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Forty-Sixth and Forty-Seventh
Sessions of the Council

REPORT BY THE RIGHT HON.
SIR AUSTEN CHAMBERLAIN, K.G., M.P.
British Delegate

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Report on the 46th Session of the Council of the League of Nations.

THE Council met at Geneva on Thursday, the 1st September, 1927, under the presidency of the British delegate, and held seven public meetings, the last being held on the 25th September.

2. A meeting was also held on the 14th September of the Greek Committee of the Council.

3. The following is a summary of the more important proceedings of the Council :—

I.—FINANCIAL AND ECONOMIC RECONSTRUCTION.

(1.) *Issue of a loan for the restoration of Greek finances and the further establishment of refugees in Greece.*

4. During its previous session the Greek Government had asked for the assistance of the Council and of its technical organisations, and a comprehensive plan for the issue of an international loan was drawn up (see "Miscellaneous No. 7 (1927)," Cmd. 2925). This plan, by which the Treasury arrears would be liquidated, an undertaking would be given by the Greek Government to maintain budgetary equilibrium during the ensuing financial periods, and a new Bank of Issue would be established on sound principles, was now submitted to the Council for its approval. The Council adopted the report of the Financial Committee and approved the Protocol submitted to the Greek Government for signature. Under the new plan provision was made for the service of the new loan out of the revenues already assigned to the control of the International Financial Commission at Athens. It was, therefore, necessary for each of the Governments represented on that Commission to authorise its member to undertake this new responsibility. The Council approved the presentation to the respective Governments for signature of a formal declaration to this effect.

(2.) *Foreign loan for Bulgaria.*

5. After privately sounding the Financial Committee, the Bulgarian Government requested the Council on the 12th September to instruct its organs to undertake an examination of the financial position of Bulgaria with a view to enabling her to place a loan on the foreign market.

The Council acceded to this request.

II.—POLITICAL.

1.) *Application of Articles 190 and 192 of the Treaty of Versailles to the case of the cruiser "Salamis": request submitted by the Greek Government.*

6. By a letter to the Secretary-General of the 29th June, 1927, communicated to the Council, the Greek Government applied to the Council for the purpose of obtaining by any means at the Council's disposal, such as a request to the Permanent Court of International Justice for an advisory opinion, an official interpretation of articles 190 and 192 of the Treaty of Versailles.

7. The Greek Government's application arose out of proceedings still pending before the Greco-German Mixed Arbitral Tribunal, to which the Greek Government had applied for a decision annulling contracts entered into in 1912 between the Greek Government and the Vulcan Company at Stettin for the construction of a cruiser known as the "Salamis," and ordering repayment to the Greek Government of the instalments paid in respect of the cruiser with interest. In support of its application the Greek Government submitted a memorandum on the 25th August; on behalf of the Vulcan Company the German Government also submitted a memorandum in which it pointed out that the case was still before the Mixed Arbitral Tribunal which would have to decide whether the provisions of the Treaty of Versailles justified the claims of the Greek Government or whether the decision given by it in its interlocutory award of the 12th August, 1925, should be maintained. The German Government stated that they could not see in the history of the case or the contents of the letter of the Greek Government any reason why the Council should take up the question.

8. When the case came before the Council on the 15th September the Greek representative defended at length the claim of his Government that the Mixed Arbitral Tribunal was not competent to interpret the clauses of the Treaty of Versailles, and their request to the Council to apply article 14 of the Covenant. In the course of his statement, he asserted that both parties to the dispute before the Tribunal and the Tribunal itself were agreed that the interpretation of the military, naval and air clauses of the treaty was a matter for the Conference of Ambassadors. He further claimed that the Tribunal had itself admitted having given its award in the belief that the Conference had already exercised its power of interpretation. This belief being shown to be erroneous and the power of interpretation having lapsed through the termination of the power of control, it followed that the Council of the League alone, which was the heir of the Conference in the matter of control, possessed the corresponding power of interpretation.

9. The German representative said he did not find in the Greek representative's statement any refutation of the reasons adduced by his own Government against the competence of the Council to take up the question. The Greek Government had appealed to the Mixed Arbitral Tribunal to declare the contract null and void owing to

certain provisions of the Treaty of Versailles, and the question whether those provisions had the sense attributed to them by the Greek Government must be decided by the Tribunal. There would, on the other hand, be grave objections of principle to the submission to The Hague Court or any other body of a question which the Arbitral Tribunal alone had an undoubted right to decide.

10. As the members of the Council required further time to study the question, they agreed to the appointment of the Italian and Japanese representatives to assist the *rapporteur*, M. Urrutia, in examining the case and making recommendations to the Council at a later meeting.

(2.) *Incident on the Greco-Bulgarian Frontier in 1925.*

11. The commission sent by the Council to Bulgaria and Greece in 1925 reported that the work of liquidating the properties of refugees who were being exchanged under the Emigration Convention between the two countries was progressing slowly, that few emigrants had received the compensation to which they were entitled and that in consequence a feeling of discontent had arisen. At its successive meetings since then the Council called for reports by the Bulgarian and Greek Governments and by the President of the Mixed Commission on the progress achieved.

12. The Council was now informed that the work of valuation or liquidation was proceeding without interruption. The question as to how the obligations arising out of the provisions as to compensation were to be met was still under consideration and negotiations were still proceeding between the two Governments and the commission. The Council took the view, which was concurred in by the representatives of the two interested Governments, that this was rather a financial than a political matter, and requested its Financial Committee to give advice on any technical aspects of the problem as to which the president of the commission might wish to consult it then or on any future occasion. It asked the committee to keep it informed of the results of any consultation and, subject to this condition, decided that there was no need to occupy itself further with the question.

13. The *rapporteur*, Sir A. Chamberlain, asked the Council to take note of the fact that the League had been able to settle, to the satisfaction of both the States concerned, a grave difficulty which had arisen between them and which might otherwise have led to more serious consequences, thus serving the cause of peace and amity between them.

(3.) *Conference of Press Experts.*

14. Viscount Burnham, President of the Conference of Press Experts, attended the meeting and presented the series of resolutions adopted by the conference.

