

Major Schöckel
M. Colban

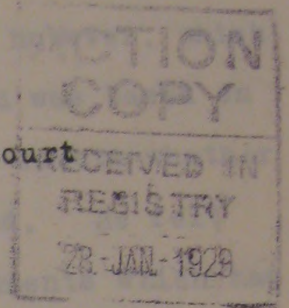
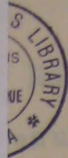
LEAGUE OF NATIONS

50^e session

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procès-verbal
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MINUTES OF A SECRET MEETING OF THE COUNCIL

Held at 4.30 p.m. on June 6th, 1928



President: M. de Agüero y Bethancourt

Procès-Verbaux
des séances
secrètes du
Conseil

All the representatives of the members of the Council and the Secretary-General were present.

REQUEST OF THE GOVERNMENTS OF ROUMANIA, THE SERB CROAT & SLOVENE KINGDOM AND CZECHOSLOVAKIA FOR THE EXAMINATION BY THE COUNCIL OF THE INCIDENT WHICH OCCURRED ON JANUARY 1ST 1928, AT THE RAILWAY STATION OF ST. GOTTHARD ON THE AUSTRO-HUNGARIAN FRONTIER.

M. Fotitch, representative of the Kingdom of the Serbs Croats and Slovenes, M. Veverka, representative of Czechoslovakia, and General Tanczos, representative of Hungary, came to the Council table.

M. BEELAERTS VAN BLOKLAND read his report (C.199) (0.99).

M. ANTONIADE thanked the Committee of Three for the efforts they had made to clear up the St. Gotthard incident. The task of the Committee had been neither easy nor agreeable. The Committee in its preliminary report, feeling that this incident deserved the full attention of the Council, and realising that it was indispensable to elucidate it as completely as possible, had asked permission to use all means appropriate to that end, and the Council had acceded to that request. The Committee had, therefore, been able to conduct a fairly extensive investigation, and had enjoyed a competence

as extensive as possible with a view to carrying out a definite object.

Reading the report of the Committee, however, which was the result of laborious investigations, and was based on the views of competent experts, he had serious doubts whether the object in view had been completely attained. He felt bound to say that the misgivings of the Governments which had drawn the attention of the Council to the incident still subsisted ^{as to} ~~so far as~~ the possibility was ^{of} ~~concerned for~~ certain Governments ~~to elude~~ ^{including} the disarmament provisions of the Treaties and ^{as to} ~~on~~ the effectiveness of the necessary control, more particularly if the present case was likely to create a precedent.

Numerous objections might be made to the present report, both as regards the methods employed and the results achieved. Almost all the ^{facts} evidence, as well as the conclusions ^{inferred from them} or failures to draw a conclusion, were open to discussion. This was not the moment to submit a substantial criticism of the report. The incident had produced ^{a great impression on} a public opinion in the countries which had presented the request to the Council. Public opinion in those countries expected a complete ^{elucidation} illustration of the facts and an assurance that such incidents should not arise in future with impunity. It also desired ~~if~~ these incidents should arise that it should be possible to take appropriate steps ^{such incidents if they should arise.} to deal with them. He accordingly felt that a public discussion was necessary, ~~for the complete information of public opinion.~~

For the moment he would only note that the principal object of the investigation of the Committee, namely, the ascertaining of the actual facts of the case had not been

achieved. After all the investigations which had been made, the position remained as it had been before the inquiry. All that was known was that there had been five trucks containing material of war which had been found where they ought not to have been found, and that the Hungarian Government had regarded the incident merely from the point of view of the railway and customs regulations, and had acted in conformity with those regulations. They were informed, ^{moreover,} however, that the final destination of the material in question could not be ascertained from the information which the Committee had been able to procure within the limits of its competence, those limits having at a later stage been singularly contracted. They were further informed that the information at the disposal of the Committee, which came all from one source, gave no indication that the material was intended to leave Hungarian territory.

