when a dispute had been submitted to an arbitration procedure, there was no call for any
initiative on the part of the Council.

The Italian representative replied as follows to the points raised by the representative of
Ethiopia:

"(1) That the Italian Government does not in any way intend to limit the
mission entrusted to the arbitrators under the terms of the 1928 Treaty, but it cannot
in any circumstances agree to their extending their survey to frontier questions;"

"(2) That no authority would wish to interfere in the least degree with our Govern-
ment’s exercise of its sovereignty. By accepting the arbitration procedure, we have
demonstrated our determination to respect the undertakings entered into by our two
Governments.

"My reply therefore will be clear. If my Government accepts the conciliation and
arbitration procedure, it does so because it intends to conform thereto."

The representative of Ethiopia interpreted the observations of the Italian representative
as follows:

"The question of local demarcation is not a question for the arbitrators. That
goes without saying. In accordance with the treaties, demarcation will take place on the
spot, but the arbitrators will be free, in considering and settling the dispute, as provided
in the resolutions, to take account of all the circumstances which have a bearing on its
settlement, and in particular the interpretation of the treaties fixing the frontiers is within
their competence."

The representative of France said that the responsibility of the Council was involved. It
was doubtless necessary to have regard to the legitimate desire of States that their sovereignty
should be respected, but it was also necessary to affirm the principles which lay at the basis
of the League of Nations. The two Governments, by agreeing to apply the arbitral procedure
provided by the Treaty of 1928, had shown their desire to reach a friendly solution, and he
hoped that there would be no occasion for the Council ever to reopen the discussion.

The representative of the United Kingdom emphasised that the responsibilities involved
in the dispute were those not only of the two parties but of the Council itself. The two parties
had agreed to effect a settlement, by the pacific procedure of conciliation and arbitration
prescribed in the Treaty of 1928, of the differences which had been brought to the notice of the
Council. He would like to record his satisfaction at the understanding which had been once
more mutually affirmed that there should be an agreed demarcation of the frontier between
Italian Somaliland and Ethiopia as soon as the present differences had been amicably removed.

The United Kingdom representative emphasised that, under the resolution, the Council
would remain in close contact with the situation and would meet again to deal with the matter
if circumstances rendered that course necessary.

X. REQUEST OF THE FRENCH GOVERNMENT UNDER ARTICLE II,
PARAGRAPH 2, OF THE COVENANT IN VIEW OF THE DECISIONS
OF THE GERMAN GOVERNMENT RELATING TO ARMAMENTS.

ORIGIN OF THE REQUEST.

The Government of France, in a telegram to the Secretary-General dated March 20th, 1935,
asked that an extraordinary meeting of the Council of the League of Nations might be convened
to examine, in virtue of Article II, paragraph 2, of the Covenant, the situation created by
the German law of March 16th, 1935, whereby general compulsory military service had
been re-established in Germany and the German army re-organised in twelve army corps
and thirty-six divisions, as well as by the announcement of the creation of a German military air
force.

On April 9th, 1935, the French Government sent to the Secretary-General a memorandum
in support of this request.

The Government of France submitted that, owing to the action taken by the German
Government, two of the essential provisions of the military clauses of the Treaty of Versailles
had been formally repudiated and that this repudiation was the culmination of long and metho-
dical preparations made in secret. France considered that it was the duty of the League
of Nations to examine the resulting situation and maintained that the League could not remain
indifferent to a method of policy which was entirely contrary to its aims and principles.

The French Government, while recognising that many difficulties had arisen which had
endangered the success of the Disarmament Conference convened with a view to the reduction
and limitation of armaments under Article 8 of the Covenant, contended that these difficulties
did not release the German Government from its obligations, and it pointed out that the
Powers had not renounced their efforts to discover some basis on which an international
disarmament agreement might be concluded. It alluded in particular to the initiative of the
French and United Kingdom Governments taken on February 3rd, 1935, which had resulted in
the framing of a programme of negotiation, which had been accepted by the German
Government itself. That programme had been gravely compromised by the decisions
announced by the German Government on March 16th. Germany, by seeking to provide a
unilateral solution for an international problem, had raised the whole question of a general
re-armament of the European countries in all its gravity.\footnote{Document C.160.M.87.1935.VII.}
The Council met in extraordinary session, from April 15th to 17th, 1935, to consider the request of the French Government.

The representative of France, urging that the German action of March 16th, 1935, must be condemned and that measures must be considered to render the Covenant more effective in future for the organisation of collective security, submitted the following resolution on behalf of the three Governments of France, the United Kingdom and Italy:

"The Council,
"Considering,
"(1) That the scrupulous respect of all treaty obligations is a fundamental principle of international life and an essential condition of the maintenance of peace;
"(2) That it is an essential principle of the law of nations that no Power can liberate itself from the engagements of a treaty nor modify the stipulations thereof unless with the consent of the other contracting parties;
"(3) That the promulgation of the Military Law of March 16th, 1935, by the German Government conflicts with the above principles;
"(4) That, by this unilateral action, the German Government confers upon itself no right;
"(5) That this unilateral action, by introducing a new disturbing element into the international situation, must necessarily appear to be a threat to European security;
"Considering, on the other hand,
"(6) That the British Government and the French Government, with the approval of the Italian Government, had communicated to the German Government as early as February 3rd, 1935, a plan for a general settlement, to be freely negotiated, for the organisation of security in Europe and for a general limitation of armaments in a system of equality of rights, while ensuring the active co-operation of Germany in the League of Nations;
"(7) That the unilateral action of Germany above referred to was not only inconsistent with this plan, but was taken at a time when negotiations were actually being pursued:

I. Declares that Germany has failed in the duty which lies upon all the Members of the international community to respect the undertakings which they have contracted, and condemns any unilateral repudiation of international obligations;

II. Invites the Governments which took the initiative in the plan of February 3rd, 1935, or which gave their approval to it, to continue the negotiations so initiated, and in particular to promote the conclusion, within the framework of the League of Nations, of the agreements which may appear necessary to attain the object defined in this plan, due account being taken of the obligations of the Covenant, with a view to assuring the maintenance of peace;

III. Considering that the unilateral repudiation of international obligations may endanger the very existence of the League of Nations as an organisation for maintaining peace and promoting security:

"Decides:
"That such repudiation, without prejudice to the application of the measures already provided in international agreements, should, in the event of its having relation to undertakings concerning the security of peoples and the maintenance of peace in Europe, call into play all appropriate measures on the part of Members of the League and within the framework of the Covenant;
"Requests a Committee composed of . . . to propose for this purpose measures to render the Covenant more effective in the organisation of collective security and to define in particular the economic and financial measures which might be applied, should in the future a State, whether a Member of the League of Nations or not, endanger peace by the unilateral repudiation of its international obligations."

DISCUSSION OF THE RESOLUTION.

The representative of the United Kingdom, supporting the resolution, recalled the declaration made by the three Governments at Stresa on April 14th, 1935, to the effect that the three Powers found themselves in complete agreement in opposing by all practicable means any unilateral repudiation of treaties which might endanger the peace of Europe. He emphasised that the collaboration of the three Governments was for the purpose of the collective maintenance of peace within the framework of the League, and that they were submitting a resolution to the Council, not as representing individual nations, but in their character as Members of the League. The resolution, if adopted, would be a resolution of the Council, accepted by its Members in free, equal and open consultation.

He further emphasised that the resolution closed no door for the future, but that all doors were left open for reaching, by fresh negotiation, a general settlement of existing differences. The representative of Italy declared that the Italian Government associated itself with the declarations of the representatives of France and the United Kingdom. The Italian Government had always maintained the desirability of a revision of Part V of the Treaty of Versailles, but had always explicitly maintained that such revision should take place by the legal means of negotiation between the Governments concerned.
The representative of Poland noted that the French Government had submitted to the Council three different problems: German re-armament, an extension of the obligations imposed by the Covenant on the Members of the League, and a reinforcement of security through new types of international agreements.

The Polish Government had clearly defined its attitude towards the question of German re-armament both in the Disarmament Conference and elsewhere. In regard to any proposed extension of obligations imposed by the Covenant on the Members of the League, it took the view that the Council should limit its action solely to study and research, since any decision involving an extension of those obligations was a matter which affected all the States Members of the League.

The Polish Government was obliged to maintain an attitude of some reserve towards the third proposal, which aimed at a reinforcement of security through new types of international agreements. The Polish Government had, in 1932, concurrently with the Governments of Finland, Estonia and Latvia, concluded with the Soviet Government agreements establishing a system of peace, non-aggression and good-neighbourly relations, and towards the end of 1933 and at the beginning of 1934 principles of non-aggression and of good-neighbourly relations had been established jointly as between Germany and Poland.

The Polish Government felt it necessary to consider whether the new types of international agreements suggested were or were not likely to undermine a state of peace established in Eastern Europe as a result of sincere and loyal political effort, and it could not begin the study of any new projects until it had convinced itself that they would produce no undesirable results, not merely as far as Poland's own vital interests were concerned, but as regarded the maintenance of peace in North-Eastern Europe.

The representative of Czechoslovakia considered that the request of the French Government must be considered, first, from the point of view of its practical political results, with special reference to the German decision of March 16th, 1935, and, secondly, from the point of view of principle, with general reference to the obligations which bound all Members of the League to respect international agreements.

The practical political results of the German decision had been to increase anxiety and to shake confidence in the possibility of maintaining peace, while the principle of respect for international agreements was a principle without which the League of Nations would cease to have any meaning or practical significance.

The representative of the Union of Soviet Socialist Republics, speaking as the representative of a country which had never concealed its negative attitude towards the Treaty of Versailles, but which was a Member of the League, said that the formal concern of his country at that moment was the violation of an international treaty by a State which was still officially a Member of the League. This formal aspect of the case, however, was of less interest to his country than its substance. His Government regarded the question from the standpoint of the equality of nations and their right to security. All States had the right to such armaments as were necessary to ensure their safety. It was, however, presupposed that such armaments would be used for defence and protection, and the problem before the Council was what should be done if, in given circumstances, there were grounds for apprehending that armaments were intended not for the protection, but for the infringement, of frontiers.

The Members of the Council would be glad to discuss that question with the participation of the representatives of all the States concerned, and would be happy to have from any such State an official declaration of its repudiation of aggressive aims and of a readiness to co-operate in a system of collective security. For the moment, however, such a hope was impracticable, and the Members of the Council were bound to draw from that fact the appropriate conclusions. These conclusions would determine the attitude of the Soviet representative towards the resolution submitted by the three Powers.

The representative of Portugal observed that the French Government raised the question whether the organisation of peace by the establishment of a wide system of collective security could be effected if the texts on which such an organisation must be based might be unilaterally repudiated without any other penalty than that of moral reprobation. The French Government had asked the Council to consider suitable measures for removing such a situation and for preventing its recurrence. The weapons at the disposal of the Council, however, were of little value, and in his opinion it would sooner or later be necessary to strengthen the provisions of the Covenant and enable them to be automatically applied. He shared the preoccupations of the States which desired to bring back to Geneva countries which, like Germany, represented an essential element of European equilibrium, and it could not begin the study of any new projects until it had convinced itself that they would produce no undesirable results, not merely as far as Poland's own vital interests were concerned, but as regarded the maintenance of peace in North-Eastern Europe.

The representative of Australia considered that the resolution before the Council recommended no more than what was essential if the League of Nations was to become an effective instrument for deterring the aggressor and maintaining the peace of the world. He hoped that the Council, by its unanimity, would show that only co-operation within the League of all European nations in the framing of agreements freely negotiated in an atmosphere of complete equality would ensure peace and security to the world.

The representative of Spain observed that the League of Nations and its Council had only moral forces at their disposal, and the moral force of the Council, to be effective, must be the expression of a unanimous conviction. The Government of Spain felt that the resolution to be adopted by the Council should show more clearly that it was the duty of the Council in
this particular instance, not to pronounce a judgment, but to give a political appreciation of
the facts of the case. The fact of a unilateral repudiation of treaties, which everyone must
condemn, should be considered in connection with the original causes that had given rise to it.
All the articles of the Covenant had, in the course of the existence of the League, suffered
deterioration. No better proof of this process could be afforded than the events which had
occurred in connection with disarmament. The Covenant was an essential charter, but, if
certain of its articles suffered from the fact that they were not applied with the necessary
sincerity and goodwill, no surprise need be felt that other articles, and even the Covenant
as a whole, should be liable to a corresponding prejudice.

The resolution was not so appropriate, from the point of view of form and even of certain
points of substance, as the Spanish Government would have wished, but Spain would vote for
a resolution which, in the last analysis, declared that law came before force and that no nation
was above the law.

The representative of Mexico stated that his country was prepared to co-operate within
the framework of the League in studying and applying all provisions calculated to strengthen
the effectiveness of the Covenant and to consolidate collective security. The resolution
referred especially to the maintenance of peace in Europe; but the mission of the League went
beyond the limits of continents and aimed at the consolidation of peace throughout the world.

The representative of Denmark said that the Danish Government supported the three
positive and constructive parts of the resolution—namely, a solemn affirmation of respect for
treaties, measures to study appropriate means for ensuring respect in cases where Article 16
of the Covenant did not apply, and a continuation of the negotiations in progress with a view
to settlement. The Danish Government, however, had serious doubts as to the part of the
resolution embodying an historical statement of the events connected with the re-armament
of Germany and passing judgment upon German policy. It felt that it was essential to avoid
framing any resolution in terms likely to increase the difficulties of the Powers which would
have to endeavour, by means of negotiations, to find an issue from the present situation.
It was also essential not to diminish in any way the possibility of achieving the universality
of the League. He feared that the Council, by voting the resolution without amendment,
might run the risk of weakening the position of the League as an instrument of concord and
understanding, and he asked the three Governments which had submitted the resolution
whether they could not modify the paragraphs in question.

Denmark was prepared to collaborate in studying the possibilities of extending the
sphere of some of the sanctions embodied in Article 16, and on the general question it felt that
serious efforts must be made to check the growing tendency on the part of States to override
international agreements.

The resolution submitted by the representatives of France, the United Kingdom and
Italy was unanimously adopted by the Council.1 The representative of Denmark abstained from voting.

The Council decided that the Committee to be set up under the resolution should consist of
the following thirteen States: the United Kingdom, Canada, Chile, France, Hungary, Italia,
the Netherlands, Poland, Portugal, Spain, Turkey, Union of Soviet Socialist Republics and Yugoslavia.2

3.

FREE CITY OF DANZIG AND TERRITORY OF THE SAAR.

I. FREE CITY OF DANZIG.

A. REPORT BY THE HIGH COMMISSIONER OF THE LEAGUE OF NATIONS
FOR 1934.

The High Commissioner of the League of Nations at Danzig forwarded to the Secretary-
General, on December 31st, 1934, a general report for the year 1934.3

1 The President, speaking as the representative of Turkey in the course of the discussion on the draft resolution,
drew attention to a point of particular importance to his country. The military clauses relating to the Straits were of a
discriminatory character and created an unfair situation at the expense of Turkey, and Turkey, if there should be any
changes in the situation fixed by existing treaties, would be obliged to make them dependent upon consequent
modifications of the military clauses.

The representatives of the United Kingdom, Italy and France, pointing out that the question raised by the Turkish
representative was not directly concerned with the immediate discussion, made every reservation with regard to the
matter.

The representative of the Union of Soviet Socialist Republics declared that, so far as his country was concerned, it
would put no difficulties in the way of realising the wishes of the representative of Turkey.

2 Eighty-fifth (Extraordinary) Session of the Council : Minutes 3563, 3565, 3566.

3 Document C.42.1935.VII.
The High Commissioner, introducing his report, comments as follows upon the general situation in Danzig:

"During 1934, the political situation of the Free City of Danzig was characterised by two main features. In the first place, by a very appreciable improvement in its relations with Poland, which I am happy to take this opportunity of recording; in the second place, as regards internal policy, by a development of that policy which has on occasion given rise to serious apprehensions in the most varied spheres, such as the creation of new institutions, measures regarding the Press, speeches delivered by official personages and, in general, the struggle between the various political parties.

"The President of the Senate has given the fullest assurances of the loyalty of the Senate to the Constitution guaranteed by the League of Nations, and while referring to my apprehensions and doubts about a tendency in legislation and administration, I have not failed in this report to mention several occasions on which the Government has been good enough to reconsider legislative decrees and administrative actions as a result of my representations on constitutional grounds.

"The difficulties arise from the Government's legitimate desire to apply the ideals of National Socialism within the framework of the Constitution, which, however, in practice sometimes leads to conflict or doubt as to the constitutional position. The situation has not been made easier by newspaper reports from time to time of declarations by members of the Senate and other responsible persons, suggesting that the State and the National-Socialist Party can be regarded as identical."

The High Commissioner reports in detail on the circumstances in which Dr. Rauschning, on November 23rd, 1934, resigned his position as President of the Senate of Danzig and on the election of M. Greiser as his successor. He also refers to a number of cases in which he felt it necessary to confer with the President of the Senate as the result of declarations of policy or executive action taken by the Government of the Free City. He refers in particular to questions which arose in connection with the suspension of certain newspapers, the election of judges under Article 64 of the Constitution, an order that all Communist organisations on Danzig territory should be dissolved, the treatment to be accorded to certain members of the population by reason of their origin or creed, and the education of young people in the schools and by associations formed for the purpose.

The question of the education of young people was specifically raised in connection with a decree issued on April 4th, 1934, under which the wearing of uniform out of doors was refused to Catholic associations but authorised in respect of National-Socialist and Polish associations.

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The question of the education of young people was specifically raised in connection with a decree issued on April 4th, 1934, under which the wearing of uniform out of doors was refused to Catholic associations but authorised in respect of National-Socialist and Polish associations. Two Catholic parish priests lodged with the High Commissioner, on April 30th, 1934, a petition protesting that these measures were not in accordance with the Constitution of the Free City.