15. The *rapporteur*, the Belgian delegate, proposed that the resolutions should be divided into two groups. The first would include all resolutions relating to rates, code telegrams, improve-

ment in communications, conveyance of newspapers and identity cards for journalists. He suggested that the League Organisation for Communications and Transit should be asked to continue, with the help of the press groups interested, the technical study of this group of questions. The second group of resolutions related to the protection of press news, most of those relating to professional facilities for journalists and censorship in time of peace. The *rapporteur* proposed that the Council should defer examination of this group until its session in December. He also proposed that all the resolutions of the conference should be communicated to the Assembly with a request for the inclusion in the budget of the Organisation for Communications and Transit of a supplementary credit sufficient to provide for the work entailed by the resolutions.

16. After statements in favour of action being taken on the lines of the resolutions of the conference had been made by the representatives of Germany, France, Colombia, Japan and the British Empire, the resolution moved by the *rapporteur* was adopted.

III.—ADMINISTRATIVE QUESTIONS.

(1.) *Danzig: Manufacture of Aircraft.*

17. At its previous session the Council had invited the opinion of the Air Sub-Committee of the Permanent Advisory Commission for Military, Naval and Air Questions on the request of the Senate of Danzig for reconsideration of the restrictions imposed in 1921 on the Free City in regard to the manufacture of aircraft (see "Miscellaneous No. 7 (1927)," Cmd. 2925).

18. In its report the Air Sub-Committee drew attention to the improbability of any undertaking in Danzig for the promotion of civil aviation being able to compete with the large air industries already organised elsewhere in Europe without the receipt of very generous subsidies. This report was submitted to the High Commissioner for Danzig, who stated that the question had little practical importance, since no civil aircraft industry existed at the time in Danzig and there was no probability of any such industry developing. He pointed out, however, that the question involved the application of article 5 of the Danzig Constitution, in which it is laid down that the Free City cannot, without the previous consent of the League of Nations, authorise the manufacture of munitions of war material on its territory.

19. In a letter to the High Commissioner the Senate pointed out that under the resolution passed by the Council in 1921 the restrictions imposed on Danzig were the same as those which the Allied Powers decided to impose on Germany. Since in the interval since 1921 certain concessions had been granted to Germany and Bulgaria, the Senate asked that Danzig should be placed on the same footing in regard to civil aviation as these two countries.

20. In submitting his report on this question to the Council, the Chilean delegate accepted the view that the conditions under which an aircraft industry should be established in Danzig had no practical interest at the moment and, consequently, the Council need

only deal with the question of principle as to whether the Free City should be placed in a position inferior to that of other States. The regulations laid down in 1921 had to be revised every two years in order that account might be taken of any development in the manufacture of aircraft. They were, therefore, no longer binding on the Free City. The *rapporteur* proposed that, in the event of a definite request for authority to set up a civil aircraft industry, the High Commissioner should supervise the conditions in which the industry should be established. He might then, in case of doubt, refer the matter to the Council, which would, if necessary, ask the Air Sub-Commission to draft regulations for the guidance of the High Commissioner.

21. The Council approved the conclusions of the report and the representative of Danzig expressed his concurrence therein.

(2.) *Port d'Attache for Polish Men-of-war at Danzig.*

22. On the 2nd August, 1927, the Danzig Senate informed the President of the Council that it considered that the maintenance of the provisional agreement concluded with Poland in 1921 as to the use by Polish warships of Danzig as a "port d'attache" was no longer necessary in view of the development of the Polish port of Gdingen and that it had given notice of termination of the agreement to the Polish Government. The Senate requested the Council to examine the question afresh and give a definite decision upon it.

23. The above agreement was concluded on the 8th October, 1921, and was made without prejudice to any future agreement between the two States or to any decision of the Council to whom the request of the Polish Government that a mooring station for Polish warships in the harbour of Danzig should be placed at its disposal had been referred. The Naval Sub-Commission of the Permanent Advisory Commission, whose opinion on the matter was solicited, held that Polish warships should be granted the necessary facilities in the harbour of Danzig until such time as the Polish port of Gdingen, then in course of construction, became available. As the agreement concluded between the parties was in accordance with this view, the Council deferred any final decision and gave its approval to the agreement. The request of the Danzig Senate for a fresh examination by the Council of the question was opposed by the Polish Government, which declared its inability to discuss it without longer notice and asked for its postponement until December.

24. After some discussion the Council agreed to invite the Polish Government to communicate its observations through the High Commissioner to the Danzig Senate before the 15th October, and to suggest direct negotiations between the two parties under the chairmanship of the High Commissioner and with the assistance of the President of the Harbour Board. The Council further agreed that if the question could not be settled by agreement between the two parties before the 15th November, the advice of the Naval Sub-Commission should be obtained, in order that at its next session the Council might have all the material necessary for taking a definite decision.

(3.) *Danzig: Request by the Free City for revision of the Council's decision of the 14th March, 1924, regarding the use of the Westerplatte Site at Danzig.*

25. Shortly before the opening of the session the Danzig Government approached the President of the Council with a request that the Council should cancel its decision of the 14th March, 1924, by which Poland was granted the use in perpetuity of the Westerplatte peninsula for the transshipment, temporary storage and despatch to Poland of war material, and authorise the removal to Polish territory of the site allotted for this purpose.

26. A doubt having arisen as to whether the Senate's application was correct as regards procedure and form, a discussion took place in the Council on the 1st September upon the advisability of acceding to the Senate's request and including the question in the Council's agenda. Further doubts were expressed during this discussion as to the circumstances in which the Council might revise its own previous decisions. No agreement being reached, a Legal Committee was set up to give an opinion on the questions raised during the discussion.

27. This committee reached the conclusion that, as regards procedure and form, the request to place the item in question on the agenda, submitted on the 25th July, 1927, to the Council by the Senate of Danzig, was not in conformity with the procedure laid down in the Polish-Danzig Treaty; that the Council—supposing the matter to have been regularly submitted to it—could only take a fresh decision on a site for the transit of Polish war material if the Council had before it a new question arising out of a new state of affairs—a matter on which the Committee could not give an opinion; and that, while not laying down in regard to the revision of international decisions a rule which could not be affirmed in the present position of international law, the committee felt bound to point out that, in any case, the request of the Senate of Danzig could not be complied with without a modification in treaty stipulations and that such modification could not take place without the consent of the contracting parties.

