

right which States have to dispose freely of their natural resources, or of the output of their countries in respect of raw materials. It is legitimate that in exceptional circumstances they should be anxious to reserve them to themselves, and that they should have the power to subject them at any time to a regime in conformity with their natural economy."

During the discussion Mr. Balfour made an earnest appeal on behalf of Austria (the subject of Resolution No. 6), a country the condition of which is indeed pitiable, and which appears to have suffered more, economically, than any other country which took part in the war. In particular he appealed to neighbouring States to get rid of the artificial barriers which they had erected, and which were slowly but surely strangling Austria, the betterment of whose condition, he was of opinion, was the prelude to the recovery of Central Europe. I have no doubt that, but for the attitude of the secession States and of the United States of America, whose abstention from taking part in the work of the League is harmful in more than one direction, something effective would long ago have been done for Austria. Credits have again and again been voted her, but in amount only sufficient to provide the population of Vienna with food. Such a method of alleviating distress is, like unorganized charity, only a palliative, unhappy in its results. Austria lacks raw materials and the money wherewith to purchase, and until her factories are set going she will be nothing better than a drag on the wheel.

COMMITTEE No. 3.

Reduction of Armaments.—On the 1st October the Assembly had before it the report of the Third Committee on the reduction of armaments (Document A. 158). In my opinion the report is, on the whole, disappointing and of not much value. It is to a considerable extent based on the report (Document A. 81) of the Temporary Mixed Commission for the Reduction of Armaments appointed under a resolution of the First Assembly. The work of both the Third Committee and the Temporary Commission on the Reduction of Armaments was, of course, overshadowed by the Conference which is to be held at Washington next month, and therefore it is doubtful whether any committee or commission of the League, however constituted, could have made, in the circumstances, any suggestions of real value. Inquiry by the League in various directions and the collection of material may be helpful, but, in my judgment, any statistics which may be compiled will be incomplete and therefore misleading. You will observe that, amongst other things, the committee recommends—

- (1.) The collection of certain statistics, &c. ;
- (2.) An international conference on the private manufacture of arms and the trade in arms ;
- (3.) Ratification of the Arms Traffic Convention ;
- (4.) Preparation of a draft protocol providing for the exclusion of the import of arms and ammunition in times of peace from countries in which the traffic is uncontrolled ;
- (5.) Circulation of the recommendation of the First Assembly as to the limitation of expenditure on naval, military, and air services for the financial years 1922-23 and 1923-24 ;
- (6.) Continuance of the work of the temporary Commission.

The series of recommendations with which the report concludes were adopted unanimously by the Assembly.

The French attitude on the question is the same as last year—*i.e.*, that she must be assured of the disarmament of the ex-enemy Powers before pursuing a policy of further disarmament. All now depends on the decision of the Washington Conference, which will be anxiously awaited.

Economic Weapon.—The report on the use of the economic weapon of the League was considered by the Assembly on the 26th and 27th September, and again on the 3rd and 4th October. On the 27th September decisions were taken on the resolutions submitted, and on the 4th October on the proposed amendments to Article 16 of the Covenant after they had been considered by Committee No. 1. This article provides for the action to be taken by the League against any member who resorts to war in disregard of its covenants under Articles 12, 13, or 15. The wording of Article 16 appears on the face of it to be fairly definite, but you will observe from the report (Document A. 115) that there has been placed upon it an interpretation at which the "man in the street" may be excused for showing some bewilderment. The conclusions at which the committee arrived were embodied (1) in a series of resolutions, which will be found at the conclusion of each of the four chapters into which the report is divided, and (2) in a series of amendments to the Covenant, which will be found on page 5 of the report No. A. 166. The resolutions were slightly amended by the Assembly, and I have endeavoured to indicate the changes. The authentic text had not been issued when I left Geneva on the 5th October. The amendments to Article 16 of the Covenant secured the three-fourths majority suggested by Committee No. 1. The alternative amendment to the first paragraph was not pressed to a division, although the exclusion of the word "nationals" from the text adopted did not satisfy the French delegate, who reserved to himself the right to raise the point next year after the various Governments had had sufficient time to consider the matter. The French delegate's point of view was given expression to in a speech which will be found in the provisional verbatim record of the morning of the 4th October. Finally the Assembly passed the following resolution:—

"The resolutions and the proposals for amendments to Article 16 which have been adopted by the Assembly shall, so long as the amendments have not been put in force in the form required by the Covenant, constitute rules for guidance which the Assembly recommends as a provisional measure to the Council and to the members of the League in connection with the application of Article 16."

As to disarmament and the use of the economic weapon, time has shown that, in the present state of the world, little reliance can be placed on either, and the opinion is gaining ground that the force which the League can most effectively wield is a moral one, and one which will appeal to the conscience of mankind.