The High Commissioner, reporting on the relations between Danzig and Poland, refers to the successful conclusion, on August 6th, 1934, of a series of agreements between the two parties. A list of agreements, communicated to the Council on August 24th, 1934, comprises the following instruments:

2. Agreement of February 7th, 1934, regarding the finances of the Harbour Board.
3. Protocol of March 28th, 1934, regarding the finances of the Harbour Board.
4. Arrangement of June 23rd, 1934, regarding the police of the Port of Danzig and the waterways controlled by the Harbour Board, with Protocol relative thereto.
5. Convention of July 2nd, 1934, regarding social insurance.
7. Agreement of August 6th, 1934, regarding the participation of the Free City in the Polish import quotas, with Additional Protocol and Protocol of Execution.
8. Agreement of August 6th, 1934, regarding the settlement of certain Customs questions, with Additional Protocol.
9. Agreement of August 6th, 1934, regarding foodstuffs and articles for current use.
10. Agreement of August 6th, 1934, with Additional Protocol, regarding agricultural products and fishery products.
11. Agreement of August 6th, 1934, regarding the trade in animal products.
12. Agreement of August 6th, 1934, regarding the protection of plants.
13. Arrangement regarding the foundation of a Chamber for External Trade.

The High Commissioner recalls that the term of office of the President of the Harbour Board, M. Ch. Benziger, expired on June 2nd, 1934. It was prolonged by agreement between the parties until September 30th, 1934.

Meanwhile, the two Governments concerned agreed, in conformity with the provisions of Article 19 of the Treaty between Poland and the Free City of Danzig of November 9th, 1920, to appoint M. J. A. Nederbragt, Director of the Economic Bureau at the Ministry for Foreign Affairs at The Hague, as President of the Danzig Harbour Board for a period of three years as from October 1st, 1934. M. Nederbragt accepted the post offered him and took up his duties.

The High Commissioner observes that, for the first time in the history of the relations between Danzig and Poland, the President of the Harbour Board has been appointed by direct agreement between the parties. Hitherto this appointment has had to be made by the Council.
B. COMPETENCE OF THE HIGH COMMISSIONER AND THE RIGHT OF PETITION.

The High Commissioner, in a letter addressed to the Secretary-General on May 7th, 1935, communicated to the Council the text of a speech published in the Danziger Vorposten, the organ of the National-Socialist Party at Danzig, which the President of the Senate of the Free City, M. Greiser, had delivered at an electoral meeting on March 24th, together with an exchange of memoranda on the subject between the High Commissioner and the Senate. M. Greiser was reported to have said that the work of the Government was disturbed owing to the fact that the Opposition was sending continual complaints to the League of Nations and that the High Commissioner did not always take the same view of his task as the population of the Free City, which considered that he had only to act as arbiter in the relations between Danzig and Poland.

The High Commissioner maintained that these declarations embodied fundamental errors as to the nature and extent of the duties attributed to the League of Nations under the treaties in force.

The United Kingdom representative, acting as Rapporteur to the Council on May 24th, 1935, recalled its previous decisions as to the duties and competence of the High Commissioner and the right of the population of the Free City to address petitions to the League. He declared that the Council could not possibly accept the interpretation of the duties of the League of Nations put forward by the Senate in its correspondence with the High Commissioner, in which it supposed to limit the scope of the guarantee accorded by the League to the Constitution of the Free City. Nor could the Council agree that citizens of Danzig who exercised their right to approach the League of Nations could be accused of disloyalty towards the Free City. It did not appear that, up to the present, there had been any abuse by the Opposition parties in any way of making a personal attack.

The Council Rapporteur, in conclusion, expressed his conviction that his colleagues would refuse to accept the criticism passed upon the manner in which the High Commissioner had carried out his duties and that the Council would wish to express to the High Commissioner its sincere appreciation of his devotion and to put on record its entire confidence in him.

The President of the Senate, he was glad to note, shared that feeling of confidence in the High Commissioner. M. Greiser had stated that he was conscious of having in the person of the High Commissioner the strongest support of a strict observation of the Constitution of Danzig and that he believed himself to be fully in agreement with the High Commissioner in regard to his position as defined and established by the Council. The observations of the President of the Senate in no way constituted a personal attack on the High Commissioner.

The United Kingdom representative, submitting his report to the Council, expressed his regret that the President of the Senate of the Free City should have chosen the medium of a political speech to give expression to erroneous observations on the subject of the functions of the League of Nations and its High Commissioner.

M. Greiser, President of the Senate, declared that he fully associated himself with the objective and impartial views expressed by the Rapporteur. He observed, however, that the great mass of the Danzig population was unable to grasp the legal and international scope of the treaties in force and of the interpretative resolutions adopted by the Council, and he represented that the Government must sometimes be able to fulfill its duty of expressing popular opinion, which in no way prejudiced the existing legal position. The representatives of France and Poland explicitly associated themselves with the report.

Mr. Lester, High Commissioner of the League of Nations, expressed his satisfaction that the Rapporteur should have emphasised the declaration, made by the President of the Senate himself in his memorandum to the High Commissioner, that there had been no intention in any way of making a personal attack.

M. Greiser, the President of the Senate, declared that the question of the powers of the High Commissioner had never arisen and that on this subject there was no difference of opinion between them.


The Council, on January 18th, 1935, in the presence of the High Commissioner of the League of Nations and the President of the Senate, considered a petition submitted at the request of the High Commissioner by two Catholic parish priests on August 30th, 1934, on behalf of the Catholic parish priests of the diocese of Danzig, complaining that certain legislation adopted by the Senate was contrary to the provisions of the Constitution of the Free City.

The High Commissioner, in submitting this petition, based his request on a letter approved by the Council on June 10th, 1925, in accordance with which he was empowered, in the event,

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1 Document C.186.1935.VII.
of learning, through petitions or otherwise, that there was a danger of infraction of the Constitu-
tution of the Free City, either to report thereon for the information of the Council or, in very
serious cases, to request that the Council should consider the matter at one of its sessions. The
High Commissioner had further communicated to the Council, on January 7th, 1935, a let-
ter informing it that he had since received a petition from the Centre Party of the Free
City of Danzig.

The High Commissioner observed that some of the points raised in the second petition
were identical with those raised in the petition from the Catholic clergy and that the Govern-
ment of the Free City was opening negotiations with the petitioners of the Centre Party before
submitting its observations on their petition.

The Council accordingly decided, on the proposal of its Rapporteur, the representative
of the United Kingdom, not on this occasion to enter into the substance of the petition and to
defer consideration of the petition from the Catholic clergy pending the result of the contempl-
ated negotiations in the hope that an agreement would be reached on the spot in conformity
with the fundamental principles of the Constitution of the Free City.

The Rapporteur to the Council, while proposing to adjourn the consideration of the peti-
tion, drew attention to the report of the High Commissioner for 1934, which referred to certain
tendencies to be observed in the legislation and administration of the Free City which did not
always seem to him to be in harmony with the letter or spirit of the Constitution. He reminded
the Council of certain messages and declarations addressed to the people of Danzig by the
President and other members of the Senate which appeared to indicate the possibility of
developments which might be difficult to reconcile with the special international status of the
Free City. The President of the Senate informed the Council that the government of the Free City
by the League implied for it the right and duty of satisfying itself in general that the constitu-
tional life of Danzig was in keeping with the Constitution and that the Council must remain
sole judge of its own action in every new case that might be submitted to it in virtue of that
guarantee.

At the same time, he drew attention to a statement of the High Commissioner in his report
to the effect that the President of the Senate had given the fullest assurances of the loyalty
of the Senate to the Constitution as guaranteed by the League of Nations.

The President of the Senate of the Free City observed with satisfaction that the Council
decided, to postpone discussing the petitions which had been submitted, with the result that
the Free City might have an opportunity of seeking in the interval a settlement which
might make further action by the Council unnecessary.

He emphasised that the great majority of the people of Danzig desired to be led and
governed in accordance with the principles of National Socialism, and that it was the duty
of the Government of the Free City to carry out its National-Socialist ideals within the limits
of the Constitution. He confirmed that, since that Government had assumed power, it had
at all times most scrupulously observed the letter and spirit of the Constitution of the Free
City. He claimed, moreover, that the National-Socialist Government had effectively achieved
an understanding with Poland, thus removing elements of dispute which for ten years had been
a source of embarrassment to the Council of the League. The Government of the Free City
decided the petitions and direct negotiations any dispute which might arise between Danzig and Poland without having recourse to the offices of the League. It
felt certain that the Government of the Polish Republic was actuated by the same desire.

The representative of Poland agreed with the President of the Senate of the Free City
that the method of direct conversations between the two parties was the most suitable means
of dealing with the question before the Council.

The Council, on May 25th, 1935, was informed that the Senate had been unable to settle
by negotiation the questions which had arisen under the petitions submitted by the Catholic
priests and the Centre Party. Further petitions had, moreover, been received from the
"Verein Jjudischer Akademiker", the "Vereinigung selbständigier Jüdischer Danziger Gewerbe-
treibender" and from the editors of the Danziger Volksstimme.

The Council had therefore to consider the petition from the Centre Party dated December
17th, 1934, and an Addendum to it, dated April 18th, 1935, together with the observations
of the Senate upon these documents, dated May 7th and May 15th, respectively. The first
of these petitions protested against a series of legislative and administrative measures adopted
by the Senate of the Free City and against certain incidents which had occurred during the
elections of November 1934 to the Communal and District Council. The second petition
referred to a series of incidents alleged to have taken place during the elections to the popular
Assembly on April 7th, 1934, and during the preceding electoral campaign.

The petitions submitted by the Jewish organisations protested against certain disabilities
to which the Jewish population of the Free City was subjected to be a result of legislation adopted by the
Senate of the Free City and of its application by the authorities.

The petition from the editors of the Danziger Volksstimme, the organ of the Social-
Democratic Party, dealt with the operation of the Press laws in Danzig and a number of suspensions and confiscations of which the paper had been the object.

1 Document C.577.1934.VII.
2 Document C.45.1935.VII.
3 Eighty-fourth Session of the Council, sixth meeting, Minute 3540.
5 See report of the High Commissioner on the elections to the popular Assembly, document C.205.1935.VII.
7 Documents C.203.1935.VII and C.212.1935.VII.
The Council adopted a report submitted by the United Kingdom representative as rapporteur. It was observed, in this report, that all the petitions, with the exception of that submitted by the Danziger Volksstimme, complained of the infringement by the Senate of Article 73 of the Danzig Constitution, which provided that all nationals of the Free City should be equal before the law, that exceptional laws should be inadmissible, that men and women should have the same civil rights and duties and that there should be no legal privileges or disqualifications due to birth, position or creed. The petitioners tried to show that, in the widest spheres of the political and administrative life of the Free City, equality of treatment was violated in favour of the National-Socialist Party. According to the petitioners, although certain measures taken by the Government ostensibly applied equally to all the citizens of the Free City, they were in fact interpreted exclusively with the object of protecting the organisations of the National-Socialist Party.

The Senate, on the other hand, maintained that its criterion had always been and would continue to be just and equal treatment for all Danzig nationals. The Senate, however, held the view, in accordance with the principle adopted by the Danzig Supreme Court on January 18th, 1926, that the "only cases to be treated by the law as equal were those which, in the view of all just and fair-minded men, it would be arbitrary to treat unequally; hence cases which required unequal treatment must not be equally treated ".

The report continued as follows:

"I need scarcely remind my colleagues that the Constitution of the Free City has been placed under the direct guarantee of the League of Nations, and it is for the Council to see that it is carried out."

"In view of the fundamental divergence of views in the interpretation of the Constitution which is revealed by the documents now before the Council, your Rapporteur has reached the conclusion that, in order to facilitate the Council's task, the best method of procedure would be to appoint a committee of jurists composed of three members, whose duty would be to examine these petitions, as well as the observations thereon of the Danzig Senate, and to report to the Council whether this examination reveals the existence of violations of the Constitution either in the form of legislation, decrees or regulations or in the form of administrative acts or omissions."

The Council, in adopting the report, authorised its Rapporteur to appoint the members of the proposed committee of jurists after submitting to his colleagues the names of the persons concerned. It was understood that the committee would meet in time to report to the Council at its next ordinary session. The President of the Senate of the Free City declared that, if the Council should reach the conclusion, as the result of a report from the committee of jurists, that the Constitution of the Free City had, in certain respects, been infringed, the Senate of the Free City of Danzig would modify its views, basing itself upon the Council's interpretation, and take such measures as might be appropriate.

II. TERRITORY OF THE SAAR.

A. PROVISIONS FOR THE MAINTENANCE OF PUBLIC ORDER.

The Chairman of the Governing Commission, in a letter to the Secretary-General, dated August 3rd, 1934, set forth the serious preoccupations which recent events had caused the Governing Commission concerning the maintenance of public order and the attitude of the Saar police and gendarmerie. The Governing Commission requested the President of the Council to approach the States Members of the League, as soon as possible, with a view to recruiting police from outside the territory in accordance with the report and resolution adopted by the Council on June 4th, 1934. The President of the Council, acting on this request, instructed the Secretary-General to inform the Governments Members of the League that he recommended them, in the name of the Council, to lend the Governing Commission of the Saar their full support in this matter. The Secretary-General, on September 3rd, 1934, addressed a Circular Letter to the Governments in this sense.

The Council, on September 27th, 1934, noted that the appeal of the President had been favourably received by a number of Governments, and it expressed the hope that the Governing Commission would be able to recruit the necessary police without difficulty, in view of the fact that States Members of the League were prepared to co-operate actively with the Council in its task of ensuring the efficient and impartial conduct of the plebisicte proceedings.

The Council, on December 6th, 1934, again considered the question of how order should be maintained in the Saar Territory before and during the plebiscite. The French representative,
The Plebiscite Commission, constituted under the resolution adopted by the Council on June 4th, 1934, and appointed by the President of the Council in consultation with his colleagues on June 16th, 1934, entered upon its duties at Saarbruck on July 1st, after preliminary meetings held at Geneva from June 28th to June 30th. The Governing Commission of the Saar, on the same day, issued a proclamation on behalf of the Plebiscite Commission to the effect that its arrival marked the beginning of the plebiscitary period.

Recalling the declarations of the French and German Governments of June 2nd, 1934, in which they undertook to guarantee the fair conduct of the plebiscite, the Plebiscite Commission declared that it would not fail to do all that it deemed necessary to secure a free, secret and trustworthy vote; for this purpose, it relied upon the voluntary support of the inhabitants of the Territory. The Commission expected all officials scrupulously to abstain from any action calculated to influence the plebiscite, and called upon the entire population to maintain peace and order and to co-operate in seeing that the instructions of the Commission were carried out in both letter and spirit.

The Plebiscite Commission, on July 7th, 1934, published the Regulations for the Plebiscite, with such adjustments and additions as were considered necessary.
In accordance with the regulations prescribing the constitution of a district bureau in each of the eight districts of the Territory and a communal committee in each of the eighty-three voting districts responsible for the compiling of registers of persons entitled to vote, the Plebiscite Commission recruited a considerable number of neutral officials as district inspectors or presidents of the voting districts. This staff was composed as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>British</td>
<td>1</td>
</tr>
<tr>
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<td>5</td>
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<tr>
<td>American</td>
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</tr>
<tr>
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<td>Swedish</td>
<td>5</td>
</tr>
<tr>
<td>Swiss</td>
<td>8</td>
</tr>
</tbody>
</table>

The chief activity of the Plebiscite Commission consisted in a strict supervision of the compiling of the lists of persons having the right to vote and, in co-operation with the Governing Commission, the issuing of a series of ordinances for the regulation of the plebiscite campaign. The organisation of the plebiscite in detail by the Plebiscite Commission was described in seven monthly reports to the Council covering the period July 1st, 1934, to January 15th, 1935. The total number of appeals lodged with the Supreme Plebiscite Court against decisions of district bureaux concerning claims in respect of the provisional voting-lists was 9,248. Of this number, 2,387 appeals (25.8%) were allowed, while the others were rejected or declared non-receivable.

The judicial organisation, consisting of a Supreme Plebiscite Court and eight district tribunals in the Saar Territory, was established on September 8th, 1934, and the constitution of these bodies was almost completed by the end of the month. The Supreme Court was ready to take up its duties on October 1st, 1934.

The Plebiscite Commission, in its last report to the Council, covering the period January 1st to January 15th, 1935, described the situation in the Territory immediately preceding the plebiscite and the circumstances in which the voting finally took place.

In order to secure the necessary number of neutral chairmen of the electoral bureaux, the Commission made appeals to Luxemburg, the Netherlands and Switzerland, and these countries sent respectively 220, 365 and 350 chairmen. Some chairmen of American, British, Danish, Finnish, Italian and Swedish nationality also presided over some of the electoral bureaux.

C. PREPARATORY MEASURES TAKEN BY THE COUNCIL.


The French Government, on August 31st, 1934, forwarded to the Council of the League a memorandum submitting certain views and proposals relating to the organisation of the plebiscite and the questions which would be raised by a change of regime in the territory. The French Government asked that these questions should be referred to the Committee of the Council dealing with Saar questions. The French Government mentioned, as among the legal questions to be decided: (a) the extension of the guarantees accorded to Saar inhabitants entitled to vote in the plebiscite to all the inhabitants in respect of their political attitude; and (b) the decisions to be taken as a result of the plebiscite concerning the nationality of the inhabitants and their right of opinion. In the event of the Saar Territory being placed under the sovereignty of the League, it was, in the opinion of the French Government, the duty of the Council to define this regime in such a manner that the voters might have a clear idea of the status which would result from their vote.

It further represented that it would be the duty of the League of Nations to ensure respect for rights acquired during the period of fifteen years in which the League had been responsible for the administration of the Territory and urged that particular consideration should be given to the safeguarding of rights of ownership, the guaranteeing of jurisdictional, administrative and fiscal decisions taken during the administration of the Saar by the League, the right of persons of foreign nationality to keep their property freely in their respective currencies, respect for contracts made in foreign currency or gold, and rights of any kind acquired in respect of social insurance and pensions.

The French Government also urged that it was desirable to deal immediately with the question of the mines, pointing out that the German Government, in the event of the Saar returning to Germany, would be under an obligation to repurchase the mines at a price payable in gold. The French Government was of opinion that the Council should assume responsibility for the satisfactory settlement of this question on the basis of paragraphs 36 and 38 of the Treaty of Versailles and of Article 11 of the Covenant of the League.

