognises that limitation of expenditure cannot affect withdrawals from stocks of consumable stores, during the period of the Convention, for the requirements of the defence forces.

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3 For the procedure followed by the Committee in examining this information, see the supplementary report on the work of the League (document A.6(e).1932, page 21).
4 Belgium, United Kingdom, Czechoslovakia, Denmark, France, Germany, India, Irish Free State, Italy, Japan, Netherlands, Norway, Poland, Roumania, Sweden, Switzerland, Union of Soviet Socialist Republics, United States of America, Yugoslavia.
5 Albania, Australia, Austria, Bulgaria, Canada, Finland, New Zealand, Portugal, South Africa, Spain.
THE COMMITTEE examined the budgetary systems of the various countries which supplied it with the necessary information with a view to determining:

(a) To what extent publicity of credits and acts relating to the application of budgets enable the true nature of national defence expenditure to be ascertained;

(b) To what extent the control of the internal audit services over the public finances ensures the authenticity of the payment figures entered in the published accounts.

In regard to the publicity of credits, the Committee concluded that the value of the guarantee which such publicity affords varies according to tradition, custom and parliamentary practice and according to the real efficacy of the supervision which Parliament, through the continuous nature of its action, exercises over the granting of credits. It is noted in this connection that in some cases of a temporary nature, whose consideration lies outside the scope of the Technical Committee but which will have to be taken into account when the Convention is signed.

The application of a Limitation Convention, based on payments made in the course of the financial year, rests essentially on the accuracy of the payment figures, which primarily depends on the rules governing the organisation of public accounting and the action of the independent supervisory bodies responsible for seeing that the budgets are properly executed. The Committee finds that almost all national defence expenditure within the meaning of the Convention appears in the accounts of the States. These accounts show payments made under credits granted by the public authorities. The authenticity of the payment figures entered in the accounts is ensured through the application of the public accountancy regulations—that is to say, the rules governing the preparation and execution of the budget, the supervision over that execution and the establishment of the final accounts. Among these regulations the Committee attaches special importance to the activities of the bodies responsible for the higher audit of the accounts and to the independence of their members as regards the Executive. The Committee observes that the degree of independence of these bodies is not the same for every State, but it has ascertained that there are in all the countries whose systems it has examined laws and regulations relating to public finance and accountancy whose observance guarantees the authenticity of the figures in the closed accounts.

Reservations, however, were made by M. Ando (Japan) regarding the necessity of ensuring the independence of the higher auditing bodies and by M. Hägglof, representing M. Sandler (Sweden), regarding the degree to which closed accounts, audited and published officially by the various States, might or might not be called in question.

The Committee is of opinion that the various States signatories of the Convention should assume a contractual obligation to publish their accounts at a sufficiently early date and in a form suitable for meeting the requirements of the Convention, and, in view of the fact that the present practice of certain States is in this respect deficient, proposes that the attention of the Governments concerned should be drawn to the necessity for immediately taking all the necessary steps to this end.

The Committee considers to what extent it is possible for each State to draw up complete accounts of its national defence expenditure. It observes that the major part of national defence expenditure, within the meaning of the Convention, appears in the State accounts (budgetary accounts of the national defence departments, of the colonial department, of the civil departments and special accounts), and that, in addition, a very large proportion of such expenditure is included in the accounts of the defence departments, where it is indicated under separate items. National defence expenditure appearing in the budgetary accounts of the civil departments or services, and in special accounts, represents only a small proportion of the total and is sometimes merged with expenditure having no bearing upon national defence. Expenditure not included in the State accounts is of small importance. Certain principles are indicated which the States should follow in calculating their total national defence expenditure, and the Committee expresses the view that, in the few cases where States may be in doubt as to the interpretation of the rules laid down, the sums affected could never be very considerable. The Committee concludes that it is possible for all practical purposes for States to produce a complete statement of their total national defence expenditure within the meaning of the Convention.

**Verification of Total National Defence Expenditure.**

The Committee considers with what degree of accuracy it would be possible for an international supervisory body to verify the total national defence expenditure effected by each State. It concludes that, in spite of difficulties, which vary appreciably in different States, it would be possible to verify with a high degree of accuracy, by means of the accounts, whether the rules proposed by the Committee for calculating the total national defence expenditure are being applied.

**Separate Limitation of Totals for Expenditure on Land, Naval and Air Forces and on Land and Naval Material.**

The Committee observes that not all countries could at present provide separate totals on the basis of controllable figures owing to the form in which their accounts are established. Such separation, however, is not in itself impossible, provided certain countries agree to
prepare separate accounts in future. It is pointed out that, if the principle of separate limitation should be adopted at the present date, a considerably lower degree of "controllability" must be accepted than that attainable in checking the grand total of expenditure.

CLASSIFICATION OF EXPENDITURE FOR PUBLICITY PURPOSES.

The Committee expresses the view that, if the Conference should adopt a system of limitation, publicity by means of a Model Statement would facilitate supervision. M. Worbs (Germany), however, makes a reservation on this point. The Committee considers that, in any case, there would be an undoubted advantage in having all national defence expenditure shown in a uniform Model Statement in which the various items would be given in some detail, even though the figures under each of them might not always be entirely accurate, and even though an international supervisory body might encounter considerable difficulties in checking them.

It points out that more detailed publicity of expenditure on war material was contemplated in Article 33 of the Disarmament Convention drafted by the Preparatory Commission, which provided for publicity in regard to the sums annually expended on certain categories of land and naval war material. It endorses the view of the Committee of Budgetary Experts, however, that publicity in regard to the exact amount actually expended on the maintenance, repair, purchase and manufacture of the various categories of war material is impossible under the present system of budgetary accounts in the majority of countries.

FLUCTUATIONS IN THE PURCHASING POWER OF CURRENCIES.

The Committee, after studying recent developments in this field, considers the question of the fluctuations in the purchasing power of the national currencies in which the limits of expenditure must necessarily be expressed. It expresses the view that any automatic adjustment of limits as a result of such fluctuations is impossible and that only a "living organisation" could make the necessary corrections. It proposes that this duty should be entrusted to the Permanent Disarmament Commission.

The Committee is of opinion that, if the purchasing power of currencies were affected by changes which were both very considerable and very rapid, and if these changes were not universal and occurred at different periods and to a different degree in the various countries, the budgetary limitation method would no longer operate.

But, should fluctuations in the different countries not be too violent, the Committee considers that the living organisation which it recommends would suffice to provide for a readjustment of limits such as would allow the latter to retain their full contractual value.

VARIATIONS OF EXPENDITURE FROM YEAR TO YEAR.

The Committee of Budgetary Experts proposed that an average annual limit for four years should be laid down, the contracting parties being entitled to exceed this average by a percentage to be fixed by the Conference and to be kept as low as possible. The present Committee, after carefully studying these proposals and recognising the necessity for annual limits, does not feel that, in the absence of information as to the duration of the Convention and the relations which may exist between the present expenditure of the different States and the limits fixed in the Convention, it is possible to make definite recommendations either regarding the period over which the annual limits should be averaged or the permissible percentage of excess, indeed, the proposal to adopt such a percentage. It expresses the view, however, that the period to be covered by the average annual limit should be sufficiently long to make it possible for the contracting parties to estimate the manner in which the States have observed their limitation undertakings. It should also be short enough to enable proof of compliance with the average annual limit to be produced within a reasonably short period.

UNFORESEEABLE AND EXCEPTIONAL EXPENDITURE.

The Committee feels it necessary to provide for a special procedure to cover certain unforeseeable and exceptional expenditure not involving an increase in the armaments of the country incurring it. Such expenditure might be necessary as a result of natural disasters, accidents, the suppression of internal disorder or the protection of the lives and property of nationals. The Committee suggests that the States should include such items in the Model Statement, but that they should indicate to the Permanent Commission the nature and amount of such exceptional expenditure and prove by definite evidence that it does not represent an increase in its armaments. It would be for the Permanent Disarmament Commission to decide whether the expenditure in question should be regarded as unforeseeable and exceptional and therefore to be excluded from the Model Statement produced in evidence of limitation.

MODEL STATEMENT.

The Committee definitely recommends the adoption for publicity purposes of a detailed Model Statement showing the expenditure on each category of the land, air and naval forces, and proposes for this purpose to maintain the model adopted by the Committee of Experts on 1

1 M. Worbs (Germany), M. Ando (Japan) and Major-General Barberis (Italy) submitted a note on the defects of the system of limitation due to fluctuations of purchasing power.
Budgetary Questions, subject to certain amendments. States would also supply for publicity purposes additional information on various important items. The Committee considers it essential for the machinery of limitation and publicity of expenditure that the States should supply explanatory or reconciliation tables showing exactly how the various items in the accounts of each State have been transferred to the Model Statement, and it emphasises that these tables should intimate to what extent States have been obliged to derogate from the rules adopted by the Conference for the necessary transfers. It is understood that the Conference will itself decide to what extent the States will be entitled to resort to such derogations.

**Publicity of Credits and Evidence of Limitation.**

The Committee considers that, in order to diminish the inconvenience arising from the necessary delay in producing the Model Statement based upon actual payments estimated at fourteen months from the end of the financial year, States might be asked to forward to the Permanent Disarmament Commission—at least during the earlier years of the application of the Convention—a Model Statement based upon the budgets as voted. This would enable the Permanent Disarmament Commission to form some idea of the extent to which the budget estimates were consistent with the limitation undertakings.

The Permanent Disarmament Commission should be supplied with the draft budgets, the budgets as voted, an account of the total payments annually made, and such laws and regulations as the Commission might require. The Permanent Disarmament Commission would then have sufficient data to enable it to satisfy itself that the expenditure of the States remained below the fixed limits.

**Supervision by the Permanent Disarmament Commission of the Provisions relating to the Limitation and Publicity of Expenditure.**

Supervision will involve a verification of the payment figures inserted in the statements to be effected on the basis of the closed accounts and other official documents with the help of the reconciliation tables. The Committee expresses the view that the Permanent Disarmament Commission should be entitled to ask any State for further particulars and explanations, should it have reason to believe that certain national defence expenditure has been excluded from the Model Statement.

The Committee submits observations in regard to difficulties which may arise with reference to particulars of a secret character not generally published by Governments. It is recommended that there should be a special sub-committee of the Permanent Disarmament Commission responsible for all problems relating to the publicity and limitation of expenditure.