28. The question was further examined by the Council on the 15th September, when it took note of the report of the Legal Committee and decided that no action should be taken on the request of the Danzig Government.

IV.—MANDATES.

(1.) *Work of the Eleventh Session of the Permanent Mandates Commission.*

(a.) *Observations of the Commission on Eight Annual Reports examined by it.*—(Palestine and Transjordan, 1926; Syria and the Lebanon, 1926; Cameroons, 1926; Togoland, 1926; Tanganyika, 1926; Nauru, 1926; New Guinea, 1925-26; South-West Africa, 1926.)

29. The Council instructed the Secretary-General to forward the observations of the commission to the Government of each of

the mandatory Powers and to request it to take the requisite action.

30. The Council noted with satisfaction that the revolt in the Djebel Druse region of Syria had come to an end and expressed the hope that the mandatory Power would shortly be in a position to promulgate an Organic Law.

(b.) *Petitions.*

31. The Council approved the conclusions of the Commission on the petitions examined by it, concerning Palestine, Syria and the Lebanon, Togoland and South-West Africa, and instructed the Secretary-General to bring them to the knowledge of each of the mandatory Powers and of the petitioner concerned.

(2.) *Appointment of an Additional Member of the Permanent Mandates Commission.*

32. The Council decided to amend the constitution of the commission so as to permit of the increase of the regular membership from nine to ten, and appointed Dr. Ludwig Kastl (German) an additional member.

(3.) *List of Questions for Annual Reports on Territories under "B" and "C" Mandates.*

33. The Council did not feel called on to make any recommendation under this head. The commission had expressed satisfaction with the fullness and detailed nature of the information hitherto supplied by the mandatory Powers and the Council confirmed the commission's observations.

V.—TECHNICAL ORGANISATIONS.

(1.) *Appointments and Resignations in the Financial Committee.*

34. The Financial Committee reported that its work had reached a stage at which the presence of an American member would be of great value and proposed that Mr. Jeremiah Smith, junior, late Commissioner-General in Budapest of the League, be appointed an additional member of the committee. The Council confirmed this appointment.

35. The resignation of Mr. Aoki from the committee was brought to the notice of the Council, and on the proposal of the Japanese delegate the appointment of Mr. Tsushima, Japanese Financial Attaché in London, as his successor was approved.

(2.) *Work of the Financial Committee during its Twenty-eighth Session.*

36. An account will be found elsewhere in the present report of the negotiations concerning the issue of a loan for the restoration of Greek finances and the further establishment of refugees in Greece which occupied the greater part of the time of the Financial Committee.

37. On the recommendation of the committee, the Council approved certain modifications in the programme of expenditure of the Danzig Municipal Loan, 1925.

(3.) *Report by the President of the Health Committee on his Mission to Argentina, Brazil and Uruguay.*

38. The Council noted with satisfaction the desire encountered in all the countries visited by Dr. Madsen for closer co-operation in the technical work of the League of Nations. It expressed to Dr. Madsen its appreciation of the ability and tact with which he had carried out the mission entrusted to him, and forwarded the report to the Assembly.

VI.—DISARMAMENT.

Financial Assistance for States Victims of Aggression.

39. The *rapporteur* (Dr. Benes) proposed that the text of the Financial Committee's report and of any observations submitted by Governments to whom the report had been circulated should be forwarded to the Assembly, and that the Council should reserve consideration of the matter until the December session.

40. The British delegate said that his Government considered that the scheme outlined by the Financial Committee should be welcomed as providing a practical means of mobilising the financial resources of States Members of the League against a State guilty of aggression and as affording an impressive demonstration of the solidarity of League opinion against such a State. Moreover, it might be hoped that the existence of such a scheme would in itself act as a powerful deterrent to any act of wanton aggression, and, by contributing to the general sense of security, assist towards the attainment of an effective measure of disarmament.

41. But the scheme would involve the acceptance by his Government of heavy financial commitments which would have to be met automatically, should a case of aggression occur, and special powers would have to be sought from Parliament to undertake the liabilities imposed upon it by the scheme. Such powers would not be granted by Parliament in present circumstances unless it could be shown that, in return, Great Britain would be likely to obtain such a substantial return as would result from the general acceptance of a convention for the limitation and reduction of armaments. Eventual acceptance of the scheme by his Government must also be conditional upon general acceptance by all the principal States Members of the League, and upon a satisfactory distribution of the liability to contribute to the "super-guarantee," which was the essential feature of the scheme.

42. It followed that, while his Government regarded the scheme as a valuable contribution to the study of the general question of disarmament, they could not consider that scheme in isolation from other aspects of disarmament, and must reserve their final decision until they had before them the final outcome of the Disarmament Conference, and until they could see the practical measure of success

attained by that conference and the extent to which the scheme under consideration commanded the general support of States Members of the League.

43. Sir Austen Chamberlain said he thought it unnecessary to offer detailed observations upon the report of the Financial Committee, in view of the committee's request to study the matter further, and supported the proposal submitted by the *rapporteur*.

44. The Polish delegate expressed the agreement of his Government with the principles of the Financial Committee's scheme and said that they would shortly forward their observations to the Secretariat.

45. The conclusions of Dr. Benes' report were adopted and it was agreed that the minutes of the meeting of the Council at which this question had been discussed should be forwarded to the Assembly.

AUSTEN CHAMBERLAIN.

London, November 25, 1927.

Report on the 47th Session of the Council of the League of Nations.

UNDER the temporary provisions for the election of the non-permanent members of the Council approved by the Assembly in 1926, the mandates of three members elected a year ago expired during the Assembly. These were Belgium, Czechoslovakia and San Salvador.

2. Before the new elections were held, Belgium presented a request for a declaration of re-eligibility in accordance with article 2 of the rules above referred to, but failed to obtain the requisite two-thirds majority in the Assembly in her favour.

3. The elections were held on the 15th September, when the following members were declared elected: Cuba, Finland, Canada.