During this inquiry everything had seemed normal to the experts, and the Committee had merely noted their views. The difference ^{in the} of weight ^{of the consignments as given} in the documents relating to them ~~consignments~~ and the weight actually found was described as normal. The experts had added that they had no reason to believe that there had been any removal of material, since the inventory had been taken on February 22nd, 1928. Was this equally true of the period prior to that date? The experts also regarded as normal the treatment of the consignments by the railway and customs officials at the frontier.

Only one point was referred to as being abnormal, namely, the fact that the Austrian customs officials had examined the consignments after the trucks had been handed over

to the Hungarian authorities, and after the Hungarian authorities had sealed the trucks.

In these circumstances, he was bound to inform the Council that, since the principal aim of the inquiry had not been attained, the Roumanian Government, to his great regret, would be unable to adhere to the report of the Committee.

M. FOTITCH also regretted that the Committee had not succeeded in achieving the object of its inquiry. It had, for example, been unable to establish the destination of the consignments. It would be difficult for him to adhere to the report if such adhesion were necessary. The public opinion of his country had been considerably alarmed by the incident, and must be adequately re-assured. It would be necessary, for the matter to be again discussed at a public meeting, when the representatives of the various countries concerned might discuss the position which had arisen in consequence of the report.

M. VEVERKA said he had nothing to add to what the representatives of Roumania and the Kingdom of the Serbs Croats and Slovene State had said. He associated himself with their observations.

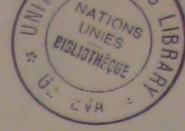
M. Paul BONCOUR said that he ^{had} always regarded the question as one which affected the general security of Europe and not as an incident ^{which} concerned ^{only} with a particular group of Governments. He had read the report of the Committee of Three in the light of that consideration.

The conclusions of the report did not affect the essential fact that five trucks of war material had been found in a place where the ^{presence} ~~transit~~ of such material was ^{illicit} ~~by treaty~~ ~~prohibited~~. The Committee had made ^{its} their inquiries. It had been unable to ascertain either the name or address of the

person who despatched the material or the name and address ^{of the person} to whom it was consigned. It was true that the military importance of the consignment was not great. There were, nevertheless, disquieting circumstances even from that point of view. In the five trucks certain parts of machine guns had been found, ^{and} but the experts had noted that, in order to make the consignments complete in a military sense, other necessary parts were deficient. He thought it was improbable that anyone ^{would} despatched ~~with~~ ^{with} five trucks of material across Europe which was not intended to be used, and personally he felt it difficult to avoid the conclusion that the consignments found had been preceded or were to be followed by other consignments containing complementary parts.

It was deeply to be regretted that the Committee had been unable to determine the origin and destination of the consignment. In view, however, of the time which had elapsed between the presentation of the complaint of the three Governments and the holding of the inquiry, it had obviously been impossible to establish the facts in a more satisfactory manner. It remained to consider whether anything could not be done to guard against similar incidents in the future. The present incident had shown that it seemed necessary to improve upon the procedure which had in this instance been adopted.

The League of Nations had been called upon to exercise the delicate mission which had been entrusted to it in connection with the right of investigation. The Council had, ~~in fact~~, substituted its own procedure for other methods of inquiry, and the experience had not been fortunate. It was necessary now to note the gaps in the procedure, and to face



realities. He appreciated the zeal and good faith of his colleagues in the conduct of the present investigation, but it was clear to him that the procedure adopted was deficient and would have to be strengthened.

He would put forward his suggestions in the matter when the second report of the Committee of Three on the measures to be taken in the interval between the sessions of the Council came to be discussed.

Sir Austen CHAMBERLAIN said that he also felt misgivings in regard to the report, and the situation which had arisen as a consequence ~~of the report~~. He agreed with M. Paul Boncour that the facts contained in the report sufficed to show that the consignment of material found at St. Gotthard was not an isolated despatch. He regretted that the Hungarian Government, which had in the present instance confined itself to a correct administration of the railway and customs regulations, had not looked at the matter from a rather different point of view. It was obvious that, if another such incident arose, the Council could not rest content with a report as incomplete and as indefinite as that which was now before them. If the present procedure, owing to the lapse of time between the presentation of a complaint and its investigation, necessarily made it difficult to establish the facts, it ^{might} ~~would~~ be necessary in such cases to convene the Council at once, and to conduct an inquiry by all possible means without delay. The whole question would have to be considered with a view to future possibilities.