**Possibility of Comparing the Armaments of States on the Basis of Expenditure.**

The Committee emphasises that there can be no common measure of comparison for expenditure on armaments owing to the varying character of national institutions, the fluctuations of currencies and the differences which exist in rates of remuneration of staff, in the cost of the maintenance of armies, and, to a somewhat less extent, in the cost of manufacture and purchase of war material. The Committee considers that, taking countries or regional groups as a whole, a comparison of expenditure on armaments cannot furnish any precise information as to the relative size of the actual armaments. It is nevertheless of opinion that, if the facts are correctly interpreted and if variations in the purchasing power of the currencies are taken into account, the comparison of the expenditure returns of the same State from year to year will enable the evolution of its expenditure on armaments to be followed and will provide very useful information as to the variations of its armaments.

**Reservations.**

The report was unanimously adopted, subject to reservations on the part of certain members to some of which reference has been made. The two following general reservations were submitted:

*General Reservation submitted by M. Ando (Japan), Major-General Barberis (Italy) and M. Worbs (Germany).*

Noting that, in certain countries, there are technical difficulties which stand in the way of the successful operation of the system of budgetary limitation recommended by this report; considering it indispensable that the said countries, in order to surmount these difficulties, should make vigorous efforts to adjust or modify their budgetary and financial systems and the method and time-limits of submission of budgets and closed accounts; Noting that, in certain countries, there are technical difficulties which stand in the way of the successful operation of the system of budgetary limitation recommended by this report.

M. Ando, Major-General Barberis and M. Worbs believe that, from the technical point of view, a period of from four to five years must be provided during which the system of publicity alone can be applied and after which the situation should be re-examined in order to ascertain whether at that moment it is possible to apply the system of budgetary limitation recommended in this report—i.e., to frame a Convention on the legal basis of the payments effected.

*Reservation by Lieut.-Colonel G. V. Strong (United States of America).*

In the opinion of the American expert, the report of the Technical Committee constitutes a thorough, painstaking and valuable contribution to the work of the Conference. The report evidences the impracticability of measures of budgetary limitation at this time. However, it does indicate, not only the value,
but also the practicability of application in so far as budgetary publicity is concerned. Budgetary publicity may give valuable indications in showing the trend of national defence expenditure on the part of the nations which are parties to such publicity.

In signing the report of the Technical Committee, the American expert limits his concurrence therein to measures of budgetary publicity and makes full reservation on all subjects which deal with budgetary limitation.

The National Defence Expenditure Commission began the examination of the report of the Technical Committee on May 22nd, 1933.

X. REGULATION OF THE TRADE IN, AND PRIVATE AND STATE MANUFACTURE OF, ARMS AND IMPLEMENTS OF WAR.

The resolution adopted by the General Commission on July 23rd, 1932, contained the following paragraph:

"The Bureau will set up a special committee to submit proposals to the Conference immediately on the resumption of its work, in regard to the regulations to be applied to the trade in, and private and state manufacture of, arms and implements of war."

The Bureau, on September 22nd, 1932, accordingly constituted the Committee for the Regulation of the Trade in, and Private and State Manufacture of, Arms and Implements of War.

The Committee sat from October 4th to 9th, with M. de Scavenius (Denmark) in the chair and M. Komarnicki (Poland) as Rapporteur. It embarked upon a general discussion on the question of trade in and the manufacture of arms, on the basis of the 1925 Convention for the Supervision of the International Trade in Arms and Ammunition and in Implements of War, and of the draft Convention of 1929 with regard to the Supervision of the Private Manufacture and Publicity of the Manufacture of Arms and Ammunition and of Implements of War.

Wishing to receive certain information regarding the manufacture of arms, the Committee drew up a questionnaire, which, through the President of the Conference, was circulated to all the countries represented at the Conference. Replies to this questionnaire were received from thirty-nine Governments.

The Committee, at the close of its general discussion, adopted a progress report which contained the following conclusions:

(a) That the Committee is not yet in a position to submit concrete proposals for regulating the trade in and manufacture of arms;
(b) That such proposals will be so framed, inter alia, as to place producing and non-producing States as far as possible on a footing of equality;
(c) That it is already clear that the proposals which the Committee will have to submit regarding the regulation of the manufacture of arms will differ from the draft Convention framed by the Special Commission in 1929;
(d) That it is already agreed that the 1925 Convention concerning the trade in arms will have to be revised.

The report was considered by the Bureau on November 18th and 22nd, and on November 22nd the Bureau adopted the following resolution:

"The Bureau of the Conference,
Having taken cognisance of the report of the Rapporteur of the Committee for the Regulation of the Trade in, and Private and State Manufacture of, Arms and Implements of War and heard the proposals and comments made by the various delegations at the Bureau's meeting on November 18th:
Approves the Committee's report and the methods of work adopted by it:
(1) Requests the Committee and its sub-committees to resume work as quickly as possible in order that the Bureau may at the earliest possible moment have at its disposal all the necessary material to enable it to submit to the Conference the proposals provided for in the General Commission's resolution of July 23rd;
(2) Considers that the Committee has been entrusted with the examination of all the aspects of the problem of the regulation of the trade in and manufacture of arms, but that it must choose a practical method of work based on the declarations made at the Bureau's meeting on November 18th;
(3) Considers that it is already agreed that the provisions relating to the trade in and manufacture of arms and implements of war shall be included in the same legal instrument as the Convention for the Reduction and Limitation of Armaments;"
"(4) Requests the Committee to consider in what conditions equality of treatment may be attained:

"(a) Between producing and non-producing countries;
"(b) Between the different contracting countries (special zones, etc.);
"(c) Between State manufacture and private manufacture.

(5) The Bureau requests the Committee to consider whether within the general framework of supervision already adopted by the Bureau it is necessary to provide a technical procedure better adapted to the international supervision of the trade in and manufacture of arms.

(6) As regards the Committee’s conclusions concerning the questions of the limitation of and publicity in regard to war material, the Bureau considers that any final formula should be postponed until appropriate solutions have been reached by the competent organs of the Conference.

(7) The Bureau draws the Committee’s attention to the desirability of collecting the necessary documentation with regard to the licence systems adopted by the different countries, and of studying the possibility of framing an international licence system.

The Committee set up a Sub-Committee on the Manufacture of Arms and a Sub-Committee on the Trade in Arms, which were requested to consider the points raised, each in its respective sphere, and report to the Committee.

At a meeting on February 22nd, 1933, the Committee drew up a report on matters in regard to which it wished to have the opinion of the General Commission, which contained the following resolution, adopted by the Committee by a majority vote:

"That this Committee, before proceeding further with the consideration of the manufacture of arms, finds it necessary to request the General Commission to decide two questions on which it has not been able to reach a unanimous decision, and a solution of which is indispensable for the continuation of its work:

"(1) Shall the private manufacture of arms be suppressed?
"(2) Shall the manufacture of arms be internationalised?"

In consequence of this vote, the Committee adjourned its examination of the report of the Sub-Committee on the Manufacture of Arms, and requested the General Commission to take decisions on the two questions raised in the foregoing resolution.

The work of the Sub-Committee on the Trade in Arms proceeded.

XI. SUPERVISION.

The General Commission, by its resolution of July 23rd, 1932, decided that there should be set up a Permanent Disarmament Commission with the constitution, rights and duties generally as outlined in Part VI of the draft Convention drawn up by the Preparatory Commission, with such extension of its powers as might be deemed necessary by the Conference.

On September 26th, 1932, the Bureau asked M. Bourquin (Belgium) to study the question and to prepare a report.

M. Bourquin submitted his report to the Bureau on October 24th, 1932 (document Conf. D.140). The Bureau discussed and adopted the report in its general lines in the course of its meetings of November 3rd, 7th and 8th. M. Bourquin subsequently drafted a second report summarising the essential points (document Conf.D.148) and, on November 15th, this second report was approved by the Bureau. A Drafting Committee was then appointed to prepare texts to be inserted in the draft Convention, it being understood that they would be considered by the Bureau before being referred to the General Commission.

The Bureau, on January 23rd, 1933, considered the report and texts submitted by the Drafting Committee. It referred them to the General Commission, due account being taken of certain amendments and reservations.

The texts as approved by the Bureau (document Conf.D./Bureau 39) were taken as a basis for the provisions embodied in the draft Convention submitted by the United Kingdom delegation on March 16th, 1933. They provide for the composition of the Commission, its duties and its procedure.

The Permanent Disarmament Commission would be composed of representatives of the Governments of the contracting parties, each Government appointing one member to the Commission. It would be the duty of the Commission to watch the execution of the Convention. The Commission would be entitled to receive all necessary information and to have any person heard or consulted who was in a position to throw any light on a question under consideration. A contracting party, whose attitude might have been the subject of criticism, would have the right to request the Commission to conduct investigations in its territory and the Commission might decide, at the request of one or more of the contracting parties, to have investigations of alleged infractions of the Convention conducted on the territory of a contracting party. Further, it would be entitled to conduct periodic investigations in regard to States which had made a special agreement to that effect. The Commission would report at least once a year on the situation regarding the execution of the Convention.

Any contracting party of opinion that the Convention had been infringed would have the right to address a complaint to the Commission. The Commission might then invite the contracting party whose attitude had produced the complaint to supply it with all useful
explanations. The Commission would draw up a reasoned report on the result of its investigations, which would immediately be forwarded to the Council of the League of Nations and published.

It would be one of the duties of the Commission to make preparations for a second disarmament conference to be held in order to facilitate the subsequent stages of disarmament.

The Commission would meet at least once a year in ordinary session and within three months of the entry into force of the Convention. It would meet in extraordinary session either of its own motion or on the request of one of the contracting parties or of the Council of the League. Its decisions would be taken by a majority of the members present.

No recommendations have as yet been adopted by the Bureau on the question of immunity for those denouncing breaches of the Convention. This question, after discussion in the Bureau, was referred, on January 21st, with the relevant proposals, for further study to a Committee of Jurists.

XII. ARMAMENTS TRUCE.

The Conference for the Reduction and Limitation of Armaments, at a plenary meeting held on July 23rd, 1932, adopted a resolution recommending the Governments to renew for a period of four months from November 1st, 1932, the truce provided for by the resolution of the Assembly of the League of Nations of September 29th, 1931.

The following Governments replied in the affirmative to a circular letter from the Secretary-General communicating the resolution of the Conference:

Afghanistan
Albania
Austria
Australia
Belgium
United Kingdom of Great Britain and Northern Ireland
Bulgaria
Canada
Chile
Colombia
Costa Rica
Cuba
Czechoslovakia
Denmark
Egypt
Estonia
Finland
France
Germany
Greece
Guatemala
Haiti
Hungary
India
Irish Free State
Italy
Japan
Latvia
Liberia
Lithuania
Mexico
Netherlands
New Zealand
Nicaragua
Norway
Panama
Poland
Portugal
Roumania
Siam
Spain
South Africa
Sweden
Switzerland
Turkey
Union of Soviet Socialist Republics
United States of America
Venezuela
Yugoslavia

The reservations by which some of the replies were accompanied will be found in document Conf.D.144 (with two addenda).