The French Government further drew attention to a number of financial questions and especially to the currency problems which would arise in the event of a transfer of the Saar Territory to Germany, contending that it would be inadmissible for the francs circulating


2 Document C.374.1934.VII.
in the Saar to be withdrawn and claimed by the Reichsbank without being used for the settlement of foreign, public and private debts for which Germany would assume responsibility by reason of the attribution to her of the Saar Territory.

The Governing Commission, in a letter to the Secretary-General, dated August 23rd, 1934, had already drawn the attention of the Council to the problem of Saar loans placed outside the Territory and Saar claims on foreign countries.

II. PRELIMINARY REPORT BY THE COMMITTEE OF THE COUNCIL.

(September 1934.)

The Council of September 8th, 1934, asked its Committee dealing with Saar questions to study, with a view to submitting proposals and suggestions, the questions raised by the French Government and by the Governing Commission of the Saar. The Committee was empowered to obtain any expert opinion which it might consider desirable.

The Committee, in a preliminary report to the Council on September 27th, 1934, stated that it had at once got into touch with the French and German Governments and entered upon a detailed examination of the questions under consideration. It drew attention in its report to other problems which, in the opinion of the Governing Commission, as expressed in a memorandum forwarded to the Secretary-General on September 4th, 1934, called for urgent examination.

In the first place, attention was drawn to the position of Saar officials after the plebiscite. The Council had adopted a resolution on May 27th, 1933, affirming the principle that the rights of officials of the Saar Territory would, in all circumstances, be safeguarded. The details of the application of this principle were to be settled later on the basis of agreements to be concluded between the Governing Commission and the Governments concerned.

The Committee of the Council, in view of the fact that no agreements had as yet been concluded between the Governing Commission and the Governments concerned, was taking steps to hasten a settlement, and it asked the Council to reaffirm its determination to secure such a settlement in order to reassure the officials concerned.

The Committee of the Council further stated that it was giving special consideration (1) to the question of Saar loans placed outside the territory and Saar claims on foreign countries and (2) to the question of social insurances contracted in the Territory. Its attention had been directed to the important problem of social insurances by a series of petitions submitted by various organisations in the Saar.

III. DECISIONS AND AGREEMENTS REACHED PRIOR TO THE PLEBISCITE.

(September to December 1934.)

The Council met in extraordinary session from December 5th to December 11th, 1934, to consider urgently the final preparatory measures to be taken in view of the Saar plebiscite.

The Chairman of the Committee of the Council dealing with Saar questions submitted a report on the matters which had been referred to it for consideration under the Council resolution of September 8th, 1934. The Committee had devoted three sessions to the examination of these questions: at Geneva, September 27th and 28th; at Rome, November 5th to December 3rd; and at Geneva, December 4th, 1934.

Definition of the Regime established by the Treaty.

The Committee of the Council observed that the object of the Plebiscite would be to indicate the sovereignty under which the inhabitants of the Saar might desire to be placed and that the League of Nations would have to decide that question, taking into account the wishes of the inhabitants as expressed by the voting. In the event of the inhabitants voting for a maintenance of the regime established by the Treaty, it would be the duty of the League to take appropriate steps to modify a situation in which it had been acting as a trustee for the exercise of the government of the Territory with a view to its acting thereafter as titular sovereign, with the power to dispose of its sovereignty to such extent as might be compatible with the provisions of the Treaty.

Nationality of the Inhabitants of the Saar and the Right of Option.

The Committee had considered this question with reference to the three possibilities which were before the inhabitants of the Territory—namely, maintenance of the regime established by the Treaty, union with France or union with Germany.

In the first hypothesis, it would be necessary to provide for a Saar nationality and to grant the inhabitants, who would, ipso facto, acquire Saar nationality, the right of opting for German nationality.

In the second hypothesis, questions of nationality would have to be settled in conformity with the principles followed in cases of annexation of territory and with the right, for persons who would acquire, ipso facto, French nationality, of opting for German nationality within a specified time-limit.

1 Eighty-first session of the Council, second meeting, Minute 3454.
2 Eighty-second session of the Council, fourth meeting, Minute 3475.
3 Document C.416.1934.VII.
4 Documents C.311, C.344, C.357 and C.400.1934.VII.
5 Eighty-third (extraordinary) session of the Council, Minute 3491.
In the event of the inhabitants voting for union with Germany, the decision to be taken by the League of Nations would not involve any change of a legal character affecting the nationality of the inhabitants.

**Extension to Inhabitants of the Saar Territory not possessing the Right to vote of the Guarantees accorded to Voters.**

The Committee had invited the Governments of France and Germany to specify in the form of a declaration to the Council the conditions in which each of them was prepared to extend the undertakings given by the Declaration of June 2nd, 1934, regarding voters to inhabitants of the Saar Territory who did not possess the right to vote.

The German and French Governments, in an exchange of letters dated from Berlin on December 3rd and from Geneva on December 4th, 1934, respectively, undertook:

1. That no proceedings or reprisals should be taken or discrimination exercised against inhabitants of the Saar Territory who were not entitled to vote on account of their political attitude in connection with the purpose of the plebiscite during the administration of the League;
2. That any dispute as to the application or interpretation of this undertaking should be referred to the Permanent Court of Arbitration under the Hague Convention of October 18th, 1907;
3. That any inhabitant of the Saar not entitled to vote might submit a petition to the Supreme Plebiscite Court on the ground of prosecutions, reprisals or discrimination on account of his political attitude in connection with the purpose of the plebiscite during the administration of the League.

**Treatment of the Inhabitants following the Plebiscite in the Event of Union with Germany or France.**

The Committee had requested the French and German Governments to specify in the form of a declaration to the Council the measures which they would each be prepared to adopt relating to the treatment of the inhabitants after the establishment of a final regime as a result of the plebiscite.

The German and French Governments, in letters dated from Berlin on December 3rd and from Geneva on December 4th, 1934, respectively, declared:

1. That any persons then domiciled in the Saar Territory who might desire to leave the Territory would be given every facility to retain or sell their immovable property and to remove their movable property free of any charges, provided that they gave information of their wish to do so within six months of the plebiscite and provided they left the Territory within one year from the same date;
2. That during the period of one year from the date of the plebiscite, the inhabitants of the Saar Territory, whatever their nationality, would not be subjected to any discrimination on account of their language, race or religion.

**Social Insurance.**

The Committee had communicated to the German and French Governments suggestions which, in view of the technical aspect of the question, it had requested the International Labour Office to submit as to the action to be taken in the event of whole or part of the Territory being assigned to Germany or France.

The German Government, in a letter dated December 2nd, 1934, stated that, in the event of the Saar Territory returning to Germany, the social insurance system of the Territory would be incorporated in the general German insurance system. The rights acquired or in process of acquisition from social insurance funds in the Saar Territory would, in consequence, continue to be safeguarded so far as German legislation allowed.

The French Government, in a letter dated December 2nd, 1934, declared that the French Government, in the event of the union of the Saar Territory with France, would guarantee present and past insured persons in the Saar, irrespective of nationality, the full benefit of (a) rights acquired or in process of acquisition from Saar insurance institutions at the time of the liquidation of the existing status, (b) rights arising out of the periods covered by contributions paid to German insurance institutions and (c) the payment of annuities or pensions acquired from German or Saar insurance institutions.

**Saar Officials.**

The Committee of the Council reported that the French and German Governments, on November 26th, 1934, had started negotiations concerning the position of Saar officials after the plebiscite, and that the results of the negotiations would be submitted to the Council at its January session.

**Financial Questions and Mines.**

The Committee had applied to the Governments of France and Germany, inviting them to appoint agents, who examined, with the technical assistance of a Sub-Committee of the Financial Committee, the possibilities of reaching an agreement.
An agreement was reached and signed at Rome on December 3rd, 1934, settling the principal economic and financial questions which had to be determined in accordance with the third hypothesis contemplated in paragraph 35 of the Annex to the Treaty of Versailles (union with Germany).

The agreement covered the following points:

(a) Commercial credits;
(b) Intermediate period between the decision of the Council as to sovereignty and the transfer of administration;
(c) Claims of the French Treasury;
(d) Saar debts authorised by the Governing Commission;
(e) Methods of collection of Bank of France notes and of foreign means of payment circulating in the Territory.

The French Government, under this agreement, undertook, in the event of the union of the Saar Territory with Germany, to cede to the German Government its rights of ownership of the mines, railways, Customs stations and other immovable property situated in the Saar Territory against the payment of a lump sum of 900 million francs. The payment was to be made by handing over 95% of the total quantity of Bank of France notes and other foreign means of payment circulating in the Saar Territory, to be recovered under certain specific conditions, and, as regards the balance, by free deliveries of coal spread in such a way as to ensure full payment of the lump sum in five years.

The remaining 5% of the Bank of France notes and other means of payment recovered were to be assigned to the service of debts contracted by Saar natural or legal persons, with the approval of the Governing Commission.

Report adopted by the Council.

The Council, on December 6th, 1934, adopted the report and conclusions submitted by its Committee.

The representative of France, accepting the report, noted with approval the observations submitted by the Committee of the Council as to the legal situation which would arise in the event of the plebiscite resulting in a maintenance of the regime established by the Treaty. The Council of the League would, in that event, exercise de jure and de facto sovereignty over the Saar and, if the Saar population were subsequently to express a desire to be incorporated in the German community, it would be for the Council of the League to take a decision, and France would raise no objections.

The representative of the Union of Soviet Socialist Republics also made a special reference to this point. He observed that a decision to prolong the existing regime would only be a temporary one. The Saar people would not thereby lose their right of self-determination, which could not be denied them owing to the fact that they had not chosen to make use of it at an earlier period.

The members of the Council each paid a tribute to the work of the Committee and expressed their satisfaction at the spirit of conciliation shown by the Governments of France and Germany which had contributed to a general easing of the European situation.

D. THE RESULTS OF THE PLEBISCITE.

The Council, meeting on January 12th, 1935, on the eve of the plebiscite, adopted a resolution requesting the Committee appointed to deal with Saar questions to remain in office, in order to prepare the resolutions which the Council would have to adopt at a later stage.

The Council, at the same time, decided to send to the population of the Saar the following message:

"On the eve of the plebiscite, the Council desires to make a solemn appeal to the population of the Saar.

"It urges them to show, by their calm and dignified attitude, that they are conscious of the importance of the vote which they are called upon to record.

"It counts upon their preserving the same attitude after the vote and awaiting with confidence the decisions which the Council will take within as short an interval as possible following upon the vote."

The Council met on January 14th, 1935, and received the following message, dated Saarbruck, January 14th, 1935, from the Chairman of the Plebiscite Commission:

"Voting took place in perfect calm, population having displayed discipline and dignity. Transport of ballot boxes to Saarbruck under military and police escort is proceeding normally."

The results of the plebiscite were communicated by the Secretary-General to the Members of the Council early on Tuesday morning, January 15th, 1935, and were noted by the Council at a meeting held on that date.

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1 Eighty-third (extraordinary) session of the Council, first meeting, Minute 3491.
2 Eighty-third (extraordinary) session of the Council, fourth meeting, Minute 3493.
3 Eighty-fourth session of the Council, second meeting, Minutes 3515 and 3516.
4 Eighty-fourth session of the Council, third meeting, Minute 3519.
5 Eighty-fourth session of the Council, fourth meeting, Minute 3527.
The results of the voting showed a majority in favour of union with Germany in every department of the Territory. The grand total was as follows:

<table>
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<tr>
<th>Description</th>
<th>Number</th>
</tr>
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<tbody>
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</tr>
<tr>
<td>Number of votes cast</td>
<td>528,105</td>
</tr>
<tr>
<td>For the maintenance of the present regime</td>
<td>46,613</td>
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<tr>
<td>For union with France</td>
<td>2,124</td>
</tr>
<tr>
<td>For union with Germany</td>
<td>477,119</td>
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<tr>
<td>Invalid papers</td>
<td>905</td>
</tr>
<tr>
<td>Blank papers</td>
<td>1,292</td>
</tr>
</tbody>
</table>

E. DECISION ADOPTED BY THE COUNCIL.

The Council, on January 17th, 1935, in the presence of the Chairmen of the Governing Commission of the Saar and of the Plebiscite Commission, met to take the decisions which were rendered necessary as a result of the plebiscite.

The Council adopted the following report and resolutions presented by the Rapporteur:

"By its report dated January 15th, 1935, the Plebiscite Commission has informed the Council of the result of the plebiscite provided for in the Treaty of Versailles.

"My colleagues will have noted that, in all the voting divisions, the population of the Saar Territory has decided by a majority in favour of the solution contemplated in paragraph 35(c) of the Annex to Article 50 of the Treaty of Versailles.

"It is laid down in the first sentence of paragraph 35 that the League of Nations shall decide on the sovereignty under which the Territory is to be placed, taking into account the wishes of the inhabitants as expressed by the voting.

"In these circumstances, I submit to the Council the following resolution:

"(1) Having regard to Articles 49 and 50 of the Treaty of Versailles and Chapter III of the Annex to those articles;

"(2) And to the Council's decision of June 4th, 1934;

"(3) And to the regulations for the plebiscite in the Territory of the Saar Basin, dated July 7th, 1934;

"(4) And to the report dated January 15th, 1935, whereby the Plebiscite Commission has informed the Council of the result of the plebiscite which was held on January 13th, 1935;

"(5) And to the undertakings entered into by Germany and France;

"(6) The Council:

"(1) Decides in favour of union with Germany of the whole of the Territory of the Saar Basin, as defined in Article 48 of the Treaty of Versailles, under the conditions resulting from that Treaty and from the special undertakings entered into in connection with the plebiscite;

"(2) Fixes March 1st, 1935, as the date for the re-establishment of Germany in the government of the territory of the Saar Basin;

"(3) Instructs its Committee to decide, in consultation with the French Government, the German Government and the Governing Commission of the Saar Territory, upon the arrangements necessary for the change of regime in the Territory and upon the manner in which the undertakings mentioned above shall be carried out. Should these arrangements not have been decided upon by February 15th, 1935, the Committee will submit its proposals to the Council, which will take the necessary decisions, in conformity with paragraphs 35(c) and 39 of the Annex to Article 50 and with the special undertakings entered into by the two Governments on the occasion of the plebiscite."

F. ESTABLISHMENT OF UNDERTAKINGS AND AGREEMENTS WITH A VIEW TO THE TRANSFER TO GERMANY OF THE TERRITORY OF THE SAAR.

The Committee of the Council, in accordance with the resolution adopted by the Council on January 17th, 1935, met at Rome, from February 5th to February 15th, and at Naples, on February 18th and 19th, 1935.

The Committee, which was informed of the results of the negotiations which, in the meanwhile, had taken place between the French Government, the German Government and the Governing Commission of the Saar on the economic, financial and administrative questions raised by the transfer of sovereignty, was assisted by a Sub-Committee of the Financial Committee of the League. Its work was also facilitated by the presence at Rome of the French and German delegations and the Chairman of the Governing Commission.

MONETARY ORDINANCE.

The Committee, on February 1st, authorised the Governing Commission of the Saar to put into force a monetary ordinance, as agreed between the French and German Governments and the Governing Commission. The export of means of payment of all kinds and remittances of funds outside the Saar Territory was prohibited and this prohibition applied to
remittances within the Saar Territory for account of individuals and legal entities established outside the Territory and outside Germany. Certain operations specifically defined were exempted from these provisions.

Provisions for the recovery of non-German means of payment provided that all means of payment in circulation in the Saar Territory expressed in a currency other than the Reichsmark must be handed over for exchange into Reichsmarks to exchange offices denominated for the purpose.

As from a date fixed by the Governing Commission, all debts expressed in French francs payable in the Saar Territory to persons domiciled in the Territory might be validly paid in Reichsmarks at a rate of exchange to be fixed on the day of payment by the Reichsbank for the exchange of currency.

Mines, Railways and Other Immovable Property situated in the Saar.

The French and German Governments notified the Committee of an agreement for the transfer by France to Germany of the mines, railways and other immovable property situated in the Saar Territory. The Committee approved this agreement on February 18th, 1935.

Section I of Chapter I of the agreement relating to the Saar mines provided in detail for the execution of the agreement reached at Rome on December 3rd, 1934, between the two Governments with regard to the claims of the French Treasury.

Section II of Chapter I relating to the Saar railways provided for the transfer to Germany of all rights over the railways situated in the Saar, specifying in detail the property to be transferred and the measures to be taken in regard to staff.

Chapter II provided, in execution of the agreement of December 3rd, 1934, for the payment of a lump sum of 900 million francs in settlement of all claims.

French Private Insurance Undertakings.

The Committee, on February 19th, 1935, approved an agreement between the French and German Governments concerning French private insurance undertakings.

French private insurance undertakings authorised to operate in the Saar prior to March 1st, 1935, were to retain such authorisation without further formality, and undertakings wishing to continue work in the Saar or to extend their activities to the rest of the Reich were to be subject to all the obligations imposed by German law.

Legal Position regarding the Liabilities and Treatment of the Property and Assets of Persons Leaving the Saar.

The German Government, following its declaration of December 3rd, 1934, addressed to the Committee of the Council a declaration dated February 16th, 1935, concerning the legal position regarding the liabilities and treatment of the property of persons leaving the Saar. The declaration was noted by the Committee (February 19th, 1935).

The German Government declared that the measures which it would take for re-introducing the Reichsmark as legal currency in the Saar would include the conversion into Reichsmarks of liabilities payable in the German Reich incurred prior to March 1st, 1935, and expressed in French francs in accordance with the laws then in force. The German Government would, however, exempt from the conversion of liabilities certain claims, mortgages and sureties held by classes of creditors specified in the declaration, and it gave full particulars regarding the regulations to be applied to the property and assets of persons leaving the Saar Territory.

Debts contracted by Saar Individuals and Legal Entities with the Sanction of the Governing Commission.

The Committee of the Council, on February 19th, 1935, having consulted the German Government and the latter having declared that it had no objection, adopted a resolution regulating in detail the rules to be applied in respect of debts contracted by Saar individuals and legal entities with the sanction of the Governing Commission of the Saar.