General TANCZOS said he understood that the observations of the representatives of the Little Entente and of M. Paul Boncour were addressed rather to the members of the



Committee of Three than to the representative of Hungary. Sir Austen Chamberlain, however, had alluded to the conduct of the case by the Hungarian Government. He would point out that on two of the points to which reference had been made the report contained definite indications. He would refer to the letter which had been addressed on the 31st March to the Director of the Disarmament Section of the League of Nations by the representative of the Hungarian Government (Annex 1). It was stated in that letter that consignments similar to the consignment discovered at St. Gotthard had not, according to the information of the Hungarian railways, been despatched by the St. Gotthard route. It was further stated in that letter that, according to the waybills, the St. Gotthard consignment was addressed to the forwarding agency, Bruder ^{Berkovics} ~~Vercouvis~~ at Slovensko-Nove-^m ~~Nesto~~. The Hungarian authorities at St. Gotthard and Budapest had acted on the assumption that this firm was domiciled in Czechoslovakia.

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M. BEELAERTS VAN BLOKLAND inquired whether there was not some misunderstanding as to the task of the Committee of Three. The Committee had not been asked to make a general investigation, but had been appointed in order to study the documents placed at the disposal of the Council by the Hungarian Government. The Committee had undertaken this study with the assistance of experts, who had been sent to make inquiries on the spot. The experts, as a result of their inquiries, had assured the Committee that the existing railway and customs regulations had been normally applied, and had nowhere found any evidence for doubting the good faith of the Hungarian Government. The Committee of Three had merely drawn up an objective report on the facts so far as they could be

ascertained. There could be no question of adhering or not adhering to that report, which was merely a statement of what had occurred.

Allusion had been made to the fact that the report was inconclusive. He would draw attention, however, to Section VIII of the report. The Committee expressed the greatest regret in noting an attempt at the clandestine transport of war material. It noted that the consignment was not of any very great military value. Reference had been made by his colleagues to the possibility of other consignments having preceded or followed the consignment in question. The Committee had discussed this question with the experts, who had expressed the view that the consignee had in the present instance ^{made} a very poor bargain, and who did not believe that the consignments ^{pointed to an organised} ~~represented~~ a regular effort to supply war material on a considerable scale.

He did not think that the Committee could have ascertained the facts more completely or reported to the Council in other terms. The representative of Roumania had referred to the restriction of the task of the Committee. That ^{restriction} ~~reconstruction~~, however, had been imposed on the Committee which had not drafted its own terms of reference.

Sir Austen CHAMBERLAIN said that he had not had any intention of criticising the Committee of Three. He had merely noted the facts contained in the report and the results achieved. The procedure followed had not given the results that had been anticipated, and the inference was that the procedure itself was to blame.

M. VILLEGAS said the members of the Committee of Three had considered it to be their duty merely to examine the documents submitted for its consideration with the assistance of experts

M. PROCOPE said that the Chairman of the Committee had described the task entrusted to it and the limits of that task. The present question was whether, by another kind of inquiry, more adequate results might have been achieved. That, however, was not a question ^{with} which the Committee of Three had been concerned. He agreed that it was deplorable that it had not been possible to ascertain the destination of the St. Gotthard consignments. In his view, the only effective safeguard against such incidents was the application of the Convention on the Manufacture and Traffic in Arms.

M. FOTITCH said that he had never expected or desired that the inquiry would have sensational results. His Government had presented its request to the Council in the general interests of peace, and out of regard for the respect which was due to the fulfilment of international obligations. He regretted that the present inquiry had not resulted in establishing the more important facts of the case.

The PRESIDENT said that none of his colleagues had any idea of criticising the Committee of Three. They merely regretted that, owing to the circumstances of the case and the procedure adopted, it had not been possible to achieve better results.

He would ask his colleagues now to consider how the incidents should be dealt with at the public meeting of the Council, and what steps should be taken by the Council to guard against similar difficulties arising in the future.