4.

COMMISSION OF ENQUIRY FOR EUROPEAN UNION.

I. CONFERENCE OF STRESA, SEPTEMBER 5TH TO 20TH, 1932.

The Conference of Lausanne instructed a Special Committee to submit to the Commission of Enquiry for European Union proposals with a view to the restoration of the countries of Central and Eastern Europe. These proposals included, in particular: (a) measures to meet the present transfer difficulties of these countries and to render practicable the progressive suppression, subject to necessary safeguards, of the existing systems of exchange control, and (b) measures to restore trade both among these countries themselves and between them and other States and to meet the difficulties of the agricultural countries of Eastern and Central Europe arising from the low prices of cereals, it being understood that the rights of third countries would remain reserved.

The Committee, under the chairmanship of M. Georges Bonnet, Deputy, Minister of Finance for France, sat at Stresa from September 5th to September 20th, 1932. The following States were represented: Austria, Belgium, the United Kingdom, Bulgaria, Czechoslovakia, France, Germany, Greece, Hungary, Italy, the Netherlands, Roumania, Switzerland and Yugoslavia.

The Conference, after a general discussion, decided to entrust to a special committee the study of financial and monetary questions, and to another committee the examination of economic questions, especially those connected with agriculture, the question of cereals being recognised as the most important. The Financial Committee sat under the chairmanship of

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2 Document C.660.M.331.1932.VII.
M. Bachmann (Switzerland) and its Rapporteur was M. van Zeeland (Belgium). The Chairman of the Economic and Agricultural Committee was M. Bonnet (France) and the Rapporteur was M. Schüller (Austria).

The principal ideas which emerged in respect of economic matters were, as M. Bonnet explained to the Committee of Enquiry for European Union, governed by three main considerations.

First, the Conference was unanimous in noting that, though the crisis from which Central and Eastern Europe suffered was undoubtedly a consequence of the world crisis, it had nevertheless been appreciably aggravated by the obstacles and restrictions of all kinds imposed upon trade in the countries of Central and Eastern Europe, both among themselves and with other nations. It was observed that the restrictions which at present hampered international trade had been imposed partly owing to economic considerations and partly for the defence of currency and owing to difficulties of transfer.

The Conference of Stresa made a thorough study of restrictions in general, in whatever form they might be imposed: prohibitions, licences, indirect and administrative protectionism, quotas. All these forms of restrictions were found to be closely related.

The Conference drew attention to the great dangers which Europe incurred in continuing to maintain these impediments to the freedom of trade. It declared that, not only the countries of Central and Eastern Europe, but all European countries, should endeavour to return to a system of unrestricted trade, subject to such adjustments as would doubtless be necessary.

The Conference, in conformity with these principles, adopted a series of recommendations which included in particular: the establishment of a rational contractual policy by the regulation and conclusion of commercial agreements of a nature to permit of the normal development of the trade of the countries of Central and Eastern Europe both among themselves and between them and other European countries; the removal, as rapidly as possible, of restrictions placed on dealings in foreign exchange; the progressive abolition of restrictions on the trade balance; an increase, meanwhile, of unduly small quotas, by autonomous measures, with a view to a restoration in general of the normal movement of trade; and, particularly in the case of the States of Central and Eastern Europe, the introduction of greater elasticity in methods of application, so as to attenuate, to the greatest extent compatible with international agreements, the effects which the quota system may have on their economic development.

The Conference, noting that one of the principal causes of the crisis in Central and Eastern Europe was the disastrous fall in the price of agricultural products, and, in particular, of cereals, framed a draft Convention, valid until 1935, for the revalorisation of cereals. The Convention provides that facilities shall be accorded in respect of the average quantities of cereals exported by each country during the last three years. Each country would either grant a kind of premium by contributing to a fund, or would accord special facilities in respect of cereals by treaty. The fund devoted to the revalorisation of cereals would amount to 75 million Swiss francs. It would be drawn from the States, who would either meet their obligations by arrangements under bilateral treaties or by a special contribution. A Committee consisting of a delegate of each of the countries benefiting from the arrangement, a delegate of each of the purchasing countries, and two representatives of European non-importing countries would determine the share to be allotted to each of the beneficiary States.

The third part of the work of the Economic Committee of the Conference related to a number of further measures intended to improve the economic situation of the countries of Central and Eastern Europe. They include improvements to be effected in the system of transport, the adoption of a European programme of public works, the putting into force as quickly as possible of the international Convention of 1931 for the establishment of an international agricultural mortgage credit company and further efforts on the part of the International Institute of Agriculture to create an international short-term agricultural bank.

The Conference, in respect of financial matters, laid down certain general principles which should inspire the policy of the Governments concerned. Finally, it made certain suggestions regarding the settlement of short-term and long-term debts.

In the matter of short-term debts, it recognised that short-term credits were immobilised in long-term investments, and that short-term credits which remained liquid could not be refunded abroad in the absence of any means of transfer. It noted that present agreements for postponing settlement (Stillhalte) presented serious disadvantages. In certain cases, they had resulted in lumping together the sums falling due, further increased by arrears and in fixing the same date of payment for all of them, thus intensifying the difficulty of a solution.

To put an end to this abnormal situation, the Conference suggested direct negotiations between debtors and creditors, in which account should be taken of the real value of the credits and of the adjustments which were necessary. It advised the debtor countries as soon as possible to make a progressive transfer of foreign short-term capital. Finally, it recommended that foreign short-term credits should be gradually, but as rapidly as possible, used within the countries concerned as freely as national capital.

The application of these measures seemed essential to the Conference with a view to the suppression of restrictions on exchange and commercial transactions which were unanimously condemned.

The Conference, turning to long-term debts, maintained that contractual obligations must necessarily be met and could only be modified with the consent of the creditors. It asked, moreover, that the treatment of foreign creditors should not be more unfavourable than that accorded to national creditors.
The Conference considered that the application of the measures thus recommended would safeguard the balance of payments of the countries concerned from any serious emergency. Nevertheless, when the necessary budgetary and financial reforms had been applied, there might arise numerous cases in which foreign assistance in currency matters would be necessary. Hence arose the idea of constituting a fund for the normalisation of currency conditions in Central and Eastern Europe. The immediate object of the fund would be to provide central banks with assistance by increasing their reserves at the opportune moment by means of repayable advances.

The Conference left it to the Commission of Enquiry for European Union to determine the details of the working of the organisation proposed.

II. SIXTH SESSION OF THE COMMISSION OF ENQUIRY FOR EUROPEAN UNION.

The Commission of Enquiry held its sixth session from September 30th to October 1st, 1932. It elected M. Herriot (France) as Chairman.

The Commission heard a statement by M. Georges Bonnet (France), President of the Conference of Stresa, on the work of the Conference. The work of the Conference was reviewed in a discussion in which the representatives of the following countries took part: Austria, Belgium, United Kingdom, Bulgaria, Denmark, Estonia, Finland, Germany, Greece, Hungary, the Irish Free State, Italy, Lithuania, the Netherlands, Norway, Poland, Roumania, Sweden, Turkey and Union of Soviet Socialist Republics. The Conference adopted a resolution which, as the result of certain observations made during the discussion, was subject to the following reservations:

(I) In all circumstances the rights of third States were reserved;
(2) Governments would only give a final decision on definite drafts submitted to them for approval;
(3) All the reservations put forward during the discussion would be set out in the Minutes and communicated to the Governments at the same time.

The States Members of the Commission of Enquiry declared in the resolution that the reports, conclusions and drafts of the Conference of Stresa contained the essential elements of a policy designed to restore the European economic and financial situation, and, in particular, that of the countries of Central and Eastern Europe. They stated, moreover, that they were prepared to apply as far as possible and without delay, subject only to the particular observations which they might have made, the general guiding principles embodied in the reports, conclusions and drafts. It was understood that the texts in question would be forwarded to the Council of the League of Nations, the Preparatory Commission of Experts for the Monetary and Economic Conference and to the Conference itself.

The Commission of Enquiry, at the same time, asked the Council to arrange, with the help of the competent organs of the League and other qualified experts, for the framing in detail of the scheme for a draft currency normalisation fund and for a consideration of the question whether and in what circumstances this fund might be combined with the fund for the revalorisation of cereals.

The Council was also asked to undertake, with the help of the competent organs of the League and other qualified experts, a practical examination of the problem of tobacco, which was of special concern to three States of Eastern Europe—namely, Greece, Turkey and Bulgaria. Further, the States which were in favour of bilateral agreements concluded in conformity with the principles laid down at Stresa declared that henceforward they were each individually ready to seek or to promote the conclusion of such agreements within the framework of the Convention established at Stresa.

Finally, the Commission expressed the hope that, at its in session December 1932, decisions might be taken regarding the monetary normalisation fund and the fund for the revalorisation of cereals in order that practical effect might be given to the draft Convention.

The Council, on October 15th, noted the resolution of the Commission of Enquiry and decided to authorise its President to appoint a committee of experts to examine the questions relating to the monetary normalisation fund and the fund for the revalorisation of cereals. It also asked the Bureau of the Economic Committee of the League of Nations to submit proposals as to the composition of a Committee to make a practical examination of the tobacco problem.

The Assembly, on October 10th, had meanwhile adopted a resolution inviting the Commission of Enquiry to continue its work and to submit a report to the next session of the Assembly.

The meeting of the Commission of Enquiry contemplated for December 1932 was postponed to a later date.

III. COMMITTEE FOR THE EXAMINATION OF THE TOBACCO PROBLEM IN EASTERN EUROPE.

The Council, on January 23rd, 1933, adopted the proposals submitted at its request by the Bureau of the Economic Committee relating to the composition of a Committee for the practical examination of the tobacco problem in Eastern Europe. Delegates of the following
States were invited: Austria, Belgium, the United Kingdom, Bulgaria, Czechoslovakia, France, Germany, Greece, Hungary, Italy, Poland, Sweden, Switzerland, Turkey and Yugoslavia.

The Committee thus constituted met at Geneva in March 1933. In a report addressed to the Commission of Enquiry for European Union it dealt, in particular, with the three following points:

1. Extension of the market for eastern tobaccos;
2. Amendment of the fiscal and Customs provisions applied to them;
3. Measures of organisation in the producing countries.