4. The new Council held its first meeting on the 17th September, the members being represented as follows:—

British Empire	...	...	Sir Austen Chamberlain.
France	...	...	M. Briand.
Germany	...	...	Herr Stresemann.
Italy	...	...	Signor Scialoja.
Japan	...	...	Mr. Adatci.
Canada	...	...	Senator Dandurand.
Chile	...	...	M. Villegas.
China	...	...	Mr. Ouang Ting Chang.
Colombia	...	...	M. Urrutia.
Cuba	...	...	M. Aguero y Bethancourt.
Finland	...	...	M. Voionmaa.
Netherlands	...	...	M. Beelaerts van Blokland.
Poland	...	...	M. Sokal.
Roumania	...	...	M. Titulesco.

5. Under the rule whereby succession to the presidency is governed by alphabetical order, the Chinese delegate should have taken the chair, but Mr. Ouang Ting Chang, who sat for the first time on the Council, asked to be temporarily excused, and suggested that the Chilean delegate should continue to take the chair. This proposal was agreed to.

6. The Council held eight public meetings, the last meeting being held on the 28th September.

7. The following is a summary of the more important proceedings of the Council :—

I.—POLITICAL QUESTIONS.

(1.) *Notification by the Roumanian Government, under Paragraph 2 of Article 11 of the Covenant, of the withdrawal of its Representative on the Hungaro-Roumanian Mixed Arbitral Tribunal, and Request of the Hungarian Government for the appointment by the Council, in accordance with Article 239 of the Treaty of Trianon, of two Deputy Arbitrators for the Mixed Roumano-Hungarian Arbitral Tribunal.*

8. The Council devoted four meetings to this important question, at which Hungary was represented by Count Apponyi and Roumania by her Foreign Minister, M. Titulesco.

9. The committee, which had been requested by the Council at its 44th session in March to study this question (see "Miscellaneous No. 6 (1927)," Cmd. 2894), drew up a report, which was presented to the Council on the 17th September by the *rapporteur*, Sir Austen Chamberlain.

10. In this report the committee stated that its aim had been to find a solution which would allay discontent. It could not forget that the matter had originally been submitted to the Council, not under article 239 of the Treaty of Trianon but under article 11 of the Covenant, and that its intervention had been asked for on that occasion first of all by Roumania and then by Hungary. In these circumstances it could not evade the duty imposed on it by the Covenant and confine itself simply to the election of the two deputy members for the Mixed Arbitral Tribunal, which the Hungarian representative had, as a result of the proceedings, demanded. If it did so, it would have failed to discharge its political duties as mediator and conciliator in a dispute which extended far beyond the actual terms in which it had been originally submitted by the two parties. Moreover, the committee could not take a purely legal view of the Council's duties, especially as it realised that the election of the two deputy members would not have finally ended a difference which had been successively submitted to three international authorities. It had attempted rather to bring about a general settlement which would have terminated the controversy and led to better feelings.

11. In the interval between the March and June sessions of the Council, Sir Austen Chamberlain, on behalf of the committee, had

convened the Hungarian and Roumanian representatives in London. The delegates of both countries had stated at the outset that they could not definitely bind their Governments. The committee had therefore asked them to obtain from their respective Governments all possible concessions with a view to reaching a satisfactory solution, and to inform it of the point of view of their Governments at the June session of the Council.

12. At the June session the committee had met on several occasions at Geneva and had maintained close touch with the representatives of the two Governments. It had submitted certain formulæ to the two parties with a view to conciliation and in the hope that the two Governments would follow its recommendations. But it was forced to confess that its hopes had been disappointed and that the two parties had been unable to accept the conciliatory formulæ which it had proposed.

13. The committee had convened the two parties again on the 2nd September with a view to a final attempt at conciliation. During these fresh conversations the representatives of the two countries had communicated certain proposals to the committee. As, however, in each case the representative of one of the parties was unable to accept the proposals made by the other, the committee had been compelled to abandon its hope of reaching a settlement by direct conciliation.

14. The committee had therefore been obliged to seek a solution by other methods. After examining the question of the Mixed Arbitral Tribunal's jurisdiction and after obtaining the opinion of eminent legal authorities thereon, the committee had reached the following conclusions :—

15. The claim of a Hungarian national for restitution of property in accordance with article 250 of the Treaty of Trianon might come within the jurisdiction of the Mixed Arbitral Tribunal even if the claim arose out of the application of the Roumanian Agrarian Law. The Mixed Arbitral Tribunal was not competent to give decisions on claims arising out of the application of an agrarian law as such, unless it could also be established that the property of a Hungarian national suffered retention or liquidation or any other measure of disposal under the terms of articles 232 and 250 as a result of the application to the said property of the Roumanian Agrarian Law. In this latter case, the jurisdiction of the Mixed Arbitral Tribunal would not be ousted on the ground that the application of an agrarian law was involved.

16. As it resulted from the foregoing that the request made by a Hungarian national for the restitution of his property could come within the competence of the Tribunal, even if the request arose out of the application of the Roumanian Agrarian Law, the Committee had proceeded to define the principles which acceptance of the Treaty of Trianon had made obligatory for Roumania and Hungary. These principles were as follows :—

- (1.) The provisions of the peace settlement effected after the war of 1914-18 do not exclude the application to Hungarian

nationals (including those who have opted for Hungarian nationality) of a general scheme of agrarian reform.

- (2.) There must be no inequality between Roumanians and Hungarians, either in the terms of the Agrarian Law or in the way in which it is enforced.
- (3.) The words "retention and liquidation" mentioned in article 250, which relates only to the territories ceded by Hungary, apply solely to the measures taken against the property of a Hungarian in the said territories and in so far as such owner is a Hungarian national.

17. The committee therefore ventured to suggest that the Council should make the following recommendations:—

- (a.) To request the two parties to conform to the three principles enumerated above.
- (b.) To request Roumania to reinstate her judge on the Mixed Arbitral Tribunal.

18. Sir Austen Chamberlain said that the committee would have been glad if it could terminate its report at that point where it proposed a solution which secured justice for both parties alike and permitted the normal functioning of the Mixed Arbitral Tribunal to continue with the assent and goodwill of both sides. But it was possible that one or other party, or even both parties, might refuse to accept its proposals, even if adopted by the Council, and it had therefore felt it its duty to suggest to the Council in what way it should deal with any one of these contingencies. In the event of a refusal by Hungary, it considered that the Council would not be justified in appointing two deputy members in accordance with article 239 of the Treaty of Trianon. In the event of a refusal by Roumania, in spite of the acceptance by Hungary of the above proposals, the committee considered that the Council would be justified in taking appropriate measures to ensure in any case the satisfactory working of the Mixed Arbitral Tribunal. In the event of a refusal of the recommendations by both parties, the committee considered that the Council would have discharged the duty laid upon it by article 11 of the Covenant.

