

*Arbitration Clauses in Commercial Contracts.*—The committee decided to make a few drafting changes in the protocol with regard to this matter, which was forwarded to all Governments on the 26th May last. The revised text of the protocol will be found in the Annex to Document A. 83 (attached).

*Communications and Transit.*—The documents connected with this subject are A. 42, A. 70, and A. 87. As it is not a matter in which New Zealand is directly interested, and as there was very little discussion on the reports in the committee, and none whatever in the Assembly, I have no special comments to make.

#### COMMITTEE No. 3.—REDUCTION OF ARMAMENTS.

Unfortunately, I was unable myself to attend the meetings of this committee, nor was it possible for my Private Secretary to be present. The main discussion centred around the question of the possibility of rendering some measure of disarmament possible by means of a treaty of mutual assistance. I dealt fairly fully with this point in my report concerning the Third Assembly. Draft treaties prepared by Lord Robert Cecil and Colonel Requin (France) had been considered during the year by the Temporary Mixed Commission for the Reduction of Armaments and the Permanent Advisory Commission, and, as a result of consideration of these two proposals, and the criticisms made regarding them, a draft Treaty of Mutual Assistance was incorporated in the report of the Temporary Mixed Commission submitted to No. 3 Committee for consideration. The terms of the above treaty will be found in Document A. 35 (Part I). Document A. 35 (Part II), dealing with the private manufacture of arms, limitation of national expenditure on armaments, &c., is also attached, together with Document A. 20 (Parts I and II), containing statistical information regarding national armaments and Budget expenditure on national defence.

The idea on which the Treaty of Mutual Assistance is based is twofold in character. In the first place, it contemplates a general treaty, to be entered into by *all* States members of the League, and, in the second place, partial treaties for mutual assistance, to be entered into by two or more States and to be supplementary to the general treaty. Lord Robert Cecil and others contended that if provision were made to supplement the general treaty by partial treaties, whereby two or more States would guarantee one another *prompt* support, in accordance with prearranged plans, in the event of any such State being the victim of an act of aggression, it would render it possible for many States to reduce their armaments to a considerably greater extent than they would be prepared to do in return for the guarantee afforded by a general treaty only. Such partial treaties would have to be strictly defensive in their nature, and could only be recognized by the League provided that the States entering into them definitely guaranteed, in consideration of the protection afforded by the partial treaty, to materially reduce their armaments within a period of two years. It is proposed that before any partial treaty is recognized by the League its terms should be examined by the Council, in order to ensure that the two conditions referred to above are complied with.

There was no actual opposition to the general-treaty proposal, but there appeared to be a considerable element of doubt as to whether, in practice, it would afford any greater measure of security than is provided already by the Covenant; and, of course, unless it did so, it would prove quite ineffective in securing any reduction in armaments.

The advantage of the partial treaty would be that a State which considered itself liable to be attacked could depend upon *immediate* assistance in the event of such attack taking place, and would also know beforehand the extent of the assistance upon which it could rely and the lines upon which such assistance would be given. The opponents to the plan urged that it involved a grave danger of the return to the pre-war system of alliances, resulting in competition in armaments between rival groups, rather than in any reduction. The strongest argument against this criticism appeared to be that there is nothing in the Covenant to prevent groups of States forming defensive alliances without any provision for disarmament, and that in some cases, notably in the case of the Little Entente, such alliances were already in existence, and that therefore no new danger would be created, while it would be manifestly an advantage that such treaties should come within the ambit of the League. Stress was also laid by Lord Robert Cecil on the fact that the Council would only approve the terms of a partial treaty provided that a material reduction of armaments was agreed to by the States entering into such treaty. The representatives of Holland and the Scandinavian States proved particularly critical of the proposals, while both Italy and Spain were also strongly opposed to the partial-treaty plan. France, on the other hand (no doubt for the reasons mentioned in my report last year), favoured the proposal, which secured the support of a fairly large majority of the members of the committee. It was eventually decided, however, that, as many of the delegates had only been speaking personally and not with the authority of their Governments, it would be necessary for the draft treaty, as amended by the committee in various respects, to be referred to Governments before any further action in the matter could be taken. The terms of the draft treaty in the form eventually agreed upon will be found in Document A. 111. The verbatim record of the debate in the Assembly on this subject, at its nineteenth meeting, will be found interesting.

*Temporary Mixed Commission.*—The French delegates made an effort to abolish the Temporary Mixed Commission, contending that, as the members do not represent Governments, and could therefore only express their own personal views, the Commission would no longer serve any useful purpose. Lord Robert Cecil, in opposing the suggestion, contended that all constructive suggestions so far made with regard to disarmament had emanated from the Temporary Mixed Commission, and that the Permanent Advisory Commission had only been useful as providing expert criticism on proposals put forward by the Temporary Mixed Commission. Eventually a compromise was reached, under which the Temporary Mixed Commission will remain in existence for another year, but the next Assembly will consider whether it is advisable to prolong it after that date, and in the meantime the Council is to endeavour to arrange for closer co-operation between the Temporary Mixed Commission and the Permanent Advisory Commission with a view to preventing any overlapping.