The Committee considered a joint proposal, presented on behalf of the countries exporting eastern tobaccos, for a better organisation of the sale of tobacco abroad by the countries concerned. Without committing the purchasing countries and firms concerned, it endorsed the views put forward on behalf of these proposals with a view to moderating the disastrous variations in prices. The practical remedy suggested was the establishment of a regularising stock in each of the three countries concerned—namely, Bulgaria, Greece and Turkey.

The Committee recognised that, for the good working of such a system, two fundamental conditions were necessary:

1. The regulation of production;
2. The possibility of selling the stocks within a fixed period.

The first of these conditions appeared to be on the point of realisation in each of the three countries concerned, while the second might be fulfilled by co-operation between buyers and sellers if the principal buyers undertook to obtain a small part of their supplies from the regulating stock.

The Committee did not feel competent to deal with the question of the constitution of a capital fund. In view, however, of the present distress it seemed to the Committee that a possible participation of countries interested in the economic restoration of the three countries concerned might be contemplated. The proposed organisation would have to avoid introducing any disturbance in the normal activities of existing enterprises.

5.

POLITICAL QUESTIONS.

I. SINO-JAPANESE DISPUTE: APPEAL OF THE CHINESE GOVERNMENT.

ADOPTION BY THE ASSEMBLY OF THE REPORT ESTABLISHED UNDER PARAGRAPH 4 OF ARTICLE 15 OF THE COVENANT.

The Assembly, on February 24th, 1933, in view of the failure of the efforts which, under paragraph 3 of Article 15 of the Covenant, it was bound to make in order to ensure the settlement of the Sino-Japanese dispute submitted for its consideration, adopted, under paragraph 4 of Article 15, a report prepared by its special Committee, describing the circumstances of the dispute and the solutions which it deemed most just and proper in regard to it. The report was unanimously adopted, the votes of the representatives of the parties not being taken into account in respect of this unanimity.

ACCEPTANCE BY THE CHINESE GOVERNMENT OF THE RECOMMENDATIONS OF THE ASSEMBLY.

The Chinese delegation, by a communication dated February 24th, intimated that its Government accepted the recommendations of the Assembly, subject to the sole condition that the other party also accepted them. The Chinese delegation added that it was clear from the nature of the recommendations that their full realisation would depend upon the likewise unreserved acceptance by Japan and that, pending such acceptance, the rights of China, the complying party, under paragraph 6, Article 15, could obviously not be prejudiced.

JAPAN VOTES AGAINST THE REPORT AND NOTIFIES HER INTENTION OF WITHDRAWING FROM THE LEAGUE OF NATIONS.

Japan decided against accepting the report and the Japanese delegation, after the vote, left the Assembly and published, under paragraph 5 of Article 15, a statement of the facts of the dispute and her own conclusions. The Japanese Government, on March 27th, notified her intention of withdrawing from the League of Nations on the expiration of the time-limit of two years mentioned in paragraph 3 of Article 1 of the Covenant.

1 Belgium and Sweden were not represented at the meeting.
2 Document A(Extr.).22.1933.VII.
3 Document A(Extr.).32.1933.VII.
4 Document C.122.1933.VII.
5 Document C.132.1933.VII.
6 Document C.211.1933.VII.
COMMUNICATION OF THE REPORT OF THE ASSEMBLY TO THE STATES NON-MEMBERS OF THE LEAGUE PARTIES TO THE PACT OF PARIS OR THE NINE-POWER TREATY.

The Secretary-General, in conformity with the last paragraph of the report adopted by the Assembly on February 24th, communicated a copy to the States non-members of the League parties to the Pact of Paris or to the Nine-Power Treaty, expressing the hope, on behalf of the Assembly, that they would associate themselves with the views expressed in the report and, if necessary, concert with the Members of the League as to their attitude and action in the matter.

The Secretary of State of the United States of America, in reply to this communication, declared that the American Government was generally in agreement with the conclusions of the Assembly; that, in the statements made in regard to the principle of non-recognition and their attitude in that connection, the League of Nations and the United States were in agreement and that the United States Government, so far as was appropriate under the treaties to which it was a party, expressed its general endorsement of the principles recommended by the Assembly.1 The Senate of the Free City of Danzig also intimated that it associated itself with the views expressed in the report.2

The Soviet Government, in a communication dated March 8th, explained the circumstances which made it feel that it was impossible to accept the decisions taken by the Assembly.3

CONSTITUTION AND WORK OF THE ADVISORY COMMITTEE.

The Assembly, on February 24th, 1933, adopted, after approving its report, the following resolution:

"Whereas, in virtue of Article 3, paragraph 3, of the Covenant, the Assembly may deal at its meetings with any matter affecting the peace of the world, and therefore cannot regard with indifference the development of the Sino-Japanese dispute; And whereas, according to Part IV, Section III, of the report adopted by the Assembly in virtue of Article 15, paragraph 4, the Members of the League 'intend to abstain from taking any isolated action with regard to the situation in Manchuria and to continue to concert their action among themselves as well as with the interested States not members of the League' and, 'in order to facilitate, as far as possible, the establishment in the Far East of a situation in conformity with the recommendations of the present report, the Secretary-General is instructed to communicate a copy of this report to the States non-members of the League who are signatories of or have acceded to the Pact of Paris or of the Nine-Power Treaty, informing them of the Assembly's hope that they will associate themselves with the views expressed in the report, and that they will, if necessary, concert their action and their attitude with the Members of the League'. "The Assembly decides to appoint an Advisory Committee to follow the situation, to assist the Assembly in performing its duties under Article 3, paragraph 3, and, with the same objects, to aid the Members of the League in concerting their action and their attitude among themselves and with the non-member States. The Committee will consist of the Members of the Committee of Nineteen and the representatives of Canada and the Netherlands. The Committee will invite the Governments of the United States of America and the Union of Soviet Socialist Republics to take part in its work. It shall report and make proposals to the Assembly whenever it thinks fit. It shall also communicate its reports to the Governments of the States non-members of the League which are taking part in its proceedings. The Assembly shall remain in session and its President, after consulting the Committee, may convene it whenever he thinks fit." The Secretary of State of the United States of America, in reply to the invitation addressed to him, recalled that it was necessary for the American Government to exercise its independent judgment as to the proposals which might be made or the measures which the Advisory Committee might recommend. He instructed the United States Minister in Switzerland to hold himself prepared to participate in the discussions of the Committee, but without the right to vote, if such participation was desired.4 The Advisory Committee, on March 15th, invited the United States Minister in Switzerland to take part in its discussions under the conditions set forth by the Secretary of State.5

The Soviet Government, in its communication of March 8th, had intimated that it was not possible for it to take part for the moment in the work of the Committee. The Advisory Committee, after having invited the representative of the United States of America, decided, on March 15th, to enter upon the study of two questions—viz., the export of arms in connection with the situation in the Far East and the application of the undertakings contained in Part IV, Section III, of the report adopted by the Assembly. Under the terms of that Section of the report, the Members of the League "intend to abstain, particularly as

1 Document A(Extr.).35.1933.VII.
2 Document A(Extr.).36.1933.VII.
3 Document A(Extr.).38.1933.VII.
4 Document A(Extr.).39.1933.VII.
5 Document A(Extr.).40.1933.VII.
regards the existing regime in Manchuria, from any act which might prejudice or delay the carrying out of the recommendations of the said report. They will continue not to recognise this regime either de jure or de facto. They intend to abstain from taking any isolated action with regard to the situation in Manchuria and to continue to concert their action among themselves as well as with the interested States not members of the League".

The preliminary study of these two questions was entrusted to two Sub-Committees. The Committee, at a meeting held on March 28th, noted that enquiries had been undertaken concerning the export of arms in connection with other disputes in another part of the world, and that definite questions relating both to principles and methods of application had already been put to the Governments represented on the bodies of the League which were dealing with these disputes. It was understood that the members of the Committee would consult their Governments on these questions so that the Sub-Committee appointed on March 15th might, as soon as possible, have at its disposal the essential facts.1

The problems raised by the application of the undertakings contained in Section III of Part IV of the report of the Assembly are still under consideration by the Sub-Committee specially appointed for that purpose. The Sub-Committee will submit proposals to the Advisory Committee for communication to the Members of the League.

DEVELOPMENT OF THE SITUATION IN THE FAR EAST.

The Japanese army, subsequent to the adoption of the report by the Assembly, occupied the province of Jehol, which Japan regards as forming part of "Manchukuo". Japanese military operations have also extended to the south of the Great Wall, in the province of Hopei.

II. THE DISPUTE BETWEEN BOLIVIA AND PARAGUAY.

Serious incidents having occurred in the Chaco Boreal in June and July 1932 between Bolivian and Paraguayan forces, the representative of Guatemala, President-in-Office of the Council, considered it his duty on several occasions, and particularly on September 10th, 1932, to draw the attention of Bolivia and Paraguay to the obligations which rested upon them as Members of the League of Nations to seek a pacific settlement of their dispute under the Covenant of the League.

The representative of Guatemala, at a meeting of the Council on September 23rd, 1932, informed it of the steps he had taken as President-in-Office. He reminded the Council of the efforts made by the Commission of Neutrals (the United States of America, Colombia, Cuba, Mexico and Uruguay) and by the Powers adjacent to the countries concerned with a view to a settlement of the dispute, and drew attention to the declaration made on August 3rd by nineteen American Republics asking that it should be immediately submitted to arbitration or some other method of pacific settlement and stating that they would not recognise any territorial arrangement which had not been brought about by pacific means. The representative of Guatemala suggested that the Council should declare its readiness to assist the efforts of the American Republics with a view to a pacific settlement, and that the Secretary-General should be authorised, if the Council agreed, to forward to the nineteen American Republics an assurance to this effect.

The representative of Spain, after having commended personally and on behalf of his Government the steps taken by the President-in-Office while the Council was not in session, observed that the Covenant of the League of Nations was the sole legal bond existing under which the two countries concerned might be induced to have recourse to pacific means. The responsibility for the efforts to be made would therefore lie upon the Council, and, having regard to the special responsibility imposed on the Council by the Covenant, he proposed that a small committee of three members should be instructed to follow the question closely and to request the other parties interested in the case, if the need arose, to forward to the Council the necessary information.

The representatives of France, the United Kingdom and Panama declared their agreement with the representative of Spain, and, following an intervention by the representative of the Irish Free State, President-in-Office of the Council, the steps taken by the representative of Guatemala and the suggestion made by the representative of Spain were approved.

The Committee thus established consisted of the representatives of the Irish Free State, Guatemala and Spain.