Sir Austen CHAMBERLAIN suggested that the Council should pass to the examination of the second report of the Committee of Three, which dealt with the procedure to be adopted by the Council in future cases.

M. BEELAERTS VAN BLOKLAND read his report (C.207).

M. Paul BONCOUR said that the two reports of the Committee of Three were obviously interdependent. The proposals contained in the second report ^{had been made} ~~arose~~ owing to the feeling of the Committee that the conclusions of the first report were inadequate.

The Committee in its second report alluded to the fact that the question had been in danger of being complicated by incidents which had occurred after it had been placed on the Council agenda. This was an allusion to the fact that the railway trucks had not been left as they had been found when the request for ^{an} inquiry had been submitted to the Council. The material had been so manipulated that ^{when it came to be examined,} a difference of four tons in the total weight of the ~~consignments~~ ^{as compared with the weights} had been discovered when ~~they came to be examined, and their weight~~ ^{compared with that} given in the original waybills. The ^{natural} inference was that part of the material had been removed. The incident, in any case, showed that there was a serious gap in the procedure adopted.

The Council in December, 1926, drafted a system of regulations for the carrying out of the right of investigation, which were intended to take the place of the previous system of inter-allied control. These regulations, however, did not cover the gap in the procedure revealed by the present incident. It was true that, under these regulations, the Permanent Advisory Commission for Military Naval and Air Questions was required to meet as soon as any request for ^{an} investigation was made, ~~in order to study the question.~~ Under these regulations, therefore, the Permanent Advisory Commission would immediately enter upon the kind of investigation which had in the present

instance been submitted to the Council, regulations of 1926 had been applied in the present instance, the Council, when it had met in March, would have been informed of the facts as established by the Permanent Advisory Commission. Even, however, if the regulations of 1926 were applied, the procedure would still be defective, ^{since, under} Under these regulations the Council must decide that an investigation was necessary. A possible method was for the Council to hold an extraordinary session, but this would cause an excitement in public opinion perhaps out of all proportion to the gravity of the incident. The only other method was to provide for measures to be taken in the interval between sessions of the Council. Only the Council could take a decision that an inquiry should be held, but a procedure might be devised which would enable the facts of a given case to be immediately ascertained. Such a provisional or interim procedure was provided for in all private law, and seemed in the present instance to be essential.

M. ANTONIADE thought it would be necessary to arrange for a procedure which would make it possible to establish the facts rapidly on an international basis. This procedure would have to be carefully studied. Meanwhile, would it not be possible to entrust the Acting-President of the Council, between its sessions, with authority to ask any State against which a complaint had been presented, to give an undertaking in accordance with the resolution proposed in the report of the Committee of Three? The failure of a State to comply with this request would be noted when the matter came to be investigated by the Council, and would be a serious factor in ^{the} its consideration. ^{of the case, and the} The refusal of such a State to give such

convening of an extraordinary session of the Council.

Sir Austen CHAMBERLAIN thought that the proposal of the Committee of Three was interesting, and that the suggestion of M. Antoniade should be considered. He would point out, however, ^{that} if the Acting-President of the Council presented to the Government concerned a request in the sense which had been indicated, and if that Government refused ^{the} ~~that~~ request, it would be ^{open to} ~~the duty of~~ every member of the Council to ask for an extraordinary session. It would not, therefore, ~~be~~ ^{was} necessary to ask the Acting-President to assume this responsibility. He welcomed the idea that the question of procedure ^{should} ~~might~~ be studied ~~either by the Secretariat or a small committee~~. It was essential that the procedure should be improved, for, if in dealing with subsequent cases it was not possible to achieve better results, it would be necessary on each occasion for the Council to meet, and propose an investigation. A special meeting of the Council could not fail to exaggerate the importance of such incidents, and such exaggeration was, if possible, to be avoided.

He hoped that the Council would approve the proposal to study the question, ^{without prejudice to the final} ~~and it would be understood that the~~ results of the inquiry, ~~would not be in any way prejudiced~~. He was prepared to accept the proposals of the Committee of Three, together with the complementary suggestion of M. Antoniade that the question of procedure should be further examined. This examination might be made by the Secretariat, ^a or by ~~the~~ Committee appointed ad hoc.