19. Most of the arguments adduced on previous occasions were once more developed by the two parties to the dispute in the course of the discussions which followed. The Hungarian representative renewed his Government's proposal to submit to the decision of the Permanent Court the question whether or not the Mixed Arbitral Tribunal had exceeded its powers and their undertaking to abide by the decision of the Court. He expressed his inability to accept the three principles set out in the report, but proposed that the Council should ask the Permanent Court for an advisory opinion upon the question whether these principles had been in whole or in part rendered obligatory for Hungary and Roumania by the acceptance of the Treaty of Trianon. If by the three principles above mentioned the Council claimed to give a legal interpretation of the treaty, he challenged the Council's right to do so. If they

merely represented the basis of a possible agreement between the parties to the dispute which the Council recommended to them, he was prepared to discuss them, but he could not accept them as they stood.

20. The Roumanian representative questioned the utility of asking the Permanent Court for an advisory opinion upon the question of competence. Such a course was only called for when the Council lacked sufficient information on some specified point to enable it to reach a decision. In the present instance the matter had already been under examination for six months and the Committee of Three had obtained the advice of eminent legal authorities. M. Titulesco accepted the report of the Committee of Three provided that it was also accepted by Hungary, the principles set out in it, when accepted, becoming law for the parties and law for the judge.

21. At the end of the discussion the *rapporteur* summed up the position. All the Members of the Council were willing to accept the report up to and including the first recommendation made by the committee, but were not yet agreed as to the course which they should take if that recommendation were refused by either of the parties. He accordingly proposed that the President should address an appeal in the name of the whole Council to the two parties to conform to the three principles enumerated in the report, and should request Roumania to reinstate her judge on the Mixed Arbitral Tribunal.

22. The President accepted this proposal, but suggested that the parties instead of giving a definite reply at once, should first bring the recommendations to the knowledge of their Governments and inform the Council of their decision before the December session.

23. In a final appeal the Hungarian representative repeated that the conflict of principle as to differential treatment between nationals and foreigners in the application of a national law was, in his Government's view, so fundamental that it could not be settled by mutual concessions, but must be decided by reference to the Permanent Court.

24. Sir Austen Chamberlain expressed regret that the character of the declaration made by the representative of Hungary imposed upon him the duty of making a further statement. He reminded the Council of the history of the question. It had been submitted three or four years previously to the Council. A measure of agreement had been reached at a meeting held at Brussels under the chairmanship of Mr. Adatci, but that agreement had later been repudiated by Hungary. When the matter came again before the Council in 1927, renewed appeals were made to the parties to seek a settlement by agreement. But, while the Roumanian Government took the suggestions which the Committee had made as the basis for proposals of their own making, from first to last the Hungarian Government had made no concession of any kind. The Council should make one more effort and he refused to believe that any State Member of the League, in face of such an appeal, could refuse to enter on the path of conciliation.

25. After other members of the Council had satisfied themselves that acceptance of the principles enumerated in the report did not imply in any way that the Council had thereby given a legal interpretation of the Treaty of Trianon, the proposal of the President was adopted.

(2.) *Question of the Nomination of a President for the Conciliation Commission on the Greco-Bulgarian Frontier.*

26. When the frontier dispute between Greece and Bulgaria came before the Council in 1925, it decided that a Commission of Conciliation should be constituted to operate on the frontier between Bulgaria and Greece. The commission was to consist of Greek and Bulgarian officers, together with two Swedish officers, who were appointed for duty on that frontier for a period of two years. In addition, the Swedish officers were requested to make recommendations in order to enable the Council to nominate a chairman of the commission.

27. No incidents on this frontier have been reported to the Council by the members of the commission since its constitution. The Council accepted a proposal of the two Swedish officers that on the termination of their contracts in February 1928 they should be replaced on the commission by officials of the Ministry of Foreign Affairs of each country and decided to refrain for the present from appointing the chairman of the commission.

28. The proposals of the Council were accepted by the representatives of Greece and Bulgaria.

(3.) *Interpretation to be given to Articles 190 and 192 of the Treaty of Versailles. Cruiser "Salamis"—Request of the Greek Government (continuation).*

29. An account of the earlier meeting of the Council on the 15th September, at which this dispute was under consideration, is given on page 3 of the present report.

30. On the 28th September the representative of Colombia, M. Urrutia, presented the report submitted by the committee composed of Mr. Adatci, M. Scialoja and himself. The conclusions of the committee were, firstly, that the question involved an interpretation of articles 190 and 192 of the Treaty of Versailles; secondly, that all the Powers signatories of the treaty were interested parties and, in particular, all Members of the League by virtue of the powers of investigation conferred on the Council under article 213 of the treaty; and, thirdly, that the Arbitral Tribunal itself appeared to have thought that another authority could pronounce upon the question of the export of the ship. The committee felt that the Council should first decide upon its own competence to give effect to the request of the Greek Government and, as the question was both a delicate one and of a pronounced legal character, it recommended that advice should be sought on this point from the Permanent Court of International Justice.

31. The German representative denied that the German Government were either interested in the matter or a party to it, and said that as far as the claim of the Vulcan Company was concerned it was solely a question of money. What interested him was the question of the Council's competence. As to that, he would prefer that the Council should itself discuss the point rather than ask the Permanent Court to give an opinion, thus creating uncertainty as to the Council's powers—an uncertainty not calculated to increase its prestige. Further, any intervention by the Council in a case pending before an arbitral tribunal was dangerous, for it might be used as a precedent which would result in many other cases being brought before the Council.

32. After the Greek representative had replied to Dr. Stresemann, the Netherlands representative said that, in his Government's view, the Council were not competent to give an official interpretation of articles 190 and 192 of the Treaty of Versailles. Neither the Covenant nor the treaty contained any stipulation as to the competence of the Council, and the three statements in the report did not seem to lead to the conclusions which the committee had drawn from them. The Council should, in his opinion, refrain from giving any interpretation, and all the more so since by so doing it would intervene in a case still pending before an arbitral court. Such a procedure would injure the cause of arbitration.