The Acting President of the Council, on September 27th, addressed the following telegram to the Governments of Bolivia and Paraguay:

"Council has noted with full approval action taken by M. Matos in its name during period when it was not in session. It now addresses to the two Governments solemn reminder that they are legally and honourably bound by their obligations to League not to have recourse to armed force to settle unhappy dispute which has arisen between them but to refer it either to arbitration, judicial settlement or to Council.

"Council observes that certain American Republics are doing their best to assist parties in reaching amicable settlement. It welcomes and supports these endeavours and earnestly requests the two Governments to accept them and put immediate stop to military

1 Document A(Extr.).43.1933.VII.
action and preparation. Such decision by the two Governments will constitute honourable and effective fulfilment of the engagements which they have undertaken towards all other Members of League. Council feels convinced that both Governments as original Members of League will duly fulfil those engagements and anxiously awaits assurances to this effect.”

The Government of Paraguay, on September 27th, replied that it had put forth its best endeavours to settle the dispute by declaring to the Commission of Neutrals at Washington its decision to accept conciliation and arbitration procedures on the broadest basis. The telegram continued:

“For the purpose of these procedures it proposed to Commission of Neutrals total withdrawal of troops from the Chaco, and reduction of military effective to minimum compatible with the internal security of each country under international supervision with a view to removing danger further war and ensuring a pacific settlement of the dispute. Paraguay is prepared to put an end to the struggle as soon as it has obtained assurances further clashes will be avoided and efforts made to seek a solution of the question by international justice.”

The reply from the Bolivian Government, dated September 28th, was as follows:

“I have the honour to state that Bolivia was prepared at any time to settle the territorial dispute regarding the Chaco by direct agreement or by judicial arbitration. Bolivia has, as always, done everything in her power to stop the conflict. In the reply, dated the 13th instant, sent to the President of the Council of the League of Nations, my Government stated that it had accepted the truce proposed by the neutrals, but that the suspension of hostilities did not depend on its own action, in view of the Paraguayan offensive, which has never stopped to this day. For the rest the case will continue to be dealt with by the good offices of the neutral Governments.”

The President-in-Office of the Council on September 30th sent to the Commission of Neutrals at Washington a telegram informing that the Council had set up a Committee to follow the course of the dispute between Bolivia and Paraguay. He further informed the Commission of Neutrals that the Council desired to give all possible support to the endeavours of the Commission of Neutrals directed towards securing decisive action in the sense of the pacific declarations made by both parties. Finally, he expressed the hope that the Commission of Neutrals would keep him informed of the steps it was taking and of the developments of the situation in order that the Council, in discharge of its responsibilities, might give that support in the most effective manner.

The Commission of Neutrals on the same date replied to the effect that it would be happy to inform the Committee of the Council of any further development in the matter. The telegram stated in its telegram:

“The cause of peace and of the peaceful settlement of international disputes will be greatly advanced by the reconciliation of the belligerents and the preparation of the bases of a just arbitration which the Commission of Neutrals hopes to bring about. Any remarks your Committee may care to convey to the Commission of Neutrals will receive careful and sympathetic consideration.”

On September 27th, during a general discussion in the Assembly, the representative of Paraguay announced that his Government acceded wholeheartedly and unreservedly to the establishment of the Committee of the Council. He repeated that Paraguay would accept for the solution of the dispute any procedure for a pacific settlement which would give the requisite guarantees of justice and impartiality. Paraguay would put herself in the hands of the arbiters, with a view to the framing of an agreement of reference.

The representative of Bolivia, on September 28th, said that the establishment of the Committee of the Council had given rise in his country to a feeling of relief. He asserted that Bolivia had unquestionable rights over the portion of its territory limited to the east by the River Paraguay. He added that his country had suffered too much from war not to be ready to accept a pacific solution, but it must be a solution offering permanence and security, adopted in the spirit of the Covenant of the League of Nations.

The President, on behalf of the Assembly, noted the declarations made regarding the firm intentions of the Governments of Bolivia and Paraguay to submit the dispute dividing them to a procedure of pacific settlement. He noted that a pacific procedure was in course and that the two Governments should withdraw their forces to such a distance from one another as would remove any risk of a serious incident. The experience of the Council indicated that the most effective method of bringing about this result would be to send a commission of military officers chosen with a view to enabling them to proceed to the spot as quickly as possible. These officers, acting in agreement with the military commanders in the field on both sides, would report on the measures to be taken to reduce the danger of local fighting.

The Committee of the Council, the President added, would be glad to receive any supplementary information which it was possible for the Commission of Neutrals to provide on the further results of the efforts made with a view to establishing an agreed basis on which to settle the dispute finally by arbitration.
The Council, at its meeting of October 3rd, approved the steps taken by the Committee of the Council.

The President of the Council, on October 15th, read to his colleagues the following telegram, which he had received on October 13th from the Commission of Neutrals:

"Commission of Neutrals received your telegram of October 3rd suggesting Bolivia and Paraguay should withdraw forces such distance from one another as would eliminate existing risk, and the sending of a commission of military officers to the spot to act in harmony with military commanders both sides and report on measures taken to reduce danger of local fighting. Such a proposal had already been made by the Neutral Commission to both contending parties on September 14th. Both sides accepted the sending of a commission by the Neutrals, and this commission will proceed as soon as the situation seems appropriate. Therefore Neutrals still feel this question must be handled, as it has been in the past, with much patience, in order to avoid greater complications. Negotiations for termination of hostilities on satisfactory conditions of security to both are now proceeding satisfactorily, as are negotiations for securing acceptance of bases for final arbitration of conflict."

The Council was then on the point of rising, and the President proposed that the Committee of Three should be instructed to continue to follow the course of the question until the next meeting of the Council and to take such measures as it might consider necessary. The Council approved this proposal and further decided to send to the Commission of Neutrals at Washington a telegram expressing the hope that the negotiations in course would be continued and would be successful. The Council again declared that it was ready to do its utmost to assist in achieving this result.

The Commission of Neutrals informed the Chairman of the Committee of the Council, by a telegram dated November 5th, that Bolivia and Paraguay had accepted the proposal to open direct negotiations under the auspices of the Commission of Neutrals, with a view to terminating hostilities and arranging for an arbitral settlement of the dispute.

The Chairman of the Commission of Neutrals added that these negotiations had been duly opened and were proceeding normally.

The President of the Council on November 9th, replying to this communication, while stating that he was particularly glad to hear that direct negotiations had begun and were proceeding normally, expressed serious concern at the continuation of warlike action in the Chaco in spite of all the efforts made to arrest it. He expressed the hope that the hostilities would be definitely suspended, and that both parties would give formal assurances that they would not proceed during such suspension to any military preparations or take other action which might prejudice the progress of the negotiations.

The President of the Council, in reporting to the Council on November 24th upon the work of the Committee of Three, said that, in the opinion of the Committee, it was imperative to fortify the action of the Commission of Neutrals, which was directed towards the same purpose as the action of the Council—namely, the prevention of any further bloodshed and a pacific and total settlement of the dispute as soon as possible. The Council, on his proposal, agreed to send telegrams to the Governments of Bolivia and Paraguay inviting them to accept without delay the proposal of the Commission of Neutrals, and to accord to the proposed military commission the facilities necessary to enable them to contribute to the conclusion of provisional arrangements which, without prejudice to the ultimate settlement of the dispute, would terminate the present fighting and the danger of renewed military activities.

The Council also decided to send a telegram to the Commission of Neutrals informing the Commission of the communication which it was addressing to the Governments of Bolivia and Paraguay, and proposing that the military commission should be immediately constituted and enter upon its duties.

The President of the Council again drew attention to a question to which the Committee of Three attached special importance—namely, the fear which existed on either side of a possible rearmament of the other party under cover of a suspension of hostilities. Bolivia and Paraguay were not producers of arms, ammunition or implements of war, and any increase in their belligerent strength depended on consignments from abroad. The Committee of the Council thought it desirable to direct the attention of the Governments to this matter.

The representative of Bolivia undertook to submit to his Government the wishes expressed by the Council with regard to the termination of the conflict. He recalled that the Bolivian Government, on September 22nd, in a note addressed to the Commission of Neutrals, had agreed to the immediate cessation of hostilities. Negotiations had now begun in Washington and he fully hoped that they would be successful. The representative of Paraguay said that his country would listen to any suggestions which might facilitate recourse to arbitral or judicial procedure. Paraguay had always considered that only conservatory measures, applied under international supervision from the outset of the negotiations until the arbitral or judicial award had been given, would avail to prevent the aggravation or extension of the armed conflict or effectively arrest hostilities, thus ensuring an eventual final settlement of the dispute.

Paraguay, in view of the difficulty of satisfactorily establishing an agreement of reference by diplomatic means, proposed that the question should be submitted in its entirety to arbitral or judicial decision. An agreement of reference determining the object of the dispute would be
established by the arbiters with a view to subsequently submitting the substance of the case to the judicial authority or court designated by the parties.

Paraguay, on November 28th, replied to the telegrams addressed to her expressing an ardent desire for an immediate termination of the conflict in the Chaco, provided she obtained guarantees against further Bolivian aggression against her legitimate inheritance. The Government of Paraguay believed that the League of Nations might exercise a decisive influence by means of an investigation which would enable the country responsible for the conflict to be determined with a view to the application of the sanctions embodied in the Covenant.

Bolivia replied on December 1st to the effect that she was disposed immediately to suspend hostilities. She pointed out, however, that Paraguay had begun by assuming that the territory in dispute was her own legitimate inheritance and had desired to impose its material abandonment on Bolivia in the discussions before the Neutrals. That condition was unacceptable in law. Bolivia was a country suffering aggression, and it was not for the party which was defending itself to cease hostilities. Bolivia duly accepted the proposed commission, with the sole modification that it should be a civil commission, presided over by an American military officer of high rank. Bolivia added that she was continuing proceedings before the Commission of Neutrals.

The Commission of Neutrals informed the Council on December 3rd that it had learnt with pleasure that the Council was supporting its efforts to bring about peace in the Chaco. The negotiations were progressing satisfactorily and the Commission hoped very soon to be able to inform the Council that distinct progress had been made in the efforts towards peace.

The President of the Council, in communicating to his colleagues this reply from the Commission of Neutrals, expressed the opinion that, for the moment, any positive suggestions on the part of the Council other than those which had already been made might complicate the situation. He added that the Committee of the Council was keeping in touch with the Commission of Neutrals and was ready to co-operate with it as regarded the exact functions of the commission which it proposed to send to the spot and the nomination of its members.