M. ADATCI said he agreed in principle with the



suggestions of the Committee of Three. But he, too, thought that it would be well to arrange for a further study of the question of procedure. This study might be entrusted to the Secretariat.

M. von SCHUBERT did not quite understand what was ^{being} proposed. There was a report before the Council which contained suggestions for remedying a procedure which was defective. The suggestions of that report would perhaps suffice. A Government against which any future complaint was made would be asked to give an undertaking in accordance with the resolution contained in the Report of the Committee of Three. It would be very difficult for a Government to ^{refuse to} give such an undertaking, and the proposal was, in his view, a very substantial guarantee. He would like to know more particularly what additional procedure the Secretariat was being asked to examine.

M. BEELAERTS VAN BLOKLAND said that the proposal put forward by the Committee of Three was the result of a long study and the consideration of many alternative solutions. Perhaps his colleagues on the Council thought that it was possible to go further. The Committee of Three, however, had carefully studied additions to the procedure which they had proposed, but had concluded by rejecting them as dangerous or impracticable. If his colleagues were of opinion that something further could be devised, it would perhaps be advisable for them to postpone their decision to a later session. All the members of the Council would then have been able to examine every possible solution. He believed, however, that they would reach in the end the same conclusions as the

M. SCIALOJA said that he had very carefully considered various hypotheses in regard to the powers of the President of the Council between sessions. The conclusions which he had reached were not far removed from the proposals of the Committee of Three. Was it really necessary to examine further the question of the powers of the President? If an incident arose which called for an immediate meeting of the Council, it was the right of every member, including the President himself, to call an extraordinary session. This procedure had not been followed in dealing with the St. Gotthard incident, because the incident had not been sufficiently serious to justify so heroic a remedy. There was no need to confer on the President power to convene an extraordinary session in grave cases, since that power belonged to him already. Was it, moreover, advisable to study and define too rigidly the powers of the President between the sessions in connection with the undertaking for which Governments would be requested in accordance with the proposal of the Committee of Three? What actually were the powers of the President in that connection? His request to the Government concerned could not be regarded as in any sense an order. He had no real power, but only a moral authority which it was impossible to define, and which must necessarily vary with the circumstances. It would be unwise to fix the powers of the President at a maximum, because it might be necessary for him to exceed them. It was equally unwise to fix his powers at a minimum, because less than the minimum might be effective. Was it advisable to enter upon ^a considerable inquiry, which would very probably lead to a very small result? It did not seem to him necessary to do more than affirm generally the authority of the

President to take such steps, as he might consider necessary within the limits of the powers of the League of Nations. It was the duty of the President to do what he could do, and that was all that could be said in regard to the matter. If an inquiry was started, great expectations might be aroused, and those expectations would be very difficult to fulfil.

M. URRUTIA said he agreed with M. Scialoja as to the difficulty of defining the powers of the President. It might be questioned whether the President of the Council between sessions had any powers at all. Under the Covenant it was the Secretary-General who must convene the Council, if any case should arise under Article 11 or Article 15. The Acting-President of the Council, of course, had a certain moral influence, but this depended largely upon the person, upon the country he represented, and on the degree which he acted in agreement with his colleagues. It was, in his view, better not to make any endeavour to define the powers of the President

He had some doubts in regard to the actual text of the resolution. The resolution was as follows:

The Council considers that, when a question has been submitted for its examination, it is extremely desirable that the Governments concerned should take whatever steps may appear to them necessary or useful to prevent anything occurring in their respective territories which might prejudice the examination or settlement of the question by the Council.

Under that resolution, the Governments were asked to take whatever steps might appear to them necessary or useful. Was it calculated to increase the prestige of the President of the Council to draw the attention of Governments to a resolution in which they were invited to do what in their opinion was required by the circumstances?

Sir Austen CHAMBERLAIN said he also had certain



observations to make in regard to the text of the resolution. He had been struck by the phrase to which M. Urrutia had called attention. He would suggest that the resolution should read:

The Council considers that.....it is the duty of the Governments concerned to take whatever steps are necessary and useful to prevent etc.