The resolution embodied provisions for the application in detail of the agreement reached between the French and German Governments at Rome on December 3rd, 1934. Five per cent of the total amount of the notes of the Bank of France and other foreign means of payment circulating in the Territory, recovered under the conditions described in the Rome Agreement, were to be paid into a special fund and employed exclusively for the service of the debts.

It was agreed that the Committee of the Council should appoint a person, to be described as the Referee, who would determine the distribution of this special fund on the basis of a list of loans prepared by the Governing Commission of the Saar Territory and to be finally established, before June 30th, 1935, by the Financial Committee of the League.

The Financial Committee submitted to the Council, in May 1935, a final list of the loans entitled to the benefits of the special fund.

1 Dr. V. Pospisil, formerly Governor of the National Bank of Czechoslovakia and a member of the Financial Committee of the League, was appointed Referee.
SOCIAL INSURANCE.

The Committee, on February 13th, 1935, approved an agreement between the German and French Governments concerning social insurance, and, on February 18th, noted a declaration on this question by the German Government dated February 16th, 1935.

The agreement provided that workmen and employees of whatever nationality who had been members of social insurance organisations in the past should, as from March 1st, 1935, be entitled, so long as they were resident in France or in Germany, to the full amount of the annuities and pensions earned in France, Germany or the Saar, including supplementary and other benefits attaching to them. It was stipulated, moreover, that the transfer of sums in respect of such benefits should not be subject to any transfer restrictions under German law.

The German Government, by a declaration of which the Committee was notified on February 18th, 1935, stated that social insurance benefits payable abroad would not be subject to the restrictions imposed by German foreign exchange legislation.

RIGHTS OF OFFICIALS.

The Committee, on February 8th, 1935, adopted a resolution to the effect that rights of officials of the Saar Territory should be settled in accordance with the provisions of an agreement concluded on January 31st, 1935, between the Governing Commission and the German Government, and that the Governing Commission should be authorised to take the necessary steps to ensure the execution of that decision.

The Committee, on February 19th, 1935, further noted a declaration communicated by the German Government in regard to the pensions of officials, and a declaration communicated by the French Government to the effect that it would consider in a liberal spirit the possibility of admitting to its service State officials of the Governing Commission of French nationality entitled to pension benefits.

The agreement between the Governing Commission of the Saar Territory and the German Government, concluded on January 31st, 1935, provided that the German Government would, in principle, take back into its service the officials of German nationality appointed by the Governing Commission of the Saar Territory but would reserve the right in individual cases to decline their services. The Governing Commission was to be notified of its decision in this respect not later than February 23rd, 1935. Officials might, in certain circumstances, relinquish their status and apply to be retired on a pension, application to this effect being submitted to a committee consisting of three members appointed by the German Government and three members appointed by the Saar Governing Commission. The German Government recognised the promotions made by the Governing Commission, but retained the option of reducing in grade, within appropriate limits, officials of high rank. Examinations held by the authorities of the Governing Commission and certificates awarded to officials were to be recognised. The Governing Commission undertook to retire all officials of non-German nationality as from March 1st, 1935.

The German Government undertook not to apply disciplinary measures on account of acts committed by officials, in course of service or otherwise, during the period of the administration of the Saar Territory by the Governing Commission, unless they were such as gave rise to sentences under criminal law.

Finally, the agreement contained detailed rules as to the payments of pensions to all officials of German as well as of non-German nationality.

CHANGE OF CUSTOMS ADMINISTRATION.

The Committee, in a resolution adopted on February 11th, 1935, decided that the Saar Territory should be placed under the German Customs administration as an integral part of German Customs territory as from midnight of February 18th and 19th, 1935, in accordance with the provisions of an agreement between the French and German Governments signed at Rome on that day. The Governing Commission was authorised to take the necessary steps, so far as it was concerned, to ensure the execution of that decision.

TRANSFER OF ADMINISTRATION OF THE TERRITORY.

The Committee of the Council, in a resolution adopted on February 19th, 1935, decided that the transfer of the administration of the Saar Territory should be governed by the provisions of an agreement reached on that date between the German Government and the Governing Commission. The agreement provided that the administration of the Saar Territory should pass into the hands of the German Government on the night of February 28th and March 1st, 1935. The German Government was, on that date, to take over all the assets and liabilities of the Governing Commission of the Saar Territory and all contracts concluded by the Governing Commission. Judgments possessing force of law rendered by the Saar courts were to be regarded as final and treated as judgments with force of law passed by German courts. Administrative decisions taken by the Governing Commission were to be maintained as though they were decisions taken by the German Government.
The various administrations of the Saar Territory were to hand over their goods and property on the spot on the basis of summary inventories, and the Governing Commission was to deliver to the German Government a summary schedule of all its assets and liabilities, including special funds, and of all claims and commitments, as well as a list of all the contracts concluded by it in each administrative department as at February 28th, 1935.

The Governing Commission, in a declaration dated February 18th, 1935, expressed doubts as to whether it would be possible to make the summary settlements of accounts to be effected on February 28th, 1935, sufficiently full and accurate.

The Commission had proposed that a liquidation office should be set up which might have permitted of an accurate adjustment and closure of the accounts of its various administrations. The German Government, however, regarded the maintenance of a liquidation office after February 28th, 1935, as unnecessary.

SUPREME PLEBISCITE COURT.

The Committee of the Council, in a resolution adopted on February 15th, 1935, recalled that the German Government had agreed, in a declaration made on June 2nd, 1934, that, for a transitional period of one year as from the establishment of the final regime, the Supreme Plebiscite Court, established in accordance with the decision taken by the Council on June 4th, 1934, would be maintained. The Court was to deal with any complaint which might be brought by any person having the right to vote in the Saar of pressure, prosecution, reprisals or discrimination as a result of his political attitude in connection with the purpose of the plebiscite during the administration of the Territory by the League of Nations. The German Government, in a declaration made on December 3rd, 1934, had agreed that any inhabitant of the Saar—i.e., any person who had been domiciled in the Saar Territory for at least three years on January 13th, 1935—who was not entitled to vote might, on the same grounds, submit a petition to the Supreme Plebiscite Court.1

The Committee of the Council, having consulted the German Government, decided that the Supreme Plebiscite Court set up under the resolution adopted by the Council on June 4th, 1934, should be maintained under the conditions specified in the declarations made by the German Government on June 2nd and December 3rd, 1934, for the purpose of discharging its duties defined in these declarations.

The decision adopted by the Committee of the Council provided for the appointment by the German Government of a public agent who would be attached to the Court. He would receive, through a member of the Court specially delegated for the purpose, any complaint addressed to the Court, and be empowered to make representations to the proper quarter with a view to obtaining satisfaction. Failing satisfaction, the complaint would be submitted to the Court, together with the observations of the public agent.

It was provided that the Court should afford to complainants, and any other persons concerned, an opportunity of submitting their observations either verbally or in writing, of appearing in person before the Court, and of appointing persons to represent or advise them, the Court being entitled to collect such evidence as it might think fit.

The German Government undertook to take any steps which might be necessary to ensure that decisions of the Court would be duly enforced.

REPORT OF THE COMMITTEE TO THE COUNCIL.

The Committee, on February 19th, 1935, adopted its report embodying the above-mentioned decisions and agreements.2

NOMINATION OF THE MEMBERS OF THE SUPREME PLEBISCITE COURT.

The President of the Council, according to the decision of the Committee of the Council, acting under the Council resolution of January 17th, 1935, and after having received the proposals of the Committee as to the composition of the Court after March 1st, 1935, nominated, in consultation with his colleagues, the following persons to be members of the Court:

President . . . . . . M. Bindo Galli (Italian).
Judges . . . . . . . M. L. Goudet (Swiss).
Judges . . . . . . . M. Cabral de Moncada (Portuguese).
Judges . . . . . . . M. W. J. Moretti (Swiss).
Judges . . . . . . . M. J. A. Nordenvalk (Swede).
Judges . . . . . . . M. Quintano Ripolles (Spanish).
Judges . . . . . . . M. H. Reimers (Norwegian).
Judges . . . . . . . M. J. P. Wester (Luxemburger).
Deputy Judges . . . Ch. Duzmans (Latvian).
Registrar (Greffier) . . . M. M. Straznicky (Yugoslav).
Registrar (Greffier) . . . M. P. Barucci (Italian).

1 Annual Report on the Work of the League for 1934 (Part II) (document A.6(a)), page 34. The Supreme Plebiscite Court, in the declaration of June 2nd and the decision of June 4th, is referred to as the Supreme Plebiscite Tribunal.
G. TRANSFER TO GERMANY OF THE GOVERNMENT OF THE SAAR TERRITORY.

The Committee of the Council entrusted with Saar questions, on March 1st, 1935, at Saarbruck, effected the transfer, on behalf of the League of Nations, and in accordance with the Council resolution of January 17th, 1935, of the government of the Saar Territory to Germany, represented for this purpose by Dr. Frick, Reich Minister of the Interior.

Baron Aloisi, Chairman of the Committee of the Council, in a letter dated March 1st, 1935, notified the President of this event, and forwarded to him the official record.1

H. DEMILITARISATION OF THE TERRITORY OF THE SAAR.

The French Minister for Foreign Affairs and the German Ambassador in Paris, by an exchange of letters effected on February 28th, 1935, formally agreed that the Territory of the Saar was included in the area covered by Articles 42 and 43 of the Treaty of Versailles, and that the provisions applicable to that area would therefore apply to the Saar Territory after its return to Germany.

It was specifically agreed that the normal strength of the police to be stationed in the Saar Territory after its return would correspond to the normal strength of the police forces in the Territory, comprising approximately some 1,500 police officers of all categories, and that the total maximum strength of the police stationed in the demilitarised area on the left bank of the Rhine would accordingly be increased by that figure. It was agreed that one airport, at Saarbruck, should be added to the four airports already provided for in the demilitarised area.

The French Government entered two specific reservations, one concerning the presence at any time in the Saar Territory of S. A., S. S. or compulsory labour service formations, and the other concerning the development, on other than economic grounds, of the railway and road system in the area subject to demilitarisation.2

I. REFUGEES FROM THE SAAR.

The representative of France, at a meeting of the Council held on January 17th, 1935,3 raised the question of the refugees leaving the Saar as a result of the plebiscite. He stated that France, from a feeling of humanity, had not refused access to her territory to any refugees presenting themselves, but had spontaneously taken steps for their reception. It must be clearly understood, however, that the problem of refugees from the Saar, in so far as it arose, was and remained an international matter, whose solution would devolve upon the League of Nations.4

The representative of France, on the following day, forwarded a memorandum to the Secretary-General on the question of refugees from the Saar.4 In the view of the French Government, the responsibilities of the League were twofold. First, it was the mission of the League to deal with the cause of any evils which might arise. That was the essential object of the undertakings entered into before the League Committee by the German Government on June 2nd and December 3rd, 1934. The strict observance of these undertakings, condemning all acts of reprisal, would dispel apprehensions and prevent an exodus. Secondly, there was a practical problem owing to the fact that numerous Saarlanders had in fact arrived at the French frontier immediately after the plebiscite. Probably the majority of these persons had voted for the maintenance of the administration of the Saar by the League of Nations. The League had therefore a special responsibility towards them, quite apart from general humanitarian considerations. The burden arising out of the maintenance and settlement of the Saar refugees would have to be met out of the League budget and would require the co-operation and advice of the special bodies of the League, which had a long experience in these matters.

The French Government would have to repatriate and reabsorb into French national life several thousands of French nationals who had been living in the Saar and it could not continue to assume responsibility for a continued and uncontrolled immigration into its territory of German nationals from the Saar unless it might count on the effective co-operation of the League of Nations.

The Council, on January 21st, 1935, adopted a resolution noting the memorandum submitted by the French Government and instructing its Rapporteur for Refugee Questions, acting in co-operation with the Committee of the Council dealing with Saar questions, to submit proposals at its next session.

The Secretary-General, on April 1st, 1935, communicated to the Members of the Council a statement from the Rapporteur drawing attention to the fact that there were two classes of refugees from the Saar, the first consisting of Saar inhabitants properly so-called, and the second consisting of refugees from Germany who had gone to the Saar, but did not wish to remain

1 Document C.123.M.61.1935.VII.
3 Eighty-fourth Session of the Council, Fifth Meeting, Minutes No. 3535.
4 Document C.64.1935.VII.
there. He submitted that the Council had only to concern itself with refugees of the first class who numbered from 3,200 to 3,300 persons, refugees of the second class being assimilated to refugees coming from Germany whose cases were dealt with by the High Commissariat in London set up for the purpose under the resolution adopted by the Assembly of the League on October 11th, 1933.

The Rapporteur suggested that the body to be entrusted with the question of the refugee inhabitants of the Saar, should be the Nansen International Office for Refugees.

The Secretary-General, in forwarding this suggestion to Members of the Council, stated that should no observations on the suggested procedure be received prior to April 10th, 1935, he would take steps in agreement with the President of the Council and the Rapporteur to give effect to it.¹

The Government of the United Kingdom, by a telegram dated April 11th, 1935, agreed that the protection of Saar refugees should be entrusted to the Nansen International Office on the understanding that no increase in the administrative budget of the office would be involved.

The United Kingdom Government, however, reserved its attitude as to any recommendations concerning an appeal for funds for the benefit of the Saar refugees or the facilities to be accorded to the refugees in respect of access to its territories and their settlement.

The Secretary-General having received no other communication from any Member of the Council, forwarded to the Chairman of the Nansen International Office the resolution adopted by the Council and requested him to inform him in due course of any action which the Governing Body of the Office might propose to take.²

The Chairman of the Governing Body of the Nansen International Office for Refugees, in a letter dated May 2nd, 1935, stated that the Governing Body had decided to respond to the appeal addressed to it by the Council of the League. He pointed out, however, that the discharge of this duty would entail administrative expenditure amounting to at least 20,000 Swiss francs per annum, apart from expenditure in respect of assistance and expenditure required for the conveyance and final settlement of the refugees. The Governing Body urged the Council to place at its immediate disposal the necessary funds and to make an advance of 200,000 Swiss francs, in order that it might immediately begin work. The Governing Body further drew attention to the desirability of providing new funds for the Office, through the introduction by Governments, following the example of the Norwegian Government, of surcharged postage-stamps, the proceeds of which would be paid to the Office.

The Council, on May 24th, 1935, adopted a report embodying the following conclusions:

1. That the request of the Governing Body for an increase in the annual contribution of the League to the administrative expenses of the Office should be recommended to the Supervisory Commission for favourable consideration;
2. That the request for an advance of 200,000 Swiss francs did not admit of acceptance;
3. That the Secretary-General should draw the attention of Governments to the suggestion for the issue of special stamps for the benefit of refugee work;
4. That the Nansen passport system should be extended to refugees from the Saar in countries where the system already existed.³

The representative of the United Kingdom supported these recommendations.

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4.

PROTECTION OF MINORITIES.

I. PROPOSAL TO GENERALISE THE SYSTEM OF THE PROTECTION OF MINORITIES.

REPORT ADOPTED BY THE ASSEMBLY ON SEPTEMBER 27TH, 1934.⁴

The permanent delegate of Poland accredited to the League of Nations deposited on April 10th, 1934, for submission to the Assembly, the following resolution:

"The Assembly of the League of Nations,

Considering that the minorities treaties at present in force and the declarations on the international protection of minorities made before the Council by certain States are only binding upon some of the Members of the League of Nations, whereas other Members of the League remain free from any legal undertaking in this respect;"

¹ Documents C.142.1935.XII and C.143.1935.XII.
² Document C.174.1935.XII.
"Being of opinion that such a state of affairs affords an international guarantee to certain minorities only, and leaves the others, which can in no circumstances appeal to the League of Nations, without international protection;

"Considering that such a distinction between protected and non-protected minorities is in contradiction with the sentiment of equity and justice;

"Having regard to the fact that racial, linguistic and religious minorities which are not covered by the present system for the protection of minorities and which have the same moral right to the protection of the League of Nations as the protected minorities are to be found in almost all European and extra-European countries:

"Declares that the present situation in regard to the international protection of minorities is not in harmony with the fundamental principles of international morality, and is of opinion that it should be remedied by the conclusion of a general convention on the protection of minorities, such convention to provide for the same undertakings on the part of all Members of the League of Nations and to ensure international protection for all racial, linguistic and religious minorities;

"Decides to summon for that purpose an international conference, consisting of all the Members of the League of Nations, in order to draw up a general convention on the international protection of minorities; and

"Requests the Council to take the necessary steps to summon that conference in the near future, and in any case within six months from the close of the proceedings of the present session of the Assembly."

The first delegate of Poland, speaking in the Assembly on September 13th, 1934, and referring to the initiative taken by his Government, asked the Assembly to pronounce upon two questions: first, the immediate recognition of the necessity for a general convention on the protection of minorities, and, secondly, the convening of an international conference for that purpose.

He concluded with the following statement:

"Pending the introduction of a general and uniform system for the protection of minorities, my Government is compelled to refuse as from to-day all co-operation with the international organisations in the matter of the supervision of the application by Poland of the system of minorities protection."

This declaration elicited statements from the delegates of the United Kingdom, France and Italy. The delegate of the United Kingdom said it was clear that it would not be possible for any State to release itself from its treaty obligations with regard to minorities by unilateral action. The delegate of France associated himself with this declaration, and the delegate of Italy also emphasised that existing engagements must be respected until they were replaced by new provisions.

Meanwhile, the Assembly, on September 12th, had referred to its Sixth Committee the proposal deposited by the Polish delegation on April 10th, 1934.

The Polish delegation, in support of its proposal, pointed out that the countries bound by minorities treaties were not alone in possessing minorities and argued that the system of protection instituted by the treaties, if it were a good system, should be extended. To refuse to do so would be equivalent to making the minorities system an expression of a legal inequality as between States which bore no relationship to their state of development or their importance in international life.

The Polish delegate made it clear that he did not wish to bring up, in the discussion before the Sixth Committee, the declaration made in the Assembly by the Polish Minister for Foreign Affairs as to the co-operation of his country with the organs of the League of Nations in regard to the application of the minorities system in Poland.