33. In reply to the Netherlands representative, the Greek representative maintained that intervention in arbitral procedure had already taken place, though not at the instance of the Greek Government. At the end of 1926 the German Government had tried to obtain through the Conference of Ambassadors an official interpretation of article 192 applicable to the case of the "Salamis" which would have possessed the force of law for the Mixed Arbitral Tribunal. The conference had reserved its opinion and, as the right of investigation hitherto possessed by the conference now devolved upon the Council of the League, the Council alone could pronounce upon the question. He added that, if no such official interpretation as that demanded by the Greek Government were given, they would be placed in the unfortunate position of having to execute a judgment based on an unauthoritative interpretation.

34. The Finnish representative asked what was the meaning of the "official interpretation" which the Council had been asked to obtain. He argued that, however great the moral authority of the Court might be, an interpretation contained in an advisory opinion could not have the same binding force as that of decisions which themselves could only have a limited binding force, as would be seen by reference to article 59 of the Statute of the Court. He suggested that this wider question might be submitted to the Permanent Court.

35. The British representative reminded his colleagues that one of the questions submitted by the Council in 1923 to a Committee of Jurists for a ruling concerned the duty of the Council, when seized of a dispute, at the instance of a Member of the League, either at the request of a party or on its own authority to suspend

its enquiry when, with the consent of the parties, the settlement of the dispute was being sought through some other channel. The Committee of Jurists had replied that where, contrary to the terms of article 15, paragraph 1, of the Covenant, a dispute was submitted to the Council on the application of one of the two parties, and where such a dispute already formed the subject of arbitration or of judicial proceedings, the Council must refuse to consider the application. This reply dealt only with disputes, but Lord Onslow suggested that the opinion of the jurists might be regarded as a governing principle by the Council in its examination of the question now before it.

36. The discussion was concluded by the Italian representative. M. Scialoja emphasised the need, first of all, of eliminating two points. There was no connection between the case under examination and that of the properties of Roumanian nationals who had opted for Hungarian nationality. The competence of the Council in the latter case was determined by article 11 of the Covenant, but in the present case that article had not been invoked by either of the parties. Neither was there any connection with the Corfu case. The present dispute had been brought, with the consent of both parties, before a Mixed Arbitral Tribunal. The Tribunal had to ascertain whether a contract was still valid. But an objection had been raised. It was said that the contract could not be executed because its execution was forbidden by article 192 of the Treaty of Versailles, which was in fact a rule of public international law, being embodied in a general treaty, and the question before the Council therefore exceeded the competence of the Tribunal. There was also a doubt as to the significance of the transfer of the right of investigation from the Conference of Ambassadors to the Council. On these complex legal questions M. Scialoja asked for further time for reflection. He thought no harm would be done by consulting the Permanent Court, if the question put to it were restricted to the application of article 192 to the case of the "Salamis." But as it seemed doubtful whether the Council were all agreed upon this course, he would prefer that the matter should be adjourned until December.

37. When the discussion was resumed later in the day, the Roumanian representative said that, whilst he accepted the report, he nevertheless considered that the Council could and should itself deal with the question submitted by the Greek Government. If the Council were not unanimous in accepting the report, the question would have to be adjourned. In that event, he hoped the Mixed Arbitral Tribunal would be asked to leave matters for the present where they were.

38. The French representative agreed with the British representative that the Council, basing itself on the legal opinion to which he had referred, should not deal with the request submitted to it. He saw no objection to the matter being adjourned.

39. The German representative, after expressing his disagreement with the arguments of the Roumanian representative, said

that an interlocutory judgment had been given by the Tribunal and if the Tribunal said it had no longer any means of revising it, that judgment would be binding upon the two parties.

40. The Greek representative maintained that the opinion given by the jurists in 1923, at the time of the Corfu dispute, was irrelevant to the present case. He quoted the earlier action of the Council when it had dealt with the two questions of interpreting the Convention of the Exchange of Populations and of the Greco-Turkish frontier on the Maritza as precedents in favour of inviting the Tribunal, if it had any doubts as to its powers of interpretation, to ask for an opinion from the Permanent Court. This course had been taken where the competence of the authority dealing with the matter was not questioned. In the present case, it was called in question by the Greek Government, but he thought that in arriving at a decision the Council would do well to take earlier precedents into account. On the question of the Council's competence, M. Politis quoted as a further precedent the advisory opinion given by the Permanent Court, when dealing with the question of the German colonists in Poland, as to the competence of the Council to interpret the provisions of a Minorities Treaty. In his view, that opinion was equally applicable to the exercise of rights of investigation under article 213 of the Treaty of Versailles.

41. The *rapporteur*, M. Urrutia, recapitulated the points which still remained to be examined and spoke in support of the committee's proposal.

42. The Japanese representative also urged the Council to adopt the report and expressed his agreement with M. Scialoja that the ruling given by the Committee of Jurists in 1923 had no connection with the present case.

43. A discussion then followed in which the Italian and Roumanian representatives maintained opposite points of view upon the question whether a request for an advisory opinion must be unanimously agreed to by the Council or whether a simple majority would suffice. In view of the disagreement between the members of the Council on this point, the President proposed that the whole question should be adjourned till December, that the legal advisers of all the Members of the Council should in the meantime study the legal aspects of it—in particular, the competence of the Council—and meet in December, either during or before the meeting of the Council, in order to be able to furnish the committee with a report, if the latter desired it.

44. This proposal was adopted by the Council and the Colombian representative was invited to continue to act as *rapporteur*.

II.—ADMINISTRATIVE QUESTIONS.

(1.) *Danzig: Jurisdiction of the Danzig Courts in Actions brought by Danzig Railway Officials against the Polish Railway Administration.*

45. This dispute arose upon the interpretation of the Agreement of the 22nd October, 1921, between the Polish Government

and the Danzig authorities with regard to the rights of Danzig railway officials who had passed into the Polish railway service. The Danzig authorities claimed that any of their officials could bring actions against the Polish Administration (a) on their personal contracts and (b) by virtue of the clauses of the Agreement itself, and, in particular, of the declarations referred to in article 1 of the Agreement. The Polish Government, on the other hand, contended that in neither case could any claims form the subject of an action in the Danzig courts.