He also agreed with M. Urrutia that it was for the Secretary-General rather than the President of the Council to take action between the sessions of the Council, and he would suggest that the duty of drawing the attention of the Governments to the resolution of the Council should be entrusted to the Secretary-General.

M. ADATCI said he was in favour of a further consideration of the whole question. He thought a study of future procedure was necessary, and he supported the proposal ~~that was made~~ that the ^{conclusion} consideration of the Council should be postponed to another session.

The SECRETARY GENERAL said that reference had been made during the discussion to serious and important cases which might call for extraordinary action. Such occasions arose under the first paragraph of Article 11, and were expressly excluded in the report of the Committee of Three. It ~~was necessary~~ to deal with such cases, because ^{when} in such cases the Secretary-General convened the Council urgently the Assembly had already entrusted the President with special powers to take any measures which might be necessary for the maintenance of peace. The Report of the Committee of Three ^{was concerned with} referred to cases which might arise under the second paragraph of Article 11, or cases which might arise in connection with the right of investigation.

Secretariat of the possibility of conferring further powers upon the President of the Council between its sessions. He would point out, however, that the Secretariat had already examined this question, and placed the results of that examination at the disposal of the Committee of Three, which had taken account of them in establishing its conclusions. He did not think that the Secretariat could be of much further use in the matter, and he would suggest that if anybody were constituted to consider the question, it should be a committee of the Council itself.

It had been further suggested that the Secretary-General should draw the attention of the Governments concerned to the resolution to be adopted by the Council. That was a rather serious proposal. It placed on the Secretary-General a very grave responsibility. He would be asked on his own initiative to call ^{the} attention ^{of} to a Member of the League to the fact that it might be about to do something which the Council had prohibited. He would urge that, if the Secretary-General were called upon to act in this way, his actions should be entirely automatic.

M. Paul BONCOUR said he wished to be clear as to the exact significance of the proposed adjournment of the question. Was it suggested that both reports of the Committee of Three should be adjourned for further consideration until next session, including the report on the incident itself? He assumed that this was not the case, but that ^{the} a proposal for adjournment referred only to the second report. He had some misgivings as to the proposal, even within those limits. The report of the Committee of Three was disappointing, and the

Council was obliged to acknowledge the absence of any definite results. The explanation of the unsatisfactory character of the report was to be found in the procedure adopted, and it seemed necessary at once to indicate the reasons for the failure of the recent inquiry, and to indicate possible remedies. He would, therefore, suggest that the second report should be submitted to the Council, and discussed in public, ^{but} ~~and~~ that the question of the ultimate decision to be taken on the second report should be left open for further consideration.

^{an} M. BEELAERTS VAN BLOKLAND said he had merely proposed ^h adjournment because he felt that the members of the Council were not prepared unanimously to approve the second report of the Committee.

The members of the Committee themselves did not desire ~~an~~ adjournment, as they were convinced that the proposals which they had put forward constituted the best solution of the difficulty.

M. URRUTIA thought that the second report should be read and discussed in public by the Council, and that the matter should be left open for further reflection.

M. ADATCI and M. Paul BONCOUR agreed.

Sir Austen CHAMBERLAIN said there was some objection to having a public discussion of ^a ~~the~~ report, which was merely to ~~end~~ in a proposal for an adjournment of the question. Would it not be possible for the Council to ^{record} recall its agreement in principle with the proposals of the Committee of Three, but to state that these proposals should be left open for further discussion in detail? The Council might at once agree to adopt the resolution ^{suggested} addressed in the second

report of the Committee, with an addition to the effect that
the Secretary-General would automatically call the attention
of any Government that might be concerned to that resolution. and

M. BEELAERTS VAN BLOKLAND, referring to the textual
amendments which had been suggested, proposed that the
resolution should read: "It ^{is} ~~was~~ extremely desirable that the
Governments concerned should take whatever steps are necessary e
or useful, etc." be

Sir Austen CHAMBERLAIN agreed.