Certain delegations announced their unqualified agreement or their sympathy with the Polish proposal that the system of minorities should be generalised. Other delegations declared themselves opposed to the idea of generalisation and to any preparatory measures designed to bring it about. They represented that the system was bound up with certain treaties and did not in any way embody principles of government having the character of universal obligations. It was further pointed out in the course of the discussion that the minorities treaties were not to be regarded as eternal and unchangeable, since they provided for a procedure of modification by the Council of the League of Nations; so long, however, as no modifications were introduced under the procedure provided for that purpose, the treaties must be observed.

The Polish delegate, noting that certain States refused to consider the generalisation for the international protection of minorities, observed that a vote in the Committee, in view of the fact that unanimity would be required in the Assembly, would merely show the impossibility of taking a decision. He did not therefore insist on a formal vote being taken.

A report summarising the discussions in the Sixth Committee was adopted by the Assembly on September 27th, 1934.

1 Fifteenth Assembly : Plenary Meetings, pages 42 and 43.
2 Ibid., pages 46-50.
3 Ibid., page 35.
4 Fifteenth Assembly : Minutes of the Sixth Committee, pages 38-48, 58-65.
II. GENERAL DISCUSSION ON THE PROTECTION OF MINORITIES IN THE SIXTH COMMITTEE OF THE ASSEMBLY.

RESOLUTION SUBMITTED TO THE ASSEMBLY BY THE HUNGARIAN DELEGATION ON SEPTEMBER 10TH, 1934.

The Assembly, on September 12th, referred to its Sixth Committee a resolution submitted to the Assembly on September 10th, 1934, to the effect that the chapter of the Annual Report on the Work of the League for 1934 dealing with the protection of minorities should, in accordance with precedent, be referred to that Committee.¹

There was a discussion, as in previous years, on the competence of the Assembly and of its Sixth Committee in the sphere of minorities.²

The Hungarian delegate, in asserting the competence of the Assembly and its Sixth Committee, referred to Article 3 of the Covenant, under which the Assembly might deal at its meetings with any matter within the sphere of the League or affecting the peace of the world. Other delegations, while recognising that the Assembly was competent to deal with questions of principle applicable to the problem of minorities, maintained that only the Council, which was entrusted with the supervision of the application of the minorities treaties, was competent to deal with individual claims or concrete cases.

Observations made by the Hungarian representative gave rise to a discussion on the special position of various minorities in the Danube Basin. The delegations taking part in this discussion observed, however, that the correct course would be for the Hungarian representative to submit his difficulties to the Council in conformity with the rules of procedure in force.

The Committee was invited to consider a resolution, submitted by the delegation of Haiti in the course of the previous discussion on the Polish proposal to generalise the system of minorities protection, to the effect that the Council should be requested to study the reform to be introduced into the system set up by the minorities treaties. The delegate of Haiti did not, however, press for a vote on this resolution.

III. APPLICATION OF THE GERMAN-POLISH CONVENTION OF MAY 15TH, 1922, RELATING TO UPPER SILESIA.

PETITIONS OF THE PRINCE OF PLESS.

The Council of the League of Nations, on January 18th, 1935, adopted a report upon a series of petitions presented by the Prince of Pless protesting against action which had been taken by the Polish authorities.³

The petitions before the Council dated from May 1934. They had been referred by the Council, on September 19th, 1934, to a Committee consisting of the representatives of Spain (Rapporteur), Australia and Mexico. The Rapporteur submitted the conclusions of the Committee to the Council in January 1935.

The Prince of Pless had as early as January 7th, 1931, submitted a petition to the Council protesting against action by the Polish Government and by the Polish authorities, more particularly in regard to taxes due from him, as being designed to force him to polonise the staff of his undertakings and as threatening him with economic and financial reprisals if he failed to do so. The question was placed on the agenda of several sessions of the Council in 1931. The Polish Government denied the contentions of the Prince of Pless and maintained that it had, on the contrary, shown the greatest possible forbearance in requiring the Prince to fulfil his revenue obligations. The Polish Government had in fact made arrangements to proceed to a new assessment of the taxes due. The Council, on January 30th, 1932, adopted a report to the effect that the explanations given by the Polish Government appeared to offer all the reassurances which the petitioner could desire in the matter and declared its examination of the question to be closed.

Further petitions were submitted by the Prince of Pless in 1932 complaining that the new assessment of taxes due from him had been made on an income exceeding his actual revenue and alleging other defects. The Council, moreover, was informed on May 18th, 1932, that the German Government proposed to submit the subject of the petitions of the Prince of Pless to the Permanent Court of International Justice for a decision under Article 72, paragraph 3, of the Geneva Convention of May 15th, 1922, relating to Upper Silesia. The Council noted this communication and again declared its consideration of the question closed.

The German Government, having on May 18th, 1932, addressed to the Permanent Court of International Justice its request for a decision, informed the Court on October 27th, 1933, that it did not propose to carry the case any further. The Permanent Court, in view of the withdrawal of the German Government, declared the proceedings to be closed.

The further petition submitted by the Prince of Pless on May 26th, 1934, with the supplementary petitions thereafter presented, embodied complaints to the effect that the Pless

¹ Fifteenth Assembly: Plenary Meetings, page 35.
² Ibid.: Minutes of the Sixth Committee, pages 65-70, 76-86.
management was unable to make total payment of the taxes which, according to the competent Polish tribunal, were due to the revenue authorities. The revenue authorities had on May 18th, 1934, in view of the attitude adopted by the Prince of Pless, seized the movable property, credits and bank accounts of the Pless management. The Prince of Pless pleaded that he had been the victim of discriminatory treatment and that the revenue laws had been diverted to his prejudice. He submitted a list of grievances in support of this contention.

The Committee of the Council, upon a review of the evidence, submitted the following considerations:

1. The measures which had given rise to the petitions of the Prince of Pless were either judicial measures or based on judicial decisions. The Prince of Pless had benefited or had an opportunity of recourse to the system of judicial appeal against measures taken by the revenue authorities established by Polish legislation. There was no evidence of formal irregularities from which it could be inferred that the petitioner had been the subject of discriminatory treatment by the Polish courts.

2. Revenue legislation in all countries was necessarily applied in a specially strict manner, and it was not apparent that the petitioner had been the subject of discriminatory treatment.

3. The Polish Government had circumstantially denied that there had been any attempt to polonise the undertakings of the Prince of Pless, and had stated repeatedly that the Polish authorities had been guided only by the desire to recover from a taxpayer sums due under the law. It must be assumed that the Polish Government would ensure that revenue measures were not diverted from their proper object and used for political purposes.

4. The Prince of Pless, as a result of the resolution adopted by the Council on January 30th, 1934, had enjoyed the benefit of something in the nature of a special appeal and had, as a result of this appeal procedure, obtained decisions involving appreciable reductions in the taxes due from him.

5. Regard must be had to the special situation created by the decision of the German Government to submit the question to the Permanent Court of International Justice and by its subsequent decision not to proceed further with the matter.

The Committee of the Council concluded as follows:

"The Committee is of opinion that, within the limits to which its consideration of the matter has necessarily been subject and on the basis of the information at its disposal, there is no ground for the view that the revenue measures which are the subject of the petitions before the Council constitute, as a whole, discriminatory treatment of the Prince of Pless of such a kind as to render them incompatible with the provisions of Part III of the Geneva Convention concerning Upper Silesia.

"But, because its resources are limited, this examination has necessarily been somewhat restricted. Under ordinary conditions, the Committee would have considered the reference of certain aspects of the question to the Permanent Court of International Justice. But the exceptional circumstances of this particular case, as stated above, with regard to such a reference, lead the Committee to propose that, unless the Council considers that a reference to the Court should be made notwithstanding the above circumstances, the examination should be closed."

IV. PROTECTION OF MINORITIES IN POLAND.

QUESTION OF THE GRANTING AND WITHDRAWAL OF LICENCES FOR THE SALE OF ALCOHOLIC LIQUOR IN POLAND.

The representatives of Portugal, Italy and the United Kingdom, acting as a Minorities Committee of the Council, in a letter dated January 16th, 1932, drew the attention of the Council to a question dealt with in certain petitions from a member of the Polish Sejm concerning the granting and withdrawal of licences for the retail sale of alcoholic liquor in Poland.

The Council, as noted in the Annual Report on the Work of the League for 1934, considered the question during the session held in May 1934, and an appeal was made by certain members of the Council to the Polish representative with a view to a settlement by common consent in a manner consistent with the obligations of the Council under the minorities treaties.1

The Council Rapporteur for Minorities Questions, on January 18th, 1935, after making a careful study of the documents on the matter, submitted the following conclusions, which were adopted:2

"On the one hand, there is no doubt that a considerable number of German retailers felt they had been deprived of their licences, or had been unable to obtain licences, for the sole reason that they belonged to the German minority.

"On the other hand, the Council has before it a specific statement by the Polish Government to the effect that the Polish authorities do not allow themselves to be swayed by any consideration of the nationality of licence-holders. They regard the issue of a licence as a privilege granted to persons who have special claims to consideration and offering guarantees of professional honesty, irrespective of nationality.

Some of the information given in the petitions, which has not been refuted by the Polish Government, seems to indicate that the local authorities do not always act upon the principles established by the Government for the settlement of these matters in districts with a mixed population. In these circumstances, the Council will certainly be of the unanimous opinion that it would be desirable to ask the Polish Government to see that the local authorities apply the principles which it has laid down—namely, that, in both the withdrawal and the granting of licences, no regard shall be had to nationality.

"Being convinced that, should it come to the knowledge of the Polish Government that, in particular cases, the principles which it has laid down have not been acted upon, the latter will take the necessary steps to remedy the matter, I propose that the Council should declare the examination of this question closed."

V. PROTECTION OF MINORITIES IN ALBANIA.

APPLICATION OF THE PROVISIONS OF ARTICLE 5, PARAGRAPH 2, OF THE ALBANIAN DECLARATION OF OCTOBER 2ND, 1921.

The representatives on the Council of the United Kingdom, Mexico and Portugal, members of a Minorities Committee instructed to examine certain petitions relating to the position of minorities in Albania, in a letter dated November 21st, 1934,1 informed the Council that among the questions dealt with in these petitions was the abolition of private schools in Albania as the result of the entry into force of Articles 206 and 207 of the Constitution of Albania as modified by the Albanian National Assembly in 1933.

The articles provided that the instruction and education of Albanian subjects was reserved to the State and would be given in State schools, that primary education was compulsory for all Albanian nationals and would be given free of charge and that private schools of all categories then in operation would be closed.

The Committee of the Council, considering the effect of these articles, had felt it necessary to examine the scope of Article 5 of the Albanian declaration made on October 2nd, 1921, on the occasion of her admission to the League of Nations:

"Albanian nationals who belong to racial, religious or linguistic minorities will enjoy the same treatment and security in law and in fact as other Albanian nationals. In particular, they shall have an equal right to maintain, manage and control at their own expense, or to establish in the future, charitable, religious and social institutions, schools and other educational establishments, with the right to use their own language and to exercise their religion freely therein.

Within six months from the date of the present declaration, detailed information will be presented to the Council of the League of Nations with regard to the legal status of the religious communities, churches, convents, schools, voluntary establishments, and associations of racial, religious and linguistic minorities. The Albanian Government will take into consideration any advice it might receive from the League of Nations with regard to this question."

As it appeared that the advice provided for in the second paragraph of this article had not yet been given by the Council, the Committee of the Council thought it well to draw the Council's attention to this fact, so that it might decide whether it desired to take action under this clause.

The representative of Spain, Council Rapporteur for Minorities Questions, submitted a detailed report to the Council on January 14th, 1935, embodying : (1) an historical survey of the question and (2) a review of the provisions in force in Albania with regard to religious communities and education.2

The Albanian Government in 1922 and 1923 had presented certain information to the Council as required by the Albanian declaration of October 2nd, 1921. The Council had not considered that the situation at that period called for any recommendations. The legislation since introduced in Albania had, however, considerably modified the situation, and the question arose whether the Council would or would not feel it necessary to tender the advice referred to in the declaration. The entry into force of Articles 206 and 207 of the Constitution of 1933 had been followed by the closing of all private schools in Albania, and the Albanian Government, in letters addressed to the Secretary-General on November 3rd and December 21st, 1934, had admitted that the taking-over of the private schools necessarily involved a temporary disturbance in the working of the minorities schools, as indeed was the case for all other school establishments.

The representative of Albania, in a statement to the Council on January 14th, 1935, represented that the modifications made in the Albanian Constitution did not prejudice the rights of the recognised minorities in Albania. Under the law published in 1929 concerning communities, secular education had been separated from religious teaching. The Albanian Government felt it desirable to ensure the moral unity of the Albanian nation. The new provisions in the Constitution were not aimed principally at the minority schools, which only came within the scope of the new law in virtue of the principle of equality and universality.

1 Document C.503.1934.I.
The Albanian language would be taught as the official language, but the needs of the Greek-speaking population were being adequately met. It was recognised that the minority should have equal rights with the majority, but it was not the object of the minorities treaties to create groups of citizens who would collectively enjoy special rights and privileges.

The representative of Albania submitted, in conclusion, that there was no occasion for the Council to tender its advice.

The Council, before taking any decision as to the advice it might wish to offer in conformity with paragraph 2 of Article 5 of the Albanian declaration, felt it necessary to determine whether the interpretation given to the provisions of paragraph 2 of Article 5 of the Albanian declaration by the Albanian Government were well founded and, if so, whether the Council might, on the basis of paragraph 2 of Article 5, make recommendations going beyond the provisions of paragraph 1.

The Council decided to submit the case for an advisory opinion to the Permanent Court of International Justice.

The Council accordingly, on January 18th, 1935, adopted the following resolution:

"The Council of the League of Nations,
In consideration of the Albanian declaration made before the Council on October 2nd, 1921, Article 5 of which reads as follows:

'Albanian nationals who belong to racial, religious or linguistic minorities will enjoy the same treatment and security in law and in fact as other Albanian nationals. In particular, they shall have an equal right to maintain, manage and control at their own expense or to establish in the future charitable, religious and social institutions, schools and other educational establishments, with the right to use their own language and to exercise their religion freely therein,'

Within six months from the date of the present declaration, detailed information will be presented to the Council of the League of Nations with regard to the legal status of the religious communities, churches, convents, schools, voluntary establishments, and associations of racial, religious and linguistic minorities. The Albanian Government will take into consideration any advice it might receive from the League of Nations with regard to this question;

In consideration of the provisions of Articles 206 and 207 of the Albanian Constitution of 1933, which read as follows:

'The instruction and education of Albanian subjects are reserved to the State and will be given in State schools. Primary education is compulsory for all Albanian nationals and will be given free of charge. Private schools of all categories at present in operation will be closed';

In consideration of the plea adduced before the Council by the representative of the Albanian Government that, as the abolition of private schools in Albania constitutes a general measure applicable to the majority as well as to the minority, it is in conformity with Article 5, first paragraph, of the Albanian declaration;

In consideration of the report submitted to the Council on January 14th, 1935, by the representative of Spain;

Requests the Permanent Court of International Justice to express an advisory opinion on the following question:

1. Whether, regard being had to the above-mentioned declaration of October 2nd, 1921, as a whole, the Albanian Government is justified in its plea that, as the abolition of the private schools in Albania constitutes a general measure applicable to the majority as well as to the minority, it is in conformity with the letter and the spirit of the stipulations laid down in Article 5, first paragraph, of that declaration;

2. And, if so, whether the Council of the League of Nations can, on the basis of the second paragraph of the said article, formulate recommendations going beyond the provisions of the first paragraph.

The Secretary-General is authorised to submit this request to the Court, together with all the documents relating to the question, to afford the necessary assistance in the examination of the question, and to arrange to be represented before the Court if necessary.

The Permanent Court of International Justice on April 6th, 1935, by a majority of eight votes to three, expressed the opinion that the contention of the Albanian Government, to the effect that, as the abolition of private schools constituted a general measure applicable to the majority as well as to the minority, it was in conformity with the letter and spirit of paragraph 1 of Article 5 of the declaration of October 2nd, 1921, was not justified.

The representative of Spain, Rapporteur, informed the Council on May 23rd, 1935, that the representative of Albania had made to him the following statement:

"The Albanian Government, which in its legislation concerning public education, adopted the principle of State-regulated education based on the interpretation given by it to Article 5 of the Albanian declaration of October 2nd, 1921, has decided to adopt provisions corresponding to the present situation.

On the other hand, as the adoption of the State provisions require a certain time, the Albanian Government considers that the question of Minority schools in Albania should be adjourned to the September session of the Council."

The Rapporteur regretted the vague terms in which the statement of the Albanian Government was presented, and proposed that the Council should adjourn the possible framing of International Justice.

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1 Eighty-fourth session of the Council, Sixth Meeting.
VI. EXAMINATION OF PETITIONS BY MINORITIES COMMITTEES.

The procedure in force for minorities petitions has been regularly applied in the period under review. Minorities committees have met, not only during the sessions of the Council, but in the intervals between them. Whenever the examination of a petition was closed without the members of the respective committees asking that it should be placed on the Council agenda, the other Members of the Council were informed by letter of the results of the examination. In a certain number of cases, with the assent of the Government concerned, the result was published, in conformity with the resolution of the Council of June 13th, 1929, by the insertion of the letters in the Official Journal,1 relating to the number of petitions received by the Secretariat of the League of Nations during the year, the number of petitions declared to be non-receivable, the number of petitions declared receivable and referred to Committees of Three, the number of committees which have examined petitions, the number of meetings held by such committees and the number of petitions the examination of which the Committees of Three have completed in the course of the year.

VII. MIXED COMMISSION FOR THE EXCHANGE OF GREEK AND TURKISH POPULATIONS.

CONCLUSION OF THE WORK OF THE COMMISSION.