The representative of Bolivia stated that his Government had submitted to the Commission of Neutrals five points which corresponded in its opinion with the essentials of what the Council desired:

1. Bolivia agreed to immediate suspension of hostilities.
2. Bolivia agreed to the establishment of a neutralised zone within limits to be fixed in advance.
3. Bolivia agreed to the sending of a military commission of neutral officers.
4. Bolivia reasserted her belief in the principle of arbitration, which she had been the first to uphold from the beginning of the dispute, as was proved by diplomatic papers, while at the same time laying down categorically that the zone to be submitted to arbitral decision was to be the subject of agreements after the suspension of hostilities.
5. The statement of these points of view did not imply, and never would imply, directly or indirectly, any kind of recognition by Bolivia of Paraguay's pretensions to the territory of the Chaco between the rivers Paraguay and Pilcomayo, pending a peaceful and definite solution.

The President of the Council, at its meeting of December 17th, informed his colleagues that he had received from the Commission of Neutrals two communications. The Commission, in the first of these communications, dated December 10th, noted with satisfaction the declaration in which the Council expressed its intention of supporting the efforts of the Commission in every possible way with a view to putting an end to the dispute. The Commission, in the second telegram dated December 16th, transmitted the copy of a telegram which it had addressed on that day to the Governments of Bolivia and Paraguay proposing that they should agree to cease hostilities on the basis of an equitable arbitration.

The Commission of Neutrals suggested that the Governments concerned should authorise their representatives at Washington to sign immediately a Convention with the following provisions: suspension of hostilities within forty-eight hours; withdrawal within forty-eight hours after the exchange of ratifications—to take place by telegraph—of the Paraguayan forces to the River Paraguay and the Bolivian forces behind a line running from Fort Ballivian to Fort Vitriones; a commission nominated by the Commission of Neutrals should leave for the Chaco for the purpose of verifying the withdrawal of the troops; the territory to the south-east of the line Ballivian-Vitriones and to the west of longitude 60°15' west of Greenwich should be guarded by a force consisting of not more than one hundred Bolivian police; the territory to the south-east of the line in question and to the East of longitude 60°15' west of Greenwich should be guarded by a force consisting of not more than 100 Paraguayan police. It would be understood that nothing in the Convention would in any way affect the rights of either of the two parties to the dispute.

Not more than fifteen days after the exchange of ratifications, the two parties should begin negotiations to determine the basis of arbitration and with a view to the constitution of the tribunal to which the case would be submitted. If these negotiations broke down, three experts appointed by the Geographical Societies of New York, London and Madrid would establish a report relating solely to the boundaries of the Chaco. This report once made, the
Court of Arbitration accepted by the two parties should make an award determining the territorial limits of the two countries in the Chaco. If, within a period of four months, the two parties failed to agree upon the Court to which the case should be submitted, it should be automatically referred to the Permanent Court of International Justice. On the exchange of the ratifications of the Convention, all prisoners should be immediately released and diplomatic relations should be renewed.

In communicating these proposals, the Commission of Neutrals added that it would be very glad if it could count upon the support of the League and suggested that the President and the Governments Members of the League should cable to the Governments of Bolivia and Paraguay in support of its proposals.

The President of the Council drew particular attention to the last paragraph of the second telegram, which was in the following terms:

"The Commission of Neutrals would be very glad if it could count upon the valuable support of the League in this work of peace and humanity. I venture to suggest that Your Excellency and the Governments Members of the League should cable to the Governments of Bolivia and Paraguay in support of the proposals in question, and I should be grateful if you would notify this Commission."

He proposed on behalf of the Committee of Three that the Council should send a telegram to the Governments of Bolivia and Paraguay asking them to accept as soon as possible the agreement proposed by the Commission of Neutrals and expressing the opinion that, in the opinion of the Council, the proposal of the Commission of Neutrals provided an honourable and just settlement of the question, adding that the two parties, by accepting the proposed agreement and loyally observing it, would be fulfilling their duties under the Covenant of the League.

The Committee of Three also proposed that a telegram should be sent to the Commission of Neutrals acquainting it with the decision of the Council to assist the Commission by urging upon the two parties the solution which the Commission of Neutrals had proposed with a view to a settlement of the problem of the Chaco as a whole, and expressing the hope that the Council would be kept informed of the developments which resulted from the important proposal which the Commission of Neutrals had made.

The Council approved the two telegrams and the President asked the Members of the Council with diplomatic representatives in the capitals of Bolivia and Paraguay to instruct them to acquaint the two Governments with the sentiments expressed during the meeting of the Council.

The representatives of the United Kingdom, France, Italy and Spain said that their Governments would not fail to send the necessary instructions to their representatives in the two capitals concerned.

The Government of Paraguay replied to the communication of the Council by telegram on December 20th, stating that Paraguay, whose existence was threatened, had the right, before laying down her arms, to demand previous conditions of effective security. Paraguay was only prepared to agree to a cessation of hostilities on the basis of the evacuation of the Chaco, disarmament and investigation into the responsibility for the war. She repeated her decision to submit the fundamental dispute to an international jurisdiction when peace was restored.

The Government of Bolivia replied, also on December 20th, to the effect that it regarded the replies previously made as having accepted in principle the chief points of the proposal of the Commission of Neutrals, subject to observations and comments on the various articles. Bolivia, however, in view of the absolute refusal of Paraguay, did not think it desirable to discuss any particular point of the proposal.

The Chairman of the Committee of Neutrals, who on December 20th sent a telegram thanking the Council for the support given to its proposals, informed the Council, in a further telegram dated December 31st, that the Government of Paraguay had declared that the proposal of the Commission of Neutrals did not afford any guarantee against a resumption of hostilities. Paraguay was asking that Bolivia should completely evacuate the Chaco and had recalled her delegation from Washington. The Commission of Neutrals, in view of this situation, had asked the four countries adjacent to Bolivia and Paraguay what steps they were disposed to take in order to prevent further bloodshed. The Commission of Neutrals expressed its conviction that the nations of America, working in common agreement, would be able to safeguard peace in the western hemisphere; it had therefore called for the active co-operation of the four countries which were nearest to the seat of war.

The representative of the Irish Free State, at the meeting of the Council on February 3rd, 1933, reported upon the progress of the work of the Committee of Three, which had met on several occasions during the previous days. The Committee had studied, in particular, the situation described in the telegram received from the Chairman of the Commission of Neutrals at Washington on December 31st. The Commission of Neutrals had not yet communicated to the Council any reply received by it to the question which it had addressed to the countries adjacent (Argentina, Brazil, Chile and Peru) asking what steps they would be prepared to take in order to prevent further bloodshed and to co-operate actively in order to ensure peace. The Committee of Three had therefore felt bound to consider whether the action of the Council might not be more effective if it were in a position to receive reports and if it were to set up and send to the spot a small commission. It would be generally the task of such a commission to study the situation in consultation with the two Governments and, as far as possible, with the representatives on the spot of the Powers which in a common effort were endeavouring to find a solution. The proposed commission would send to the Council a report embodying any
suggestions which it might be able to put forward for the settlement of the dispute, and, should hostilities unhappily be still in progress upon its arrival, would report to the Council indicating whether it could arrange to assist in arranging for their cessation. It was suggested that the commission should consist of three persons—nationals, for example, of the Argentine Republic, United States of America and one of the smaller European countries.

The Committee of the Council had consulted the representatives of Bolivia and Paraguay upon this suggestion. The replies of the two Governments, however, indicated that a further concerted effort was being made by certain of the countries which were neighbours of Paraguay and Bolivia, and particularly by the Argentine and Chile, working in co-operation with the Commission of Neutrals at Washington with a view to bringing about a settlement of the dispute and a cessation of the fighting. The two Governments, while declaring themselves in principle favourable to the proposal, in substance concurred in suggesting that the proposed action of the Council of the League, in the sense indicated, should be held in suspense until the issue of these further efforts was known. The Chairman of the Committee of Three, according to the information at his disposal, felt justified in saying that the Commission of Neutrals at Washington was of the same opinion as the Governments of Bolivia and Paraguay.

The representative of Bolivia said that his Government had agreed at once to take the proposal of the Commission of Neutrals in principle as a basis of discussion, whereas the Government of Paraguay, while protesting in regard to certain details, had not only rejected the proposal in its entirety but had withdrawn its representatives from Washington. The representative of Bolivia made a statement to the Council summarising the events which had occurred since the spring of 1931. He recalled that Bolivia had offered to negotiate a pact of non-aggression with Paraguay. He alluded to the encounters which had taken place between Bolivian and Paraguayan detachments during the summer of 1932 and which had given rise to further developments in the situation. In conclusion he stated that Bolivia was prepared to receive without umbrage, and to examine without bias, any proposals that might be made within the framework of the proposal of December 15th of the Commission of Neutrals, which in his view embodied all the main principles of the Covenant of the League of Nations.

The representative of Paraguay replied to the effect that the text of the proposals of the Commission of Neutrals gave no satisfaction to the legitimate demands of Paraguay which she had submitted as an indispensable guarantee of her security. Furthermore, these proposals compromised her territorial integrity. The representative of Paraguay also gave an historical summary of the events which had occurred during the previous months. He again declared that Paraguay had always shown herself prepared to accept any friendly solution and affirmed that the attitude which she had been obliged to adopt in refusing to accept the proposals of the Commission of Neutrals and withdrawing her representative from Washington did not in the least imply that she considered that henceforth the way was closed to a pacific solution of her long controversy with Bolivia. Paraguay considered that, notwithstanding this attitude, the procedures of conciliation and of law in the search for a settlement of the dispute were by no means exhausted.

The Council, after the representative of Norway had expressed approval of the action of the Committee of Three, approved the text of a telegram submitted by the Chairman of the Committee of Three in the following terms:

"Fighting is continuing between two Members of the League of Nations which are bound by the Covenant. That this should still be going on in spite of the various opportunities which have been offered for settling the conflict is a fact of exceptional gravity. The Council addresses to both Governments an urgent appeal to make the necessary effort to end hostilities and conclude an armistice. The Council will continue to follow developments with close attention and reserves the possibility of making proposals should occasion arise. It expresses its keen anxiety that the negotiations now in course may succeed in settling the dispute."

The Government of Bolivia replied to this telegram on February 4th stating that it would continue to examine with respect the proposals framed or to be framed by the Commission of Neutrals and by the neighbour States.

The Government of Paraguay replied on February 8th to the effect that it was prepared to cease hostilities if it obtained appropriate guarantees and a submission of the dispute to an arbitral court or a court of international justice.