M. Paul BONCOUR said it was understood that ~~the~~ a
paragraph would be inserted in the second report of the ht
Committee to the effect that the Council expressly reserved
the right to reconsider the question, and discuss, if necessary,
any further measures that might be necessary.

Sir Austen CHAMBERLAIN agreed.

M. PROCOPE asked whether this reservation would
exclude the possibility of the Assembly discussing the question
in September. He thought it was highly desirable that the

Assembly should have an opportunity of taking up the question.

M. Paul BONCOUR agreed that it was highly desirable
that the Assembly should be free to discuss the question if it
so desired. There was another point to which he would draw

attention. He presumed it was understood that the new
arrangement which would come into being in accordance with the
proposals of the Committee of Three would not in any way

affect the machinery of investigation established by the
regulations of December, 1926. It was provided in those
regulations that, when any complaint was made in connection

with the right of investigation, the Permanent Advisory
Commission for Military Naval and Air Questions should

immediately come together in order to establish the facts and submit a report to the Council at the ensuing session. Incidentally, he would ask whose duty it was to call the Permanent Advisory Commission together.

The SECRETARY GENERAL said that the meeting of the Permanent Advisory Commission could, in such circumstances, be convened by any one of the Delegations on the Commission, or by the Council or by the Chairman of the Permanent Advisory Commission.

M. Paul BONCOUR asked how the matter would be brought to the notice of the Permanent Advisory Commission.

Mr. COLBAN said that the matter would be brought to the notice of the Commission automatically, and for their information.

M. BEELAERTS VAN BLOKLAND said that the second report of the Committee would be amended in accordance with the proposals which had been made, and submitted at a public meeting. The question still remained as to how the first report of the Committee was to be dealt with in public.

Sir Austen CHAMBERLAIN said that the Council had called for the first report of the Committee, and that it would now publicly have to take a decision in regard to it. He presumed that the President of the Council would submit a resolution for its acceptance. The logical procedure would be to read and discuss the report, and then for the President to submit a resolution on the subject.

The Council agreed.

The meeting rose at 7.30 p.m.

Le Secrétaire général a l'honneur de communiquer le rapport ci-joint émanant du Comité Financier et strictement confidentiel.

Il suggère qu'il pourrait être soumis à l'examen du Conseil au cours d'une séance privée.

EMPRUNT DE STABILISATION BULGARE.

Rapport du Comité Financier au Conseil.

Le Comité Financier a examiné la charge supplémentaire que devra supporter l'économie du pays, et en particulier le budget bulgare, par suite des tremblements de terre récents, - charge résultant d'une part de la perte temporaire de recettes en provenance des régions particulièrement éprouvées, et d'autre part, des dépenses que devra engager l'Etat pour relever les constructions détruites, etc. Le Comité Financier croit savoir que les autorités des réparations envisagent ^à l'heure actuelle un certain ajournement de leurs créances afférentes à la présente année. Toutefois, il est peu probable que cet ajournement soit suffisant pour couvrir les dépenses en capital qu'il sera nécessaire d'effectuer par prélèvement sur le budget de l'Etat. Dans ces circonstances, le Comité estime utile d'ajouter qu'une somme de £ 1/2 million soit ajoutée au montant total de l'emprunt. Les garanties prévues sont suffisantes pour couvrir le service de cette somme supplémentaire, et il n'y a pas de raison pour que cette mesure compromette la situation budgétaire future.

Toutefois, il est nécessaire de s'assurer que la restauration financière ne sera pas rendue impossible par une charge trop lourde pendant l'année en cours et l'année suivante, à la suite des tremblements de terre, dans le cas où cette charge viendrait à dépasser celle à laquelle il est pourvu au moyen des propositions ci-dessus. Le



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Comité estime que l'on pourrait obvier à ce danger si les autorités des réparations déclaraient que, sous réserve que le programme des dépenses pour les travaux nécessités par les tremblements de terre sera approuvé par le Commissaire et par la Commission interalliée de Sofia et quand on disposera de renseignements suffisants, elles seraient disposées, afin d'alléger cette charge supplémentaire, à consentir, en cas de besoin un ajournement analogue des réparations au cours de l'année prochaine.