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4/9887/2385

The Council held a secret meeting this morning to discuss, firstly, the nomination of the four members of the Governing Commission of the Saar. The Resolution proposed in the report of the Chinese Representative was adopted.

They then nominated the following five members for the Committee on Procedure of Conciliation.

These members were as follows:-

- M. Lofgren.
- M. de Visscher.
- M. Adatci.
- M. Alvarez.
- M. von Ferneck.

E. D.

January 11th, 1922.

M. Naroushevitch came to see me this afternoon. He explained to me that the Lithuanian Delegation intended to-morrow to take the same line as previously, namely, to say that they accepted the Hymans scheme in principle, provided the Poles will do the same. He asked me what line the Council would take.

I told him that, in my personal view, the Council could not reopen the territorial question; that the final recommendations of the Council had been made according to the Covenant; and that, as neither side had accepted them, the Council could not take any further responsibility for a solution of the problem.

He explained to me the efforts which he and his colleagues at the Assembly had made to secure the adoption of the scheme. He added that they had completely failed, and that feeling now was strongly against it, and that any Government that accepted it would fall and the opponents of the scheme, - who were mainly of Bolshevik tendencies, - would profit enormously. He asked whether the Council could agree to the present situation, which was obviously unjust to Lithuania, continuing.

I replied that I did not think that the Council would recognise the elections which had taken place, but that I felt fairly sure that it could now do nothing to alter the situation. Those in Lithuania who had voted against the scheme must have realised what the results would be, since they had been fully explained to the Lithuanian Delegation by their various friends at the Assembly.

M. Maroushevitch then said that this situation was likely to lead to friction and even to hostilities between the two countries. Was it not the duty of the

League

League to prevent this?

I replied that it was clearly the continuous duty of the League to prevent hostilities, and I hoped that some arrangement might be made to this effect, even though the territorial question was not dealt with.

M. Naroushevitch then suggested that the Lithuanian Government should appeal to the Supreme Council or to the International Court of Justice, in order to obtain a fair settlement of the Vilna question.

I told him that of course the Council of the League could not take any objection to this course, but in the first instance I thought the Supreme Council would simply advise the Lithuanian Government to accept M. Hymans's scheme, while in the second, if I remembered right, the consent of both parties was required before the case could come before the International Court.

The principal point in M. Naroushevitch's argument was continually that it was not possible for the Kovno Government to accept the Hymans plan as it was in conflict with certain Treaty engagements they had taken towards Russia, and also that the feeling of their people was intensely hostile to Poland.

January 11th, 1922.

The Council at a secret meeting discussed further the question of the financial position of the League. They agreed that the Secretary-General should write in their name to the States in arrears with their payments, according to the suggestion made in the first part of the memorandum which he had presented.

They further approved a letter being written to the Governments Members of the Council, explaining to them the difficulties occasioned by the existence of the two barèmes, and urging a speedy decision as to whether they were prepared to ratify the amendment to the Covenant approved by the last Assembly providing for the coming into force of the new barème.

M. Hanotaux said that the French felt considerable difficulty about the ratification, because of the recommendation of the Assembly that the new barème should have a retroactive effect.

The Secretary-General explained that, in his view, the two questions were distinct. The first was the application of the new barème for the future. The second was its retroactivity in the past. He thought that the second question could only be decided after the new barème had come into force, and must, therefore, be discussed by the next Assembly.

M. Hanotaux said that in his personal view, he believed that the French Government might agree to the new barème, provided the retroactivity was waived.

He then promised to communicate a letter which he had received from the French Ministry of Finance, with regard to the borrowing by the Secretariat from the Banks - a procedure to which the French Government took objection.

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The Secretary-General promised that on receipt of this letter, he would endeavour to frame a reply which M. Hanotaux could transmit to the French Ministry of Finance.

E. D.

January 11th, 1922.