46. The matter was referred to the High Commissioner, who, on the 8th April, 1927, gave his decision. The High Commissioner ruled that pecuniary claims of any kind, based on one of the provisions which constituted the contract of service for Danzig employees of the Polish railways who had passed into the service of the Polish Administration, should form the subject of an action in the Danzig courts. He further decided that the clauses of the Agreement itself and the declarations referred to in article 1 of the Agreement were not to be regarded as provisions which constituted the contract of service, and could not therefore give ground for a personal action to be brought in the courts.

47. The Danzig Government appealed to the Council from the High Commissioner's decision in so far as that decision did not recognise that pecuniary claims might be based on the Agreement of the 22nd October, 1921, or the declarations made in accordance with article 1 of that Agreement.

48. When the matter came before the Council the *rapporteur* (M. Villegas) informed the Council that both Governments now accepted the first part of the High Commissioner's decision. He had consulted them on the procedure to be followed in order to solve the outstanding questions, and they were agreed upon the desirability of the Permanent Court of International Justice being asked to give an advisory opinion in the matter. The High Commissioner had also accepted the suggestion, and he accordingly moved a resolution by which the following question was put to the Court:—

“Is the Court of opinion that the High Commissioner's decision of the 8th April, 1927, given as a result of the requests made by the Danzig Government on the 12th January, 1927—in so far as his decision does not comply with those requests—is legally well founded?”

49. The resolution was adopted by the Council.

(2.) *Danzig: Transport of Polish Munitions through the Territory of the Free City: Utilisation of the Westerplatte.*

50. Provisional regulations for the utilisation of the Westerplatte Peninsula as a depot for munitions of war in transit to Poland were issued by the High Commissioner on the 8th April, 1927. As neither the Polish nor the Danzig Government were satisfied with these regulations, the question was referred on the 30th May for final decision to the Council. As there had not been sufficient time

to examine it in all its aspects, and as there was a provisional arrangement in force, the Council decided at its session in June to adjourn it until its next session (see Report on Forty-fifth Session, "Miscellaneous No. 7 (1927)," Cmd. 2925).

51. The matter came again before the Council on the 27th September, when the President, as *rapporteur*, expressed his opinion that the conclusions given by the High Commissioner upon each of the five points mentioned in his memorandum were such as might properly be endorsed by the Council.

52. The German representative raised two questions of principle relating respectively to the responsibility for possible damages resulting from an explosion on territory belonging to the Free City, and the Customs clearance service. In the absence of agreement on these two points, he suggested that the *rapporteur* should seek the advice of two legal experts of his own choosing and submit a new report on these two questions.

53. The High Commissioner gave his reasons for believing that his decision represented the most effective means of, on the one hand, safeguarding the legal rights of the Free City and, on the other, of giving the population of Danzig the greatest possible degree of security. He also pointed out that if the question were adjourned the realisation of the plans for using the basin of the Westerplatte for the commercial needs of the port of Danzig would be delayed, since this development could not take place until the present question should be finally settled.

54. The President of the Senate of the Free City said that if the study of the legal problem before the Council might result in a solution which would have a tranquillising effect in Danzig, he would support the motion for adjournment, but he remained of the opinion that the best way of remedying the present difficult situation would be by removing the munitions depot from the territory of the Free City.

55. The proposal of Dr. Stresemann was agreed to upon the understanding that the whole question remained open until December.

III.—TECHNICAL ORGANISATIONS.

(1.) *Result of the Mission to Certain Countries of Latin America of the Chairman of the Health Committee.*

56. The Council, deferring to the wishes of the Assembly, decided to invite the opinion of the Health Committee upon the suggestions made by the authorities of Argentina, Brazil and Uruguay for continued co-operation in matters of public health between the Administrations of those countries and the League.

(2.) *International Economic Conference: Economic Organisation of the League.*

57. An account of the decisions reached by the Eighth Assembly upon the application of the principles laid down by the Economic Conference and upon the suggestions made by it as to

the Economic organisation of the League is given in the report of the British delegate to the Eighth Assembly (see "Miscellaneous No. 1 (1928)," Cmd. 3008).

58. No executive action was required of the Council by the first resolution of the Assembly regarding the general recommendations of the Conference. In the second resolution the constitution and functions of the Economic Committee and of the new Consultative Committee were generally defined, the details being left to be settled by the Council.

59. The *rapporteur*, Dr. Stresemann, proposed: (1) That the increase of the numbers of the Economic Committee from fourteen to fifteen should be effected by the appointment of a national of the United States of America; (2) that as hitherto they should be appointed by the Council in their personal capacity; (3) that the term of office of members should be limited to three years; (4) that at the end of that period the retiring members, unless succeeded by members of the same nationality, should become "corresponding members"; (5) that the members should elect their own chairman; and (6) that the committee should be given a free hand to regulate its proceedings subject to the Council's right to take its own decisions on the committee's reports in regard to executive action.

60. Dr. Stresemann also proposed that the Council should defer to its next session the appointment of the members of the Consultative Committee under the conditions laid down by the Assembly, and to ask its *rapporteur* in consultation with the Secretary-General to draw up a list of members for its approval.

61. A discussion followed, in the course of which different views were expressed upon the terms under which "corresponding members" should be appointed. At a final meeting the Council agreed that each retiring member should become a corresponding member for three years with the possibility of reappointment until a person of the same nationality were appointed a full member, that additional corresponding members might be appointed by the Council at its discretion, and that corresponding members should only attend meetings of the committee, if invited, and should not have the right to vote. Subject to these amendments, the proposals of Dr. Stresemann were adopted.

IV.—ARBITRATION, SECURITY AND DISARMAMENT.

(1.) *Arbitration, Security and the work of the Preparatory Committee for the Disarmament Conference.*

62. The Council had before it a series of resolutions adopted by the Assembly on the 26th September, 1927, on the work of disarmament carried out by the League during the year 1926-27. (see Report on the Proceedings of the Eighth Assembly, "Miscellaneous No. 1 (1928)," Cmd. 3008). The following decisions were reached:—

(a.) Differentiation of military and civil aviation.