The Governments of the United Kingdom and France, in a memorandum to the Secretary-General of February 21st, recalled that the Committee of Three had on November 25th drawn the attention of the Council to the fact that one of the difficulties in the way of a suspension of hostilities was the fear on either side of the possibility of the adversary country being supplied with arms. Bolivia and Paraguay did not produce arms, munitions or war materials, so that any increase in their military strength depended on shipments from abroad. The Governments of the United Kingdom and France declared their conviction that, in this case, the suggestions of the Committee of Three were well founded and that the contemplated measure might be effective if all States joined in its application. They were prepared, in so far as they were concerned, to give effect to these suggestions and to consult the States non-members of the League whose co-operation was essential.

The Governments of the United Kingdom and France accordingly proposed that the Council should study the measures which, in application of Article 11 of the Covenant, might be proposed with a view to preventing the supply of arms and war material to Bolivia and Paraguay.
The representatives of the Irish Free State, Spain and Guatemala, members of the Committee of Three of the Council, forwarded to the Secretary-General on March 6th a letter asking him to take the necessary action in order that the question of the dispute between Bolivia and Paraguay, which the Council had already considered under the powers conferred upon it by Article 4 of the Covenant, should be placed upon the agenda of a meeting of the Council under Article II of the Covenant.

The members of the Committee of Three referred, in particular, to the memorandum of February 25th submitted by the Governments of France and the United Kingdom. They had seriously considered the question raised in that memorandum and had exchanged views with their colleagues whose purport they would explain to the Council at its next meeting.

The President of the Committee of Three, at the meeting of the Council on March 8th, briefly reviewed the action of the League of Nations during the course of the dispute. He read a communication which the representative of Bolivia had forwarded on March 1st to the Secretary-General, transmitting the formula submitted to Bolivia and Paraguay on February 24th by the representatives of the Argentine Republic and Chile with a view to the settlement of the dispute. The formula was as follows:

"Yesterday, the representatives of the Argentine and Chile handed in a copy of the confidential act of Mendoza. After a lengthy preamble, the documents contain a concrete formula of settlement in four points: (1) All Chaco questions to be submitted to legal arbitration. The court of arbitration to be constituted within one month of the date of the formal proposal. The arbitration agreement to be established in one American capital, the court to sit in another and the award to be rendered in a third. In case of difficulty in determining the zone or submitting any particular point to arbitration, the Hague Court to be asked for an advisory opinion. (2) The parties to declare hostilities at an end. (3) Both contending parties to withdraw their troops, Bolivia concentrating hers at Ballivian and Robore and Paraguay hers on the river. (4) Effective to be reduced. On receiving these confidential proposals, we have given evidence of our intention to consider them in the best spirit, although they arrive on the eve of the declaration of war announced by Paraguay. Please forward.—CANELAS."

The Committee of Three had no information regarding the views of the Government of Paraguay on the proposal, and the Committee was of opinion that the first measure for the Council to take in connection with the action to be pursued in application of Article II of the Covenant would be to obtain as quickly as possible all necessary information from official sources regarding what had happened as a result of the proposals made by the Governments of the adjacent States. The Council, as soon as it was in possession of the information, might consider proposals for submission to the parties in execution of Article II of the Covenant, to which appeal had been made.

The representative of Bolivia said that his Government had accepted, as a point of departure and as a basis for discussion, the proposal of the Commission of Neutrals to which the Council of the League had given the support of its high authority. It had welcomed the intervention of the neighbour countries with the utmost goodwill, even with sympathy. The Government of Bolivia had made, in regard to that intervention, certain reservations of detail with the purport of which he was not yet acquainted. Finally, he drew the attention of the Council to the fact that, according to certain information, the Government of Paraguay had requested from Parliament authority to declare war on Bolivia.

The representative of Paraguay said that the basis on which his Government accepted the mediation offered by neighbour countries had always remained the same—namely, the cessation of hostilities, the demilitarisation of the Chaco and the reduction of effectives, to be followed by arbitration on a wide basis. He added that Paraguay had contemplated the possibility of a declaration of war simply in order to prohibit by its effect the transit of arms and war materials and food supplies through the neighbouring countries and to bring about a declaration of neutrality on the part of other countries with a view to shortening a sanguinary conflict which had already lasted too long.

Paraguay declared that a state of war existed with Bolivia on May 10th, and on the same day the Minister for Foreign Affairs of Bolivia sent the following telegram to the Secretary-General:

"In declaring war on Bolivia at the very moment when further steps are being taken on behalf of peace, as shown by the recent action of the Washington Commission of Neutrals and the neighbouring countries which Bolivia has again requested to lend their good offices, Paraguay has placed herself outside the Covenant and has incurred the sanctions provided for in Article 16. Bolivia denounces Paraguay as having been the first to provoke the conflict and as now obstructing the efforts with a view to its pacific settlement."

The Secretary-General on the following day addressed the following reply to the Government of Bolivia:

"The President of the Council acknowledges the receipt of your telegram. It is being communicated to the Council, which will meet within the next few days to examine the whole situation.

"In order that the Council may be fully informed, the Committee of the Council wishes to know whether the Bolivian Government is ready to accept an arbitral decision, both as to the determination of the questions to be arbitrated and as to the substance of such questions, the arbitral procedure to be determined by the Council of the League of Nations."
The Argentine and Chile under the "Act of Mendoza" had broken down.

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of Neutrals at Washington. It was for the Council to consider whether that incident was
the breaking off of the conciliation procedure which had been resumed before the Commission
Council should first hear the representatives of Bolivia and Paraguay.

action which the Council might take in view of the replies of the two Governments to

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Powers which were acting in the matter, to find a formula which would facilitate the pacific

settlement of the dispute. Bolivia desired to draw the attention of the Council to her point of

preliminary arbitration on the subject under dispute, because its decision would depend on the

claims put forward by each party. The best method of arriving at effective arbitration would

be for Paraguay to state for her part what she regarded as being her property in the Chaco,
since Bolivia had already done so and had fixed as a basis of the discussion the territory

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settlement of the dispute. Bolivia desired to draw the attention of the Council to her point of

view, because she desired to find a solution of the substance of the problem and to avoid
temporary palliatives, which might only lead to the outbreak of a fresh conflict.

The Commission of Neutrals intimated that it was, as always, most desirous to co-operate
with the Council of the League with a view to the restoration and maintenance of peace.

The Government of the Argentine replied that it would be happy to co-operate as far as
possible with the neighbour States. Bolivia did not regard as either practicable or acceptable a
preliminary arbitration on the subject under dispute, because its decision would depend on the
claims put forward by each party. The best method of arriving at effective arbitration would
be for Paraguay to state for her part what she regarded as being her property in the Chaco,
since Bolivia had already done so and had fixed as a basis of the discussion the territory
subject to arbitration in the fifth clause of her memorandum. A consideration of the points
of view of each of the adversaries would make it possible, with the good offices of the neutral
Powers which were acting in the matter, to find a formula which would facilitate the pacific
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with the Council of the League with a view to the restoration and maintenance of peace.

The Government of Chile informed the Secretary-General that it regarded with special
sympathy any attempt to restore peace in America, in the service of which Chile had
unremittingly worked up to the eve of the declaration of war. Any initiative to that end in
conformity with the provisions of the Covenant was highly desirable.

The Government of the Argentine replied that it would be happy to co-operate as far as
possible with the Council of the League of Nations with a view to restoring and maintaining
peace in America as soon as the Government of Bolivia had given a satisfactory reply to the
note of the Argentine Government of May 8th, 1933.

The Council met in extraordinary session on May 15th to consider the situation. The
Chairman of the Committee of the Council reported on the progress of the dispute.

He informed the Council that its Committee had intended to submit proposals as to the
action which the Council might take in view of the replies of the two Governments to
the telegrams which had been sent to them on May 11th. He suggested, however, that the
Council should first hear the representatives of Bolivia and Paraguay.

The representative of Bolivia observed that an extremely serious incident had resulted in
the breaking off of the conciliation procedure which had been resumed before the Commission
of Neutrals at Washington. It was for the Council to consider whether that incident was
proper for its consideration and at the same time what were the responsibilities involved.

The representative of Paraguay explained in what circumstances the mediation of the
Argentine and Chile under the "Act of Mendoza" had broken down.

He next defined the sense in which Paraguay had declared a state of war with Bolivia:

"By notifying the said state of war to all civilised countries, Paraguay is not resorting
to war in the sense in which that term is used in the first paragraph of Article 16 of the
Covenant, for the reason that such a state of war was already in existence and had been
brought about by Bolivia, as could easily be proved by an international enquiry.
Furthermore, in doing so, Paraguay did not refuse to accept the obligation incumbent
upon her as a Member of the League of Nations for the purposes of an arbitral or judicial
settlement of the dispute. She has not therefore broken the undertakings prescribed
in Articles 12, 13 and 15 of the Covenant, because, since the dispute cannot be satisfactorily
settled through diplomatic channels, she is still in favour of submitting it in toto to arbitral
or judicial settlement. It follows that the provisions of Article 16 are not applicable to
Paraguay."
The declaration of a state of war would ipso facto involve a declaration of neutrality on the part of the adjacent States, and the League would thus be able to intervene and to discharge its duty to the end. Paraguay expected a just and equitable intervention on the part of the League. For that reason Paraguay had never ceased to ask for an enquiry with a view to designating the aggressor. Paraguay renewed that request, asking once again that such an enquiry might be held before any further measure was contemplated. Paraguay again insisted that she was prepared to submit to arbitration, even with a view to establishing an agreement of reference fixing the limits of the territory in dispute.

The representative of Bolivia urged in reply that the League of Nations, for the first time in its existence, was confronted with a fait accompli. One of its Members had officially declared war. Bolivia considered that the conciliation procedure before the Commission of Neutrals at Washington was still following its course, and she had been prepared to examine the new proposals which were to be submitted by that body. Bolivia had welcomed with sympathy the initiative taken by the Governments of the Argentine and Chile, when they in their turn had endeavoured to contribute to the settlement of the dispute, with the assistance of the Governments of Brazil and Peru. Bolivia had considered the so-called Mendoza proposals with goodwill, but had regarded those proposals as an expression of good offices and as a basis of discussion, and not as an order or as an intangible whole to be taken or left. If those proposals had failed, their failure was not due to the uncompromising attitude of Bolivia. Bolivia had at once asked the neighbour countries and the neutrals, whom it had always regarded as one, to make a new attempt at conciliation. There had been a further meeting at Washington on May 9th. New methods of conciliation had been considered, and it was in the midst of this conciliation procedure that Paraguay had suddenly declared war. Paraguay alleged that the procedure of conciliation was at that moment exhausted. Bolivia did not believe that such was the case. Even, however, if the conciliation procedure had been exhausted at that moment, Paraguay should have appealed to the League of Nations. The Council of the League of Nations was now faced with an accomplished fact—namely, a declaration of war in the midst of a conciliation procedure. That fact was absolute and flagrant proof that Paraguay was violating the Covenant.

