

*Reconstruction of Austria.*—The meeting of the Assembly on the 11th September, and the greater part of that on the following day, was taken up with the discussion arising out of the report regarding the reconstruction of Austria. It was probably not altogether accidental that, at a time when many critics were asking whether the League of Nations was of any practical value, this subject should have been brought before the Assembly, for there can be little doubt that the reconstruction of Austria is the most strikingly successful of the achievements of the League to date. An excellent summary of the position regarding this work is contained in Document A. 62, being the speech delivered by M. Ador (who was Chairman of the Brussels Financial Conference) in introducing to the Assembly the resolution proposed by Committee No. 2 on this subject.

*Debate on the Work of the Council.*—After the conclusion of the Austrian debate, there being no other subject reported from the committees, the Assembly commenced the discussion on the report of the Council (Documents A. 10 and A. 10 (a)). Before this was begun, however, the President of the Council addressed the Assembly for the purpose of requesting delegates to abstain from any reference to the dispute between Italy and Greece, as important negotiations were still in progress. This naturally robbed of most of its interest the debate which occupied the Assembly during the latter part of the morning of the 12th September and the two following mornings. The debate was very lacking in continuity, and was largely made up of lengthy statements by the representatives of Bulgaria, Latvia, and Finland regarding questions concerning boundaries and treatment of minorities, in which those countries were especially interested.

*Santiago Conference.*—Of a more generally interesting character was the speech of Monsieur Edwards, the Chilean delegate, outlining what was accomplished at the recent Santiago Conference, at which the Governments of the United States and nearly all the South and Central American States were represented. The solidarity of these Latin-American countries is very marked, and they form a *bloc* disposing of seventeen votes, which, naturally, has a very considerable influence in the Assembly. There is a perhaps not unnatural tendency on their part to feel that the League is unduly concerned with purely European questions, and that the example which they have set by providing for the settlement by joint action of disputes amongst themselves, and of various questions which are still only being discussed by the League, should be followed by the European States. I attach a document, A./III./5, giving the terms of the treaty designed to obviate conflicts between American States which was signed at Santiago on the 3rd May, 1923, by sixteen States.

*Tendency to Formation of Cliques.*—In connection with the reference in the preceding paragraph to the *bloc* of votes of the Latin-American States, I reaffirm what was stated in my reports on the First and Second Assemblies, that there is a marked tendency towards the creation of organized groups of States in the Assembly, which is liable to seriously endanger the chances of the subject being considered solely on its merits, and leads to bargaining one with another for mutual support, especially in regard to election of candidates for any office.

*Dissatisfaction of Small Countries with the Work of the League.*—I would draw your attention to the rather significant speech made at the end of the Assembly's sitting on the 12th September by the Persian delegate (Verbatim Record of Sixteenth Meeting). This illustrates the attitude of a considerable number of the smaller States.

*Greek Refugees.*—The speech of M. Politis on this subject on the 13th September (Verbatim Record of Seventh Meeting) gives an idea of the magnitude of the problem and of the success of the steps taken to check epidemics among the refugees. Only a small beginning has yet been made with regard to the greater question of the permanent settlement of these unfortunate people, numbering well over a million. Arrangements are being made, however, under the auspices of the League of Nations, to float a loan of £6,000,000 in order to finance this permanent settlement. The Greek Government has agreed to allot the necessary land, and that the expenditure of money raised for the purpose of permanent settlement shall be controlled by a Commission of Control appointed by the League, thus ensuring that it shall only be employed for the specific purpose for which it is being subscribed. Mr. Morgenthau, former United States Ambassador at Constantinople, has been selected as President of this Commission.

*Amendments to the Covenant: Delays in Ratification.*—At the meeting on the 14th September I drew attention to the fact that, notwithstanding the special resolution passed by the Third Assembly on the subject, not one of the amendments to the Covenant passed by the Assembly in 1921 has yet come into force. The reason for this is that, under the provisions of Article 26 of the Covenant, it is necessary for amendments to be ratified by every State represented on the Council, as well as by a majority of the whole number of States members of the League. In almost every instance a sufficient number of ratifications has been received to satisfy the latter requirement, but the amendment is still inoperative because one or more of the States represented on the Council has still not ratified. I pointed out how particularly necessary it was that the amendment to Article 6 should be ratified without further delay by the States represented on the Council who had not yet done so. The amendment to this article authorizes the Assembly itself to fix the basis on which the expenses of the League shall be allocated among the various States, and was passed by the Assembly in 1921 owing to the general recognition of the fact that the basis of contributions fixed in the Covenant—namely, the International Postal Union scale—was glaringly unfair. The contributions made towards the 1923 Budget by the various States were based on a provisional scale approved by the Assembly in 1922 as being fairer than the Postal Union basis, though still not considered entirely satisfactory by all States. Owing to the non-ratification of the amendment to Article 6, however, this arrangement has at present no legal standing, and might be repudiated at any time by a State on whom it involves a higher contribution than the Postal Union scale. A further complication arises out of the fact that the amendment to Article 26, passed by the Assembly in 1921, provides that any amendment to the Covenant which is not ratified within twenty-two months shall lapse. Under the original Article 26 no time-limit is