The mixed commission for the exchange of Greek and Turkish populations closed its proceedings on October 19th, 1934, and submitted a final report to the League.2

The Commission was set up under the Convention signed at Lausanne on January 13th, 1923, between Greece and Turkey, relating to the compulsory exchange of Turkish nationals of the Greek Orthodox religion established in Turkish territory and of Greek nationals of the Moslem religion established in Greek territory. It was the task of the Commission to supervise and facilitate the emigration to be effected under the Convention and to carry out the liquidation of certain movable and immovable property referred to in the Convention. The Commission consisted of four members representing Greece, four members representing Turkey and three members chosen by the Council of the League of Nations from among the nationals of Powers which had not taken part in the war of 1914-1918. The neutral members of the Commission drew their authority from the Convention and were bound to act in strict accordance with the views of the two contracting parties. The Mixed Commission and its neutral members were thus not carrying out a mandate of the League of Nations. The Commission, however, on two occasions applied to the Council of the League with a view to requesting an advisory opinion from the Permanent Court of International Justice and the interpretation of certain texts governing the exchange of the populations. Further, when various questions relating to the exchange of populations were referred to the Commission by the Albanian and Greek Governments respectively, the Council appointed the neutral members as its mandatories to ensure the protection of the Moslem minority of Albanian origin in Greece, from 1924 to 1926, and requested them in March 1925 to undertake an enquiry into the position of the Greek minority in Constantinople and of the Turkish minority in Western Thrace. The report submitted to the Council and the Commission describes four distinct periods of activity.

The first period covers the operations relating to the exchange of the Greek and Turkish populations. It extends from October 7th, 1923, to March 31st, 1925. 254,647 Moslems were sent from Greece to Turkey, and 192,356 Moslems were transported from Turkey to Greece.

The second period, from April 1925 to June 1927, was one of direct negotiations between the two Governments upon legal questions which had arisen in the application of the Convention of Lausanne in connection with the evaluation and liquidation of abandoned properties. The negotiations led to the conclusion of important Agreements at Ankara on June 21st, 1925, amended, supplemented and finally replaced by an Agreement reached at Athens on December 1st, 1926. These Agreements conferred further powers upon the Mixed Commission.

The Mixed Commission during its third period of activity was required to deal with disputes relating to the nationality of subjects of the two countries and with questions of property rights and interests. The Commission during this period met with serious difficulties, and in September 1928 put forward suggestions for a general liquidation of exchangeable properties.

1 The statistics for the year 1934-35 will be published in the August number of the Official Journal.

2Document C.2.I933.I.
and several other questions of principle which were impeding its work. These recommendations resulted in further negotiations and in the conclusion of a Convention on June 10th, 1930, at Ankara, embodying a radical settlement of the problems arising out of the exchange.

The Convention signed at Ankara on June 10th, 1930, conferred on the neutral members of the Commission, for the purpose of their work, the status of arbitrators in any dispute which might arise within the sphere of its application. A final Liquidation Agreement was, as a result of the work of the Commission, signed at Ankara on December 9th, 1933, with a view to bringing its task to an end within the following year.

The Commission, in its report to the Council, concludes as follows:

"Thus ends a page in the history of Greco-Turkish relations, and the way has been opened for cordial co-operation between Greece and Turkey, who, since September 1930, have signed a treaty of friendship and good neighbourliness, a convention on establishment, a convention on naval parity, a treaty of commerce and various supplementary instruments, the conclusion of which had been made, during the negotiations of 1929 and 1930 concerning the liquidation of exchange affairs, expressly contingent on the signature and ratification of the Ankara Convention of June 10th, 1930. On the occasion of Turkey's entry into the League of Nations, distinguished speakers expressed their admiration and satisfaction and directed the attention of the world to this development, which augurs well for the future of Balkan relations."

The Council, at its meeting of January 14th, 1935,1 congratulated the two Governments and the Mixed Commission on the fulfilment of its task. The representative of Greece paid a tribute to the neutral members of the Commission, who in their capacity as arbitrators had enormously facilitated the solution of more than one complicated problem, and the representative of Turkey observed that the Mixed Commission had made a very valuable contribution to the establishment of friendship and co-operation between the two countries.

5.

MANDATES.

I. GENERAL.

The Council, on January 19th, 1935, expressed its regret at the death of M. Van Rees, Dutch member and Vice-Chairman of the Mandates Commission since its first constitution, and paid a tribute to the services which he had rendered. It appointed, to replace him, Baron Frederik Mari van Asbeck, of Netherlands nationality, former Secretary to the Governor-General of the Netherlands Indies.

The Council, on May 22nd, 1935, expressed its regret at the death of M. Merlin, French member of the Commission, and appointed to replace him M. François Pierre Joseph Manceron, Minister plenipotentiary, of French nationality.2

The Mandates Commission met for its twenty-sixth session from October 29th to November 22nd, 1934, when it reviewed the administration of the following mandated territories: the Cameroons and Togoland under British mandate, the Cameroons and Togoland under French mandate, Ruanda-Urundi, South West Africa, the Islands under Japanese mandate and Western Samoa. It also considered petitions relating to Palestine, Syria and Lebanon, Togoland under British mandate and South West Africa.

The Council considered the report of the Commission on the work of its twenty-sixth session on January 10th, 1935. The observations of Members of the Council upon various passages in the report are summarised under the headings which cover the several territories.

The representative of Spain raised a general question concerning the means at the disposal of the Commission for the accomplishment of its task. He declared that, in the opinion of the Spanish Government, these means were insufficient and that the Commission, owing to the inadequacy of its financial resources, had been deprived of many instruments which would doubtless have been useful and sometimes indispensable for its work, such as travelling facilities for its members and members of the Secretariat.

He emphasised in conclusion that the League must clear itself of any reproach to which it was liable in this regard by giving the Mandates Commission the most ample and generous means of carrying out its important functions.

II. SPECIAL QUESTION.

FRONTIER BETWEEN RUANDA-URUNDI AND TANGANYIKA.

The Governments of Belgium and the United Kingdom, in letters dated February 28th and March 26th, 1935, respectively, submitted for the approval of the Council a treaty, signed on November 22nd, 1934, relating to the delimitation of the frontier between Ruanda-Urundi and Tanganyika.

1 Eighty-fourth Session of the Council, third meeting (document C.35.1935.1).
2 Eighty-sixth Session of the Council, third meeting, Minute 3579.
The Council, in a resolution adopted on May 20th, 1935, declared itself ready to consider the treaty with a view to its approval and invited the Permanent Mandates Commission to communicate as soon as possible its opinion on the line fixed by the treaty from the point of view of the execution of the mandates.

III. EXAMINATION BY THE COUNCIL OF THE REPORT OF THE MANDATES COMMISSION ON THE WORK OF ITS TWENTY-FIFTH SESSION.

The Council, on September 19th, 1934, and again on January 19th, 1935, decided on the proposal of its Rapporteur to postpone its examination of the report of the Mandates Commission on the work of its twenty-fifth session, held from May 30th to June 12th, 1934.

The representative of Spain, at the Council meeting on January 19th, 1935, regretted that the examination of a report of one of the most important activities of the League of Nations should be thus delayed and he hoped, with the representative of Portugal, that the item would not again be deferred.4

The report of the Commission on the work of its twenty-fifth session was examined by the Council on May 22nd, 1935.5

The Council requested the Secretary-General to communicate to the Government of the United Kingdom Government, quite without considerations of public convenience. It was the logical consequence of the unification of the postal services, which had resulted in a substantial financial saving to the Tanganyika Territory. Any apprehension that the integrity of the mandate was threatened was, in the decision to issue a common postage-stamp for the three territories had been based solely on the postal services, which had resulted in a substantial financial saving to the Tanganyika Territory. Any apprehension that the integrity of the mandate was threatened was, in the

The representative of Italy further noted that the Commission had refrained from expressing any opinion on the draft Franco-Syrian Treaty. He understood that neither the Council nor the Commission was precluded from giving its views upon that matter at a later date.

The representative of the United Kingdom assured the Council that as much information as possible would be furnished to the Commission in regard to the two questions which had arisen in connection with the administration of the Tanganyika territory—namely, the work of the Governments’ Conference and the unification of the postal administrations of Tanganyika, Kenya and Uganda. He stated that the Italian Government shared the apprehensions which had been expressed in the Commission during its discussion of these measures. Those apprehensions were based on questions of principle and did not appear to have been removed by the explanations given to the Commission by the accredited representatives.

The representative of Italy noted that the Commission had asked for information on the work of the Conference of East-African Governors, at which decisions had, in 1933, been taken affecting the mandated territory, and as to the reasons which had led to the issue of a common postage-stamp for the three territories of Tanganyika, Kenya and Uganda. He stated that the Italian Government had shared the apprehensions which had been expressed in the Commission during its discussion of these measures. Those apprehensions were based on questions of principle and did not appear to have been removed by the explanations given to the Commission by the accredited representatives.

The representative of Italy further noted that the Commission had refrained from expressing any opinion on the draft Franco-Syrian Treaty. He understood that neither the Council nor the Commission was precluded from giving its views upon that matter at a later date.

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IV. ADMINISTRATION OF THE TERRITORIES UNDER MANDATE.


Territories under A Mandate.

Palestine.

Petitions.

The Commission considered five petitions relating to Palestine together with the observations upon them by the mandatory Power.

The Commission considered that the attention of the Council should be drawn to the state of mind revealed by a petition received from the “Association syrienne arabe” of Paris, in view of the threatening tone in which it was framed. It considered, in reference to the other four petitions, that one of them did not fulfil the conditions of admissibility, since it raised claims which were incompatible with the mandate for Palestine, and that no action should be taken upon the other three petitions.

The Council approved the conclusions of the Commission and forwarded them to the mandatory Power and to the petitioners.

1 For a summary of the work of the Mandates Commission during its twenty-fifth session, see Annual Report on the Work of the League for 1934 (Part II), document A.6 (a) 1934, pages 39 to 45. See also Minutes of the Council, Eighty-second Session, first meeting, Minute 3457, and Eighty-fourth Session, seventh meeting, Minute 3550.

2 Eighty-sixth Session of the Council, third meeting, Minute 3581.

3 Document C.365.1934.VI.

4 Eighty-sixth Session of the Council, second meeting, Minute 3581.
Petitions.

The Commission examined twenty-nine petitions, together with the observations upon them of the mandatory Power. Two of these petitions were set aside as non-receivable. The Commission did not consider that any action should be taken with regard to the other petitions.

The Council approved the conclusions of the Commission and forwarded them to the mandatory Power and to the petitioners.

 Territories under B Mandate.

The Commission considered a question of general concern to all the territories under B mandate—namely, the condition of native women in Africa. It was glad to note that the administrations of the territories under B mandate, whose reports were examined during the session—namely, the Cameroons and Togoland under British mandate, the Cameroons and Togoland under French mandate and Ruanda-Urundi—were devoting special attention to this important problem.

The Council instructed the Secretary-General to communicate this observation to the mandatory Powers.

Camoons and Togoland under British Mandate

Annual Reports for 1933.

The Commission submitted two observations common to the two territories. First, it regretted that the illicit distilling of spirituous liquors was prevalent in these territories and expressed the hope that, as a result of the measures taken by the administrations, it would be possible to check this evil. Secondly, the Commission expressed the hope that the mandatory Power would continue to exercise supervision in respect of the cinematograph.

The Commission, referring specially to the Cameroons under British mandate, expressed concern at the delay in the delimitation of the eastern frontier of the territory. While appreciating the financial reasons for this delay, it recalled that the delimitation of the frontier was provided for in Article 1 of the mandate and Article 2 of the Franco-British declaration annexed to the mandate. The Commission, moreover, while recognising the necessity for drastic economies in view of the economic situation, regretted that it had been found necessary to reduce the European staff of the administrative services in the southern province from an average of fourteen present in 1932 to eleven in 1933.

The Commission again considered the situation of women in the territory and expressed the hope that the observations and recommendations made by the religious missions on this subject would receive the careful consideration of the mandatory Power.

Finally, the Commission hoped that the mandatory Power would insist on the provision of adequate medical care for labourers on the private estates of the southern province so that it might not be necessary to have recourse to the Government medical service, whose time should be fully occupied in the discharge of its official task which was to safeguard the health of the native population.

The Commission, in reference to Togoland, noted with great interest a scheme for the reorganisation of the small independent native divisions in the southern area and the voluntary grouping of forty-eight small units into three or four States. It again expressed a hope that the Administration would find it possible to expand its educational activities to the northern section of the territory. Finally, it noted that steps had been taken, with the co-operation or on the initiative of the natives, to check the spread of sleeping-sickness.

The Council forwarded these observations to the mandatory Power, requesting it to be good enough to take the action desired by the Commission.

Petitions.

The Commission, having considered a petition relating to Togoland under British mandate, considered that it did not call for any special recommendation to the Council.

The Council approved the conclusions of the Commission and decided that they should be forwarded to the mandatory Power and to the petitioners.

Camoons and Togoland under French Mandate

Annual Reports for 1933.

The Commission, in observations common to the two territories, reserved the right to examine later, in the light of information promised by the accredited representative of the mandatory Power, the problems which might arise in respect of economic equality as a result of a French Decree of December 13th, 1932, which reserved for French aircraft, subject to certain exceptions, the commercial transport of passengers and goods in the colonies, protectorates and territories under French mandate. It submitted two observations in regard to financial questions. First, it would be glad if, in future, the mandatory Power would supplement the detailed information concerning the public finances by a brief general commentary which would facilitate an examination of the subject. Secondly, it again expressed the hope that the subsidies accorded by the territories to institutions in the home country would be limited to those from which the territory received a specific return.

The Commission, reviewing the administration of the Cameroons under French mandate, first observed that, while it appreciated the financial reasons for the delay in the delimitation
of the western frontier of the territory, it would nevertheless point out that the delimitation of the frontier was provided for in Article 1 of the mandate and Article 2 of the Franco-British declaration annexed to the mandate. Secondly, it noted the provisions of Article 7 of a law promulgated on January 20th, 1934, authorising the Commissariat of the Republic in the Cameroons to contract loans guaranteed by the French State and intended to be devoted in part to public works. Under this law, working equipment and material purchased outside the territory must be of French origin and transported under the French flag. The Commission considered the law in the light of Article 6 of the mandate for the Cameroons and of exchanges of views which had taken place upon similar subjects connected with the principle of economic equality on many occasions, particularly during its twenty-second session. The Commission, referring to these exchanges of views, expressed the hope that the mandatory Power would make use of the derogation clause of the law in question whenever it might be to the advantage of the territory to do so. Finally, the Commission noted with satisfaction the measures taken to encourage officials to learn the native languages.

The Commission was informed by the accredited representative of the mandatory Power of the critical situation of the finances of Togoland under French mandate. It might be impossible to balance the budget so long as the present administrative machinery remained as it then stood. The mandatory Power informed the Commission that it proposed to instruct provisionally the high officials of the neighbouring French colony of Dahomey to exercise similar functions in Togoland. The official combining the post of Governor of Dahomey and temporarily the high officials of the neighbouring French colony of Dahomey to exercise similar functions in Togoland. The official combining the post of Governor of Dahomey and official combining the post of Governor of Dahomey and Commissioner of Togoland would be directly under the direct authority of the Colonial Ministry in Paris, and the proposed reform would involve an economy of some three or four million French francs. The Commission expressed its gratitude to the French Government for having communicated its intentions and for the care which it proposed to take to ensure that this administrative reform would be in conformity with the spirit of the mandate, and that its application would not involve any infringement of the individuality of the territory and of its financial autonomy.

The representative of Italy, on January 19th, 1935, during the examination of the report by the Council, drew attention to the part of the report referring to Article 7 of the French Law of January 20th, 1934, applicable to certain French colonies and to the Cameroons. He recalled and renewed declarations made on behalf of his Government during the Council's seventieth session in January 1933, and expressed the view that the rules concerning purchases of material, inasmuch as they were a derogation from the rule of economic equality which was one of the principles of the mandate, called for a restrictive application. He expressed his conviction that the Commission would follow the matter with careful attention.

The Council decided to communicate the observations of the Commission to the mandatory Power, requesting it to be good enough to take the action desired by the Commission.

Ruanda-Urundi.

Annual Report for 1933.

The Commission noted with satisfaction the measures taken to encourage officials to learn the native languages.

The Commission, in reviewing the finances of the territory, noted a statement by the accredited representative of the mandatory Power on financial policy and on the results which were anticipated from that policy. The Commission again expressed its gratitude to the mandatory Power for the detailed information furnished on the subject of Customs policy in relation to the Belgian Congo and on the effects of this policy on the public finances and exports of the territory.

The Commission noted with interest measures adopted with a view to strengthening the medical campaign against endemic diseases and asked that the next annual report might contain information as to the effect of these measures.

The Council forwarded these observations to the mandatory Power, requesting it to be good enough to take the action desired by the Commission.

Territories under C Mandate.

Islands under Japanese Mandate.

Annual Report for 1933.

The Commission noted a declaration by the accredited representative of the mandatory Power that sums spent on the equipment of the ports on certain islands under mandate were for purely civil and commercial purposes. It seemed, however, to the Commission that there was a certain disproportion between this expenditure and the amount of trade involved, and it expressed the hope that further particulars on this subject would be given in the next report. The Commission noted, moreover, that the volume of total imports from the territory under mandate was more than twice that of the total imports. It trusted that appropriate measures would be taken in order that the natives might share in the prosperity of the territory.

The Council forwarded these observations to the mandatory Power, requesting it to be good enough to take the action desired by the Commission.

Western Samoa.

Annual Report for 1933.

The Commission considered the further domestic difficulties which had arisen in the territory during 1933-34, which had led to numerous arrests of native chiefs and the imposition of severe sentences upon some of them. In view of the gravity of the question, the Commission...
drew special attention to the Minutes of its discussions on this subject. The Commission, noting that the Administration was devoting earnest attention to the problem of infant mortality, hoped that it would find effective means to reduce the high infant mortality rate in Western Samoa.

The Council forwarded these observations to the mandatory Power, requesting it to be good enough to take the action desired by the Commission.