Following the representations of the two countries concerned, the representative of the Council proposed that its Committee should examine the situation and prepare a satisfactory solution, bearing in mind the statements made by the parties.

The Government of the Argentine Republic on May 15th informed the Secretary-General that, in consequence of the declaration of a state of war between Bolivia and Paraguay, his Government had declared its neutrality, in accordance with the Hague Conventions of 1899 and 1907, and other Hague Conventions fixing rules and procedure with respect to neutrals, without prejudice to the procedures and doctrines upheld by the Argentine Republic. Uruguay on May 16th also announced that she had decreed her neutrality in the dispute between Paraguay and Bolivia, without prejudice to the contingencies arising out of the application of the Covenant.

The President of the Committee of Three on May 20th submitted to the Council a draft report. He recalled that it was incumbent upon the Council to find a solution for the dispute and that, in conformity with the Covenant, the two States were under an obligation to settle their dispute by pacific means. He recommended the following procedure:

“(1) To negotiate, if desirable, any arrangement calculated to promote the execution of the obligation to cease hostilities;

(2) To prepare, in consultation with the two Governments concerned, an agreement for arbitration. If the agreement for arbitration does not indicate the arbitrators or the procedure for their appointment, the Council will provide for such appointment and will, if necessary, settle the arbitral procedure;

(3) The commission will be at the Council’s disposal and will keep it informed of the course of its activities. The commission, at the Council’s request, will proceed to make an enquiry on all the circumstances of the dispute, including the part which the two parties have taken therein and report to the Council to enable the latter to fulfil the duties imposed upon it by the Covenant of the League of Nations.”

The report concluded as follows:

“The Council feels that, in view of all these special circumstances, its first duty is to endeavour to bring about the cessation of hostilities and a settlement of the dispute. It does not consider that it should, or need, for the present, enter into consideration of a different order. It trusts that it may never be compelled to do so, since it is convinced that if the parties really desire peace and good relations, they will accept this procedure and, pending its operation, will discontinue hostilities which have already been going on too long.”
The representative of Bolivia said that his Government had accused Paraguay before the Council of the League of Nations of having broken the Covenant while a procedure of conciliation was virtually in hand, and he repeated his request that Article 16 should be applied. He asked that the Council should fix the responsibilities of the Covenant-breaking State, and that it should at the same time accept its own responsibilities. He again insisted upon the devotion of Bolivia to the principle of a pacific settlement of the dispute. His Government was prepared immediately to submit the dispute to arbitration, provided Paraguay correctly defined her territorial claims with a view to settling the matter of arbitration. To that end Bolivia appealed to the Commission of Neutrals, working in co-operation with the neighbour States, and asked them to resume the conciliation procedure which had been obstructed by the declaration of war on the part of Paraguay.

The representative of Paraguay replied to the effect that his country had not declared war on Bolivia, but had merely denounced a state of war which had been in existence since June 15th, 1932, and which had been imposed by Bolivia upon his country. The provisions of Article 16 of the Covenant were only applicable against the aggressor — i.e., against the party who refused an armistice and arbitration. Such was not the case as regarded Paraguay.

Paraguay accepted in advance the decision which the Council might think fit to take with a view to a solution of the dispute. He would, however, suggest an amendment to paragraph 3 of the instructions to be given to the Commission which the Council proposed to appoint. The effect of that amendment would be to render compulsory the enquiry in regard to all the circumstances of the dispute.

Paraguay had accepted arbitration unreservedly and, owing to the impossibility of arriving at an agreement between the parties on the terms of reference, had left it to the arbitrators to fix them. The critical point of disagreement was that Bolivia desired the zone under dispute to be fixed in advance instead of leaving this point to the international jurisdictions or arbitrators.

The representative of Spain emphasised that the Council of the League of Nations was the only international authority which was under a legal obligation to find a solution for the dispute, and that the Covenant of the League was the only legal link which united the two parties to the dispute.

The representative of Spain, referring to the conciliation procedure, which according to the statements of the representative of Bolivia had been interrupted by the declaration of a state of war by Paraguay, expressed the view that the time had come for the League of Nations to take the case in hand, with a view to putting an end to the dispute. The Commission of Neutrals and the neighbour countries, if the Council appealed to them to take up the case, would not fail to come to its assistance in any steps which it might take to secure peace.

The representative of Spain did not think that the application of Article 16 was indicated at that stage of the dispute. Acts which it was impossible to distinguish from war had been committed since July 1932 between Bolivia and Paraguay, but the two countries had abstained from appealing to Articles 12, 13 and 15 of the Covenant which, from the logical and legal point of view, must be regarded as a natural approach to Article 16. The solution suggested in the draft report might be accepted by the two parties, and he hoped that, if agreement were reached as to arbitration, the representative of Paraguay would not insist on maintaining his amendment. It would be more prudent and wiser not to seek the author of aggression, such a search being only expedient in cases which could not be settled otherwise. It it were impossible to achieve the cessation of hostilities, it would then be necessary to determine the aggressor, and in that case the question of the application of the Covenant would arise and it would be time to invoke all the articles of the Covenant, including Article 16.

The representative of France agreed with the representative of Spain, reserving, however, the right of any Member of the League of Nations to invoke Article 16 if its territory were invaded in time of peace, and insisting that in such a case it was the duty of the Council to apply Article 16 without initiating any previous procedure. It was admittedly the duty of the Council to take the matter in hand, to take charge of the settlement of the case, to call upon the parties to cease hostilities and to ask them whether they accepted a pacific settlement, the question being such that this settlement could be sought by arbitration. The report did nothing more than raise these questions and indicate a procedure for settling the dispute. For that reason he hoped that the two parties would be able to accept the report without difficulty.

The representatives of the United Kingdom, Germany, Czechoslovakia, Guatemala and Poland in turn supported the appeal to the parties that they should accept the report.

The representative of Paraguay accepted the report submitted by the Committee of the Council and withdrew the amendment he had presented at the beginning of the meeting.

The representatives of Mexico, Norway and China expressed their satisfaction at the acceptance of the report by the representative of Paraguay and hoped that Bolivia would adopt the same attitude.

The Chairman of the Committee of the Council said that the draft report he had submitted was, in the opinion of the Committee, a just and reasonable method of settling the dispute and he noted that the Council unanimously approved the proposal submitted to it. If the present effort to reach a pacific solution failed, it would become necessary to determine which of the two parties was the aggressor.

The representative of Bolivia had laid particular emphasis on the declaration of a state of war by Paraguay. The representative of Paraguay had undertaken to accept the report and to withdraw the declaration of a state of war. The Chairman of the Committee of the Council
was convinced that the representative of Bolivia would now feel that the situation was such that he might accept the report and immediately bring the hostilities to an end.

The representative of Panama and the President of the Council appealed in turn to the representative of Bolivia to follow the example of the representative of Paraguay. The representative of Bolivia said that the observations which he had made on the draft report referred to matters of principle and were not in the nature of criticisms. He had listened with sympathy to the appeal made to his country by the various Members of the Council. He felt sure that appeal would be heard, since Bolivia desired peace no less than Paraguay. He would not fail to forward the appeal to his Government, and he felt sure that it would be heard.

The President noted that the report submitted by the Committee had been adopted by Paraguay and that the representative of Bolivia had for the moment reserved the decision of his Government.

He asked the Committee of Three to continue to follow the circumstances and to report progress to the Council when it deemed it necessary to do so.

The Government of Brazil on May 26th notified the Secretary-General of its declaration of neutrality in the conflict between Bolivia and Paraguay.

III. DISPUTE BETWEEN COLOMBIA AND PERU.

Appeal of Colombia under Article 15 of the Covenant.

(a) Summary of Events.

On the night of August 31st-September 1st, 1932, a group of armed individuals of Peruvian nationality occupied the river-port of Leticia, capital of the Colombian district of the Amazon. The population of Leticia is understood to number about three hundred.

The assailants subsequently occupied the territory known as the "trapezium of Leticia", situated between the Putumayo and the Amazon, and fortified in that territory positions on both rivers.

The inhabitants of Colombian nationality were obliged to take refuge in Brazilian territory.

The Colombian Government, to restore public order within its frontiers thus invaded, armed a small flotilla which proceeded towards this territory, first by sea and then by river. It called at several Brazilian ports on the Amazon. One part of the fleet ascended that river in order to reach, by way of the Putumayo, the north of the trapezium; the other part of the flotilla proceeded South, by way of the Amazon. The expedition comprised about 1,500 men and six vessels. It reached Colombian waters on or about February 12th, 1933.

Further expeditions by land and air were organised in connection with the military operations contemplated by the Colombian Government.

The Peruvian invaders of Colombian territory were supported in their action by the Commandant-General of the Fifth Peruvian Military Area, who, on January 6th, 1933, addressed a communication to the Colombian authorities, informing them that he had taken all the necessary military measures to prevent the entry of the Colombian expeditionary force into Leticia. The Colombian flotilla, on February 12th, was attacked by Peruvian aircraft near the frontier line between Brazil and Colombia. The Peruvian aircraft were counter-attacked by Colombian aircraft.

The Colombian expeditionary force, on February 14th, recovered Tarapacá, situated within the trapezium of Leticia.

On February 15th, diplomatic relations were severed between the Colombian and Peruvian Governments.

The representative of Colombia, on February 27th, intimated that the Colombian forces were continually being molested by the Peruvian garrisons in the Upper Putumayo, which, in that region, forms the frontier between the two countries.

(b) Contractual Provisions by which the Two Parties are bound.

A treaty between Colombia and Peru, signed at Lima on March 24th, 1922, establishes the frontiers between the two countries and recognises that the navigation of the river is free. The exchange of ratifications of this treaty was effected at Bogotá on March 19th, 1928.

(c) Endeavour to secure a Friendly Settlement prior to the Appeal to the Council.

The Government of Peru, in a note dated September 30th, 1932, informed the Government of Colombia that it had laid the dispute before the Washington Permanent International Conciliation Commission, asking that a special commission of conciliation should be appointed. The Colombian Government opposed this procedure on the ground that the dispute related solely to occurrences which had taken place within Colombian territory.

The Colombian Government, on January 22nd, 1933, called for the intervention of the signatories of the Pact of Paris, and, on January 24th, for the intervention of the League of Nations.