63. The Council forwarded to members of the League and to the Advisory Committee on Transit and Communications Resolution No. 1 of the Assembly regarding the differentiation of military and civil aviation and the conclusion of agreements between air transport organisations of different countries.

(b.) Ways and means for enabling the Council to take appropriate measures to ensure respect for the covenants of the League.

64. The Assembly recommended (Resolution No. II) the Council to adopt the report of the Committee of the Council, dated the 15th March, 1927, on ways and means for enabling the Council to take appropriate means to ensure respect for the covenants of the League. The Council decided to adjourn examination of this question to its next session.

(c.) Meetings of the Council and of the organs of the League in times of emergency.

65. The Council forwarded to all Members of the League the Assembly's resolution (Resolution No. III) affirming the obligation of all States Members to facilitate by every means in their power the rapid meeting of the Council in times of emergency, and requested the Advisory Committee on Transit and Communications to continue its examination of this question.

(d.) The Finnish Government's proposal for establishing a system of financial aid on behalf of a State victim of an aggression.

65a. The Council endorsed the Assembly's recommendation that this proposal should be further investigated by the Committee referred to in Resolution No. V (see (e) below) in conjunction with the Financial Committee.

(e.) Promotion of arbitration agreements, security and the work of disarmament.

66. The Council forwarded to all States Members the resolution of the Assembly on arbitration, security and disarmament (Resolution No. V), and gave the necessary instructions to enable the recommendations contained therein to be carried out. In particular, the Council requested the Preparatory Committee on Disarmament to appoint a committee to consider, on the lines indicated by the committee, the measures capable of giving all States the guarantees of arbitration and security necessary to enable them to fix the level of their armaments at the lowest possible figures in an international disarmament agreement. This new committee would consist of representatives of all the States which have seats on the Preparatory Committee and are Members of the League, other States represented on the commission being invited to sit if they so desire.

67. The Council decided to invite the Belgian and Czechoslovak Governments to continue to take part in the work of the Preparatory Committee, and to invite the Greek Government to be represented on that committee.

(2.) *Declaration concerning Wars of Aggression.*

68. The Council forwarded to all States Members the resolution adopted by the Assembly on the 24th September, 1927, prohibiting all wars of aggression and declaring that every pacific means must be employed to settle disputes, of every description, which may arise between States.

(3.) *Private Manufacture of Arms : Resolution of the Assembly.*

69. The Council endorsed the Assembly's resolution of the 24th September, 1927, concerning the supervision of the private manufacture, and the publicity of the manufacture, of arms and ammunition and implements of war, and forwarded it to the Special Committee appointed to draft a convention.

(4.) *Private Manufacture of Arms : Composition of the Special Committee.*

70. The Council invited the retiring Members of the Council to continue to be represented on the Special Committee.

(5.) *Execution of the Military, Naval and Air Clauses of the Treaties of Peace : Appointment of the President of the Commission of Investigation for Austria.*

71. The Council took note of the desire of General Marietti, President of the Commission of Investigation for Austria, to be relieved of his duties.

V.—SOCIAL QUESTIONS.

(1.) *Proposal for the Creation of an International Institute for Educational Cinematography.*

72. The Italian Government's proposal for the establishment at Rome of an international institute for educational cinematography, under the direction of the League, the expenses of which would be borne by the Italian Government, was welcomed by the Assembly. The Assembly left it to the Council to decide, after consultation with the competent organisations and, in particular, the Committee on Intellectual Co-operation, in what manner this proposal should be carried into effect.

73. The British representative drew attention to a request of the Assembly for a report by the Council on the general question of the relations between the League and institutions set up under its authority, but not forming part of its organisation, and on the principles which should govern the acceptance of responsibility by

the League for such institutions. He hoped the Council would bear in mind that request.

74. The Council decided to invite the Italian Government to submit, after consultation with the Secretary-General of the League, detailed proposals for the creation of an institute.

(2.) *Settlement of Armenian Refugees in Erivan (Soviet Armenia).*

75. Dr. Nansen, High Commissioner for Refugees, informed the Council that he had been unable to obtain from the Armenian Government confirmation of the proposals he had outlined in June (see report on the 45th session, "Miscellaneous No. 7 (1927)," Cmd. 2925). His own position as negotiator had been extremely difficult, for he had had to invite the Armenian Government to commit themselves to carry out their part of a scheme which was propounded at Geneva without any assurance that Members of the League would contribute the sums necessary to carry out the part in that scheme allotted to the League. He felt convinced that it would be useless to expect the Armenian Government to give an undertaking of this nature. If, therefore, the Governments of Members of the Council—and without a lead from them no help was to be expected from other Members of the League—could not now definitely promise contributions, he would formally ask that the League should henceforth dissociate itself from this question. This did not mean that he would himself cease to work for the settlement of the Armenian refugees in a home of their own, but it would be best to terminate the responsibility of the League for an enterprise in which there was no hope of practical success. He proposed to try by other means to secure some part of the help which it had been impossible to obtain from the Governments Members of the League.

76. No promises of assistance were forthcoming from members of the Council with the exception of France. The Council, nevertheless, agreed against the advice of Dr. Nansen to address a further appeal to the Members of the League, and at the same time to refer the matter to the Assembly.

(3.) *Measures in favour of Russian and Armenian Refugees.*

77. The Council forwarded to the Governing Body of the International Labour Office a request from the Assembly to consider, in examining the budget of the Refugees Service for 1929, whether adequate funds for settlement have been provided from the sums contributed by Governments for this purpose.

VI.—INTERNATIONAL LAW.

*Proposed Conference on the Codification of International Law:
Appointment of a Preparatory Committee.*

78. The Eighth Assembly reviewed the work of the League relating to the codification of international law and approved the convocation of a conference which might meet at The Hague in 1929

to deal with three subjects proposed by the Committee of Experts. It decided that the preparatory work for this conference should be performed by the Secretariat, assisted by a committee limited to five persons, possessed of a wide knowledge of international practice, legal precedents and scientific data relating to the problems to be resolved, and the appointment of this committee was left to the Council.

79. The Council agreed to authorise the Acting President, in consultation with the Secretary-General, to nominate the members of the committee in the interval between the present and the December sessions.

AUSTEN CHAMBERLAIN.

London, November 25, 1927.