**South West Africa.**

The Commission noted that the Legislative Assembly of South West Africa had adopted a motion to the effect that the territory should be constituted as "a fifth province of the Union, subject to the provisions of the mandate". The accredited representative of the mandatory Power, replying to questions put to him as to the attitude of the Union Government towards this proposal, declared—and also stated in his comments on the observations of the Commission—that he was not able to discuss the question, since it referred to an event which had occurred since the close of the 1933 administrative period and would therefore have to be considered on the occasion of the examination of the report for 1934. The Commission, in these circumstances, reserved its opinion as to the compatibility of the course proposed by the Legislative Assembly with the mandate system until it should have been informed in due course of the point of view adopted by the mandatory Government and acquainted with all the facts of the case.

The representative of Italy on January 19th, 1935, during the examination of the report by the Council, emphasised the importance of the problem both from the point of view of the fundamental principles underlying the mandate and from that of its operation in practice. The Italian Government shared the feeling of doubt expressed by the majority of the members of the Commission as to the incompatibility with the spirit of the mandate of a union of the nature proposed. The representative of Spain also drew the attention of the members of the Council to this question and expressed the concern of his Government at a tendency to administrative assimilation on the part of the mandatory Powers. A development which concerned the safeguard of the legal and moral frontiers of a mandated territory should, in his opinion, be closely watched by the Council and by the Commission.

The Commission was greatly concerned at the serious situation of the finances of the territory. It noted that in the last resort the ultimate responsibility for expenditure in the territory rested with the mandatory Power, which should meet any deficit in the budget of the territory. It hoped that it would be possible for the mandatory Power to assist the territory by grants-in-aid without increasing the public debt. The Commission expressed the hope that it would be possible to devote a larger proportion of the education budget to native education and that the mandatory Power would endeavour to develop medical service among the natives, which in certain parts of the territory was left almost entirely to the missions. Further, it asked for fuller information about the steps taken to combat tuberculosis, which appeared to be spreading among the natives. Finally, the Commission asked for more complete information as to the number of native inhabitants within the police zone which appeared to be either stationary or decreasing.

The Council decided to forward these observations to the mandatory Power requesting it to be good enough to take the action desired by the Commission.

**Petitions.**

The Commission examined two petitions relating to South Africa together with the observations of the mandatory Power. It did not consider that these petitions called for any recommendation to the Council.

The conclusions of the Commission were approved by the Council and it was decided to communicate them to the mandatory Power and to the petitioners.

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**6. SLAVERY.**

The Advisory Committee of Experts on Slavery held its second session at Geneva from April 1st to 10th, 1935. It examined the documents forwarded by the various Governments and memoranda prepared by several of its members.

The report approved by the Committee for submission to the Council embodies a detailed description of the situation in respect of slavery in its various forms, as revealed by the information received from the Governments and by the special knowledge of the members of the Committee. The minutes of the Mandates Commission, twenty-sixth session, pages 120 to 123, 168.

Document C.159-M.1173.1935.VI.
The chapters of the report cover the following subjects: Status and legal status of slaves, slave-raiding and similar acts, the slave trade, slave-dealing (including transfer by exchange, sale, gift, inheritance or occasional sale of persons previously free), practices restrictive of the liberty of the person and domestic or predial servitude.

The Committee framed the following conclusions:

"The Committee:

(a) Expresses the hope that the Slavery Convention of September 25th, 1926, may be ratified at an early date by those States which, having signed or acceded to it subject to ratification, have not yet ratified;

(b) Likewise expresses the hope that such of the Members of the League and of the non-member States invited at the time to accede as are not yet parties to the Convention will consider the possibility of acceding thereto;

(c) Observes that some countries not members of the League were not invited at the time to accede to the Convention, and feels called upon to draw the Council's attention to the fact that it might be desirable to communicate the text of the Convention to one or other of those countries with a view to accession;

(d) Trusts that the Governments will continue to supply full and accurate information on the basis of Article 7 of the Convention and of the various resolutions of the Assembly;

(e) Calls the Council's attention to the suggestions submitted in the present report, as provided in Article 16, paragraph 1, of the Committee's Rules of Procedure, for obtaining such further light as it deems desirable on points arising in the documents supplied by the Governments; and, lastly,

(f) Suggests that the Council should bring to the notice of the Governments concerned, for any action they may think fit to take, the resolutions and recommendations, both general and specific, which it has been thought expedient to formulate in the present report."

The Council considered the report of the Committee on May 22nd, 1935.

The representative of the United Kingdom, as Rapporteur, observed that the object of the report was to furnish Governments engaged in the work of eradicating slavery with material which would enable them to co-ordinate their efforts in dealing with the problem and to take action on practical lines. He drew particular attention to a memorandum on the Mui Tsai system, annexed to the report, and expressed the hope that the Municipal Councils of the International Settlements of Shanghai and Kulangsu would consider it carefully. The Rapporteur further supported the request of the Committee for supplementary information from the Governments. Without asking the Council to come to any final decision in the matter, he suggested that an extraordinary session of the Committee might usefully be convened in 1936. He further stated that his Government attached the greatest importance to the work of the Advisory Committee, and expressed his conviction that Governments would do all in their power to facilitate its task.

The representative of Italy drew attention to various statements contained in the report of the Committee, particularly concerning the existence of slavery as a legal institution, slave-raiding and slave-dealing in certain countries. The continuance of slavery constituted, in his opinion, an offence against humanity and to civilisation. He emphasised, in this connection, the importance attached to the suppression of slave-dealing by the Government of Sa'udi Arabia.

The Council, adopting a resolution submitted by the Rapporteur, noted the report of the Committee and the information furnished by Governments attached to the report. It decided to communicate the report to the Members of the League and to States non-members which are parties to the Slavery Convention. It asked the Governments to continue to supply full and precise information on the basis of Article 7 of that Convention and of the various resolutions of the Assembly, and requested them to note the suggestions made by the Committee with a view to obtaining further light on points arising in the documents received. It further directed the attention of the Governments concerned, for any action they might think fit to take, to the recommendations and resolutions embodied in the report of the Committee.

The Council expressed the hope that the States which had signed the Convention of 1926, or which had adhered to it subject to ratification but had not yet ratified it, would do so at an early date. It also hoped that the Members of the League and States non-members invited to adhere to the Convention, but which were not yet parties to it, would consider the possibility of accession.

In view of the active interest taken by Nepal and the Yemen in the objects to be secured by the Convention of 1926, the Council requested the Secretary-General, in conformity with a suggestion of the Committee, to communicate the text of the Convention to the Governments of those two countries, with a view to their accession.

Finally, the Council asked the Secretary-General to propose to the Assembly that financial provision should be made for an extraordinary session of the Advisory Committee in 1936.

* Document C.299.1935.VI. Eighty-sixth session of the Council, second meeting, Minute 3582.
ECONOMIC AND FINANCIAL QUESTIONS.

A. SECTION OF ECONOMIC RELATIONS.

I. FORTY-FIRST SESSION OF THE ECONOMIC COMMITTEE.
(July 17th-19th, 1934.)

A report of the Economic Committee on the work of its forty-first session, held from July 17th-19th, 1934, was submitted to the Council on September 8th, 1934. The report was noted by the Council on September 8th, 1934.

II. FORTY-SECOND SESSION OF THE ECONOMIC COMMITTEE.
(April 29th to May 3rd, 1935.)

I. APPOINTMENT OF THE BUREAU OF THE COMMITTEE.

The Committee appointed M. Elbel (French) to be Chairman and Sir Frederick Leith Ross (British) to be Vice-Chairman for 1935.

2. GENERAL WORK OF THE COMMITTEE.

The Economic Committee, during its session held in July 1934, announced its intention of submitting at its next session a comprehensive report to the Council on the general position of international economic relations. The Committee, during its forty-second session (April-May 1935), discussed the economic situation in detail, considering more particularly the question of agricultural protectionism. The Committee, in addition to documents prepared by the Secretariat, had at its disposal a report submitted by the Joint Committee of the Economic and Financial Committees appointed for the study of clearing agreements.

The discussions in the Committee turned upon the problems of monetary instability, currency control, quotas and other hindrances to trade. The close relation which exists between these various problems, their complexity and scope and the importance of the measures which might have to be taken in order to remedy the situation led the members of the Committee to think that it was necessary to reflect further on these various questions and to confer with the responsible authorities and economic circles in their several countries.

The Committee instructed the Secretariat to prepare a document summarising these exchanges of views. This document, after being examined by the Bureau of the Committee and supplemented by the observations of its members, will serve as a basis for a further discussion, in which the Committee would like the Financial Committee to take part.

The report embodying the results of this further discussion will be submitted to the Council before the Assembly meets in September 1935.

3. AGRICULTURAL PROTECTIONISM.

The Economic Committee, in July 1934, instructed the Secretariat to make a study of the consequences in industrial countries of agricultural protectionism and the effects of this policy on countries engaged mainly in agriculture. The Assembly, moreover, in September 1934, laid special emphasis on the extent to which the demand of agricultural countries for industrial goods was limited by their inability to sell their products in industrial countries which were protecting their agriculture, and its Second Committee, in a report adopted by the Assembly on September 26th, 1934, observed that an investigation of this problem might contribute towards elucidating the reasons for certain existing economic difficulties and possibly point to some method of reviving international trade.

The Economic Committee discussed the problem in the light of a note submitted by Sir Frederick Leith Ross, reviewing the history and results of agrarian protection in Europe during the post-war period, of a number of observations, notes and memoranda submitted by the members of the Economic Committee and the agricultural organisations of the different countries, and of a note prepared by the Secretariat on the general evolution of agriculture during the late nineteenth century and the pre-war period.

Sir Frederick Leith Ross observed at the conclusion of his memorandum that the principal industrial countries of Europe had, since 1925, been stimulating the domestic production of agricultural commodities at artificially high prices. In order to maintain these prices,
they had restricted imports of agricultural produce from the more economic agricultural producers of the world. The agricultural countries, owing to the decline in their income from agricultural exports, had been obliged to reduce their imports of manufactured products from the industrial countries and to develop local industries under a system of protection. The distress created for efficient agricultural producers by the loss of their markets for agricultural products in the main European industrial countries had resulted in a corresponding distress for the efficient industrial producers in Europe, owing to the loss of their markets in the agricultural countries and to a general impoverishment of the whole world.

Sir Frederick Leith Ross concluded as follows:

"The present world crisis is the composite result of many different causes; but one of the measures which would indubitably promote world recovery would be the gradual relaxation of the present intensive agrarian protectionism of the industrial countries of Europe and its replacement by a system comparable with that which prevailed before the war. No time, however, must be lost; each year that passes creates vested interests which become more and more difficult to uproot and drives more deeply into the economic structure of the world the tendencies summarised above. It is surely in the interests of all countries to promote as rapidly as possible a more economic system of production and interchange of commodities between the industrial and the agricultural countries."

A report on agricultural protectionism, embodying the results of the study, to which were appended the notes submitted by Sir Frederick Leith Ross and by the Secretariat, was placed before the Council on May 24th, 1935.²

It presents the consequence of the increasingly strict measures applied by Governments for the protection of their national agriculture, more particularly during the last five years. Such measures include the introduction of duties two or three times higher than world prices, strict rationing, a progressive reduction of the proportion of foreign products admitted in various preparations, bounties for production, export bounties, monopolies and various other forms of planned economy. The consequence of these measures, applied more particularly by the big industrial countries, is a considerable reduction amounting, in some cases, to the total exclusion of agricultural imports.

The report assumes that, in considering the problem of agricultural protectionism, it is hardly fair to apply the abstract standards of pure economic criticism, and that nations as a whole, for social, historical and psychological reasons, should be prepared to afford special assistance to their agricultural classes. It is contended, however, that the application of methods of protection are only useful when they do not exceed certain limits and that over-protection inevitably leads to the impoverishment and distress of the very classes in the interest of whom it is adopted and applied. It is contended that the remedy for existing evils lies in a gradual return to the moderate form of protection which was the rule in the past and which achieved its purpose without involving, for the national systems of economy or for international relations, the dangers and disadvantages inherent in the present excessive restrictions.

The representative of Poland, as Rapporteur, emphasised the importance of the study and described its conclusions as moderate, constructive and persuasive.

The representative of Australia, expressing the hope that the question would receive the fullest attention of all Governments, observed that the document before the Council would need careful consideration by the Assembly and that its discussion by the Assembly would be of far-reaching importance to all the nations of the world.

The Council decided that the attention of Governments should explicitly be drawn to this report, and the Secretary-General, on the proposal of the Australian representative, supported by the representatives of the Argentine, Mexico, Spain and Poland, was asked to recommend it to their serious consideration.

4. TOURIST TRAFFIC AS A FACTOR IN INTERNATIONAL ECONOMIC AFFAIRS.

The Economic Committee, in July 1934, decided to place on its agenda the question of tourist traffic considered as a factor in international economic affairs and instructed the Secretariat to make a preliminary study of the subject.

The Council, on September 8th, 1934, noted a proposal of the Economic Committee to the effect that the methods of compiling statistics of tourist traffic should be improved and standardised, and it adopted a suggestion that the question should be brought to the notice of the Committee of Statistical Experts set up under the International Convention of December 14th, 1928.³

The Committee, during its forty-second session, decided to invite the co-operation of experts and authorised its Bureau to appoint a committee for the purpose. The attention of the Committee of Experts will be directed to a certain number of questions of special

³ Eighty-first session of the Council, second meeting, Minute 3453.
5. Export and Import of Meat and Meat Preparations.

The Monetary and Economic Conference of 1933 invited the Economic Committee to resume its study of the problems raised by the import and export of meat when circumstances permitted. The Institut international du Froid, invited by the Economic Committee to submit a scientific and technical report upon the international regulation of the meat trade, has since submitted its conclusions.

Any international action in the matter should, in the opinion of the experts consulted by this body, be based on the existence in the exporting countries of sanitary conditions and a technical service ensuring effective guarantees in respect of the inspection of meat.

The signature, on February 20th, 1935, at Geneva, of three veterinary Conventions has prepared the ground for a solution of the problems. The Economic Committee has accordingly decided to convene a Committee of Experts with a view to determining the bases of an international agreement. The committee will be so composed that the views of the exporting and importing countries may be fully represented and explained. The Bureau of the Economic Committee, with the assistance of the Secretariat, has constituted the Committee of Experts and convened it for June 25th, 1935. The experts will work on the basis of a programme which the Economic Committee has approved.


The Monetary and Economic Conference of 1933 requested the International Institute of Agriculture in Rome to study, with the assistance of specially qualified experts representing importing and exporting countries and with the assistance of the Economic Committee of the League, the scientific and technical questions involved in the import and export of plants and other vegetable products. A report received from the International Institute of Agriculture on the results of a consultation of experts organised in accordance with this decision was considered by the Economic Committee during its forty-second session. The Committee, after noting an exchange of views between the Secretariat and the International Institute of Agriculture, decided that a small Committee of Experts, consisting of the nationals of the principal countries concerned, should be invited to consider the problem as a whole.

It will be the principal task of the Committee of Experts to determine, if necessary, common rules which will ensure to countries importing plants or vegetable products effective guarantees against the introduction among their crops or forests of dangerous diseases or parasites, but which will limit such temporary measures of prohibition as may be necessary in respect of imports to such as are essential to secure the purpose in view. The experts will also be invited to consider whether it is desirable or possible to establish or prepare special international agreements between a limited number of States covering specific kinds of plants or vegetable products for the exchange of which common rules may be adopted.

The Economic Committee has authorised its bureau, with the assistance of the Secretariat, to constitute the Committee of Experts, it being understood that two representatives of the International Institute of Agriculture will sit on the Committee.

7. Co-operation between the Economic Committee and the International Institute for the Unification of Private Law in Rome.

The Committee noted correspondence exchanged between the Secretariat and the Institute, from which it appeared that a continuous co-operation between the two bodies in the study of matters of commercial law or subjects of special economic interest was desirable. The Committee approved the steps taken to ensure liaison between the two bodies. In accordance with these measures, co-operation, when necessary, will be assured with the Committee in work undertaken by the Institute. It will be possible for the Committee, on the other hand, to invite the Institute to undertake studies in such fields of international law where unification may seem to be necessary.

8. Coal.

The International Federation of Miners, in a letter dated November 5th, 1934, and the Governing Body of the International Labour Office, in a resolution adopted in January 1935, invited the Secretary-General of the League to organise an international meeting in pursuance of an effort to organise coal production on an international basis, as recommended by the Monetary and Economic Conference of 1933.

The Economic Committee examined the question with the personal assistance of the Director of the International Labour Office.

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* For a reference to these Conventions, see below under a separate heading.
The Economic Committee, in a report to the Council on November 17th, 1933, had expressed the view that, according to information obtained by the Secretariat of the League, the British mine-owners did not think that an international meeting of the kind proposed was likely to yield practical results.  

Some progress had, however, since been made in the direction of an international organisation of the coal market. The English mine-owners, following an appeal by the Monetary and Economic Conference to the coal-producing countries, had concluded with the Polish mine-owners, in December 1934, an agreement regulating the sale and price of coal on the export markets. The full advantages of this arrangement could only be secured if extended to other coal-exporting countries, more particularly the German exporters, and the English and Polish producers had expressed their intention of taking up the matter.

The Economic Committee, in these circumstances, thought that no useful purpose would be served by summoning a three-party conference at present and that it would be wiser for the moment not to intervene in the negotiations which were proceeding.

The Committee will continue to follow the development of the situation and it will not fail to inform the Council if there should seem to be definite chances of success for an international agreement on a wider scale.

9. **Report of the Joint Committee for the Study of Clearing Agreements.**

Reference is made under another heading to the Report of the Joint Committee of the Economic and Financial Committees appointed for the Study of Clearing Agreements.

**III. CONVENTIONS ON VETERINARY QUESTIONS.**

The Monetary and Economic Conference, held in London, suspending its work on July 27th, 1933, invited the Council to submit to an international conference three draft veterinary Conventions framed by the Economic Committee of the League of Nations.

The Council, before summoning the proposed conference, consulted the Economic Committee, which suggested that there should be a preliminary meeting of representatives of a limited number of countries which were more directly concerned, with a view to a final revision of the draft Conventions.

As a result of this decision, the representatives of the following Governments met at Geneva from October 15th to October 20th, 1934: Austria, Belgium, Bulgaria, Denmark, Estonia, France, Hungary, Italy, the Netherlands, Poland, Roumania, Switzerland, Czechoslovakia and Yugoslavia. The resulting examined and, in certain respects, amended the three draft Conventions in the light of observations submitted by all the Governments to which the drafts had been communicated.

The delegates of nine countries, at a special meeting held at Geneva on February 20th, 1935, signed the three following Conventions:

- **International Convention for the Campaign against Contagious Diseases of Animals**, the declaration attached;
- **International Convention concerning the Transit of Animals, Meat and Other Products of Animal Origin**;
- **International Convention concerning the Export and Import of Animal Products (other than Meat, Meat Preparations, Fresh Animal Products, Milk and Milk Products).**

These Conventions were declared open for signature at Geneva up to February 15th, 1936.

The object of the first Convention is to ensure the establishment in the contracting countries, where they do not already exist, of effectively organised veterinary services such as will ensure adequate veterinary police measures and the execution of the provisions of the Convention. Further, concerted action is provided against the appearance and spread of contagious diseases of animals. Each contracting State is required to publish regularly a health bulletin in accordance with rules laid down in the Convention. Each contracting State must also notify the veterinary authorities of the other contracting States as soon as possible of the appearance of certain contagious diseases regarded as especially serious. Finally, measures are laid down to ensure a close co-operation between the various national veterinary services in respect of the exchange of technical information and the admission of students and professors of one country to the institutions and laboratories of another country.

The second Convention provides that the contracting parties shall undertake to permit the transit of animals and of animal products originating in countries between which the first Convention is in force. Such permission is subject to certain conditions regarding the formalities to be fulfilled and the means of transport adopted. The object of these formalities is to avoid or diminish dangers of infection to which the countries of transit may be exposed by the transport of such cattle.

The contracting parties, under the third Convention, undertake to admit to free traffic products of animal origin other than those mentioned in the title of the Convention. Such admission is attended by guarantees, whose purpose is to avoid any danger of infection for the importing country. Moreover, it applies only to products originating from countries which have ratified the Convention for the campaign against contagious diseases of animals.

Special provisions are included to cover the case of products originating from countries within whose territory certain contagious diseases have appeared.

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IV. REPORT OF THE JOINT COMMITTEE FOR THE STUDY OF CLEARING AGREEMENTS.

The Assembly, as a result of a proposal submitted by the French delegation, adopted on September 26th, 1934, a resolution requesting the Council to arrange for an enquiry to be made by the Economic and Financial Organisation of the League concerning the causes, scope, methods and results of compensation and clearing agreements.

The Council, on September 28th, 1934, noting that more than a hundred compensation and clearing agreements had been signed between various European and American Governments since November 1931, emphasised that definite information in regard to them and a general enquiry into their results would be of great use to many Governments. It instructed the Economic Committee and the Financial Committee of the League to create a joint committee to supervise the enquiry and to report upon its conclusions, securing, whenever necessary, the assistance and advice of qualified administrations or experts. The Governments were requested to give the fullest assistance within their power to the Joint Committee.1

The Joint Committee met for a short session in Paris in October 1934. It defined the agreements to be considered as those under which, especially in the case of exchange restrictions, two parties agreed upon provisions for the payment of debts arising out of commercial or other transactions.

It decided to ask for information from the following countries which had concluded such agreements:

- Argentine
- Austria
- Belgium
- Brazil
- United Kingdom
- Bulgaria
- Chile
- Czechoslovakia
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Italy
- Latvia
- Netherlands
- Norway
- Poland
- Roumania
- Sweden
- Switzerland
- Turkey
- Yugoslavia

It further decided that these countries should be asked to communicate:

(a) A general account of the causes, scope, methods and results of the clearing agreements concluded by them;
(b) The texts of those agreements, accompanied by a brief analysis of each of them and of their annexes;
(c) In regard to each of these treaties, particulars of the circumstances in which the treaty was concluded, of its subsequent development and any modifications it may have undergone, and of the results secured, accompanied by statistics;
(d) A description of the working of the bodies set up to execute such agreements, together with particulars of difficulties experienced in applying them and suggestions for meeting such difficulties.

The Secretariat has received statements from all the countries invited to submit information, except the Argentine, Brazil, Germany and Turkey.

The Joint Committee, meeting from March 25th to March 30th, 1935, adopted a report embodying the results of the enquiry in two documents, one containing a brief description of the main features of the clearing system and the other reproducing or summarising the replies of the Governments. These documents give as complete a survey as possible of the present state of affairs resulting from clearing agreements, the different phases of their development and the opinions most frequently expressed as to their causes, scope and results.

The Joint Committee, in its report, begins by observing that clearing agreements, which have arisen out of the institution of State restrictions on the purchase of foreign exchange in the open market, although apparently merely a mechanism for effecting payments, have frequently been used to influence the direction of trade. Their general tendency has been to reduce the volume and value of international trade and to subject it to a form of restraint which necessarily hampers its development. Most of the Governments consider the system to be a necessary evil and desire to revert as soon as possible to normal conditions. The Joint Committee observes that, before such a return is possible, it will be necessary to go back to the root cause of the clearing system—namely, exchange control—and it expresses the hope that exchange control will be abolished, at least in respect of commercial transactions, so that national currencies may once more perform their natural function.

The Joint Committee recognises that a return to normal conditions may be rendered difficult by the large volume of short-term debts at present existing, and it observes that it may be necessary in certain cases to maintain some control in regard to debt payments. It emphasises, however, that the control of debt settlement by a control of exchange does not achieve its object, since exports, and consequently the actual settlement of debts, are thereby rendered more difficult.

1 Eighty-second session of the Council, fifth meeting, Minute 3483.
The Joint Committee emphasises that creditor countries with ample financial resources are called upon to play a highly important part in restoring economic equilibrium. They should not confine themselves to endeavouring to liquidate their claims, but should bear in mind the economic interdependence between debtor and creditor countries. It would be useless to abandon exchange control if a return by any country to free transactions meant that other States would refuse to accept its products on the pretext that their prices had been reduced. Creditor countries must not negative the effect of a return by any country to free transactions by increasing their own restrictions on trade.

The Joint Committee, after reviewing a number of ways in which clearing agreements may with advantage be modified pending their abolition, concludes as follows:

"The Joint Committee, while it recognises that the clearing system may, in certain cases, have helped to prevent a still more serious collapse of trade that might otherwise have occurred as the result of the general introduction of control of foreign exchange transactions, recommends that the clearing system should not be extended.

"It further considers, like most of the Governments consulted, that this system can only be regarded as an expedient or makeshift involving a number of drawbacks, and that it should therefore be abolished as soon as possible.

"The best, though not the only, solution would be the complete abolition of exchange control, facilitated by measures designed at once to promote permanent arrangements in regard to financial debts and a less restrictive commercial policy, which would afford minimum guarantees for export. Should such complete abolition be impossible, commercial transactions should at any rate be freed from the obstacles placed in their way by exchange control.

"Pending these measures of recovery, the Committee considers that all proposals and all action designed to counteract, directly or indirectly, the grave drawbacks to international commercial relations resulting from the application of an artificial exchange rate in order to relieve the situation of the debtor country should be encouraged.

"All measures reducing import restrictions and opening the way to the export of increasing quantities of goods from debtor States should also be encouraged—even in the interest of creditor countries with a sound currency—first, in order to ensure the payment for their exports and, secondly, in order to promote general recovery.

"Measures designed to leave the conditions, including exchange conditions, under which imports and exports are effected to the initiative of the parties concerned should also be encouraged.

"The more definite this tendency towards a return to normality becomes, the nearer we shall get to a situation in which it will be possible to replace clearing agreements by less vexatious arrangements, such as transfer and payment agreements, and, finally, to abolish them.

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"While clearing agreements and other arrangements for the settlement of international payments by compulsory compensation are in most cases the outcome, as we have seen, of the introduction of restrictions on foreign exchange dealings in various countries, this action is itself the outcome of certain fundamental causes. The countries which adopt such restrictions and maintain them persistently, notwithstanding the growing difficulties that they cause to their economic life and to international trade, would no doubt be more willing to abandon them if they were not dominated by a feeling of insecurity, due in the main to the three following causes:

"The risk of seeing certain foreign markets for their products suddenly closed by measures of prohibition;

"The instability of the international market in goods and capital, due to the instability of the rates of exchange between the principal currencies;

"Uncertainty as to the real and final weight of their indebtedness, despite the substantial alleviations which have already been generally brought about.

"Hence, without prejudice to the suggestions made above—which should be put into force to the greatest possible extent—the Committee would regard the restoration of an international monetary standard, with the conditions of commercial freedom essential to its normal operation, as the most effective safeguard against disturbing action being taken as regards either dealings in foreign exchange or international agreements for the settlement of payments."

The Council noted the report of the Joint Committee on May 18th, 1935.

The representative of Poland, as Rapporteur, had no doubt that the Assembly would give its most careful consideration to the report. He proposed that the Council should invite Governments to consider the conclusions of the Joint Committee and, as far as possible, to take account of them in regard to their own economic and financial policy.
The Secretary-General was asked, in circulating the report to Governments, to draw attention to the observations of the Australian representative, who emphasised the desirability of its receiving the fullest consideration.

B. WORK OF THE FINANCIAL ORGANISATION.

I. GENERAL.

The Financial Organisation, exclusive of the Economic Intelligence Service, consists of the Financial Section of the Secretariat of the League and the Committees whose work falls within the competence of the Organisation—namely, the Financial Committee, the Fiscal Committee and the Committee on the Allocation of the Expenses of the League.

An account of the work of the Fiscal Committee, convened to meet in June 1935, will be given in Part II of the Annual Report on the Work of the League for 1935. The Committee on the Allocation of the Expenses of the League met in October and December 1934 and its proceedings are summarised in Chapter 16 of this report, under the heading “Budgetary and Administrative Questions”.

Members of the Financial Section of the Secretariat went on special mission to a number of countries during the course of the year, including Australia, New Zealand, Canada, the United States of America and a number of countries in Europe.

II. WORK OF THE FINANCIAL COMMITTEE.

The Financial Committee, in addition to its current work connected with countries in which there are League financial advisers, has been called upon to assist the Council in dealing with certain special questions during the period under review. The most important of the matters thus referred to it were the financial problems arising out of the Saar plebiscite and an enquiry conducted jointly with the Economic Committee into compensation and clearing agreements.1

The Financial Committee met regularly before each ordinary session of the Council and held an extraordinary session in connection with the Saar plebiscite.

The ordinary sessions of the Committee were mainly devoted to discussing with the financial authorities and financial advisers in Austria, Bulgaria and Hungary the various financial problems with which these countries were faced. The reports of the Committee to the Council summarise the results of these discussions and the progress of events,2 while a fuller record of the economic and financial developments of these countries will be found in the reports of the League advisers.3

(a) AUSTRIA.

The most outstanding event affecting the financial progress of Austria was a successful conversion of the Austrian 1923 Guaranteed Reconstruction Loan.

The conversion loan, approved by the Committee of Guarantor States, was rendered possible by a steady improvement in the general economic and financial position of Austria during the course of the year 1934 and by the effort which the Government had made to improve the situation of the public finances. A substantial measure of recovery has in fact been achieved by Austria.

Industrial activity increased in 1934 and exports during each month exceeded those for the corresponding month of the previous year. The volume of goods traffic during the year was appreciably above that in the corresponding period of 1933. Currency remained stable; the reserves of the National Bank increased; the upward trend of the savings deposits continued; and the bill portfolio of the National Bank was reduced. The service of the State loans was regularly and punctually transferred. Moreover, the amount of short-term debts blocked under the standstill agreement was so much reduced as no longer to constitute a serious problem.

The budget and treasury situation, which gave cause for some misgiving early in 1934, improved as the year advanced. It was anticipated at one stage that the financial deficit for the year might exceed 140 million schillings, but, owing to higher receipts during the last quarter and to savings effected, it was kept down to just over 116 million schillings. The extraordinary budget expenditure amounted to 110 million schillings.

1 The work of the Joint Committee is summarised under Section A of the present chapter: “Section of Economic Relations”.
3 Documents C.397.M.134.1934.II.A.
4 Document C.463.M.199.1934.II.A.
5 Document C.563.M.263.1934.II.A.
7 Document C.304.M.133.1934.II.A.
8 Document C.492.M.216.1934.II.A.
9 Document C.571.M.266.1934.II.A. (Bulgaria).
11 Document C.467.M.201.1934.II.A.
12 Document C.563.M.266.1934.II.A.
13 Document C.162.M.88.1935.II.A.
As a sequel to the general improvement of affairs in the country, the States which had guaranteed the 1923 loan undertook in the autumn of 1934 or the spring of 1935 to extend the guarantees attaching to the 1923 Reconstruction Loan, which was due to terminate in 1943, to 1959 in respect of any conversion loan issued for the redemption of the 1923 loan.

Conversion operations had by April 1935 been concluded on all the issuing markets with the exception of Spain, where the issue was still in process of negotiation.

The saving to the Austrian State budget resulting from the conversion is estimated at approximately 60 million schillings a year during the first three years and 45 million schillings thereafter.

The Council, on January 10th, 1935, when the Financial Committee submitted a report on the operation, took occasion to congratulate the Austrian Government on the rapidity and success with which it had been effected.

The Austrian Government, after consultation with the President of guarantor States, had decided to raise a domestic loan for carrying out public works and consolidating part of the floating debt. The amount was fixed at 175 million Schillings nominally, with a net yield of approximately 150 million Schillings. 60 millions were to be used to cover expenses for public works and the balance to consolidate Treasury bills.

The stability of the Schilling had been maintained. The gold and foreign exchange reserve of the National Bank had further increased, the discount rates had been reduced and the interest rates on bank deposits and the rate on loans had also been lowered.1

(b) Bulgaria.

The budgetary situation improved appreciably during the year 1934. The total receipts, including those of the State budget and the railways, for the financial period which closed on June 30th, 1934, amounted to 5,669 million leva, as compared with 5,856 million leva in 1932-33, in spite of a considerable decrease in the Customs revenue. Total expenditure was reduced from 6,875 million leva to 6,496 million leva. It was noted that the deficit of 526 million leva might be still further reduced by further adjustments in respect of the public debt to some 212 million leva as compared with 748 million leva and 970 million leva in the two previous years.

The Financial Committee, in the light of these figures, noted in September 1934 that the estimated receipts for the period 1934, which was to last nine months, owing to the fact that the budgetary year would henceforth coincide with the civil year, called for certain reservations, particularly in respect of the immediate yield of certain proposed monopolies. The Committee, on the other hand, noted that expenditure had been very strictly estimated, but that the economies effected would not suffice entirely to remove the deficit for the period in question. The Committee, in January 1935, estimated that the probable deficit might amount to some 175 million leva.

The Financial Committee, in September 1934, approved a proposal to reduce from 33 % to 25 % the legal cover of the notes and sight liabilities of the Bulgarian National Bank. The Bulgarian Government recognised that the object of this change was to increase the free reserves of the Central Bank and thus to strengthen its position. The Bulgarian Government undertook not to alter the general provisions of the Statute of the Bank concerning the control of credit.

The balance of trade, continuously favourable since April 1933, tended in the latter half of 1934 in the other direction. This change was due to the operation of clearing agreements, which entailed for Bulgaria, as for several countries, an artificial increase of imports as compared with exports. The Committee observed with some misgiving certain features in the financial and economic programme of the Government, which appeared to involve a notable increase in State intervention and a consequent restriction on economic enterprise. It noted, moreover, that it had been necessary to grant further relief to debtors, particularly by reducing the capital of their debts, and it feared that such measures might result in aggravating the disorganisation of the internal credit structure.

The Committee, in September 1934, emphasised that close and continuous collaboration between the representatives of the League of Nations and Bulgaria might be of great value to the Bulgarian Government when difficulties connected with the National Bank, economic life or public finance arose, and when the Government was called upon to solve problems which were recognised as being both numerous and difficult.

On September 19th, 1934, the Council appointed M. P. Cheysson to be Commissioner of the League of Nations in Bulgaria following the resignation of M. J. Watteau.

The Bulgarian Government, by a letter dated October 26th, 1934, asked that the technical services of the League should undertake a new enquiry into the financial and economic situation of Bulgaria, stating that "the conclusions of such an enquiry would carry great weight in the negotiations to be undertaken with the representatives of the foreign bondholders".

The suggested enquiry was entrusted to the Commissioner of the League of Nations in Bulgaria working in collaboration with the Adviser to the National Bank of Bulgaria and

Bulgaria thanked the Financial Committee for the comprehension which it had shown of the purpose each week.

(2) that the Government and the National Bank should undertake conditions: namely, (I) that the Bulgarian Government proposed to put into force certain measures of financial reform, including a preventive control over expenditure by the Minister of Finance.

The committee further noted that the National Bank in 1934 had been reduced to some 240 million leva, amounting to between 3% and 4% of the total budget expenditure. The Committee was of opinion that no improvement in trade could be expected until this system had been substantially simplified.

The Financial Committee submitted the following plan for the approval of the Council:

"(1) That the total amount of bills which the Treasury is authorised to issue be temporarily increased by 300 million leva to a total of 1,400 million leva, this total being automatically reduced in conformity with the provisions of the following paragraph until, on January 1st, 1938, the limit of 1,100 million leva is restored;

(2) That the following addition be made to Article 35 of the statutes of the National Bank in the manner prescribed for such amendments: The Bank is authorised to discount an additional amount of Treasury bills totalling 300 million leva, provided that the total is reduced at the end of every three-monthly period beginning March 31st, 1936, by 37.5 million leva, in order to restore the limit again to 1,100 millions by December 31st, 1937.

For this purpose, the National Bank is hereby authorised and required to apply the necessary amounts from the current revenue of the State to the payment of the Treasury bills as they become due to be retired, without the special sanction of the Treasury;

(3) That, with the help of the new credit facilities so created, the arrears of the salaries of State employees be paid in full;

(4) That, after the payment of these arrears, the clause of the law governing the payment of salaries and pensions (Loi de finance de l'année 1933/34, Sec. 82) providing for a special "Fonds d'amortissements" for these arrears be annulled."